

THE FOREST SERVICE RECREATION FEE DEMONSTRATION PROGRAM

OVERSIGHT HEARING

BEFORE THE

SUBCOMMITTEE ON FORESTS AND
FOREST HEALTH

OF THE

COMMITTEE ON RESOURCES
U.S. HOUSE OF REPRESENTATIVES

ONE HUNDRED EIGHTH CONGRESS

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C O N T E N T S

	Page
Hearing held on Wednesday, September 17, 2003	1
Statement of Members:	
Capps, Hon. Lois, a Representative in Congress from the State of California	2
Prepared statement of	4
McInnis, Hon. Scott, a Representative in Congress from the State of Colorado	1
Prepared statement of	2
Statement of Witnesses:	
Funkhouser, Robert, President, Western Slope No-Fee Coalition	25
Prepared statement of	27
Hill, Barry T., Director, Natural Resources and Environment, U.S. General Accounting Office	11
Prepared statement of	12
Holtz, Patrick J., Esq., Senior Legislative Assistant of Government Relations, American Motorcyclist Association	32
Prepared statement of	33
Jones, Raquel, Small Business Owner, Lytle Creek, California	35
Prepared statement of	37
Robertson, Jason D., Access and National Policy Director, American Whitewater	17
Prepared statement of	19
Thompson, Tom, Deputy Chief, National Forest System, Forest Service, U.S. Department of Agriculture	5
Prepared statement of	7

OVERSIGHT HEARING ON THE FOREST SERVICE RECREATION FEE DEMONSTRATION PROGRAM

**Wednesday, September 17, 2003
U.S. House of Representatives
Subcommittee on Forests and Forest Health
Committee on Resources
Washington, DC**

The Subcommittee met, pursuant to notice, at 2:00 p.m., in Room 1334, Longworth House Office Building, Hon. Scott McInnis [Chairman of the Subcommittee] presiding.

Present: Representatives McInnis, Tancredo, Rehberg, Pearce, Walden, Inslee, Capps, Mark Udall, and McCollum.

STATEMENT OF THE HON. SCOTT McINNIS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF COLORADO

Mr. McINNIS. The Committee will come to order.

For everybody's convenience, I would remind you, no cellular phones or anything that makes noise out there, we would appreciate you shutting them off.

Second of all, because of the time limitations this afternoon, we will have a series of votes, and the first series is to begin anytime between now and 2:30. We are going to get as far along as we can. I am only going to allow one opening statement, that of our guest Mrs. Capps. I will go ahead and reserve mine, either enter it in the record or do it at the end.

My key here is to try and get your testimony into the record, so as you will note, we have put you all on what we call a panel. We were going to have two separate panels, but in consideration and appreciation of what you have done to make the effort to come here, we are going to try and do that to get all of you on record. But I need your cooperation as well, and what I mean by that is you will each be given 5 minutes to present your comments. I ask you to stay within that time limit as a courtesy to the other members of your panel so that they, too, can present their testimony.

Be advised that it is not unusual that attendance is light, especially on a day like this where we have substantial debate going on on the Floor and a number of other different things. The key part is the record. That is what people look at, and that is what will be referred to in further discussions on the issue at hand.

[The prepared statement of Mr. McInnis follows:]

**Statement of The Honorable Scott McInnis, Chairman,
Subcommittee on Forests and Forest Health**

Today, the Subcommittee will review the implementation of the Forest Service Recreation Fee Demonstration Program. The goal of the hearing is simple—to take a hard look at the Forest Service's handling of this trial program in order to inform this Committee's future deliberations about whether the Forest Service program should be extended, modified or ended.

It is no secret to our witnesses here today that the Forest Service Fee program has been a lightning rod of controversy since its inception. While a solid consensus of support has developed around the Park Service's user-pays-program, considerable controversy still shrouds that of the Forest Service.

The reasons for that are many. Some are legitimate, others not. Today we will explore all of them. Toward that end, we have pulled together a panel representing the full gamut of public sentiment about Forest Service Rec Fee Demo—we have proponents, opponents, and those who support the program in concept, but have overriding concerns about the agency's implementation of it.

For my part, I fall in the camp of the latter. I have made it no secret over the years that I support the user pays concept, provided the fee is reasonable and provided that it is collected only in certain developed and/or high use areas. The Forest Service and other land management agencies have enormous financial needs, particularly in the maintenance backlog department, which appropriated dollars just aren't meeting. That is unfortunate, but it is reality. Given this acute need, it is only fair that forest users help partially defray some of the additional costs associated with their use. Today we will hear from a couple of the many user groups who share that point of view.

At the same time, however, I have fundamental reservations about the Forest Service's implementation of the program to date—reservations that leave the future status of the Forest Service Fee program in doubt in my mind. I am concerned that, unlike the Park Service, the Forest Service has done little to ensure that fee revenues are spent as a first priority on paying down that mammoth recreation maintenance backlog. I am troubled that the Forest Service appears to be spending between \$15 million and \$20 million of fee-generated and appropriated dollars administering a program which brings in only about \$35 million a year. This raises the question of whether or not the financial "value added" is really worth all of the program's considerable controversy. And I am troubled that, according to the General Accounting Office who we'll hear from momentarily, the Forest Service does not accurately account for all of the collection costs associated with the program.

As a matter of good government, the Forest Service Fee Demo program is falling short. Whether or not these problems are reversible is something I look forward to discussing with our witnesses today and with Chairman Pombo and the other Members of this Committee over the coming months as we weigh the future of this program.

Mr. MCINNIS. So, with that, I will go ahead and turn it over to Mrs. Capps. Welcome, and you may proceed.

**STATEMENT OF HON. LOIS CAPPS, A REPRESENTATIVE IN
CONGRESS FROM THE STATE OF CALIFORNIA**

Mrs. CAPPS. Thank you, Mr. Chairman. And should I mention, if I could add an informal note, we travel together often back here early in the morning from Denver on. I start out in Santa Barbara. I mention that by way of acknowledging that I am a Member of Congress from the 23rd Congressional District, and Los Padres National Forest is in our back yard and surrounding the area. It is a large forest and part of this demonstration project. So I was very honored to be allowed and invited to participate in today's hearing. I thank all of the witnesses for being here as well.

I do have a full statement that will be submitted for the record, and I just will summarize my remarks, mindful of the time.

Six years ago, Congress authorized without a public hearing or debate the Recreational Fee Demonstration Program. The program attempted to address the growing backlog of overdue maintenance in our National Parks and forests. While this user fee program was well intended, my constituents and citizens in many parts of our country have really spoken loudly and clearly against its adoption in our National Forests. We all want our public lands to stay in good condition for future generations, and having the necessary funding to maintain them today is absolutely critical.

The question is whether or not the Rec Fee Demo Program in our National Forests is the right way to generate that funding. I do not believe that it is. This program has a spotty track record and raises serious questions about fairness, about public access, and about industry subsidies. American families already pay taxes to maintain their National Parks and their forests. The fee demo means that when they use the forest, they pay twice—once through income taxes and again when they purchase a pass.

For low-income individuals and families who have to watch every penny, the cost of a pass, even as low-cost as it is, this cost may keep them from accessing their forest. Furthermore, current law and Forest Service policy subsidize corporate users of our forests for activities like road construction so that they can log in our National Forests.

I have introduced legislation in the past that would end the subsidies to timber companies that reduce funding for our National Forests. My bill would end the program but ensure that the Forest Service has enough funding to preserve and protect these precious lands.

It is unfair, I believe, to ask taxpayers to pay in order to hike, picnic, park, or simply get out of their car to see a sunset in our National Forests while large corporations continue to be subsidized.

A recent program by the GAO found many faults with the Forest Service fee demo program. For example, the Forest Service spends at least \$1 for every dollar it collects just to manage the program. The Forest Service reported gross fee demo revenue for Fiscal Year 2001 is \$35 million. After subtracting the reported cost of collection, appropriated funds to support the program, and other user fees, the Forest Service generated a total net increase in fee revenues of a mere \$15 million, or about the same amount as required to collect the funds. And while the Forest Service has pointed to backlog maintenance as justification for the program, the GAO reports that the agency does not know how large the backlog really is.

By contrast, the Park Service reported gross revenues of \$126 million. Of that amount, \$30 million was spent on administration and collection, leaving a net revenue of \$96 million to address their maintenance backlog.

Given this record, Congress may want to consider making the program permanent in the Park Service, but clearly the Forest Service program does not work as intended and should be ended.

As you know, current authorization for the RFDP does not expire until September 30, 2004. Like you, I believe that any profound policy changes to this program, including extensions, should not be done through the appropriations process. Clearly, there is adequate

time to address this program through the regular authorizing process. And so I look forward to working with you to enact such legislation.

Thank you again for holding this hearing, and I yield back—well, I turn back the podium to you.

[The prepared statement of Mrs. Capps follows:]

Statement of The Honorable Lois Capps, a Representative in Congress from the State of California

Thank you for holding this hearing.

Six years ago, Congress authorized, without public hearing or debate, the Recreational Fee Demonstration program, which allows a variety of so-called “user-fees” to be assessed on visitors to some of our national forests and parks.

In my local national forest—the Los Padres National Forest—the program is known as the Adventure Pass.

At best it has turned into an unpleasant “adventure” for people who visit the forest, whether to hike with friends, enjoy the solitude the forest provides, have a picnic with the family or park on any road within the forest.

While this user fee program was well intended, my constituents—and citizens in many parts of the country—have spoken loudly and clearly against it. Groups as diverse as Free Our Forests, Keep Sespe Wild, the Sierra Club, and several sportsmen and recreation associations are firmly united in their opposition to the program.

The Recreation Fee Demonstration Program was an attempt to address the growing backlog of overdue maintenance in our national parks and forests. No one disputes the need to increase funding to ensure trails, campgrounds, and other forest facilities are properly maintained and kept clean, or that educational and interpretive programs continue.

There is no question that if we want to ensure our public lands stay in good condition for future generations, having the necessary funding to maintain them today is absolutely critical. There is also no question that our dedicated forest service employees have done a tremendous job despite the inadequate funding they have to do that job.

The question is whether or not the Recreation Fee Demonstration program is the right way to generate that funding. I do not believe that it is.

This program has a spotty track record and raises serious questions about fairness, public access, and the way that we fund our National Forests.

American families already pay taxes to maintain their national parks and forests. The Fee Demo means that when they use the forest, they pay twice, once through income taxes and again when they must purchase the Pass. For low-income individuals and families who must watch every penny, the cost of an Adventure Pass may keep them from accessing their forest. Our public lands must be open to the public—every member of the public.

Furthermore, current law and Forest Service policy is subsidizing extractive industrial users of the forests, like logging and mining.

Timber companies, for example, are subsidized for road construction to log in our national forests. I have introduced legislation in the 106th Congress and 107th Congress that would eliminate this shameful subsidy paid to timber companies.

Specifically, my bill would cut public funding for an oversight component—Engineering Support for Timber—in the Forest Service’s budget for timber road construction and maintenance. These funds could then be used for recreation and restoration activities in our forests currently being funded by the RFDP.

Between 1992-1997, the GAO estimated that the Forest Service lost \$2 billion in taxpayer money on commercial logging in our National Forests. And mining companies continue to operate under an archaic 1872 law which enables them to extract precious minerals from public lands for a mere fraction of their value.

Taxpayer and environmental organizations alike have repeatedly called for the elimination of these unfair subsidies that siphon off critical Forest Service resources and cheat taxpayers. It is unfair to ask taxpayers to pay to hike, picnic, park or see a sunset in our national forests, while large corporations continue to be subsidized.

A recent report by the General Accounting Office (GAO) has found many faults with the Forest Service’s the Fee Demo program. For example, the Forest Service spends at least one dollar for every dollar it collects to manage the program.

Specifically, the Forest Service’s reported gross Fee Demo revenue for FY01 is \$35 million. After subtracting the reported cost of collection, funds appropriated by

Congress to support the program and user-fees previously collected at sites that produced fee income prior to becoming fee demo sites, the Forest Service generated a total net increase in fee revenues of a mere \$15 million—or about the same amount required to collect the funds.

The GAO report also highlights the continued accountability problems within the agency. While the Forest Service has pointed to backlog maintenance as justification for the program, the GAO reports that the agency does not know how large the backlog really is.

And, the GAO's audit also reports that the Forest Service puts less priority on paying down the backlog than other land management agency and does not even know how much Fee Demo revenue they spend on the backlog.

Supporters of the user fee program in our national forests justify it by pointing to the National Park Service's policy of charging entrance fees to some of the more prestigious national parks.

But there are clear differences between national parks and our national forests. While our parks typically have a wide range of visitor-serving facilities, like fully equipped campgrounds and concessions, the forests are generally appreciated more for their rugged wilderness and vast open spaces.

Additionally national parks typically have a limited number of entrances, while forests like the Los Padres National Forest have literally hundreds of access points, making enforcement of the fee program problematic for the U.S. Forest Service and for visitors.

Finally, the National Park Service reported gross revenues of \$126 million from its user fee program. Of that amount, \$30 million was spent on administration and collection—leaving net revenue of \$96 million to address the maintenance backlog.

Given their good record, Congress may want to consider making the program permanent for the National Park Service. It's clear—the Forest Service program doesn't work as intended and should be ended.

While we need to provide the Forest Service with adequate funding to keep our forests healthy and accessible, we must find more equitable sources for this funding. We should support the Forest Service by increasing its annual budget. And simply by discontinuing corporate subsidies, the need to charge the public would be completely eliminated.

As you know, the current authorization for the RFDP does not expire until September 30, 2004. Like you, I believe that any profound policy changes to this program, including extensions, should not be done through the appropriations process.

Clearly, there is adequate time to address this program through the regular authorizing process and I look forward to working with you to enact such legislation.

Thank you again for holding this hearing.

Mr. MCINNIS. Thank you, Mrs. Capps, I appreciate it, and I appreciate your attendance today.

We will go ahead and proceed right to the Committee again. I ask that all the panelists respect the 5-minute limitation.

Mr. Thompson, I am going to start with you. You are Deputy Chief, National Forest System, U.S. Forest Service. I appreciate very much, as I do with the rest of the panel, that you took time today to attend this Committee hearing. You may proceed, sir.

**STATEMENT OF TOM THOMPSON, DEPUTY CHIEF,
NATIONAL FOREST SYSTEM, U.S. FOREST SERVICE**

Mr. THOMPSON. Thank you, Mr. Chairman and members of the Committee. I appreciate this opportunity to appear before you today, and I am here to discuss the Recreational Fee Demonstration Program. We appreciate the Committee's interest in this and how the Forest Service is implementing the program and want to work with the Congress to implement permanent recreation fee authority to provide quality services and facilities for the recreating public.

The Recreational Fee Demonstration Program was first authorized by Congress in 1996. The current authorization expires on

September 30, 2004. Unless fee demo is extended or new authority is granted, this important tool will disappear. The Recreational Fee Program is vital to our ability to provide quality recreation facilities, settings, and services. Authorization of a permanent program would allow the agencies to serve visitors better by making long-term investments, streamlining the program, and creating more partnerships.

While the idea of charging fees for recreational use on 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 those services. Since visitors to Federal lands receive some benefits that do not directly accrue to the public at large, charging a modest fee to offset partially the cost of use is both fair and equitable. The principle underlines permanent fee authority under the Land and Water Conservation Fund Act. 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 the money has been collected to enhance that recreation experience.

All agencies involved in the fee demo have experimented with fees and learned many lessons. This experience has provided us with important information about the type of fee program that will meet the intended goal of enhancing the visitors' and the public's enjoyment of our Federal lands.

My testimony today regarding the program will focus on coordination with the Department of Interior, implementation of a blueprint for the Forest Service, benefits to the public, accountability, and the future of the program.

In 2002, the Departments of Agriculture and Interior formed the Interagency Recreational Fee Council to facilitate coordination and consistency among the agencies on fee policies. Over the past 2 years, due to the leadership of the Fee Council, the Forest Service and Interior agencies have accomplished a lot, including:

Developing standards for a new fee structure to replace the outdated entrance and use fees established by LWCF. Using the framework of this new fee structure, in April of 2003, the Forest Service dramatically broadened its application of the Golden Eagle Passport program to provide expanded interagency application and benefits under the Golden Eagle, the Golden Age, and Access Permits. Now in the Forest Service those are accepted at over 1,500 sites, and previously only 18 Forest Service sites accepted the Golden Eagle passports.

We have also identified, for example, an interagency Fee-Free Day, and that is this Saturday, which is Public Lands Day across the Nation.

These changes have increased public support for the program by minimizing confusion so recreation fees are more convenient and beneficial. The program was designed to allow flexibility in implementation and to be broad enough to allow agencies to experiment with different types of fees. We have learned many lessons and gathered information from experiences around the country. And as we continue to improve the program, we are addressing the problems as they arise.

