

**OUTFITTER/GUIDE
SPECIAL USE FEE EVALUATION
PHASE II – FINAL
Fee Schedule Development
By Two Selected Methodologies**

Contract #53-0109-0-00542

FOR
USDA Forest Service
Acquisition Management
P. O. Box 21628, Juneau, Alaska 99802-1628

Attn: Mr. James Smith, RPRA
Contracting Officer's Representative (COR)

Report Date
August 5, 2003

FILE #5-03-075

BY
Diane Black-Smith, MAI
Brian Z. Bethard, MAI
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Re: PHASE II –Fee Schedule Development
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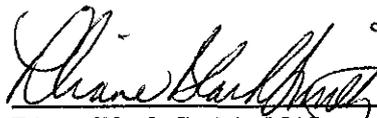
Dear Mr. Smith,

As requested, we have developed complete fee schedules for the Alaska Region activities by the methods identified as the Bottom-Up Pricing Method and the Modified Alaska Interim Flat Fee Policy.

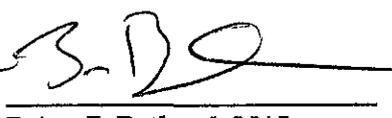
A Phase I report that included the identification and analysis of potential methodologies for determining the *fair market value* of the use of National Forest System land in the Alaska Region for outfitting and guiding activities; and, a preliminary Phase II report that tested three of those methodologies for six selected activities, are incorporated herein by reference.

This report summarizes the development of fee schedules by the two selected methodologies for all of the activity categories recognized by the Alaska Region. The resultant fees are presented in a comparison grid along with the fees developed for similar activities under both the National program and the Alaska Region Interim Flat Fee Policy. We conclude that the modified ARIFFP method best meets the needs of the Alaska Region of the Forest Service.

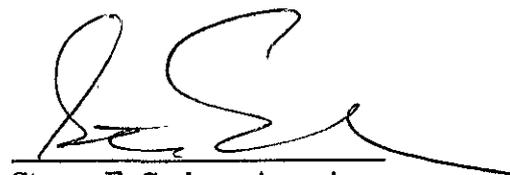
Sincerely,
BLACK-SMITH AND RICHARDS, INC.



Diane Black-Smith, MAI



Brian Z. Bethard, MAI



Steven E. Carlson, Appraiser

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CERTIFICATION

We certify that, to the best of our knowledge and belief...

The statements of fact contained in this report are true and correct.

The reported analyses, opinions, and conclusions are limited only by the report assumptions and limiting conditions, and are our personal, unbiased professional analyses, opinions, and conclusions.

We have no present or prospective interest in National Forest System special-use authorizations, and we have no personal interest or bias with respect to the parties involved.

Our employment was not conditioned on, nor our compensation contingent upon; the reporting of a predetermined objective or direction that favors the cause of the client or any other party, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

This document was prepared in conformity with the Uniform Standards of Professional Appraisal Practice, except to the extent that the Uniform Appraisal Standards for Federal Land Acquisitions required invocation of USPAP's Jurisdictional Exception Rule, as described in Section D-1 of the Uniform Appraisal Standards for Federal Land Acquisitions.

The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

As of the date of this report Diane Black-Smith, MAI, and Brian Z. Bethard, MAI, have completed the requirements under the continuing education program of the Appraisal Institute.

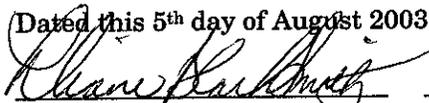
Diane Black-Smith, MAI, is currently certified by the State of Alaska as a General Real Estate Appraiser (Certificate No. AA 31). Brian Bethard, MAI, is currently certified by the State of Alaska as a General Real Estate Appraiser (Certificate No. 281). Steve Carlson is currently certified by the State of Alaska as a General Real Estate Appraiser (Certificate No. 231).

Diane Black-Smith, Brian Z. Bethard, and Steven E. Carlson, have the appropriate knowledge and experience necessary to complete this appraisal assignment competently.

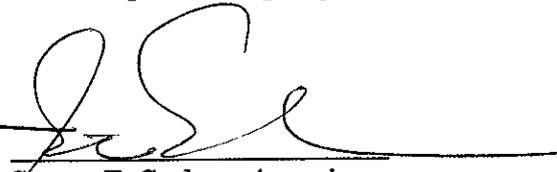
Two representative improved properties were inspected. Steve Carlson inspected the Begich Boggs Visitor Center at Portage Lake near Anchorage. Brian Bethard inspected the Mendenhall Glacier Visitor Center near Juneau.

No one provided significant real property appraisal assistance to the persons signing this certification.

Dated this 5th day of August 2003


Diane Black-Smith, MAI


Brian Z. Bethard, MAI


Steven E. Carlson, Appraiser

NATURE OF THE ASSIGNMENT

Background

USDA, Forest Service regulations at 36 C.F.R. 251.57(a) authorize the Forest Service (FS) to charge an annual land-use fee for special use permits. These regulations further provide that the fee is to be based on the fair market value of the rights and privileges authorized.

