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NATIONAL ALLIANCE OF GATEWAY COMMUNITIES**

**TESTIMONY  
BEFORE THE COMMITTEE ON RESOURCES  
SUBCOMMITTEE ON NATIONAL PARKS, RECREATION  
AND PUBLIC LANDS**

**HEARING ON H.R. 3283, THE FEDERAL LANDS  
RECREATION ENHANCEMENT ACT – TO IMPROVE  
RECREATIONAL FACILITIES AND VISITOR  
OPPORTUNITIES ON FEDERAL RECREATIONAL  
LANDS BY REINVESTING RECEIPTS FROM FAIR AND  
CONSISTENT RECREATIONAL FEES AND PASSES, AND  
FOR OTHER PURPOSES**

**MAY 6, 2004**

Mr. Chairman, it is an honor and pleasure for me to present these comments to you this afternoon on behalf of the National Alliance of Gateway Communities (NAGC) regarding the recreation fee demonstration program (“fee demo”). I am Aubrey King and I am President of the NAGC.

We are here today to testify with regard to H.R. 3283 and to express our appreciation to Chairman Regula for introducing it. The innovative fee demo program was, of course, originally the creation of Chairman Regula and we commend him and others in Congress who have supported the program over the years. We have some reservations about H.R. 3283, however, and we want to recommend several amendments, which we believe will make the recreation fee program as proposed in this legislation stronger and more effective.

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

### **The National Alliance of Gateway Communities Interest in Fee Demo**

The NAGC is the national trade association that represents the interests of those communities that serve as gateways for millions of domestic and international visitors to our magnificent national parks, forests and other Federal public lands.

The expenditures of these visitors support the economic base for hundreds of gateway communities and serve as the mainstay for economic growth. Not only are the Federal lands a critical tourism draw for gateway communities, their accessibility also contributes very substantially to the quality of life for residents who can so easily take advantage of the scenic and recreational appeal of those lands in their backyards.

Since formation of the NAGC in 1999, we have recognized the critical importance of the recreation fee demonstration program (“fee demo”) and regarded it as a priority issue on the NAGC agenda. We believe that the hundreds of millions of dollars that have been generated by fee demo, with eighty percent retained for use at the lands where it is collected, have enabled thousands of projects to be completed, significantly reducing the infrastructure maintenance backlog that has plagued these agencies for decades. The result has been to improve the Federal lands experience for both visitors and residents. We have closely followed the implementation of the program by the four Federal agencies given this responsibility by Congress, testifying and submitting several statements to Congress during this period in broad support of fee demo while recommending substantial reforms in the program.

In a January, 2004, survey of the NAGC membership, 76 percent of those responding said they either supported or strongly supported the fee demo program. Most gateway residents understand how important it is to retain 80 percent of fee demo revenue for use at the public lands location where it is collected. They understand that fee demo revenue has funded numerous projects that have made the Federal lands more appealing and more enjoyable for visitors. They understand that it is unrealistic to expect that the \$180 million now collected annually from fee demo will be replaced through the Congressional appropriations process. They believe it is imperative that this recreation fee stream be continued by Congress.

Mr. Chairman, we would also note that there has been discussion of combining recreation fee legislation with key elements of H.R. 014, the Gateway Communities Cooperation Act, which you introduced. While we can see the benefits of such a combined bill, we do not favor anything that would delay consideration of H.R. 1014, which, as you know, has received careful attention for nearly four years and seems to be moving towards passage.

### **Importance of Fee Demo**

It is clear to us that fee demo has benefited the Federal lands, allowing them to serve their visitors better and, thereby, to have an even more positive impact on state and gateway community economies.

In fiscal year 2004, it is estimated that fee demo will generate approximately \$180.2 million for all four agencies involved, with the National Park Service collecting \$124.7 million, the Forest Service \$42 million, the BLM \$9.5 million and the Fish & Wildlife Service \$4 million. Revenue from fee demo has been used almost entirely to pay for badly needed infrastructure maintenance and visitor service facilities at the public land sites where the revenue is collected.

The NAGC believes the case for fee demo transcends budgetary needs and that fee demo has the potential to (1) engender greater public appreciation for the Federal lands by showing the value-added benefits of those lands and the recreation experience, (2) help agencies manage access to overcrowded areas, (3) encourage greater stakeholder

participation in Federal land management decisions and (4) encourage greater interagency and interdepartmental coordination.