The Forest Service is taking the next step toward a consistent national recreation fee program. Starting in January of next year, the Forest Service will implement the Blueprint for Forest Service Recreation Fees.

The goal of the Blueprint is to have a consistent national policy to provide high-quality recreation, services, and settings that enhance the visitor's experience and that protect natural and cultural resources. By implementing the Blueprint, the Forest Service is addressing public and congressional concerns to ensure that recreation fees are convenient, beneficial, and that we are accountable to the public and the trust that they have placed with us in the implementation of this program.

Since the inception of the fee program in 1996, the Forest Service has generated over \$161 million to enhance visitor experience on 92 projects in 114 National Forests and Grasslands in 36 States and Puerto Rico. The fee program funds are making a crucial difference in providing quality recreation services, reducing maintenance backlog, enhancing facilities, providing services, education, and operations, enhancing public safety and security, developing partnerships, and conserving natural resources. Many of these services are provided by Forest Service employees and in some cases through service contracts that provide additional economic benefits to local gateway communities.

There are many, many examples across the country where things have just improved immensely because of this program: Arizona, the Coconino; the Siuslaw; in California. In California, over 4,500 volunteers made \$4 million in service, repair, and maintenance contributions; 550 of those volunteers receives an annual pass when they volunteered over 100 hours of volunteer service.

We have made tremendous improvements and recognized that accountability is important—

Mr. McINNIS. Sir, you need to wrap it up as a courtesy to the others.

Mr. THOMPSON. OK.

Mr. McINNIS. We are going to have a vote, and the more time you take, the less time they get.

Mr. THOMPSON. OK. Just one closing sentence?

Mr. McINNIS. Come on, as a courtesy, wrap it up.

Mr. THOMPSON. OK. We look forward to working with the Committee. We have got tremendous opportunities here to make improvements, and we have made a lot of those already.

Thank you.

[The prepared statement of Mr. Thompson follows:]

**Statement of Tom Thompson, Deputy Chief, National Forest System,
Forest Service, United States Department of Agriculture**

Mr. Chairman and members of the Committee, thank you for the opportunity to appear before you today. I am here today to discuss the Recreational Fee Demonstration Program. We appreciate the Committee's interest in how the Forest Service is implementing this program and want to work with Congress to implement permanent recreation fee authority to provide quality services and facilities for the recreating public.

The Recreational Fee Demonstration program (Fee Demo) was first authorized by Congress in the Fiscal Year (FY) 1996 Interior Appropriations (Section 315 of Public Law 104-134). It has given the Forest Service, National Park Service, U.S. Fish and Wildlife Service, and the Bureau of Land Management an important opportunity to

test the notion of user-generated cost recovery, where fees are collected and expended onsite to provide enhanced services and facilities. The current authorization expires on September 30, 2004. Unless Fee Demo is extended or new authority is granted, this important tool will disappear. The recreation fee program is vital to our ability to provide quality recreational facilities, settings, and services. Authorization of a permanent program would allow the agencies to serve visitors better by making long-term investments, streamlining the program, and creating more partnerships.

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 offset partially 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. With fee support for direct services, other critical recreation resource needs on National Forest System lands for the Forest Service would be funded through the appropriations process. Since there will always be limits on available resources, the existing fee authority complements our appropriated funds to enhance our ability to better meet our visitors' expectations when they recreate on a national forest.

All agencies involved in Fee Demo have experimented with fees and learned many lessons. This experience has provided us with important information about the type of fee program that will meet the intended goal of enhancing the visiting public's enjoyment of our Federal lands. In addition, we have continued to study, evaluate, and improve the fee program within individual agencies, and shared these learning experiences among all the participating agencies. It has taken time to understand the results of these experiences, but the Agency is moving aggressively to address concerns that have arisen.

My testimony today regarding the Forest Service implementation of Fee Demo will focus on the following: coordination with the U.S. Department of the Interior; implementation of the Blueprint for Forest Service Recreation Fees; benefits to the public; accountability; and the future of the recreation fee program.

Coordination with the U.S. Department of the Interior

In 2002, the U.S. Departments of Agriculture and the Interior formed the Interagency Recreational Fee Council (Fee Council) to facilitate coordination and consistency among the agencies on recreation fee policies. Over the past two years, due to the leadership from the Fee Council, the Forest Service, and Interior agencies have:

- Developed guiding principles that are key to a successful recreation fee program;
- Developed standards for a new fee structure to replace the outdated entrance and use fees established under the LWCFA. Using the framework of this new fee structure, in April 2003, the Forest Service dramatically broadened its application of the Golden Eagle Passport program to provide expanded interagency application and benefits (Golden Eagle, Age, and Access Passports are now accepted at over 1500 sites; previously only 18 Forest Service sites accepted the Golden Eagle passports);
- Identified a common interagency recreation Fee-Free Day (to be held on National Public Lands Day, September 20, 2003);
- Continued to work toward establishing an interagency system to provide volunteers with passes;
- Included information about recreation fees on the website www.recreation.gov;
- Prepared and distributed annual reports and an interim report to Congress on Fee Demo; and
- Based on lessons learned, developed concepts for an equitable Fee Demo interagency permanent fee program that provides benefits to the recreating public.

These changes have increased public support for the program by minimizing confusion so recreation fees are more convenient and beneficial. This has resulted in a simpler interagency fee system that can be used at most Forest Service, Bureau of Land Management, National Park Service, and U.S. Fish and Wildlife Service units. The Fee Council is continuing to work on other ways to improve the fee program, such as developing a single interagency passport system. These improvements to the fee program are moving us in the right direction.

Implementation of the Blueprint for Forest Service Recreation Fees

The Recreation Fee Demonstration program was designed to allow flexibility in implementation and to be broad enough to allow agencies to experiment with different types of fee programs. We have learned many lessons and gathered information from our experiences around the country. As we continue to improve the program we are addressing problems as they arise.

The Forest Service is now taking the next step toward a consistent national recreation fee program. Starting in January 2004, the Forest Service will implement the Blueprint for Forest Service Recreation Fees (Blueprint). The Blueprint was developed based on the lessons learned over the past seven years, specifically: (1) that fees are acceptable when they have a direct connection to a perceived benefit; (2) that there is strong public support for retaining revenue at the site of collection; and (3) that fairness, consistency, convenience of payment, and accountability are important to visitors.

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 that 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) beneficial (demonstrating the added value the visitor receives in exchange for fees); and (3) accountable (building trust by informing the public on program investments and performance).

Each unit that is participating in Fee Demo will have to conduct a review to determine how its current fee program fits with the Blueprint. For those units that do not conform to the national criteria, changes will have to occur. All new projects will have to follow the Blueprint criteria. As we implement the Blueprint, we will continue to communicate with the public, our partners, and Congress regarding our progress throughout the year. Our goal is a nationally consistent program that enhances our ability to meet the visitor's recreation needs.

Benefits to the Public

Since the inception of Fee Demo in 1996, the Forest Service has generated over \$161 million to enhance the visitor experience at 92 projects in 114 National Forests and Grasslands across 36 States and Puerto Rico. Fee Demo funds are making a crucial difference in providing quality recreation services, reducing maintenance backlog, enhancing facilities, improving visitor services and operations, enhancing public safety and security, developing partnerships, educating America's youth, and conserving natural resources. Many of these services are provided by Forest Service employees and equipment and, in some cases, through service contracts that provide additional economic benefits to our local gateway communities.

In Fiscal Year 2002, the Forest Service collected \$37.7 million under Fee Demo. This has enabled managers to address backlog and recurring maintenance, visitor services and operations, interpretation, signage, and facility enhancement. Some examples of these projects include:

- In the Coconino National Forest in Arizona, the removal of 22,296 pounds of garbage and 19 abandoned vehicles has reduced resource damage and improved the quality of the visitor's experience. The Forest has also repaired or replaced 144 signs, conducted 66 interpretive programs, removed 164 unnecessary fire rings and 39 transient camps, and maintained 42 miles of trail;
- On the Superior National Forest in Minnesota, 43.5 miles of hiking trails were cleared, which included the removal of over 700 downed or hazardous trees. The Forest also relocated 72 latrines, replaced 14 fire grates, rebuilt 5 tent pads, and completed 12 campsite erosion control projects; and
- The Clearwater National Forest in Idaho, in partnership with the Idaho Humanities Council, resumed campground interpretive programs that had been discontinued in the early 1990s due to lack of funding.

In addition to these projects, we have leveraged Fee Demo funds with our partners and local communities:

- On the Siuslaw National Forest in Oregon, the Forest leveraged Fee Demo revenues 5 times as much, with Oregon Department of Transportation Scenic Byway funds to redesign and reconstruct the Devils Churn Wayside to manage off-highway vehicle use; and
- In Southern California, more than 4,500 volunteers made \$4,000,000 in service, repair, and maintenance contributions. 550 of those volunteers received annual Adventure Passes in recognition of at least 100 hours of volunteer service.

Accountability

Since the beginning of Fee Demo, the Forest Service has recognized that accountability is important to gain the trust of recreationists, taxpayers, and Congress. The Agency provides information on program management and accomplishments in various ways. This information is posted on the Internet for convenient access. The Forest Service produces an annual report to Congress jointly with agencies in the U.S. Department of the Interior. This report contains information on revenues, expenditures, management improvements, and on-the-ground accomplishments. An interagency interim report to Congress released in April 2002 provides a comprehensive evaluation of the program's first four years. Information on individual projects is provided through reports, information flyers, and postings at recreation sites and Internet sites. Feedback is gained through stakeholder meetings, comment cards, surveys, and interaction with visitors.

The U.S. General Accounting Office (GAO) has produced several reports on Fee Demo. In its April 2003 review of Forest Service revenue management, GAO found that overall the Forest Service has a healthy track record in managing Fee Demo revenue and that its expenditures are consistent with Congressional intent. The report confirmed that most Fee Demo revenue is retained at the site where it is collected and spent on priorities identified by visitors to local national forest managers; the report showcases many examples of recreation site and service improvements. The GAO report confirms that revenues and expenditures are accounted for separately from appropriated funds and that neither Congress nor the Agency has reduced appropriations based on the collection of Fee Demo revenues.

Despite this positive review, Fee Demo critics have distorted some findings and taken others out of context. In fact, the Forest Service has managed Fee Demo according to Congressional intent and is focused on continuous improvement in this very complex program.

The Future of the Recreation Fee Program

The Forest Service and agencies in the U.S. Department of the Interior have learned a great deal from experience in administering Fee Demo and are ready to translate that experience into a permanent recreation fee program. Delay could result in a lost opportunity to implement a more productive, streamlined recreation fee system that is designed to enhance the visitor's experience. Establishment of a permanent program does not mean the learning ends. We support a dynamic recreation fee program that responds to new lessons and builds on success stories.

Through the Fee Council, seven guiding principles have been identified for any long-term fee program: it must be (1) beneficial to the visiting public; (2) fair and equitable; (3) efficient; (4) consistent; (5) implemented collaboratively; (6) convenient; and (7) accountable to the public. The Departments have committed to applying these guiding principles to any administrative or legislative effort concerning the recreation fee program.

Through our experience with the fee program, we now have the knowledge and tools to establish a successful fee program. We have a few suggestions for permanent authority that would adhere to the guiding principles and build on lessons learned. A permanent recreation fee program should:

- Be interagency;
- Establish an interagency national pass;
- Enhance partnerships with States and Gateway communities;
- Provide for a new system of "basic" and "expanded" recreation fees instead of "entrance" and "use" fees that led to fee layering and visitor confusion;
- Provide for better reporting on the use of fee revenues;
- Establish Agency site-specific and regional multi-entity passes;
- Provide necessary authorities to implement the program; and
- Provide criteria for accountability and control of revenues collected.

These important elements provide enough flexibility in the program to meet the unique needs of visitors and attain a solid framework for consistency among agencies in program delivery. A permanent program would also allow the Forest Service, along with the Interior agencies to make long-term investments, continue to build further on successes of the program, improve efficiencies, and initiate more partnerships.

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 than ever before Americans are choosing to recreate on all Federal lands. The Forest Service estimates that over 211 million annual visits to the National Forests. This increase in visitation means an increase in visitor demand for adequate visitor facilities and services. An increase in visitor use on our National

Forests 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 a particular site. We want to work with Congress and the public to ensure that our Federal lands continue to play this important role in American life and culture.

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

Mr. MCINNIS. Thank you.

Mr. Hill, of the GAO, I appreciate your time today, and you may proceed.

**STATEMENT OF BARRY T. HILL, DIRECTOR, NATURAL
RESOURCES AND ENVIRONMENT, U.S. GENERAL
ACCOUNTING OFFICE**

Mr. HILL. Thank you, Mr. Chairman. I am pleased to be here today to discuss our most recent report on the Forest Service's management of the Recreational Fee Demonstration Program. Since 1996, Federal land management agencies have collected over \$900 million in recreation fees as part of this demonstration program, with the Forest Service collecting about \$160 million of this amount. The Forest Service is one of four Federal land management agencies authorized by the Congress to charge fees to visitors and to retain the revenues for use in addition to other appropriated funds.

As the program enters its seventh year, fees continue to be controversial at some sites. Many of the concerns involve the Forest Service, which historically had not charged fees to enter its public lands or to use amenities such as trails prior to the fee demo program. Moreover, the Forest Service introduced a variety of new recreation fees aimed at a range of visitor services, including fees for dispersed recreation, such as trail access or back-country camping, or for general access. Although this experimentation provided valuable information about the types of fees that were feasible, it also fueled questions about the Forest Service's administration of the program.

My testimony today will address the following issues: first, how the Forest Service determines spending priorities for the revenues generated by the program; second, how the agency has spent its fee demonstration program revenues; third, what the agency is doing to measure the impact of the recreation fee revenues on reducing its deferred maintenance backlog; and, fourth, how the agency accounts for its fee demonstration program revenues.

Let me start by discussing how the Forest Service determines the demonstration spending priorities.

The Service largely determines its spending priorities through local forest managers who are given broad discretion in deciding how to use the fee revenues. Local managers are expected to establish spending priorities consistent with general program guidance provided by headquarters. This guidance advises local managers to spend fee revenues on needs that have been identified by visitors and to maintain existing facilities rather than initiate new construction projects.

In the three forest regions that we visited, managers established priorities on the basis of visitor desires and through local user groups and regional boards. According to these officials, visitors generally preferred spending priorities that address health and safety needs, maintenance needs, and improved visitor services.

With regard to how the agency is spending these fees, the Forest Service has spent fee demo revenues on a wide range of projects at National Forests throughout the country. The legislation authorizing the demonstration program permits the participating agencies to spend fee revenues on a broad range of activities aimed at increasing the quality of the visitor experience and enhancing the protection of the resources. These include such things as visitor services, facility maintenance and enhancement, fee collection, resource protection, and law enforcement.

To verify how the fee revenue is being spent, we visited a sample of demonstration sites in three Forest Service regions. We found that the fee revenues were being spent consistent with the legislative authority provided for the program and with agency spending priorities.

As far as using these funds for its maintenance backlog, the Forest Service has been using a portion of these revenues to help address its deferred maintenance needs. In fact, in each of the locations we visited, site managers were using a portion of these revenues to do a variety of projects that addressed their deferred maintenance needs. However, the agency has not developed a process for measuring the impact of fee demonstration expenditures on reducing the deferred maintenance backlog. Further, while acknowledging that it has a significant deferred maintenance problem in the billions of dollars, the agency has not developed a reliable estimate of its deferred maintenance needs.

Concerning how the agency accounts for its fee demonstration revenues, the authorizing legislation for the fee demonstration program requires that the participating Federal agencies maintain fee revenues in separate treasury accounts and to account for fee expenditures separately from other appropriated fund expenditures. And we found that the Forest Service was complying with this requirement.

Mr. Chairman, this concludes my statement.

[The prepared statement of Mr. Hill follows:]

**Statement of Barry T. Hill, Director, Natural Resources and Environment,
U.S. General Accounting Office**

RECREATION FEES

**INFORMATION ON FOREST SERVICE MANAGEMENT OF REVENUE
FROM THE FEE DEMONSTRATION PROGRAM**

What GAO Found

Local Forest Managers largely determine Forest Service spending priorities for the Recreational Fee Demonstration Program. Given broad discretion in deciding how to use fee demonstration revenues, local forest managers retain between 90 and 100 percent of the fee demonstration revenue at the sites where fees are collected and are expected to establish spending priorities consistent with general program guidance provided by Forest Service headquarters. This guidance advises local forest managers to spend fee demonstration revenues on needs that have been identified by forest visitors and to maintain existing facilities rather than initiate new construction projects.