They apply to a variety of uses, including outfitting and guiding activities.

Outfitting is defined as providing through rental or livery, any saddle or pack animal, vehicle or boat, tents or camp gear, or similar supplies or equipment, for pecuniary remuneration or other gain. Guiding is defined as providing services or assistance (such as supervision, protection, education, training, packing, touring, subsistence, interpretation, or other assistance to individuals or groups in their pursuit of a natural resource-based outdoor activity) for pecuniary remuneration or other gain.¹

Outfitting and guiding activities are characterized as commercial recreation uses. The focus is on activities that are not associated with commercial public service sites, such as a resort lodge.² For the purposes of this assignment, outfitting and guiding permits are not leases and do not convey any interest in real property. However, the fair market value of the privilege to use National Forest System land in the Alaska Region is analogous to market rent.³

Market value is the amount in cash, or on terms reasonable equivalent to cash, for which in all probability the property would have sold on the effective date of the appraisal, after a reasonable exposure time on the open competitive market, from a willing and reasonably knowledgeable seller to a willing and reasonably knowledgeable buyer, with neither acting under an compulsion to buy or sell, giving due consideration to all available economic uses of the property at the time of appraisal.⁴

¹ FSH2709.11 Chapter 41.53c

² Contract Specifications (Appendix). The definition is expanded on Page 21 of the Phase I report.

³ Contract Specifications (Pages 14-15)

⁴ Uniform Appraisal Standards for Federal Land Acquisitions (2000)

In November 1995, the FS adopted a final policy and procedures for assessing fees based on 3% of adjusted gross revenues.⁵ In the Alaska Region, the policy was challenged in a 1997 case entitled, *The Tongass Conservancy v. Glickman*, No. J97-029-CV District of Alaska, January 16, 1999. The Tongass Conservancy (TTC) alleged that under a universal fee policy (3% of gross revenue), different fees were being charged for the same types of activities. The district court ruled that there was “insufficient evidence in the record to support a conclusion that the fees charged plaintiff (TTC) were both fair and based on the value of the use of Forest Service lands available to the plaintiff.”

The court directed the FS to devise a fee schedule “... that is fair and will not result in the assessment of disparate fees charged TTC and other similarly situated users for similar use of National Forest lands.” In 1999, the Alaska Region of the FS developed an alternative *interim flat fee policy* for special use permits issued to outfitters and guides.

The Outfitter/Guide Special Use Fee Evaluation project is a phased assignment intended to assist the Alaska Region of the FS in the development of a conforming final fee policy that:

- Is fair in that it would charge similar fees for similar uses of the National Forest System lands in the Alaska Region;
- Will not require competitive issuance of permits except in circumstances of limited outfitting opportunities where demand to provide services exceeds supply;
- Will result in stable fees that do not vary widely over time; and,
- Will be simple to administer and will not result in an undue reporting or record keeping burden on permit holders.⁶

⁵ FSH2709.11 Chapter 37

⁶ Contract Specifications (Pages 11)

“Ultimately, the objective is to develop a permit fee policy that is fair to the outfitting-and-guiding industry as a whole, as well as to the Government, which must receive fair market value for the use of public resources.”⁷ The focus is on activities that are not associated with commercial public service sites, such as a resort lodge.⁸

The *Phase I* report includes:

- A review of the National Policy and an evaluation of its ability to develop prices that are fair to both permit-holders and the Government.
- A review of the Alaska Region Interim Flat Fee Policy (ARIFFP) and schedule for fairness to the industry as a whole and a fair market value return to the government for the use of its resources.
- Analyses of potential methodologies for determining the *fair market value* of the use of National Forest System land in the Alaska Region for outfitting and guiding activities that are not associated with commercial public service sites, such as a resort or lodge.

After the completion of Phase I, the client agency and the contractor jointly selected the following methodologies for testing:

- **Bottom-Up Pricing Method**
This method prices (and indirectly values) the outfitter/guide’s use in terms of the unguided use values evidenced in the marketplace.
- **Modified ARIFFP**
The ARIFFP is a top-down pricing method by which flat fees are derived from calculations that process a percentage of gross revenues into per-client-day or per-hunt charges. The process includes an adjustment for time spent off National Forest System lands. While a historic rate of 3% is a fixture in the ARIFFP process, the Modified ARIFFP method includes an additional analytical step to determine an appropriate rate.

⁷ Contract Specifications Appendix (Page 34)

⁸ Contract Specifications (Appendix)

- Flat Fee Plus Percentage Method

In this method, the outfitter/guide fees consist of two components: flat fees that are developed by the Bottom-Up Pricing Method and a percentage of client charges or gross revenues.