### **Criticisms of Fee Demo**

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

Following is a summary of what appear to us to have been the most serious and valid shortcomings of fee demo implementation. While significant strides have been made by the agencies to address many of these problems, further improvements are needed in new recreation fee authorization legislation and many of them are addressed in H.R. 3283.

1. Fee demo implementation has too often resulted in “layering” of fees whereby visitors are required to pay multiple fees for different services or activities at the same site.
2. Fees levied at different sites by different agencies have not been coordinated to prevent duplicate fees and to ensure that comparable fees are charged for comparable services.
3. Fees have been charged that are disconnected to Federal land improvements, with the result that visitors and residents are asked to pay for the same services and facilities that have previously been available without charge. (This has been a particular complaint of many local gateway community residents upset at suddenly having to pay for access to the same Federal lands they have always regarded as their “backyards” with virtually unlimited access.)
4. Related to the preceding point, fees have been charged for access to “dispersed recreation areas” where the benefits from such fees are not self-evident.
5. Concessioners and permittees, who have already paid their contractual fees, made their business and marketing plans and set their prices accordingly, have objected strongly when their customers on short notice have had to pay additional fees under fee demo.

6. Local gateway community businesses object that fee revenue has been used to modernize or expand facilities on the Federal lands that compete unfairly with nearby private businesses.
7. The Federal agencies have spent too much on implementation of the fee demo program.

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

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

### **NAGC Position Regarding H.R. 3283 and Further Recommendations**

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

As indicated earlier, the NAGC supports authorization of a permanent or long term, reformed fee demo program. Permanent authorization would provide the agencies with maximum certainty to facilitate long term planning. We are pleased, therefore, that H.R. 3283 would establish a permanent recreational fee program that would require agencies to retain no less than 80 percent of recreation fee revenues at the specific public lands unit or area where it is collected.

If, however, Congress believes it is advisable to mandate a review of the effectiveness of recreational fee program reforms, we believe a six-year authorization, as with the Federal surface transportation program, would provide a reasonable balance between agency planning needs and time to assess the impact of reforms and other changes in the program.

We support expanding the recreation fee program to include the Bureau of Reclamation and would also support adding the U.S. Army Corps of Engineers. We believe all the Federal land agencies that provide recreational services and facilities to the public should be included in recreation fee demonstration.

We cannot support legislation such as S. 1107 which would establish a permanent recreation fee program but only for a single agency (i.e., the National Park Service). Visitors to the Federal lands often do not distinguish between the different agencies managing those lands and many of the problems with fee demo legislation have arisen because of a lack of cooperation and coordination between the different agencies. Congress should address the issue of recreation fees comprehensively.

We applaud the purposes and principles of the recreation fee program as outlined in H.R. 3283. Although the stated purposes and principles are stated in general terms and need to be interpreted and clarified, they are a significant step towards development of a coherent, rational set of guidelines.

We are especially pleased that H.R. 3283 would encourage greater interagency and intergovernmental coordination of recreation fees, in particular through the creation of “regional, multientity passes” in Section 10(b). We recommend, however, that such interagency and intergovernmental coordination be more strongly encouraged in the legislation. Instead of saying the Secretary “may” establish regional multientity passes, Section 10(b) should direct that the Secretary “shall” or “will” establish them.

We also support the provision in H.R. 3283 (Section 4(f) allowing fee management agreements, as a means of allowing gateway businesses and others to provide fee collection and processing services. This will not only help reduce agency administration costs, but it will also promote closer cooperation between the public land agencies and gateway communities.

In addition, to strengthen H.R. 3283 and we strongly recommend the following amendments to H.R. 3283:

1. Agencies should be explicitly authorized to develop cooperative agreements to collect fees for each other. Although this is apparently now occurring in some areas, many local agency managers are unwilling to enter into such agreements without clear statutory authority.
2. Agencies should utilize the expertise and experience of state and local tourism offices to help identify areas with particular tourism and recreation appeal that justify entrance or access fees. “Special Places” with a high degree of such appeal may be identified through a selection process similar to that used to designate national scenic byways.
3. Agencies should be encouraged to use differential pricing for fees to recognize seasonal market demand.