On the basis of priorities identified by local users, the Forest Service has spent fee demonstration revenues on a wide range of projects at national forests throughout the country. The legislation authorizing the fee demonstration program permitted all the participating agencies to spend fee revenues on certain categories of activities to increase the quality of the visitor experience and enhance the protection of resources. GAO's review at selected Forest Service sites found that expenditures were consistent with authorizing legislation and agency spending priorities.

The Forest Service does not have a process for measuring the impact of fee demonstration expenditures on reducing the deferred maintenance backlog. Further, while the agency acknowledges that it has a significant deferred maintenance problem, it has not developed a reliable estimate of its deferred maintenance needs.

Consistent with the authorizing legislation for the fee demonstration program, the Forest Service keeps its fee revenue in accounts separate from other appropriated funds. The agency also tracks its fee revenues and expenditures separately from its appropriated funds.

Why GAO Did This Study

Since 1996, federal land management agencies have collected over \$900 million in recreation fees from the public under an experimental initiative called the Recreational Fee Demonstration Program. The Forest Service's part was about \$160 million. The authority to collect these fees expires at the end of Fiscal Year 2004. Central to the debate about whether to reauthorize the program is how effectively the land management agencies are using the hundreds of millions of dollars that the recreation fees have provided them. In April 2003, GAO reported on Forest Service management of the fee demonstration program. (See *Recreation Fees: Information on Forest Service Management of Revenue from the Fee Demonstration Program*, GAO-03-470 [Washington D.C.: Apr. 25, 2003]).

This testimony is based on the work GAO conducted for the April 2003 report. Four issues are addressed: (1) how the Forest Service determines spending priorities for the revenues generated by the fee program, (2) how the agency has spent its fee demonstration program revenues, (3) what the agency is doing to measure the impact of the recreation fee revenues on reducing its deferred maintenance backlog, and (4) how it accounts for its fee demonstration program revenues.

Mr. Chairman and Members of the Subcommittee: I am pleased to be here today to discuss our most recent report on the Forest Service's management of the Recreational Fee Demonstration Program.¹ Since 1996, federal land management agencies have collected over \$900 million in recreation fees from the public under an experimental initiative called the Recreational Fee Demonstration Program. The Forest Service's part is about \$160 million. The Forest Service is one of the four federal land management agencies authorized by Congress to charge fees to visitors and to retain the revenues for use in addition to other appropriated funds.² The Congress originally authorized the program for 3 years and has extended it several times. The authority to collect these fees currently expires at the end of Fiscal Year 2004.

As the program enters its seventh year, the fees continue to be controversial at some sites, and critics question the extent to which program expenditures directly benefit visitors. Many of the concerns involve the Forest Service, which, unlike the National Park Service, had not historically charged fees to enter its public lands or to use amenities such as trails prior to the fee demonstration program. Moreover, the Forest Service introduced a variety of new recreation fees aimed at a range of visitor uses, including fees for dispersed recreation, such as trail access or backcountry camping, or for general access. Although this experimentation provided valuable information about the types of fees that were feasible, it also fueled questions about the Forest Service's administration of the program. Accordingly, as you requested, my testimony today will address the following issues: (1) how the Forest Service determines spending priorities for the revenues generated by the fee program; (2) how the agency has spent its fee demonstration program revenues; (3) what the agency is doing to measure the impact of the recreation fee revenues on reducing its deferred maintenance backlog; and (4) how it accounts for its fee demonstration program revenues.

¹ U.S. General Accounting Office, *Recreation Fees: Information on Forest Service Management of Revenue from the Fee Demonstration Program*, GAO-03-470 (Washington, D.C.: Apr. 25, 2003).

² The other three land management agencies authorized to charge fees under the Recreational Fee Demonstration Program are the National Park Service, the Fish and Wildlife Service, and the Bureau of Land Management.

Results in Brief

Local forest managers largely determine Forest Service spending priorities for the Recreational Fee Demonstration Program. Given broad discretion in deciding how to use fee demonstration revenues, local forest managers retain between 90 and 100 percent of the fee demonstration revenue at the sites where fees are collected. Local managers are expected to establish spending priorities consistent with general program guidance provided by Forest Service headquarters. This guidance advises local managers to spend fee demonstration revenues on needs that have been identified by forest visitors; it also directs local managers to spend the resources on maintaining existing facilities rather than initiating new construction projects.

On the basis of priorities identified by local users, the Forest Service has spent fee demonstration revenues on a wide range of projects at national forests throughout the country. The legislation authorizing the fee demonstration program permits the participating agencies to spend fee revenues on a broad range of activities aimed at increasing the quality of the visitor experience and enhancing the protection of resources such as providing visitor services, maintaining and enhancing facilities, fee collections, and enforcing laws. To verify how the fee revenue was being spent we visited a number of Forest Service sites across the country and found that expenditures were consistent with the authorizing legislation for the program and agency spending guidance and priorities.

The Forest Service has not developed a process for measuring the impact of fee demonstration expenditures on reducing the deferred maintenance backlog. According to agency officials, there are several reasons for this—for example, the temporary status of the program and the fact that the legislation establishing the program does not require that the impact be measured. Further, while officials acknowledge that the Forest Service has a significant deferred maintenance problem, the agency has not developed a reliable estimate of its deferred maintenance needs.

Consistent with the authorizing legislation for the fee demonstration program, the Forest Service keeps its fee revenue in Treasury accounts separate from other appropriated funds. The agency also tracks its fee revenue and expenditures separately from its appropriated funds.

Background

The Forest Service is responsible for managing over 192 million acres of public lands in the United States. In carrying out its responsibilities, the Forest Service has traditionally been a decentralized organization, whose programs are administered through nine regional offices, 155 national forests, and over 600 ranger districts (each forest has several districts).

The Forest Service began implementing the Recreational Fee Demonstration Program in Fiscal Year 1996 with four demonstration sites that generated a total of \$43,000 during the year.³ The program has steadily grown over the past 6 years and now covers 92 sites in 114 national forests and grasslands. These sites generated about \$38 million in revenue in Fiscal Year 2002. A demonstration site may consist of an individual forest; a group of forests, such as the National Forests in Texas; or a specific area or activity within a forest, such as Mount St. Helens National Volcanic Monument in the Gifford Pinchot National Forest in Washington.

Local Forest Service Officials Determine Spending Priorities

Spending priorities for the Recreational Fee Demonstration Program are largely determined by local forest managers who are given broad discretion in deciding how to use fee demonstration revenues. Forest Service headquarters provides general program guidance that advises the local managers to focus their spending priorities on two things. First, local managers are to identify what the visitors want because the Forest Service believes that users will more likely accept having to pay fees if they see that their money is spent on improving services in the forests they visit. Second, existing facilities such as restrooms and visitor centers should be maintained because the agency prefers to use fee revenue to maintain such facilities rather than to initiate new capital projects that would increase its inventory of assets and add to operating and maintenance costs.

³Although the Forest Service refers to fee demonstration sites as projects throughout this statement, we call them sites. Under the original Recreational Fee Demonstration Program legislation, between 10 and 50 sites per agency were permitted to establish, charge, and collect recreation fees (P.L. 104-134, title III, Sec. 315 [1996]). In Fiscal Year 1997 appropriations, the Congress increased the number of authorized sites to 100 per agency (P.L. 104-208, title III, Sec. 319 [1996]). In Fiscal Year 2002 appropriations, the Congress eliminated the 100 demonstration sites per agency limitation (P.L. 107-63, title III, Sec. 312 (b)[2001]).

In the three Forest Service regions that we visited, local forest managers told us that they establish priorities on the basis of visitor desires that are identified through visitor comment cards, visitor surveys, local user groups, associations, and regional boards.⁴ According to these officials, visitors generally desire spending priorities that address health and safety needs; maintenance needs; and improved visitor services, such as interpretative services.

Further, local forest managers told us that visitors expect that fee demonstration revenues be retained and used at the sites where fees are collected. In this regard, the Forest Service retains between 90 and 100 percent of fee revenues for use at the collection sites. The portion of fee revenues that is not retained on site is used by the regional offices for a variety of program-related activities, such as providing start-up money for new demonstration sites, providing fee demonstration program signs and brochures, initiating regional pass sales, and supporting marketing activities.

Revenues Are Spent on a Wide Range of Activities

In the authorizing legislation for the Recreational Fee Demonstration Program, the Congress provided the Forest Service and the other land management agencies broad authority in deciding how to spend fee demonstration revenues. The 1996 authorizing legislation⁵ permitted the agencies to spend fee demonstration revenues for: backlogged repair and maintenance projects, interpretation, signage, habitat or facility enhancement, resource preservation, annual operation (including fee collection), maintenance, and law enforcement relating to the public use of lands. Our analysis at a sample of sites participating in the fee demonstration program showed that fee revenue was being spent on a wide range of projects that were consistent with the authorizing legislation the program and agency spending priorities. For Fiscal Year 2001, the Forest Service reported that it collected about \$35 million in fees and spent about \$29.3 million, with about half of the expenditures going toward visitor services and operations and maintenance activities.

We reviewed the activities at a sample of demonstration sites in three Forest Service regions that have generated the most revenue to determine how funds were spent, the appendix lists the specific regions and sites we visited. The types of projects being funded at the sites we visited included

- constructing a boat launch area along the Nantahala River, a world-class white-water river that attracts about 250,000 people annually in the National Forests of North Carolina;
- operating a wastewater treatment plant that serves the visitor center at Multnomah Falls, located within 30 miles of Portland, Oregon, and one of the most popular attractions in the Columbia River Gorge National Scenic Area, which receives over 2 million visitors per year; and
- acquiring fire rings, cooking grills, and picnic tables at Kisatchie National Forest in Louisiana to improve campground services.

On the basis of our review and on-site observations, we found that the fee demonstration program expenditures were consistent with the legislative authority provided for the program and with agency spending priorities.

The Forest Service Has No Process for Measuring the Impact of Fee Revenues on Deferred Maintenance

The Forest Service has used a portion of its fee program revenues to help address its deferred maintenance backlog. However, the agency does not have a process for measuring how much has been spent on deferred maintenance or the impact of the fee revenue program has had on reducing its deferred maintenance needs. In addition, while the agency acknowledges that it has a significant deferred maintenance problem, it has not developed a reliable estimate of its deferred maintenance needs. As a result, even if the agency knew how much fee revenue it spent on deferred maintenance, it would not know the extent to which its total deferred maintenance needs were being reduced.

The legislation authorizing the Recreational Fee Demonstration Program permits the Forest Service and the other participating agencies to spend fee revenues on deferred maintenance needs. In fact, at each of the locations we visited, the site managers told us that they were using a portion of fee revenues to implement a variety of projects that addressed deferred maintenance needs such as replacing worn and

⁴Regional boards, which consist of members with recreation, forest, law enforcement, fiscal, and economic backgrounds, are used to help oversee the fee demonstration program within each region of the Forest Service.

⁵Omnibus Consolidated Rescissions and Appropriations Act of 1996, P.L. No. 104-134, title III, Sec.315(c)(3).

rotted picnic tables at a campground in Klamath National Forest in California, fixing eroded hiking trails in the Nantahala Gorge in the North Carolina National Forest, and replacing deteriorating restrooms in Kisatchie National Forest in Louisiana.

Forest Service officials told us that there are a number of reasons why the agency has not developed a process to track deferred maintenance expenditures from fee demonstration revenues. First, the agency chose to use its fee demonstration revenue to improve and enhance on-site visitor services rather than to use its revenue in developing and implementing a system for tracking deferred maintenance spending. Second, because the fee demonstration program is still temporary, agency officials said that they have concerns about developing an additional process for tracking deferred maintenance. Finally, the agency faced no specific requirement to measure the impact of fee revenues on deferred maintenance.

Forest Service officials acknowledge that the agency has a significant deferred maintenance problem. In Fiscal Year 2001, the agency estimated that its total deferred maintenance backlog was in the billions of dollars, most of which was for forest roads and bridges. According to the Forest Service, the recreation-related component of this estimate was in the hundreds of millions of dollars.

However, in March 1999, the Department of Agriculture's Inspector General testified that the Forest Service did not have a reliable estimate of the amount of its deferred maintenance backlog.⁶ Further, the Inspector General pointed out that the agency had no systematic method for compiling the information needed to provide managers or the Congress with reliable estimates. Although the Forest Service has since implemented an initiative to help gather and develop better information on the amount of its deferred maintenance backlog, the findings of the Inspector General's report are still valid. Forest Service officials acknowledge that they are still in the process of developing a reliable estimate of the agency's deferred maintenance backlog.

The Forest Service Accounts for Its Fee Demonstration Program Revenues and Expenditures Separately from Other Funds

The authorizing legislation for the fee demonstration program requires the participating federal agencies to maintain fee revenue in separate Treasury accounts and to account for fee expenditures separately from other appropriated fund expenditures. Consistent with the requirement, the Forest Service maintains its fee revenues in separate Treasury accounts and tracks fee revenue and expenditures separately from other appropriated funds. For example, officials at the Gifford Pinchot National Forest in the Pacific Northwest Region used a combination of fee demonstration revenues and other appropriated funds to replace a bridge on the Pacific Crest National Scenic Trail in 2001. For this project, agency officials accounted for revenues and expenditures from the fee demonstration program separately from the revenues and expenditures from other appropriated funding sources.

Mr. Chairman, this concludes my prepared statement. I would be happy to respond to any questions that you or Members of the Subcommittee may have.

[An attachment to Mr. Hill's statement follows:]

⁶Testimony of Roger Viadero, Inspector General, U.S. Department of Agriculture, before the Committee on Agriculture, Subcommittee on Department Operations, Oversight, Nutrition, and Forestry, House of Representatives, Concerning the Financial Accountability of the Forest Service (Mar. 11, 1999).

Appendix

Demonstration Sites Visited

Region/sites visited	State
5—Pacific Southwest	
Enterprise Forest Project*	California
Shasta-Trinity National Forests (Shasta-Trinity National Recreation Area)	California
Klamath National Forest	California
6—Pacific Northwest	
Gifford Pinchot National Forest (Mount St. Helens National Volcanic Monument)	Washington
Columbia River Gorge National Scenic Area (Multnomah Falls)	Washington and Oregon
Colville National Forest	Washington
8—Southern	
North Carolina National Forests	North Carolina
Kisatchie National Forest	Louisiana
Texas National Forests	Texas

Source: GAO based on Forest Service data.

Note: We did not visit the Kisatchie National Forest site because it was closed due to a hurricane at the time we were conducting our fieldwork. We did, however, obtain documentation from the site manager on each of our review objectives.

*The Enterprise Forest project covers four national forests in Southern California: the Angeles, Cleveland, Los Padres, and San Bernardino forests. We visited the Angeles and San Bernardino National Forests.

Mr. McINNIS. Thank you, Mr. Hill. I appreciate your time.

Mr. Robertson, I appreciate you coming down today, and you may proceed.

STATEMENT OF JASON D. ROBERTSON, NATIONAL ACCESS AND POLICY DIRECTOR, AMERICAN WHITEWATER

Mr. ROBERTSON. Mr. Chairman, thank you for inviting me to speak today.

The last time I was invited to speak before this Committee was in the tragic days after 9/11. I am glad to be here on a happier occasion.

In the 2 years since I last testified on fee demo, there have been some small changes and improvements; however, public dissatisfaction with the program has continued to grow, and the agencies continue to push for permanent fee collection authority without resolving most of the problems described previously by me, the GAO, and others. Rather than repeating myself, I encourage the Committee to review my comments from 2001 and the 2003 GAO report in light of today's testimony.

After 6 years of reviewing fee demo, I can better appreciate the agencies' funding needs and can look back on the program with a richer perspective. As you may recall, American Whitewater has been working on fee demo since its inception and initially supported it when it was introduced in 1997. However, many of the first fees were tested on river recreationists without a clear, on-the-ground explanation of the program's objectives, scope, or intent. By 1998, boaters were being charged at nearly one-third of all the ap-

proved fee demo sites. As a result, our members were convinced that the fees were unnecessarily onerous without obvious benefit, that boaters were being unfairly targeted, and that boaters were subsidizing other forest uses.

Now it is relatively easy to find local governments who support the fee programs because they benefit from fee collection services and expenditures. However, it is hard to find any recreationist or forest visitors who are willing to advocate for continued fee authority for the Forest Service or Bureau of Land Management. I find this is interesting because it is in stark contrast to the public's response to fee collection by the Park Service. In fact, even the staunchest opponents to Forest Service's fees support Senate bill 1107, which permanently extends fee authority for the National Parks. The difference appears to be based on the public expectation of service and historic payment of visitation fees on Park Service properties, which are viewed as national treasures, in contrast to the tradition of public recreation and use of Forest Service and BLM lands for more traditional pastimes including hunting, fishing, hiking, and boating that tend to require fewer services in the eyes of the public.

In 1998, American Whitewater's Board of Directors asked me to work on improving the ways in which fee demo affected the boating community, whether through modification or termination of the program. This discussion has continued long enough, and it is time for Congress to decide whether to terminate this program once and for all or make it permanent.

At issue is the fundamental preservation of the principle of free access to Federal recreation lands. Is Congress willing to make trespassers out of taxpayers? If Congress extends the fee collection authority for the agencies in question, is Congress prepared to hold agencies accountable and ensure that the faults ascribed to the Forest Service in the recent 2003 GAO report are addressed and resolved in a timely, efficient, consistent, and accurate manner?

In 1997, the human-powered recreation groups liked one element of fee demo. We liked that the program was intended to help defray or mitigate maintenance costs resulting from recreation by returning fees directly to the resource to benefit the users from which they were collected.

That single objective was based on a philanthropic ideal of servicing and protecting the environment that we love as hikers, boaters, climbers, fishermen, and hunters.

However, while most of the recreation community still likes that single element of the program, taxpayer support has been whittled away by the dislike for the ways in which the Federal land management agencies: one, stretched the scope of the program to defray other visitation costs; two, played apparent shell games by shifting funding across broad forest regions and large demo sites; three, used funds to construct new facilities; four, limited use and access through new permits; five, broadly expanded the program through creative wordsmithing; and, six, enforced fee collection through occasionally heavy-handed methods including the unsuccessful attempt earlier this year to classify infractions as Class B misdemeanors with the possibility of imprisonment.

Thus, in answer to the question of what is working well under fee demo and which areas are most in need of improvement, my response is that the narrow goal of defraying maintenance costs remains worthy of support and that all other purposes to which the legislative mission of the program has been stretched should be terminated.

At present, the agencies continue to have a severe credibility gap when it comes to fee demo. The problems are numerous: Fees are often implemented without adequate public input; there is a widespread public perception among recreationists that fees are a boondoggle for local managers; it is not clear which fees are being charged under fee demo and which are being charged under other fee authorities; when the public questions a particular implementation element of a fee, managers are slow to respond and rarely initiate requested changes on behalf of the public; and fees are still being imposed before specific projects are selected, thus the public does not know in advance where their fees are going.

The agencies have also taken action that were insensitive to the public's concerns over abuse of the program. For example, the boating community's primary fear of the fee program is driven by a concern that it will lead to unpopular "big government" programs. In addition, fees have been cited as a motivating factor for implementing or considering new permit systems on several Western rivers, including Colorado's Gunnison. Fees have been charged to simply park alongside Idaho's Payette at dirt lots with no services. And fees from boaters have been sought to pay for subsidizing other users through such peripheral action as paving Federal highways in Arizona or hauling trash in Idaho.

In conclusion, if the Forest Service and BLM focus on the core intent of fee demo and only charge fees to help with basic recreation maintenance on land and water trails for recreational use and only utilize the fees on programs that directly, locally, and obviously benefit the group being charged, it will do much to restore the credibility of the agencies and may even generate long-term support for fees. If this is not a readily achievable goal or is too narrow, then the agencies should stop pushing for fee collection authority, and this Committee should refuse to extend the program.

Thank you for this opportunity to speak. I ask that my written comments are added to the record, and I look forward to responding to any questions later.

[The prepared statement of Mr. Robertson follows:]

**Statement of Jason D. Robertson, National Access and Policy Director,
American Whitewater**

Mr. Chairman, thank you for inviting me to speak today.

The last time I was invited to speak before this committee was in the tragic days after 9/11. I am glad to be here on a happier occasion.

In the two years since I last testified on Fee Demo, there have been some small changes and improvements; however public dissatisfaction with the program has continued to grow, and the Agencies continue to push for permanent fee collection authority without resolving most of the specific problems described by me, the GAO, and others. Rather than repeating myself, I encourage the Committee to review my comments from 2001, and the 2003 GAO report in light of today's testimony.

Now, in 2003, six years after Fee Demo was implemented and three years after Congress authorized the first extension of the program without public review, I can better appreciate the agencies' funding needs and can look back on the program with a richer perspective.

As you may recall, American Whitewater has been working on Fee Demo since its inception, and initially supported it when it was introduced in 1997. However, many of the first fees were tested on river recreationists without a clear on-the-ground explanation of the program's objectives, scope, or intent. By 1998 boaters were being charged at nearly one-third of all the approved Fee Demo sites. As a result, our members were convinced that the fees were unnecessarily onerous without obvious benefit; that boaters were being unfairly targeted; and that boaters were subsidizing other forest uses.

Now, more than 6 years after inception of the Fee Demo program, it is relatively easy to find local governments and civic organizations who support the fee programs because they benefit from the fee collection; however it is hard to find any recreationists or Forest visitors who are willing to advocate for continued fee authority for the Forest Service or Bureau of Land Management (BLM). This is interesting because it is in stark contrast to the public's response to fee collection by the Park Service. In fact even the staunchest opponents to Forest Service Fees support Senate Bill 1107, which permanently extends fee authority for the National Parks. The difference appears to be based on the public expectation of service and historic payment of visitation fees on Park Service properties, which are viewed as national treasures, in contrast to the tradition of public recreation and use of Forest Service and BLM lands for more traditional pastimes including hunting, fishing, hiking and boating that tend to require fewer services in the eyes of the public.

In 1998, American Whitewater's Board of Directors asked me to work on improving the ways in which Fee Demo affected the boating community, whether through modification or termination of the program. This discussion has continued long enough, and it is time for Congress to decide whether to terminate this program once-and-for-all or make it permanent.

At issue is the fundamental preservation of the principle of free access to federal recreation lands. Is Congress willing to make trespassers out of taxpayers? If Congress extends the fee collection authority for the agencies in question, is Congress prepared to hold the Agencies accountable and ensure that the faults ascribed to the Forest Service in the recent 2003 GAO report "RECREATION FEES: Information on Forest Service Management of Revenue from the Fee Demonstration Program" are addressed and resolved in a timely, efficient, consistent, and accurate manner?

In 1997 the human-powered recreation groups liked one element of Fee Demo; we liked that the program was intended to help defray or mitigate maintenance costs resulting from recreation by returning fees directly to the resource to benefit the users from which they were collected.

That single objective was based on a philanthropic ideal of servicing and protecting the environment that we love as hikers, boaters, climbers, fishermen, and hunters.

However, while most of the recreation community still likes that single element of the program, taxpayer support has been whittled away by the dislike for the ways in which the Federal land management agencies: (1) stretched the scope of the program to defray other visitation costs; (2) played apparent shell games by shifting funding across broad Forest Regions and large Demo sites; (3) used funds to construct new facilities; (4) limited use and access through new permits; (5) broadly expanded the program through creative wordsmithing; and (6) enforced fee collection through occasionally heavy-handed methods including the unsuccessful attempt to classify infractions as Class B Misdemeanors with the possibility of imprisonment.

Thus in answer to the question of what is working well under Fee Demo and which areas are most in need of improvement, my response is that the narrow goal of defraying maintenance costs remains worthy of support, and that all other purposes to which the legislative mission of the program has been stretched should be terminated.

At present the Agencies continue to have a severe credibility gap when it comes to Fee Demo. The problems are numerous:

- Fees are often implemented without adequate public input;
- There is a widespread public perception among recreationists that fees are a boondoggle for local managers;
- It is not clear which fees are being charged under Fee Demo and which are being charged under other fee authorities;
- When the public questions a particular implementation element of a fee, managers are slow to respond and rarely initiate requested changes on behalf of the public; and
- Fees are still being imposed before specific projects are selected, thus the public does not know in advance where their fees are going.

The agencies have also taken actions that were insensitive to the public's concerns over abuse of the program. For example, the boating community's primary fear of the fee program is driven by a concern that it will lead to unpopular "big government" programs. For instance, fees have been cited as a motivating factor for implementing or considering new permit systems on several Western rivers including Colorado's Gunnison. Fees have also been charged to simply park alongside Idaho's Payette for dirt lots with no services. And, fees from boaters have been sought to pay for subsidizing other users through such peripheral action as paving Federal highways in Arizona or hauling trash in Idaho.

One example that is often cited by the Forest Service as a Fee Demo success is the Nantahala in North Carolina. I take issue with this. Yes, the fees have paid for improved parking areas, overlooks, picnic tables, and new toilet facilities. On the plus side, these facilities are appreciated by nearly all visitors. However, on the negative side, the fees are still only being charged to boaters, though everyone visiting or driving through the Gorge from fishermen to truckers benefit from these services. Further, the Agency continues to require boaters to wear an armband on the river, despite the fact that it is highly unpopular and relatively inconvenient to obtain.

The effect of the practices on the Nantahala is that private boaters subsidize other uses, and do not feel that the Forest Service is concerned with their best interests.

In conclusion, if the Forest Service and BLM focus on the core intent of Fee Demo and only charges fees to help with basic recreation maintenance on trails and recreational use, and only utilize the fees on programs that directly, locally, and obviously benefit the group being charged, it will do much to restore the credibility of the agencies and may even generate long-term support for fees. If this is not a readily achievable goal or is too narrow, then the Agencies should stop pushing for fee collection authority and this Committee should refuse to extend the program.

Thank you for this opportunity to speak, I look forward to responding to your questions.

8ANALYSIS AND QUESTIONS ABOUT THE APRIL 2003 GAO REPORT "RECREATION FEES: INFORMATION ON FOREST SERVICE MANAGEMENT OF REVENUE FROM THE FEE DEMONSTRATION PROGRAM"

The Forest Service's reported gross Fee Demo revenue for FY 2001 was over \$35 million (p.6). The reported cost of collection was \$5,051,000 (p. 9). \$10 million of appropriated funds were used to support the fee demonstration program (p.32). \$4.6 million was collected from sites that produced fee income prior to becoming fee-demonstration sites [i.e., campgrounds, boat launches, etc].

Subtracting these sources of income from the gross revenue results of all Forest Service fee-demo sites in all of the United States shows that Fee Demo generated a total net increase in fee revenues of a mere \$15 million. In other words it cost the Forest Service and Taxpayers \$1 to raise \$2.

This calculation does not even include administrative costs, which the GAO did not calculate due to incomplete reporting by the Forest Service. Inclusion of those administrative costs would likely push the net revenue from the Fee Demo much lower.

Some of the faults identified by the GAO are included below, the paragraphs that these quotes were drawn from are included afterwards:

- "[W]e did find that the Forest Service does not provide consistent information on where fee revenue is being spent." (page 3)
- "The Forest Service does not have a process for measuring the impact of fee demonstration expenditures on reducing the deferred maintenance backlog." (page 4)
- "[W]hile acknowledging that it has a significant deferred maintenance problem, the agency has not developed a reliable estimate of its deferred maintenance needs." (page 4)
- "Although the Forest Service tracks its fee revenues and expenditures separately from other appropriated funds, it does not accurately account for some fee collection costs. Specifically, the Forest Service does not report total revenues and fee collection costs related to discounts that vendors receive for selling recreation passes directly to the public." (page 5)
- "[T]he accuracy of program-wide information depicting the amounts of fee revenues spent for various categories is questionable" (page 5)
- "[W]e found that the information that the Forest Service provides on categorizing expenditures is not consistently reported. First, the fee program managers do not allocate their expenditures into the spending categories in a sys-

tematic manner. Second, the Forest Service fee revenue expenditure reporting categories overlap” (page 16)

- “[T]he Forest Service officials stated that their accounting system is not set up to track expenditures into these categories. Local fee program managers, who compile the fee revenue expenditure data, use various methods to record their expenditures.—(page 16)
- “[I]n the absence of forest managers having a consistent and systematic method for tracking and recording the expenditure amounts by spending category, the accuracy of the spending information in the agency’s annual report is questionable.” (page 16)
- “Another concern affecting the spending information in the agency’s annual report is the subjectivity of the spending categories themselves...expenditures for fee enforcement activities and fee collections may also be reported inconsistently...These inconsistencies further affect the consistency of the Forest Service’s reporting of where fee revenues are actually spent.” (page 17)
- “[T]he agency does not have a process for measuring how much has been spent on deferred maintenance or its impact on reducing its deferred maintenance needs. In addition, while the agency acknowledges that it has a significant deferred maintenance problem, it has not developed a reliable estimate of its deferred maintenance needs. As a result, even if the agency knew how much fee revenue it is spending on deferred maintenance, it would not know if its total deferred maintenance needs are being reduced.” (page 19)
- “[T]he amount of agency expenditures for deferred maintenance cannot be determined nor can the agency determine whether the backlog of deferred maintenance needs is being reduced.” (page 21)
- “Although the Forest Services accounting system should capture all revenues and expenses, program officials were not aware at the time the system was developed that vendor discounts should have been captured...Excluding vendor discounts from the cost of collection is also inconsistent with federal financial accounting standards...” (page 25)
- “The Forest Service practice of allowing vendor discounts results in inaccurate fee revenue and expenditure reporting...[B]oth fee revenues and fee collection costs are underreported. Because of inaccurate reporting of fee revenues and collection costs, the Forest Service has no assurance that it is in compliance with the recreational fee demonstration legislation requirement only allowing 15 percent of fee revenues to be used for fee collection costs.” (page 25)
- “[T]he Forest Service accounting system does not track administrative overhead costs for the Recreational Fee Demonstration Program or any other individual program within the agency. As a result the agency cannot determine these costs.” (page 32)

SELECTED QUOTES FROM GAO REPORT (GAO-03-470, APRIL 2003)

Based on the most recent Forest Service data available, in Fiscal Year 2001, the agency spent 29 percent of its fee demonstration revenue expenditures on visitor services and operations, including trash collection, campfire programs, and visitor satisfaction surveys; 21 percent on maintenance of facilities, such as repairing comfort stations and fixing roofs; and 17 percent on fee collection. The remaining 33 percent was spent on such activities as enhancing facilities, protecting resources, and enforcing laws. The legislation authorizing the fee demonstration program permitted the participating agencies to spend fee revenues on all of these kinds of on-site activities as long as the expenditures contributed to enhancing the visitor experience or helped protect, preserve, or enhance resources. We reviewed the activities of nine demonstration sites in three different regions to verify that the fee revenues were actually being spent in accordance with the authorizing legislation for the program and agency spending priorities. We found no inconsistency. However, we did find that the Forest Service does not provide consistent information on where fee revenue is being spent. At each of the sites we reviewed, officials told us that deciding which category a particular expenditure falls into is a subjective judgment that is not necessarily consistent among sites. For example, the repair of an aging restroom facility could be categorized as either “maintenance,” or a facility enhancement that could fall into the “other” category.¹

The Forest Service does not have a process for measuring the impact of fee demonstration expenditures on reducing the deferred maintenance backlog. According to the Forest Service, the agency does not track the extent to which fee demonstration expenditures have been used for deferred maintenance for a number of reasons including the temporary nature of the program and because the agency is not required

¹GAO-03-470 Recreation Fees, Page 3.

by the fee program legislation to measure the impact of fee demonstration revenues on deferred maintenance. Further, while acknowledging that it has a significant deferred maintenance problem, the agency has not developed a reliable estimate of its deferred maintenance needs...[L]ike the Forest Service, the Park Service has not yet developed a reliable estimate of its deferred maintenance needs.²

The Forest Service keeps its fee demonstration revenue in two different Treasury accounts separate from its other appropriated funds, as required by the authorizing fee program legislation. Eighty percent of its fee revenues are maintained in an account for expenditure without further appropriation at the site where the fees were collected and 20 percent of its fee revenues in another account for expenditure on an agency-wide basis without further appropriation. Although the Forest Service tracks its fee revenues and expenditures separately from other appropriated funds, it does not accurately account for some fee collection costs. Specifically, the Forest Service does not report total revenues and fee collection costs related to discounts that vendors receive for selling recreation passes directly to the public.³

The Forest Service is responsible for managing over 192 million acres of public lands in the United States. In carrying out its responsibilities, the Forest Service traditionally has been a decentralized organization, in which its programs are administered through 9 regional offices, 155 national forests, and over 600 ranger districts (each forest has several districts). The Forest Service implemented the Recreational Fee Demonstration Program in Fiscal Year 1996 with four demonstration sites that generated \$43,000 during the year.¹ The program has steadily grown over the past 5 years and covers 87 sites, in 80 national forests, that generated over \$35 million in Fiscal Year 2001. A demonstration site may consist of an individual forest; a group of forests, such as the National Forests in Texas; or a specific area or activity within a forest, such as Mount St. Helens National Volcanic Monument in the Gifford Pinchot National Forest in Washington.⁴

On the national level, the most recently available information indicates that about one half of the fee revenues were being spent for visitor services and maintenance activities. However, because the agency relies on subjective determinations by local forest managers to categorize its expenditures, these determinations are not consistent among sites. Accordingly, the accuracy of program-wide information depicting the amounts of fee revenues spent for various categories is questionable.⁵

The Nantahala River Gorge, one of the sites in the National Forests of North Carolina fee demonstration project, is a world-class whitewater river that attracts about 250,000 people annually. In Fiscal Year 2001, the site generated about \$208,000 in fee revenues through user fees and special use permits for commercial outfitters. During that year, the site spent over \$292,000 in fee revenues, which included revenues generated from prior years. Nantahala Gorge officials spent most of their fee revenues to upgrade or enhance facilities for serving visitors. For example, they spent about \$150,000 by providing handicap accessibility, improving visitor safety, and eliminating erosion and sedimentation of the Nantahala River by constructing a concrete surface for launching boats and rafts on the river. The following figure shows the enhanced boat-launching area.⁶

However, we found that the information that the Forest Service provides on categorizing expenditures is not consistently reported. First, the fee program managers do not allocate their expenditures into the spending categories in a systematic manner. Second, the Forest Service fee revenue expenditure reporting categories overlap.