4. Some fee revenue – perhaps ten percent – should be used to develop public information, education and communication programs for better known parks, forests and other lands. Such programs can be coordinated with ongoing state and local tourism office marketing efforts.
5. The Federal agencies should work more closely with state tourism offices and gateway communities in designing and planning fee structures. Local fee boards should be established to review and approve proposed Federal public land recreation fees because of their impact on gateway communities and their residents.
6. A National Recreation Fee Advisory Board, as recommended by the American Recreation Coalition, should be established to recommend common criteria for fees, oversee agency fee programs, foster coordination of fees, review innovative fee proposals, prepare annual reports on fee programs and review appeals alleging unjustified or inappropriate fees. Both national and local fee advisory groups should have members representing those principally paying the fees, including concessioners and permittees.
7. Following the fee demo model, eighty percent of the revenue from *special use permit fees* should also be retained and used at the locations where it is collected. While the National Park Service is authorized to retain such special use permit revenue for use at the local sites where it is collected, the other Federal land agencies are required to turn over all such revenue to the General Treasury, thus foregoing substantial revenue for local use. In the thirteen western states, for example, the Forest Service collects about \$25 million annually in revenue from special use permit fees – nearly as much as the agency collects from fee demo. Yet the Forest Service must return all that revenue to the Federal treasury.
8. The fee program should be carefully monitored in the future through the Congressional authorization process.
9. Any new recreation fee legislation should include Congressional assurance that revenue from fees will not be nullified or offset by reductions or lower growth rates in agency budgets.
10. Most attention given recreation fees has focused on how the fees are set and collected. Similar attention needs to be given to how fee revenue is spent. A major criticism of fee demo expenditures has occurred when the result has been to fund projects on the Federal lands that duplicate services or activities already available in nearby gateway communities. An example is when campgrounds on Federal lands are constructed, expanded or upgraded when nearby private campgrounds could readily accommodate additional campers. The result is to create unfair competition that damages private sector businesses. We recommend that Congress direct the agencies to conduct a study of any new visitor service

projects that may pose unfair competition for private gateway businesses and ensure (a) that the project is really necessary and duplicative of services already available in the community, and (b) that any fees charged for services on the Federal lands are comparable to those charged in the private sector.

We are also concerned about potential adverse consequences of H.R. 3283 on concessioners, outfitters and guides on the Federal lands. In the first place, it is important that public lands recreation fees be set with full consideration of their impact on these vital private sector partners. It is unfair for the agencies to increase recreation fees after the concessioners, outfitters and guides have published their prices for the season. To avoid this problem, we recommend that any long term recreation fee legislation make clear that Congress intends that no fees should be set that will reduce recreation use and the prospects for profits by private sector businesses under existing contracts or permits. S. 1107 contains worthwhile notice and documentation provisions that should be considered in this context. A second serious concern regarding the impact on H.R. 3283 on concessioners, outfitters and guides is its repeal of Section 4 of the Land and Water Conservation Fund Act of 1965. This would seem to repeal current Forest Service and BLM permitting authority. There may also be potential conflicts with the National Park Omnibus Management Act. Such dramatic changes in these fundamental statutes must be carefully considered.

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

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

### **Summary and Conclusions**

The National Alliance of Gateway Communities supports long term authorization by Congress of the recreation fee demonstration program as vital to the viability of the tourism and recreation industry and economies of hundreds of gateway communities. Not only does fee demo provide essential revenue to fund critical infrastructure and maintenance projects to improve the visitor experience, its potential benefits can be even greater, including demonstrating to visitors and the public the value-added importance of the Federal lands, providing an important management tool regarding access to overcrowded areas, encouraging a greater stakeholder role in land management decisions



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

While H. R. 3283 is a useful beginning to the establishment of a permanent or long-term recreation fee program, it also has several shortcomings. Clearly, for the fee demo program to fulfill its promise, reforms are necessary. The NAGC believes that an effective recreation fee program should contain the following elements:

- 1. development of more regional interagency and intergovernmental fees;**
- 2. clear authority for the agencies to collect fees for each other;**
- 3. utilization of state and local tourism offices to identify areas with special tourism and recreation appeal;**
- 4. utilization of state agencies and local gateway businesses to collect fees;**
- 5. utilization of differential fee pricing to respond to seasonal demand;**
- 6. utilization of a portion of fee revenue for public information, education and communication programs for better known Federal lands;**
- 7. development of a local advisory process involving state tourism offices and gateway communities to help design and plan fee structures;**
- 8. establishment of a National Recreation Fee Advisory Board;**
- 9. retention and use of eighty percent of revenue from special use permit fees at locations where it is collected;**
- 10. Congressional assurance that Federal land budgets will not be cut nor have their growth rates reduced to offset fee revenue;**
- 11. prevention of expenditures from recreational fees being used to fund projects that duplicate and compete unfairly with gateway businesses.**

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