The Forest Service reports its fee demonstration expenditures using spending categories largely corresponding to those identified in the legislation authorizing the demonstration program. These categories are visitor services and operations, maintenance, interpretation and signing, facility enhancement, resource preservation and enhancement, security and enforcement, and cost of collection. However, the Forest Service officials stated that their accounting system is not set up to track expenditures into these categories. Local fee program managers, who compile the fee revenue expenditure data, use various methods to record their expenditures. At the sites we visited, we found that local managers relied on a variety of financial information sources such as project work plans and job code summary reports, as well as reviewing bills and receipts, as a basis for allocating their expenditures into the reporting categories. Further, one manager stated that he also interviewed his staff on work performed and the time they devoted to various tasks to estimate the amount of fee revenues spent in each reporting category. Accordingly, in the absence of forest man-

²GAO-03-470 Recreation Fees, Page 4.

³GAO-03-470 Recreation Fees, Page 5.

⁴GAO-03-470 Recreation Fees, Page 5.

⁵GAO-03-470 Recreation Fees, Page 7.

⁶GAO-03-470 Recreation Fees, Page11.

agers having a consistent and systematic method for tracking and recording the expenditure amounts by spending category, the accuracy of the spending information in the agency's annual report is questionable.⁷

Another concern affecting the spending information in the agency's annual report is the subjectivity of the spending categories themselves...expenditures for fee enforcement activities and fee collections may also be reported inconsistently. For example, we found that some sites we visited reported fee enforcement activities as part of their "cost of collections." However, other sites reported fee enforcement activities as part of their expenditures for "security and enforcement." These inconsistencies further affect the consistency of the Forest Service's reporting of where fee revenues are actually spent.⁸

The Forest Service has used a portion of its fee program revenues to help address its deferred maintenance backlog. However, the agency does not have a process for measuring how much has been spent on deferred maintenance or its impact on reducing its deferred maintenance needs. In addition, while the agency acknowledges that it has a significant deferred maintenance problem, it has not developed a reliable estimate of its deferred maintenance needs. As a result, even if the agency knew how much fee revenue it is spending on deferred maintenance, it would not know if its total deferred maintenance needs are being reduced.⁹

However, even though the Forest Service is spending a portion of its fee revenues in this area, the agency does not specifically track how much it spent on deferred maintenance. So, expenditures like the trail maintenance at Nantahala Gorge are reported as a "resource preservation and enhancement expenditure." Because the Forest Service uses this approach, the amount of agency expenditures for deferred maintenance cannot be determined nor can the agency determine whether the backlog of deferred maintenance needs is being reduced.¹⁰

Forest Service officials told us that there are a number of reasons why the agency has not developed a process to track deferred maintenance expenditures from fee demonstration revenues. First, the agency chose to use its fee demonstration revenue to improve and enhance on-site visitor services rather than to invest its fee demonstration revenues for developing and implementing a system for tracking deferred maintenance spending. Second, the fee demonstration program is temporary and it is unclear at this time whether the Congress will make the program permanent. As a result, agency officials said that this uncertainty makes them question the wisdom of developing an additional process for tracking deferred maintenance. Finally, the agency was not required by the fee program legislation to measure the impact of fee revenues on deferred maintenance. They have chosen not to do so.¹¹

The federal agencies participating in the Recreational Fee Demonstration Program are required by the authorizing legislation to maintain fee revenues in separate Treasury accounts and to account for fee expenditures separately from other appropriated funds. Consistent with this requirement, the Forest Service accounts for its fee revenues and expenditures separately from other appropriated funds, even when using fee demonstration revenues along with other appropriated funds...Although the Forest Service generally tracks its fee revenues and expenditures separately from other appropriated funds, it does not accurately account for some fee collection costs.¹²

Forest Service officials in the Pacific Southwest and Pacific Northwest regions did not record the vendor discount and did not count vendor discounts as part of their fee collection costs. Although the Forest Services accounting system should capture all revenues and expenses, program officials were not aware at the time the system was developed that vendor discounts should have been captured. Forest officials at the locations where this was occurring could not tell us the total amount of vendor discounts that the agency has permitted. Excluding vendor discounts from the cost of collection is also inconsistent with federal financial accounting standards and the U.S. Department of Agriculture financial manual. These standards require that total revenues and expenses be reported.

The Forest Service practice of allowing vendor discounts results in inaccurate fee revenue and expenditure reporting. Because the vendor retains the discount rather than the Forest Service first collecting all fee revenues and then paying the vendor out of these revenues, the amount of fee revenues that the forest receives is reduced. In addition, the vendor discounts are not included as part of fee collection costs.

⁷GAO-03-470 Recreation Fees, Page16.

⁸GAO-03-470 Recreation Fees, Page17.

⁹GAO-03-470 Recreation Fees, Page19.

¹⁰GAO-03-470 Recreation Fees, Page21.

¹¹GAO-03-470 Recreation Fees, Page22.

¹²GAO-03-470 Recreation Fees, Page24.

*Thus, both fee revenues and fee collection costs are underreported. Because of inaccurate reporting of fee revenues and collection costs, the Forest Service has no assurance that it is in compliance with the recreational fee demonstration legislation requirement only allowing 15 percent of fee revenues to be used for fee collection costs.*¹³

*[I]t appears that the fee demonstration revenues were used to supplement rather than supplant recreation program funds.*¹⁴

*Forest Service officials estimate that in 2001 the agency spent about \$10 million of appropriated funds to support the fee demonstration program.*¹⁵

*[T]he Forest Service accounting system does not track administrative overhead costs for the Recreational Fee Demonstration Program or any other individual program within the agency. As a result the agency cannot determine these costs. Fee program expenses that could be considered administrative overhead are comprised of the cost of collecting fees and expenditures for routine program operations provided at the fee demonstration sites...such as on-site management support, site operation and maintenance planning activities, and conducting on-site visitor surveys. In Fiscal Year 2001, the Forest Service spent approximately \$5.1 million in fee revenues for fee collection. In addition, the national fee program manager estimates that a small percentage of the \$8.6 million spent for fee program operations in Fiscal Year 2001 could also be considered administrative overhead.*¹⁶

*The Forest Service pays for its annual national meeting of fee demonstration program managers and staff using other recreation appropriated funds although agency officials told us that some attendees may use fee demonstration program funds if it is part of their training program.*¹⁷

Mr. MCINNIS. Thank you, Mr. Robertson.

The Committee will go ahead and proceed with the testimony from Mr. Funkhouser, and then we will go ahead and recess for the vote. Mr. Funkhouser, you may proceed.

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

Mr. FUNKHOUSER. Thank you, Mr. Chairman and distinguished members of the Subcommittee. I thank you for the privilege of testifying before you today regarding the Recreational Fee Demonstration Program. I am Robert Funkhouser, president of the Western Slope No-Fee Coalition.

Fee demo has proven to be a failure in the Forest Service, Bureau of Land Management, and U.S. Fish and Wildlife Service. These fees were formerly limited to developed campgrounds and a few highly developed recreational sites carefully defined by Congress in the Land and Water Conservation Fund Act of 1965. Under fee demo, fees have been allowed to spread to hundreds of undeveloped and minimally developed areas. Americans are now being charged fees for such basic services as picnic tables, roads, trails, and for access to vast tracts of undeveloped public land. It is these new fees and fee retainage that have been so unpopular and controversial and that we are opposed to.

Opposition to fee demo has been overwhelming and widespread. From New Hampshire to California, from Idaho to Arizona, Americans from all walks of life and all political persuasions are raising their voices against this program. Resolutions of opposition have been sent to Congress by the State Legislatures of Colorado, Oregon, California, and New Hampshire. Ten counties in western

¹³ GAO-03-470 Recreation Fees, Page 25.

¹⁴ GAO-03-470 Recreation Fees, Page 30.

¹⁵ GAO-03-470 Recreation Fees, Page 32.

¹⁶ GAO-03-470 Recreation Fees, Page 32.

¹⁷ GAO-03-470 Recreation Fees, Page 32.

Colorado as well as counties, cities, and towns across the Nation have passed resolutions opposing this program. Hundreds of organized groups oppose fee demo, and civil disobedience to it is rampant. In California alone, for example, over 200,000 citations have been issued for refusal to pay these fees.

These new fees are a new tax, and they are a double tax. And for those who enjoy motorized recreation, they are often a triple tax. These individuals pay sales tax for their vehicles, gas tax for their fuel, registration fees, and income tax to pay for land management. Now under fee demo they are required to pay an access tax to recreate on public lands.

Fee demo is also a regressive tax because it discriminates against lower-income and working Americans.

Fee Demo is a regressive tax also because it puts the burden of public land management on the backs of Americans who live adjacent to or surrounded by Federal land. The mandate that these local residents carry a heavier burden of funding of public land management agencies is unjust and unfair.

Fee demo has been a financial failure as well. The General Accounting Office recently released findings of an audit concerning the fee demo program in the Forest Service. They found that in Fiscal Year 2001 the Forest Service used \$10 million of appropriated funds for administration of the fee demo program and to augment collection costs. This \$10 million, almost one-third of their total fee revenues, had been previously unreported in the agency's annual report to Congress. The GAO also found that the agency had been underreporting the costs of administration, collection, and fee enforcement. Although the Forest Service claimed the program was a success, with gross revenue in Fiscal Year 2001 of \$35 million, the truth is the program brought in far less than \$15 million because the cost of overhead, collection, and enforcement was well over 50 percent.

Until the GAO audits the BLM and Fish and Wildlife Service, their true financial results are uncertain, but as it stands, the net revenues for these two agencies in Fiscal Year 2001 are estimated to be less than \$4 million.

The public has rejected the notion of fee demo, and it is of little financial value to the American taxpayer.

While we encourage Congress to support public lands with adequate appropriated budgets, this funding must go hand in hand with increased accountability. As long as the agencies are a black hole for appropriated funds, it makes no sense to supply them with an independent source of revenue, bypassing Congress and the public.

Americans are passionate about their ownership of these lands. They feel that it is their heritage, as it was their parents' heritage and will be their children's. They pay taxes to maintain these lands, and they should not be treated as customers—or, worse, trespassers—on their own lands. Fee demo takes the ownership out of these lands and gives it over to the land management agencies. It is the change in relationship that is most disturbing. It makes trespassers out of taxpayers.

The Recreational Fee Demonstration Program has been controversial since its inception. Fee demo is a poorly implemented

bad idea. It is fundamentally flawed and cannot be fixed. It has been unpopular with the public, has not been financially worthwhile, and has decreased the agencies' accountability to Congress and the American people. The authorizing committees have never properly dealt with this program in the 7 long years it has been in place. It has been extended through the appropriations process time and time again. After 7 years, it is clear that fee demo should be allowed to expire next year as scheduled.

Thank you, Mr. Chairman.

[The prepared statement of Mr. Funkhouser follows:]

**Statement of Robert Funkhouser, President,
Western Slope No-Fee Coalition**

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 Robert Funkhouser, President of the Western Slope No-Fee Coalition.

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

Fee Demo began as an appropriations rider in 1996 and has been extended four times through the appropriations process. It is beginning its eighth year as a "demonstration" without legislative hearings or congressional debate. It is time, and past time, to make the hard choices necessary concerning the future of this controversial program. While we can support making fee retention permanent in the National Parks only, and so testified on September 9th in the Senate in support of S.1107, the program as it relates to the Forest Service, Bureau of Land Management, and Fish and Wildlife Service must be allowed to expire as scheduled on October 1, 2004.

The National Parks have a long history of charging entrance fees, an existing collection infrastructure, and a higher level of development and service that the public expects.

As opposed to the implementation of the Recreational Fee Demonstration Program in the National Park Service, Fee Demo has proven to be a failure in the Forest Service, BLM, and Fish and Wildlife agencies. These fees were formerly limited to developed campgrounds and a few highly developed recreational sites carefully defined by Congress in the Land and Water Conservation Fund Act of 1965. Under Fee Demo, fees have been allowed to spread to hundreds of undeveloped and minimally developed areas. Americans are now being charged fees for such basic services as picnic tables, roads, and trails, and for access to vast tracts of undeveloped public land. It is these new fees that have been so unpopular and controversial, and that we are opposed to.

Opposition to Fee Demo has been overwhelming and widespread. From New Hampshire to California, from Idaho to Arizona, Americans from all walks of life and all political persuasions are raising their voices against this program. Resolutions of opposition have been sent to Congress by the state legislatures of Colorado, Oregon, California, and New Hampshire. Ten counties in western Colorado as well as counties, cities, and towns across the nation have passed resolutions opposing the program. Hundreds of organized groups oppose Fee Demo, and civil disobedience to it is rampant. In California alone, over 200,000 citations have been issued for refusal to pay the fees.

These new fees are a new tax and they are a double tax. For those who enjoy motorized recreation they are often a triple tax. These individuals pay sales tax for their vehicles, gas tax for their fuel, extra registration fees, and income tax to pay for land management. Now under Fee Demo they are required to pay an access tax to recreate on their public lands.

Fee Demo is a regressive tax. It puts the burden of public land management on the backs of Americans who live adjacent to or surrounded by federal land. In rural counties, such as mine in western Colorado, where 87% of the land is federally managed, public lands are an integral part of life. To mandate that those local residents

carry a heavier burden of funding our land management agencies is unjust and unfair.

Fee Demo is also a regressive tax because it discriminates against lower-income and working Americans. A Forest Service study showed that 23 percent of lower-income Americans no longer visited our public lands due to the fees. It stated that 49 percent of all Americans regardless of income use the public lands significantly less due to the fees.

Fee Demo is a financial failure as well. The General Accounting Office recently released the findings of an audit concerning the Fee Demo program in the Forest Service (GAO-03-470). They found that in FY2001 the Forest Service used \$10 million of appropriated funds for administration of the Fee Demo program and to augment collection costs. This \$10 million, almost one-third of their total fee revenues, had been previously unreported in the agency's annual report to Congress. The GAO also found that the agency had been under-reporting the costs of administration, collection, and fee enforcement. Although the Forest Service claimed the program was a success, with gross revenue in FY2001 of \$35 million, the truth is that the program brought in far less than \$15 million because the cost of overhead, collection, and enforcement was well over 50%.

Until the GAO audits the BLM and Fish and Wildlife Service Fee Demo programs, their true financial results are uncertain, but as it stands, the net revenues for these two agencies in FY2001 are estimated at less than \$4 million.

The public has rejected the notion of Fee Demo, and it is of little financial value to the American taxpayer.

The Fee Demo program has changed the mission of the land management agencies from one of resource management and stewardship to one of revenue generation. It allows the three agencies to appropriate their own funds without any congressional oversight. This creates a perverse incentive to maximize revenue at the public's expense, and has resulted in excesses of implementation and enforcement such as charging fees for unimproved backcountry areas, forest wide fees, simple picnic tables, and parking.

This lack of accountability is especially alarming in light of the Forest Service's history of financial problems. The GAO has labeled the agency's financial management practices as "high risk" time and time again. A recent report stated that "Congress and the American people have no idea what the Forest Service's 30,000 employees do with the \$5 billion they are given in appropriated dollars annually. This leads to waste, fraud, abuse, and mismanagement."

While we encourage Congress to support public lands with adequate appropriated budgets, this funding must go hand in hand with increased accountability. As long as the agencies are a black hole for appropriated funds, it makes no sense to supply them with an independent source of revenue, bypassing Congress and the public. That is exactly what Fee Demo has done.

Fee Demo had its origins in the agencies' claims of billions of dollars in backlogged maintenance, and in Congress's frustration that appropriated funds were not making it "onto the ground." The Forest Service continues to starve maintenance and operations budgets by using specifically designated appropriated dollars for other projects. Reports are that between \$10 million and \$100 million has been taken to fund the Outsourcing Initiative. It was recently announced that maintenance and operations budgets would be raided to fund the Healthy Forest Initiative. The agencies continue to use the dollars appropriated for maintenance and operations for other purposes while still claiming an ever-growing backlog in these areas.

GAO reports reveal that the agencies are unable or unwilling to identify and quantify the maintenance backlog, while continuing to build new facilities and infrastructure that only add to the maintenance needs of the future. Much of this is meant to commodify our public lands in order to sell them back to the tax-paying public. There are funds already allocated that, with reprioritization, can be used to pay down the maintenance backlogs in the three agencies and eliminate the very reason for this program. One obstacle to accomplishing this is the budget firewall that currently exists between funds for capital infrastructure and funds for operations and maintenance. The land managers should be encouraged to reprogram existing budget dollars to where they are most needed. The firewall must come down. Appropriated dollars should be used to maintain what we already have first, before building additional infrastructure. This budget reform, along with more congressional oversight, not less, is the only way to get the dollars onto the ground to benefit the land and the taxpayers that supply the funding.

Fee Demo is an attempt to introduce the concept of "user pays" into the management of our public lands, completely reversing the previous system of public ownership supported by public funding. The Land and Water Conservation Fund Act of

1965 contained carefully crafted language defining what services were appropriate to charge fees for, such as developed campgrounds and mechanized boat launches. It also specified what services should not require a fee, such as roads, scenic overlooks, toilets, and picnic tables. Those guidelines served the American public well for over thirty years. Fee Demo threw all of that out when it allowed the land management agencies to charge for anything at all and keep the money without further congressional scrutiny. Allowing these three land management agencies to directly tax the public and retain those funds is fundamentally flawed.

Under Fee Demo, it is not just the public that has suffered. The agencies are experiencing an increasingly strained relationship with local communities and the public as a whole. The land management agencies are a tentative guest in many communities to begin with. When they assume a heavy enforcement role, as Fee Demo forces them to do, it erodes any positive relationship that had been built. Gene Chandler, the New Hampshire Speaker of the House, has said, "This program drives a wedge between local governments and public on one hand and the federal land management agencies on the other." The longer the wedge stays in place, the harder it will be to repair the damage. Volunteerism suffers and community involvement suffers.

Fee Demo has been a failure. The 550 million acres administered by the Forest Service, BLM, and Fish and Wildlife Service are largely unimproved. They are the heritage of the citizens of this nation and have been maintained for generations through our taxes. Under Fee Demo, these citizens are being denied access to their lands unless they are able and willing to pay additional taxes in the form of fees.

Americans are passionate about their ownership of these lands. They feel that it is their heritage, as it was their parents' and will be their children's. They pay their taxes to maintain these lands, and they should not be treated as customers—or worse, trespassers—on their own land. Fee Demo takes ownership of these lands out of the hands of the public and gives ownership to the land management agencies. It is this change in relationship that is most disturbing. The recent proposal by the agencies to create a "National Pass" for access to all public lands is exactly the sort of extreme measure that results from the change in relationship created by Fee Demo. It makes trespassers out of taxpayers.

We call on Congress to hold the land management agencies truly accountable for the billions of dollars they receive every year, to create an avenue for appropriated dollars to reach the ground, and to limit the ability of the agencies to use maintenance and operations budgets for other uses. Fee Demo rewards the agencies for their shortcomings in these areas by giving them the ability to create an external source of revenue without congressional control.

The Recreational Fee Demonstration Program has been controversial since its inception. Fee Demo is a poorly implemented bad idea. It is fundamentally flawed and cannot be fixed. It has been unpopular with the public, has not been financially worthwhile, and has decreased the agencies' accountability to Congress and the people. The authorizing committees have never properly dealt with this program in the seven long years it has been in place. It has been extended through the appropriations process time and time again. After seven years it is clear that Fee Demo should be allowed to expire next year as scheduled.

Mr. Chairman and members of the Subcommittee, thank you for your consideration and for allowing me to testify before you today.

Appendix 1

WESTERN SLOPE NO-FEE COALITION,
Norwood, CO, July 29, 2003.

GENERAL ACCOUNTING OFFICE REPORT GAO-03-470 HIGHLIGHTS

TWO-THIRDS OF FS OPERATING COSTS UNREPORTED

In what amounts to an absence of accountability on the part of the Fee Demo managers, the Forest Service has failed to report in its annual Fee Demo Progress Reports to Congress that (in 2001) close to \$10 million in appropriated funds were used as a taxpayer subsidy to administer the program. (GAO p.32)

This alone triples the \$5 million which the Forest Service was declaring as the true cost of collection and administration for the program. This \$15 million for cost of collection and administration represents, by itself, 43% of the Forest Service's reported Fee Demo gross revenue of \$35 million in FY 2001. The Forest Service is limited by Congress to 15% for cost of collection expenses.

THE FS DOES NOT ACCOUNT FOR ALL FEE COLLECTION COSTS

The Forest Service does not report commissions to vendors for selling Fee Demo passes (GAO p.25–27). In the Adventure Pass fee program, the Pacific Northwest and Sedona’s Red Rock fee sites in Arizona, among others, the Forest Service uses private vendors to help sell Fee Demo passes. In the Adventure Pass fee program, vendors buy a \$5 daily pass discounted to \$4 and a \$30 annual pass for \$27.

“Forest officials at the locations where this was occurring could not tell us the total amount of vendor discounts that the agency has permitted. Excluding vendor discounts from the cost of collection is also inconsistent with federal financial accounting standards and the U.S. Department of Agriculture financial manual. These standards require that total revenues and expenses be reported” (GAO p.25–26).

Although the Forest Service did not make vendor figures available to the GAO the figures were obtained, in 2002, through FOIA for the Adventure Pass fee program. Vendors sold 56% of all passes in FY 2001 and those sales represent hundreds of thousands of dollars that had gone unreported as cost of collection in one fee area alone. It is unknown what this figure might be nationwide.

OTHER COSTS OF COLLECTION ARE HIDDEN

A percentage of the \$8.6 million categorized as program operations in the FY 2001 Annual Report to Congress is actually Fee Demo administrative overhead. This increases the cost of operating the program (GAO p.32).

Local Fee program managers have been inconsistent with their categorizing of costs of collection. Costs related to fee enforcement and cost of collection had been reported in other categories. This also raises the costs of collection higher (GAO p.7 and p.17).

BOTTOM LINE: FEE DEMO IS NOT WORTH IT

The Forest Service gross Fee Demo revenue for FY 2001 was over \$35 million (GAO p.6). We must subtract the reported cost of collection, 5,051,000 (GAO p.9), the unreported use of \$10 million of appropriated funds to subsidize the program (GAO p.32), the unreported vendor commissions nationwide, and a further \$4.6 million (this represents the amount raised at some Fee Demo sites that already produced fee income [campgrounds, boat launches, etc.] before Fee Demo began in 1997) (April 2002 interim report to Congress on Fee Demo, p.23). The Forest Service claims the program is a success with gross revenues of \$35 million. The bottom line is that the program brings in far less than \$15 million and the cost of overhead, cost of collection and the enforcement is well over 50 percent. The public has rejected the notion of Fee Demo and financially it is of little or no value to the American taxpayer.

Until the General Accounting Office audits the Bureau of Land Management and U.S. Fish and Wildlife Service’s Fee Demo programs the amount of cost of collection and the use of appropriated funds for program management in those agencies remains unclear. As it stands, the net revenues for the BLM and USFWS combined is less than \$4 million.

The Forest Service has pointed to backlog maintenance needs as its justification for the program. The General Accounting Office reports that the Forest Service puts less priority on paying down the backlog than other agencies and does not even know how much Fee Demo revenue they spend on the backlog. In fact, the agency does not know how large the backlog really is (GAO p.4, 19–20, 22). The Forest Service continues to put its emphasis instead on capital infrastructure.

Appendix 2

WESTERN SLOPE NO-FEE COALITION,
Norwood, CO, July 29, 2003.

COST BENEFIT ANALYSIS OF THE RECREATIONAL FEE DEMONSTRATION PROGRAM OF THE BLM, USFWS, AND FS FOR FY 2001

All information is taken from the April 2002 Interim Report to Congress (IR), the 2001 Annual Report (AR), and the General Accounting Office report GAO–03–470 (GAO). References to the GAO report will include corresponding page numbers. Any other sources will be noted.

U.S. Forest Service	
Gross Revenue (AR)	\$35,261,047.00

Unreported Vendor Revenue Est. (GAO p.25–26)	+\$951,468.00	
<hr/>		
Total Gross Revenue FY 2001	\$36,212,515.00	\$36,212,515.00
Cost of Collection and Overhead:		
Reported Cost of Collection (AR)	\$5,100,000.00	
Unreported Cost of Collection:		
Inconsistent Collection Reporting Est. (GAO p.17)	\$1,000,000.00	
Administrative Overhead in Operations (GAO p.32)	\$860,000.00	
Vendor Costs Unreported Est. (GAO p.25–26):		
Enterprise Forest	\$369,868.00	
Northwest Forest	\$201,600.00	
Southwest Region	\$180,000.00	
Other Vendor Costs	\$200,000.00	
Unreported Appropriated Funds Used:		
To Bolster Fee Revenues (GAO p.31–32)	+\$10,000,000.00	
Total Cost of Collection and Overhead	\$17,911,468.00	\$17,911,468.00
Total Net Fee Demo Revenue		\$18,301,047.00
Pre Fee Demo LWCFA Revenues Included In FY 2000 Fee Demo Revenues (IR)		–\$4,600,000.00
Revenues Collected Under the Land and Water Act Before and After Fee Demo (Campgrounds, etc.) Projected to FY 2001		
Total Added Revenues From Fee Demo Tax—Forest Service		\$13,701,047.00
U.S. Forest Service Percentages		
Percentage of Cost of Collection vs. Total Gross Revenue		50 percent
Percentage of Cost of Collection vs. Total Revenue		130 percent
Percentage of Forest Service Under Reporting of Cost of Collection and Overhead to Congress		351 percent
Bureau of Land Management		
Gross Revenues (AR)		\$7,543,274.00
Reported Cost of Collection		–\$2,777,448.00
Unreported Cost of Collection		Amount Unknown
Vendor Costs Unreported		Amount Unknown
Unreported Appropriated Funds Used To Bolster Fee Revenues		Amount Unknown
Total Net Fee Demo Revenue		\$4,765,826.00
Pre Fee Demo LWCFA Revenues Included in FY 2000 Fee Demo Revenues (IR)		–\$2,200,000.00
Revenues Collected Under the Land and Water Act Before and After Fee Demo (Campgrounds, etc.) Projected to FY 2001		
Total Added Revenues From Fee Demo Tax—BLM		\$2,565,826.00
BLM Percentages		
Percentage of Cost of Collection vs. Gross Revenues		37 percent
Percentage of Cost of Collection vs. Total Revenues		108 percent
U.S. Fish and Wildlife Service		
Gross Revenues (AR)		\$3,828,451.00
Reported Cost of Collection (AR)		\$944,847.00
Unreported Cost of Collection		Amount Unknown
Vendor Costs Unreported		Amount Unknown
Unreported Appropriated Funds Used To Bolster Fee Revenues		Amount Unknown
Total Net Fee Demo Revenues		\$2,883,604.00
Pre Fee Demo LWCFA Revenues Included in FY 2000 Fee Demo Revenues (IR)		–\$1,900,000.00
Revenues Collected Under The Land and Water Act Before and After Fee Demo (Campgrounds, etc.) Projected to FY 2001		
Total Added Revenues From Fee Demo Tax—Fish and Wildlife Service		\$983,604.00
U.S. Fish and Wildlife Service		
Percentage of Cost of Collection vs. Gross Revenues		25 percent
Percentage of Cost of Collection vs. Total Revenues		96 percent

Notes:
 Both revenues and cost of collection for passes sold by vendors have been going unreported by the Forest Service according to the GAO. This is in violation of Federal Financial Accounting Standards.
 The Forest Service did not make records of Vendor sales available to the GAO for this audit, but these vendor records were obtained through FOIA for the Enterprise Forest. Vendor cost of collection and revenue were estimated based upon these numbers and percentages as well as research done in each region.
 Administrative Overhead in Operations by using 10% of \$8,600,000 (GAO p.32).

Inconsistent Collection Reporting is an estimate.

LWCFA Revenues represent revenues from sites like campgrounds that collected fees before fee demo under the LWCFA and will continue to charge fees after fee demo has expired. These funds will continue to go to the LWCFA and therefore should not be taken into account by fee demo revenues.

The GAO has not done an audit of the BLM or USFWS. The scale of use of appropriated funds to bolster fee revenues is unknown. It is also uncertain if cost of collection figures are complete.

Total net revenues for the BLM and USFWS is under \$4,000,000.

Mr. MCINNIS. Thank you, Mr. Funkhouser.

Mr. Holtz and Ms. Jones, we are going to recess. It will probably be about 30 minutes, my best estimate. I would appreciate it if you would stay around, and then we will immediately go to your statements as soon as we return.

Thank you.

[Recess.]

Mr. MCINNIS. The Committee will come to order.

What we are going to try to do is get your testimony in between votes. The schedule is kind of messed up now, even more than when I last departed.

So we will go ahead and proceed, Mr. Holtz, if you wouldn't mind giving us your statement. You may proceed, sir.

STATEMENT OF PATRICK J. HOLTZ, SENIOR LEGISLATIVE ASSISTANT, GOVERNMENT RELATIONS, AMERICAN MOTORCYCLIST ASSOCIATION

Mr. HOLTZ. Thank you, Mr. Chairman.

Mr. Chairman and members of the Committee, my name is Patrick Holtz, and I am senior legislative assistant of the American Motorcyclist Association, an organization with over 270,000 motorcycle enthusiast members. The AMA appreciates the opportunity to provide testimony regarding the Forest Service's Recreational Fee Demonstration Program.

The reason for AMA's presence today is twofold: First, the AMA would like to formally announce its conditional support for making the Recreational Fee Demonstration Program permanent. Second, we are here to encourage this Committee to improve the program in specific areas within the United States Forest Service before this significant designation is made.

In previous testimony provided to this Committee, the AMA asserted that there are several essential principles which must be contained in any recreation fee proposals. They are: that the fees are equitable, that the fee system is efficient, that the fees are convenient for the recreationist, that the fee system is coherent and integrated, and that all fees collected are maintained and used at the site where the fee was generated.

The AMA was pleased to read in the United States General Accounting Office's April 2003 study that the U.S. Forest Service has made a good-faith effort in upholding these principles. However, as with any program of this size and scope, there are bound to be problems. Indeed, the GAO study is revealing, especially in its comparison of the Forest Service's program to the National Park Service.

As a basic premise, it would seem that the GAO study confirms that all fees collected are maintained and used at the site where the fee was generated. According to the GAO, local forest managers

retain be 90 and 100 percent of the fee demonstration revenue at the sites where the fees are collected.

However, the most striking revelation in the GAO study is that, “the Forest Service does not provide consistent information on where fee revenue is being spent.” The AMA finds it specifically alarming that the Forest Service does not catalogue the recreation fee expenditures on deferred maintenance, even though it has a significant backlog. The Forest Service cites the temporary nature of the program and the authorizing legislation.

Meanwhile, the NPS has not used this as an excuse for inaction. According to the GAO study, the NPS spent almost 35 percent of its fee demonstration program money on maintenance in Fiscal Year 2001, addressing a multi-billion-dollar backlog.

Specifically, the GAO cites the Angeles and San Bernardino National Forests, whose primary source of revenue is the Adventure Pass. The Adventure Pass is required for vehicle access, including motorcycles, to the National Forests in Southern California. The annual Adventure Pass costs \$30, or \$5 for a daily pass. As opposed to addressing deferred maintenance needs, these National Forests spent 80 percent of their revenue on “visitor services, and maintaining operations, maintenance of facilities, and for providing interpretive services.” This is meritorious, but shouldn’t land managers address the specific long-term needs of those who are paying the fees?

In addition, the Forest Service cannot be credited for the deferred maintenance it is conducting under the Recreational Fee Program. For example, land managers at the Nantahala River Gorge in North Carolina’s National Forest used recreation fee money to address their deferred maintenance needs by rehabilitating a trail. However, it was catalogued as “resource preservation and enhancement expenditure,” according to the GAO. Therefore, it is not credited under the Forest Service’s daunting backlog.

If the Recreational Fee Program becomes permanent, the Forest Service must develop a system that credits those who address maintenance.

The Recreational Fee Demonstration Program has enormous potential to enhance recreation opportunities. But to be successful, it has to receive full public support. In order to receive that support, the Forest Service must think boldly and implement a fee system that officially accounts for its deferred maintenance needs, rewards land managers who work on those needs, and provide a coherent and integrated experience for the user. The AMA looks forward to working with the Forest Service and Members of Congress in applying these principles to a permanent Recreational Fee Program.

Thank you.

[The prepared statement of Mr. Holtz follows:]

**Statement of Patrick J. Holtz, Senior Legislative Assistant of
Government Relations, American Motorcyclist Association**

Mr. Chairman and Members of the Committee, my name is Patrick Holtz, Esq. and I am Senior Legislative Assistant of the American Motorcyclist Association (AMA), an organization with over 270,000 motorcycle enthusiast members. The AMA appreciates the opportunity to provide testimony regarding the Forest Service Recreational Fee Demonstration Program (RFDP).

The reason for AMA’s presence today is two-fold. First, the AMA would like to formally announce its conditional support for making the Recreational Fee

Demonstration Program permanent. Second, we are here to encourage this committee to improve the program in specific areas within the United States Forest Service (USFS), before this significant designation is made.

In previous testimony provided to this committee, the AMA asserted that there are several essential principles, which must be contained in any recreation fee proposal. They are:

- That the fees are equitable, and aimed at recovering costs where the services provided, or the facilities used, would otherwise represent significant costs to the taxpayers;
- That the fee system is efficient, costing the least amount practical to administer;
- That the fees are convenient for the recreationist, so that voluntary compliance is readily achievable;
- That the fee system is coherent and integrated, so that overlapping charges are minimized and federal, state and local fees are integrated where appropriate; and
- All fees collected are maintained and used at the site where the fee was generated.

The AMA was pleased to read in the United States General Accounting Office's (GAO) April 2003 study that the United States Forest Service has made a good faith effort in upholding these principles. However, as with any program of this size and scope, there are bound to be problems. Indeed, the GAO study is revealing, especially in its comparison of the Forest Service program to that of the National Park Service (NPS).

As a basic premise, it would seem that the GAO study confirms that all fees collected are maintained and used at the site where the fee was generated. According to the GAO "local forest managers retain between 90 and 100 percent of the fee demonstration revenue at the sites where fees are collected."

However, the most striking revelation in the GAO study is that, "the Forest Service does not provide consistent information on where fee revenue is being spent." The AMA finds it specifically alarming that the Forest Service does not catalog the recreation fee expenditures on "deferred maintenance" even though it has a significant backlog. The Forest Service cites the "temporary nature of the program" and the authorizing legislation.

Meanwhile, the NPS has not used this as an excuse for inaction. According to the GAO study the NPS spent almost 35% of its fee demonstration revenues on maintenance in Fiscal Year 2001, addressing a multi-billion dollar backlog. This is relevant because the motorized community for the most part does not benefit from this at the NPS. It is currently illegal for anyone to ride a motorcycle on any trails on National Park Service land. While the NPS has taken advantage of the program to address deferred maintenance needs, the Forest Service has focused on visitor services.

Specifically, the GAO cites the Angeles and San Bernardino National Forests, whose primary source of revenue is the "Adventure Pass." The Adventure Pass is required for vehicle access, including motorcycles, to the national forests in Southern California. The annual Adventure Pass costs \$30 (\$15 with senior or disability discounts) or \$5 for a daily pass. As opposed to addressing deferred maintenance needs, these national forests spent 80 percent of their revenue on "visitor services, and maintaining operations, maintenance of facilities, and for providing interpretive services." This is meritorious. But shouldn't land managers address the specific long-term needs of those who are paying the fees?

In addition, the Forest Service cannot be properly credited for the deferred maintenance it is conducting under the Recreational Fee Program. For example, land managers at the Nantahala River Gorge in the North Carolina National Forest used recreation fee money to address their deferred maintenance needs by rehabilitating a trail. However, it was cataloged as "resource preservation and enhancement expenditure" according to GAO. Therefore, it is not credited under the Forest Service's daunting backlog.

The Allegheny National Forest (ANF) recognizes the specific needs of off-highway vehicles (OHV). OHV use is the fastest growing recreational activity on the Allegheny National Forest. The annual economic impact in Pennsylvania exceeds \$17,000,000 annually. In order to maintain high quality experiences, the ANF returns \$200,000 annually first to the maintenance of existing trails, then if funds are available to begin planning for the expansion of trails. If the Recreational Fee program becomes permanent, the Forest Service must develop a system that credits those who address maintenance.

The Recreational Fee Demonstration Program has enormous potential to enhance recreation opportunities. But, to be successful it has to receive full public support.

In order to receive that support, the Forest Service must think boldly and implement a fee system that efficiently accounts for its deferred maintenance needs; rewards land managers who work on those needs, and provide a coherent and integrated experience for the user. The AMA looks forward to working with the Forest Service and Members of Congress in applying these principles to a permanent Recreational Fee Program.

Mr. MCINNIS. Thank you, Mr. Holtz.
Ms. Jones?

**STATEMENT OF RAQUEL JONES, SMALL BUSINESS OWNER,
LYTLE CREEK, CALIFORNIA**

Ms. JONES. Thank you, Mr. Chairman.

Mr. MCINNIS. And I want to let you know I appreciate that you came all the way from California.

Ms. JONES. Oh, thank you.

Mr. MCINNIS. That is a long trip.

We should also let everyone know that the reason there has been some disruption is because of the pending hurricane. So what they are trying to do is wrap it up, and this is helpful advice to those of you, including my friend from California and elsewhere.

Ms. JONES. I can't wait to get back.

Mr. MCINNIS. I would head for the airport as soon as you are finished.

[Laughter.]

Mr. MCINNIS. You may proceed.

Ms. JONES. Thank you, Mr. Chairman and all the members of this Committee. It is an honor and a privilege for me to be invited to be part of this hearing to discuss the Recreation Fee Demonstration Program. I represent the small community of Lytle Creek, California, which is located inside the boundary of the San Bernardino National Forest.

My husband and I moved to Lytle Creek in December of 1996. We bought an old rock house which is a historic landmark. We fell in love with the surroundings—the beautiful green mountains, the stream, the birds singing in the trees, the wind blowing, the beautiful flowers, and the quiet place.

When summer came it was very different. People came from the city to get away from the heat. They were everywhere. The creek was full of trash; the garbage was all over. There were weeds all over and pieces of glass and metal left from a car crash. The first impression was nothing but garbage. I came home frustrated, thinking what could I do to communicate to the public to take care of the area.

In June of 1998, I read an article in the newspaper about community cleanup, and I started contacting people to see if I could get help. The county supervisors' office provided me with two dumpsters. It put a flyer in the local newspaper to let everyone in the community know where to put their trash. But it was not enough. The dumpsters were full to the top in less than half an hour.

After that, I decided to become an Adventure Pass vendor because my house was right on the road, and I would be able to be in direct contact with the public. Most of the people that come to the canyon are Spanish-speaking people, and I am able to

communicate with them because Spanish is my first language. I put up a bulletin board with beautiful wildlife photos and signs in Spanish telling them not to litter and destroy the forest. Over the years, I have made a great impact in educating the public because I speak the language. I target the kids because they are the future. I tell them that Lytle Creek will still be here for you when you come back with your children if you take care of it. I educate the kids by handing out cartoon papers with pictures they can relate to and handing out trash bags.

The people have told me that Lytle Creek looks cleaner because everyone is cleaning up after themselves. When they buy their Adventure Pass from me, they ask me for their trash bag. The Rangers go by and pick up the trash bags, and they are already full. The people are for the Adventure Pass. The people have been asking if there will be more improvements such as picnic tables, ramps for the handicapped, parking spaces, bicycle trails, water, better and cleaner restrooms. We want to keep the Adventure Pass long enough to be able to get some of these improvements.

Lytle Creek is not the only community that is in the same condition. I have spoken with Tom McIntosh who lives in Forest Falls. He is a realtor who would not show his clients the National Forest in his community before the Adventure Pass because it was so full of trash and graffiti. Now he will tell you it is the first place he takes his clients because he is so proud of its beauty.

I have spoken with Dee Hansen, who lives inside the Angeles National Forest. Dee is 82 years old and bought her own sandblaster to remove graffiti. She and her husband put 55-gallon drums out in her community to collect the trash and emptied the cans every week. She finally put her house up for sale because the community was becoming so undesirable. Then, like me, she became an Adventure Pass vendor. She gives people trash bags and talks to them about the forest. There are more patrols in the forest now, the area is clean, and I believe crime has been reduced. The community and the visitors are very happy with the Adventure Pass Program, and Dee has taken down her "For Sale" sign.

I want the land to be a benefit for all people—for the people from the community, for the visitors, and for the children. Thousands of people come to Lytle Creek, and there is only one small picnic area. People bring their own tables and their own grills because the picnic area is fully and they want to come to enjoy the creek. They need restrooms. They need a place to put their trash so it does not end up in the creek. We have been able to do these things because of the Adventure Pass. If the Adventure Pass goes away, Lytle Creek will be the same as it was before, and soon there will not be a place for them to recreate because everything will be destroyed.

I have big dreams. I want Lytle Creek to be beautiful. I want my daughters to be proud to say they live in Lytle Creek. If it was not for the support my husband and my daughters give me, I would not be able to do what I am doing for my community.

Thank you, Mr. Chairman.

[The prepared statement of Ms. Jones follows:]

Statement of Raquel Jones, Private Citizen, Lytle Creek, California

Mr. Chairman: It's an honor and a privilege for me to be invited to be part of this hearing to discuss the Recreation Fee Demonstration Program. I represent the small community of Lytle Creek, California, which is located inside the boundary of the San Bernardino National Forest.

My husband and I moved to Lytle Creek in December of 1996. We bought an old rock house which is a historic landmark. We fell in love with the surroundings—the beautiful green mountains, the stream, the birds singing in the trees, the wind blowing, the beautiful flowers, and the quiet place.

But when summer came it was very different. People came from the city to get away from the heat. They were everywhere. The creek was trashed and there was garbage all over. The trees were carved with names. There were weeds all over and pieces of glass and metal left from a car crash. The first impression was nothing but garbage. I came home frustrated, thinking what could I do to communicate to the public to take care of the area.

In June of 1998 I read an article in the newspaper about community cleanup and I started contacting people to see if I could get help. The County Supervisors' Office provided me with 2 dumpsters. I put a flyer in the local newspaper to let everyone in the community know where to put their trash. But it wasn't enough. The dumpsters were full to the top in less than half an hour.

After that I decided to become an Adventure Pass vendor because my house was right on the road and I would be able to be in direct contact with the public. Most of the people that come to the canyon are Spanish-speaking people and I am able to communicate with them because Spanish is my first language. I put up a bulletin board with beautiful wildlife photos and signs in Spanish telling them not to litter and destroy the forest. Over the years I have made a great impact on educating the public because I speak the language. I target the kids because they are the future. I tell them that Lytle Creek will still be here for you when you come back with your children if you take care of it. I educate the kids by handing out cartoon papers with pictures they can relate to and handing out trash bags.

The people have told me that Lytle Creek looks cleaner because everyone is cleaning up after themselves. When they buy their Adventure Pass from me they ask me for their Trash Bag. The Rangers go by and pick up the trash bags and they are already full. The people are for the Adventure Pass. The people have been asking if there will be more improvements such as picnic tables, ramps for the handicapped, parking spaces, bicycle trails, water, better and cleaner restrooms. We want to keep the Adventure Pass long enough to be able to get some of these improvements.

Lytle Creek is not the only community that is in the same condition. I have spoken with Tom McIntosh who lives in Forest Falls. He is a Realtor who would not show his clients the National Forest in his community before the Adventure Pass because it was so full of trash and graffiti. Now he will tell you it is the first place he takes his clients because he is so proud of its beauty.

I have also spoken with Dee Hansen, who lives inside the Angeles Forest at Mt. Baldy Village. Dee is 82 years old and bought her own sandblaster to remove graffiti. She and her husband put 55 gallon drums out in her community to collect the trash and emptied the cans every week. She finally put her house up for sale because the community was becoming so undesirable. Then, like me, she became an Adventure Pass vendor. She gives people trash bags and talks to them about the Forest. There are more patrols in the Forest now, the area is clean, and the gang bangers are gone. The community and the visitors are very happy with the Adventure Pass Program and Dee has taken down the "For Sale" sign.

Summary

I want the land to be a benefit for all people—for the people from the community, for the visitors, and for the children. Thousands of people come to Lytle Creek and there is only one small picnic area. People bring their own tables and their own grills because the picnic area is full and they want to come to enjoy the creek. They need rest rooms and they want them cleaned. They need a place to put their trash so that it doesn't end up in the creek. We have been able to do these things because of the Adventure Pass. If the Adventure Pass goes away, Lytle Creek will be the same as it was before and soon there won't be a place for them to recreate because everything will be destroyed.

I have big dreams. I want Lytle Creek to be beautiful. I want my daughters to be proud to say they live in Lytle Creek. If it wasn't for the support my husband and my daughters give me, I wouldn't be able to do what I am doing for my community.

Mr. MCINNIS. Thank you, and, again, I appreciate the travel.

In your statement, which I appreciate—I am not sure. Are you for or opposed to the Recreational Fee Program?

Ms. JONES. I am for the benefit of all the people.

Mr. MCINNIS. So you support the program?

Ms. JONES. For the program as long as the program will benefit the people. There are a lot of improvements that we need to accomplish. But as you know, things do not get done overnight.

Mr. MCINNIS. So you support the——

Ms. JONES. I support the Adventure Pass.

Mr. MCINNIS. All right. Thank you.

Mr. Thompson, let me ask you very briefly: In your testimony, you said that fee demo funds are making a crucial difference in and reducing maintenance backlog. Can you tell me how much fee demo revenues have gone to pay down the deferred maintenance backlog in the recent fiscal years, number one? And, number two, has the Forest Service nationally prioritized paying down the deferred recreation maintenance backlog before constructing new facilities when expanding fee demo revenues?

Mr. THOMPSON. Thank you, Mr. Chairman. Our backlog of recreation facility maintenance is estimated to be about \$500 million. In Fiscal Year 2002, we invested about 23 percent of the fee collections in maintenance. Some of that was probably deferred maintenance, backlog maintenance. Some of it was annual maintenance.

In this program, we did not try to distinguish between the two. That was not the intent of the program. At this point we are working hard to look out over the next few years to figure out a way to accurately catalogue the maintenance backlog that exists and determine how to take that on.

The fee program has certainly provided a tool to do the backlog where the people in the communities feel that it ought to be done. So I think we are making good progress on it, and there is certainly, as has been pointed out by the GAO, some need to clarify the categories and how we account for it. But that was not, I do not think, a serious issue with regard to the demonstration. That is a bigger issue outside the demonstration program.

Mr. MCINNIS. Thank you.

Mr. Hill, very briefly, did you find that the backlog was, in fact, a priority with the Forest Service in your review?

Mr. HILL. Well, we found that, when we looked at the expenditure, they were spending the money consistent with the legislative intent of the program. I think in our report we said that a larger portion of the fund, 29 percent, was going toward visitor services, but 21 percent was going for maintenance.

Mr. MCINNIS. Mr. Funkhouser, I am curious about your statement on double taxation. I would like you to, if you can, distinguish between, say, for example, a hunting license—you live in the State of Colorado. You pay taxes. And yet because you are a user—they do not charge everybody a hunting license fee. They charge the people who hunt a hunting license fee. Or in the city of Montrose, for example, you may live there, you pay your taxes, you pay your property taxes, and yet when you go and park your car, you still pay a parking meter.

Is all of that reflective of double taxation? And if, in fact, that is—by your definition, I think it probably does fit that double taxation—then I am confused on your argument on double taxation, number one.

Number two, the problem I see out there, one, I think it has been pretty poorly administered, but the other problem is this land is being loved to death. I think Mrs. Jones' comments are very reflective of what we are seeing on our public lands. We have lots of people coming in, lots of people using these lands. And I guess the most—in my opinion, if it is administered properly, the most appropriate way to have it paid for is let the user, the primary beneficiary, help with that. The general population helps a lot, but we do not have—we are short of funds. Our big crisis out there on these Federal lands is giving them the love that they deserve.

So if you would very briefly answer the double taxation, and then tell me—and maybe I did not understand your statement correctly. Do you disagree with user fees? Go ahead.

Mr. FUNKHOUSER. Mr. Chairman, these public lands have been supported through taxpayer dollars as long as they have been in place. I feel that it is a double tax to charge, to allow the land management agencies to retain fees to supplement their budget. Traditionally—

Mr. MCINNIS. I have got to—let me, I'm the Chairman. And the only reason I am interrupting is not to be rude, but I have got about three and a half minutes left.

Mr. FUNKHOUSER. Fine, sir.

Mr. MCINNIS. And I want to get these answers. But you are not distinguishing it. In your book, would the parking meters in downtown Montrose be double taxation?

Mr. FUNKHOUSER. I actually have heard that argument before, and I just have a hard time relating parking meters to our public lands.

Mr. MCINNIS. How about hunting licenses?

Mr. FUNKHOUSER. Hunting licenses, I believe the money goes directly to the State Division of Wildlife in Colorado to manage the herd.

Mr. MCINNIS. To manage the maintenance and so on.

Mr. FUNKHOUSER. In a hunting license situation, you are taking a resource off the land, as opposed to a recreation fee or access to public lands are clearly—

Mr. MCINNIS. OK. Let me briefly get the second response, because I want to ask Mr. Robertson and Mr. Holtz very quickly.

Mr. FUNKHOUSER. Certainly.

Mr. MCINNIS. And that was the user fee. Do you support a user fee under any conditions, or you do not support a user fee at all?

Mr. FUNKHOUSER. Oh, we actually have no problem with a user fee under the Land and Water Conservation Fund Act. For instance, campgrounds with improved—

Mr. MCINNIS. How about on the Forest Service user fee if properly administered?

Mr. FUNKHOUSER. Fee demo itself I think is—well, we might be getting to—

Mr. MCINNIS. No, no. Generally. User fee, properly administered, Forest Service land.

Mr. FUNKHOUSER. No, absolutely, I do not support that.

Mr. MCINNIS. OK. Thank you.

Mr. Robertson and Mr. Holtz, I want to clarify your statement. Do you want to see this amended or ended?

Mr. HOLTZ. I think we want to see it amended.

Mr. MCINNIS. Mr. Robertson?

Mr. ROBERTSON. Yes, amended or ended. We want to see the problems fixed that we discussed in 2001, and also see, if that cannot be done, the end of the program.

Mr. MCINNIS. OK. And if you have further clarification, any of the parties that I have spoken to, that would help answer my questions—I am sorry to cut you off, but I do not want to miss my vote. So if you have additional comments, you are welcome to submit those to the record to help clarify your answer or to help me answer my question.

OK. We are going to stand in recess again and hopefully be back here in about 15 or 20 minutes, I hope. Be patient. Thank you.

[Recess.]

Mr. MCINNIS. The Committee will come back to order.

Because of the unusual circumstances involving the approaching hurricane, with the exception of one, I think most of the members are already departing for the airport. But Mr. Inslee, the Ranking Member, does wish to ask some questions of the panel. So I would ask the panel's indulgence. I expect Mr. Inslee to be here temporarily.

At the conclusion of Mr. Inslee's questions, although I will not be here, the Committee will automatically stand in adjournment. So if the panel would just sit tight, I expect Mr. Inslee. If, under the circumstances, Mr. Inslee does not show up in the next 10 or 15 minutes, then the Committee will stand in adjournment.

I do want to say to all of you that I appreciate it very much. This program is very important, I think, but we have got to do it right. In my particular district, which Mr. Funkhouser is aware of, the Forest Service has lost the public's support. And, of course, I represent the public support in that district, and since it is not there, that program has real problems. But somehow we have got to address—as Mrs. Jones addressed in her statement, this land is being loved to death, and somehow we have got to figure out—we cannot just—I know the standard response out there is, well, get more money out of the general fund or the Forest Service needs to put more in. We cannot keep up with the usage on these parks. Somebody is going to have to pay for it, and in my opinion, the people who receive the most direct benefit are going to have to help. And we get lots of volunteer help. In our district, as Mr. Funkhouser is probably aware, we have lots of volunteers. They come out. And Mrs. Jones spoke about how they hand out trash bags as volunteers and put out trash cans. But sometimes it is just not enough to put that infrastructure in place, so we have to come to some type of program that will address the needs, will be properly administered, but will be fair to the users. And I count myself amongst them.

So we will go ahead and just wait here temporarily. I would expect Mr. Inslee, and, again, I thank the panel for making the effort to come today.

[Recess.]

Mr. TANCREDO. [Presiding.] The Committee will come back to order.

We will wait for Representative Inslee, but in the meantime, just one or two questions for the panel that I have. What we first were interested in is knowing, from the non-government witnesses especially, what specific changes would you present for us, for our review, and what specific changes would you like to see? And for Mr. Funkhouser, if you are opposed to the rec fee for Forest Service but OK with the Park Service, how come that is the case?

So any order we want to start in.

Mr. ROBERTSON. As I said in my testimony, I think that the primary use of these fees should be for maintenance, and I think that if the broad scope of the fees is substantially reduced, the use of the fees is substantially reduced, that would be one of the primary changes that would benefit the public and would also start to generate some public support.

Mr. TANCREDO. With all money being spent on deferred maintenance?

Mr. ROBERTSON. Yes, entirely limited to public maintenance—or maintenance for public services. Right now the expansion of fees to law enforcement, to using fees outside of the parks and forests for other projects that are fairly peripheral, including trash collection, including paving of public roads or State highways, I think is inappropriate. So I think the Forest Service especially would benefit from a limitation of those uses.

Mr. TANCREDO. Thank you.

Mr. Holtz?

Mr. HOLTZ. Actually, I am in agreement with what Mr. Robertson said.

Mr. TANCREDO. Either turn on the microphone or get it closer there.

Mr. HOLTZ. I think what we need to do is tighten the scope of the authorizing legislation, look at deferred maintenance. We need to know what the deferred maintenance needs are. I do not think the Forest Service or the National Park Service knows the answer to that. And that should really be a condition precedent to reauthorization. And when in conflict, we think, between visitor services and deferred maintenance, we believe that deferred maintenance should take precedence.

Mr. TANCREDO. Thank you, Mr. Holtz.

Mr. Funkhouser?

Mr. FUNKHOUSER. Thank you. The Park Service implementation of fee demo, the fees there have been around for many decades. There is a greater amount of amenities and services expected in the National Parks. The difference between the parks and the other agencies is that new fees in the other three agencies as opposed to existing fees in the parks, the parks have traditionally charged entrance fees for those amenities and services. Outside the Forest Service, BLM, Fish and Wildlife Service, fee demo represents introducing new fees for unimproved areas, for picnic tables, for roads, for many other services.

The other problem, I think, that the other three agencies have in regards to fee demo is fee demo brings with it the ability for the

first time in those agencies to retain revenues that they collect from the public. In the Park Service, we feel that that can be controlled. The incentives that this creates within the agencies is to maximize revenues. In other words, in the Park Service they have doubled or tripled entrance fees, and they have a multi-layering of fees, like entrance fees and then back-country use fees, trail head parking fees, transportation fees. It is that sort of incentive in the Park Service that I think can be controlled with congressional oversight.

In the other agencies where this program brings in new fees and allows the agencies to retain, for the first time to charge and to retain fees and to appropriate—we feel appropriate their own funds without congressional oversight is a problem, and that is where the incentive comes in. That is why the agencies, those three agencies, have been so aggressive in their implementation and enforcement of the fees.

Mr. TANCREDO. Thank you.

Mr. Thompson, how would you respond to that?

Mr. THOMPSON. You know, the demonstration program has been an excellent opportunity to try a lot of different things. It has not been without problems, and that is why it was called a demonstration program.

I think over the last few years, we have done an excellent job on an interagency basis to identify what elements we really need to concentrate on in the long term to have an effective fee program on an interagency basis. And I believe that that is essential in the years ahead to keep up with the pace of use and facilities across the United States.

The elements that are so key to an effective program are, one, making sure that it is providing for the benefit of the public; it has got to be fair; it has got to be equitable. It certainly has got to be an efficient program where a lot of money is not being spent in just collecting money, and so we need to correct those things.

It needs to be consistent so that the public can understand it. I think it has got to be convenient, and certainly we feel working with local publics in a collaborative way to make progress is where it is at. We will and have shown, I think, that we can be accountable for the program, and I think in the years ahead, if the program continues, it will be the one tool that people at the local level will be able to say we are making a difference.

And so, in my mind, it is those elements that really respond to this issue.

Mr. TANCREDO. Thank you, Mr. Thompson. I understand that you have to make a plane.

Mr. THOMPSON. Yes, and I really so much apologize for that. But Dave Holland, who is the Director of Recreation, Wilderness, and Heritage, is here and he will respond to any questions. And I really apologize for having to leave.

Mr. TANCREDO. That is quite all right. We understand.

Mr. THOMPSON. Thank you.

Mr. TANCREDO. The Chairman had to do the same.

My last question is for Ms. Jones. Earlier on, Mrs. Capps, I think, in her opening remarks or in her response, I guess, to your remarks, was quite critical of the California experience, and I

wondered if you had any response to what she said. If you do not, that is fine, too, but I just wondered if you did, then here is a chance to make it.

Ms. JONES. I am sorry. I do not quite understand your question.

Mr. TANCREDO. Mrs. Capps earlier on, Representative Capps, as I understand it, was quite critical of the way that the program operates in California.

Ms. JONES. OK.

Mr. TANCREDO. I am just wondering what your response was, if any.

Ms. JONES. Well, my response is that I have seen changes in the program. There are a lot of things to accomplish and things do not happen overnight. The collected fees are going to be able to accomplish all these improvements, especially in, you know, the National Forests. In my community, there are still a lot of things that we have to accomplish, and I do not know how we are going to do that.

Mr. TANCREDO. All right. Mr. Inslee, your panel.

Mr. INSLEE. Thank you.

Just to report to the Forest Service, I was just up on Mount Townsend in the Olympic National Forest, and I want to tell you, it is a beautiful place you got there. And to those who say these places are not enjoyed by anybody elitist, it is a 3,000-foot climb. When I got to the top, there was a 77-year-old guy and a 78-year-old guy who had beat me up the mountain. So I just wanted—

Mr. HOLLAND. In a helicopter.

[Laughter.]

Mr. INSLEE. It was not a helicopter. No, they scooted. They are tough sons of guns. Anyway, thanks for Mount Townsend.

Mr. Holland, what is kind of the payback, grossly stated, as far as return on investment, in other words, the cost of collection vis-a-vis the net revenues for this program for you? And I am not sure how the appropriation money fits into paying the cost of collection, but whoever is paying it, can you tell us what the net return is on this?

Mr. HOLLAND. I would be happy to line out some of those figures for you. If we look at the budget for 2002, we had \$390 million nationally for the Recreation, Heritage, and Wilderness Programs in the Nation for the Forest Service. We collected within the fee demo context about \$38 or \$37.7 million. And as has been mentioned by others here, that cost of collection was about 18 percent, which, depending on how you counted it—one said that it was about \$10 million—we had about \$1 million in direct costs for collection, and then we made an active choice going into this program that indirect costs, which fits with the accounting guidelines we have, would not be part of this, and that was to say, sir, that we would not take the indirect costs for the agency out of the fee program to ensure that we got the fees to the ground.

Now, we are looking at, based on the GAO report, some ways of how we account for that in total. So I would say it is not a dollar-for-dollar cost. It was a definite benefit.

Mr. INSLEE. So your overhead is about what percentage of your gross?

Mr. HOLLAND. Collection costs are 18 percent the first couple of years. They were 16 percent, actually, this year, and there are

some efficiencies. Operating costs starting up a program were a little bit more.

Mr. INSLEE. So when you figure in the indirect, it will maybe raise that to 22 or 24 or something? Or you do not know?

Mr. HOLLAND. I do not know. I could not answer that at this time.

Mr. INSLEE. OK. If you were going to figure out the—compare these revenues to the subsidies for resource extraction that we have, various subsidies to the extent they still exist for road building—have you ever done that kind of comparison?

Mr. HOLLAND. No, sir.

Mr. INSLEE. Any idea what those subsidies would be at all?

Mr. HOLLAND. No, sir.

Mr. INSLEE. Does the GAO have any—have they ever looked at that issue?

Mr. HILL. No, we have not.

Mr. INSLEE. OK. Do I understand, if this continues, would the Forest Service look forward to at some point a universal pass system for all Federal lands, at least non-Park Service lands? Is that a goal that you would intend having?

Mr. HOLLAND. Yes, actually, we are exploring that. There are maybe two pieces to that. One is right now with the interagency working group on this, we have the Golden Passes that are being applied across all the lands now as well as looking at some form of national pass, and certainly that has been what the public has asked for.

In Idaho, with the VIP Pass, we are exploring that and actually using it, and also in Oregon and Washington, looking at some opportunities there right now with the State.

Mr. INSLEE. And we have heard testimony about, at least anecdotally, people seem to be more understanding of charges for the Park Service than the Forest Service. Do you believe that is the case? And if so, why do you think that is?

Mr. HOLLAND. I think that may be true to some extent. If you look at it historically, the Park Service has had a fee structure, and BLM, Forest Service, Fish and Wildlife Service have not. So it is a change from where we were over the last 7 years.

Mr. INSLEE. And what do you think ought to be the parameters on these fees? In other words, if this is given permanent status, should there be statutory maximums for certain uses? Should there be a statutory maximum as a percentage of the budget? How do we keep this monster in its cage? Not to give you any prejudices that I share.

Mr. HOLLAND. No, sir. Maybe I will answer that a little bit indirectly to start with. You know, we went into this as a demonstration project to try a variety of things, as Mr. Thompson referred to. We have had some lessons learned in that for sure, and we have done some things out there that have not worked as well. That was part of that demonstration package. This January we will implement what we call the fee Blueprint for the Forest Service. That Blueprint is really a statement of lessons learned, areas that we should not be charging fees in, areas where we can charge enhanced fees. And it is spelled out in that Blueprint.

But I think the importance in there is that with the fee program and the implementation on the ground, that is done with local communities. Projects are agreed on with local communities about where those dollars will go. I think that may more aptly set the context for whatever the fee might be because that has been put on the table with local folks.

Mr. INSLEE. And why should we justify that? Why should we justify using this special pot of money because there is a special deal with the local community when the whole backlog is so enormous for the Forest Service? How can you justify that from a policy standpoint?

Mr. HOLLAND. I am sorry. I did not hear the part about the backlog.

Mr. INSLEE. How can we justify—my vision of what you are describing is that the local Forest Service sort of makes an arrangement with the community to do X, Y, or Z special project, you know, in their special neck of the woods, which is great and I can understand the appeal of that, and everybody understands then there is a more possessory aspect of the whole project. But how do you justify that when you have got these enormous backlogs nationally? If you are going to generate revenues, why shouldn't it be for the whole national system that has so seriously fallen apart?

Mr. HOLLAND. I think the way I would answer that is in setting a user fee, which really taxes—it gets back a little bit to the taxation question. Taxes that go into the general revenue and come back through appropriations to the Forest Service pay for a certain of things getting taken care of. And fee demo was an opportunity to look at how we might enhance that and would fees work to enhance that. And looking at the Blueprint and where we put those fees, it is where services are being asked for by the users.

In that context, I think keeping that local and keeping it meaningful to those places is probably a better answer. And at the same time, a good portion, based on what local users have asked for, has gone to deferred maintenance and annual maintenance, as well as, you know, enhances customer services that they want to see.

Mr. INSLEE. You perhaps have covered this, but how does it work? Like in the Olympic Forest right now, let's say Mount Townsend, if the local forest wanted to say we are going to stair-step the switchbacks because we have got erosion up there, and we want to stair-step this and it is going to cost \$100,000, is there a provision right now for the Forest Service to create a specific user fee for that trail for that project? If so, how would they do it?

Mr. HOLLAND. I do not think it would work quite that way. Could they use money that they took in on a fee for that? And I am not familiar, sir, with Mount Townsend specifically and what is going on there. But for the purposes of the discussion—

Mr. INSLEE. Well, it is lucky. The trail is in really good shape.

Mr. HOLLAND. But let's talk about that and say for that area there are enhanced facilities under our Blueprint. If it was just a trail head and it went to the top of Mount Townsend, it would have to have at least three minimum major improvements to make it even viable to have a discussion about fees on there. It cannot just be any trail head. So it would have to have something like a restroom facility, an enhanced restroom facility—you know, I do not

know if horses are used there—hitching posts, and a couple of—at least three major improvements that already existed to warrant putting a fee in there. So there are guidelines on how that would go.

If they were all there and the community said or the local users said that is our biggest priority, and we were already collecting fees there, we would like to see that get done as the first or second priority, that would get on the list that way.

Mr. INSLEE. Thank you.

Mr. TANCREDO. Mr. Pearce, do you have any questions?

Mr. PEARCE. No. Thank you.

Mr. TANCREDO. OK. I want to thank the witnesses for their insights and the members for their questions. Members of the Subcommittee may have some additional questions for the witnesses, and we ask you to respond to them in writing. The hearing record will be held open for 10 days for the responses.

I again want to thank you very much for your patience and for wading through this process with us. And if there is no other business, the Committee is adjourned.

[Whereupon, at 3:47 p.m., the Subcommittee was adjourned.]