Phase II is the development of alternative fee systems based on the selected methodologies. This phase requires two steps. In the first step, the three methodologies were applied to the 2001 permit holder data for the following six Alaska Region activities selected by the client agency:

- Road-based nature tours
- Remote-setting nature tours
- Helicopter land tours
- Visitor centers to include Mendenhall Glacier and Southeast Alaska Visitor Center
- Hunting – brown bear (day use)
- Hunting – mountain goats (camping)

The fee development process and results were presented in a *test report* that is incorporated herein by reference. The methodologies were compared with the National Policy (Options A and B) and ARIFFP processes in terms of the total revenue generated.⁹

Subsequently, the client and the contractor jointly selected the following methodologies (two) for this second step – the development of fee schedules for all of the activity categories recognized in the Alaska Region.

- Bottom-Up Pricing Method
- Modified ARIFFP

Like the test report, this *fee schedule development* report summarizes the fee development process and compares the results with the National Policy (Options

⁹ Because neither Option A, or B of the National Policy assigns flat fees to specific activities, they can only be compared on the basis of the total revenues generated to the Alaska Region.

A and B) and ARIFFP processes in terms of the total revenue generated. This report concludes with a recommendation of the preferred alternative in terms of its ability to meet the objectives of the client as defined by the assignment instructions.

The client is identified as the USDA Forest Service, Alaska Region. The intended use of the report is to provide support for the final outfitter/guide permit fee policy for the Alaska Region. The primary intended user is the client. Other intended users may include other federal land management agencies. The effective date of this report is August 5, 2003.

Scope of Work

The background material, research, data, evaluations, analyses, conclusions and recommendations of the Phase I and Phase II (test) reports are incorporated into this report by reference. This report relies primarily on the market data gathered for the Phase II test report and the 2002 permit holder data provided by the client agency. Alaska Region staff notes are presented in the addenda. We also physically inspected the Begich-Boggs Visitor Center at Portage Glacier near Anchorage and the Mendenhall Glacier Visitor Center near Juneau.

This final step of Phase II identifies the two methodologies selected and expands their rationale in terms of the client agency objectives. The process is described and applied to develop flat fees for all of the activity categories recognized by the Alaska Region.

The resulting fees are compared in a tabular format with the:

- Original ARIFFP flat fees,
- Index adjusted ARIFFP flat fees;¹⁰ and,
- ARIFFP flat fees based on the 2002 permit holder data reported.

Because neither Option A or B of the National Policy assigns flat fees to specific activities, a final inclusive comparison recognizes the total revenues that would be generated by each method based on the 2002 permit holder data provided.

The Fee Schedule Development Report is organized as follows:

- Fee development under the existing policies
 - * National Policy (Options A and B)
 - * ARIFFP
- Fee development under the two selected methodologies
 - * Bottom-up Pricing Method
 - * Modified ARIFFP
- Comparative summary of flat fee schedules
- Comparative summary of total revenues generated
- Summary, Conclusion and Recommendation

¹⁰ Adjusted using the Implicit Price Deflator-Gross National Product Index (beginning 1/1/01).

FEE DEVELOPMENT UNDER THE EXISTING POLICIES

- National Policy (Options A and B)
- Alaska Region Interim Flat Fee Policy (ARIFFP)

National Policy (Options A and B)

The policies are described in detail and evaluated in the Phase I report. For the purposes of this report, only the process is described.

Under *Option A*, the number of FS client days is multiplied by the client-day fee corresponding to a price bracket representing the average client-day charge.¹¹

Average Client-Day Charge (for client days on and off National Forest System lands)	Client-Day Fee <i>3% of the median (rounded)</i>
Less than \$8.00	\$0.25
\$8.01 to \$20.00	\$0.40
\$20.01 to \$35.00	\$0.80
\$35.01 to \$50.00	\$1.30
\$50.01 to \$75.00	\$1.90
\$75.01 to \$100.00	\$2.60
\$100.01 to \$125.00	\$3.40
\$125.01 to \$150.00	\$4.10
\$150.01 to \$175.00	\$4.90
\$175.01 to \$200.00	\$5.60
\$200.01 to \$250.00	\$6.75
\$250.01 to \$300.00	\$8.25
\$300.01 to \$400.00	\$10.00
Over \$400	<i>3% of the average client-day charge</i>

The client-day fees are calculated at 3% (rounded) of the median daily client charge for a series of ascending price brackets.¹² In the following example, a guide takes 3 clients on one trip for 3 days at \$450 per client; on another trip, the guide takes 7 clients for 4 days at \$500 per client.

¹¹ The number of *client days* is the number of service days for the duration of the outfitted or guided trip multiplied by the number of clients on the trip. A *service day* is a day or any part of a day on National Forest System land for which an outfitter or guide provides goods or services (including transportation) to a client. The *client-day charge* is the per-client rate charged by the outfitter/guide. The *average client-day charge* is the adjusted gross revenue divided by the total number of client days for the duration of the outfitted or guided trip. The *client-day fee* is paid by the outfitter/guide to the Forest Service.

¹² The Option A Client Day Fee Schedule is contained in the Forest Service directives (FSH 2709.11, Chapter 30).

Clients	Adjusted Gross Revenue	Client Days	Average Client-Day Charge	Client-Day Fee from schedule	Outfitter/Guide Fee for Commercial Use
3	x \$450 = \$1,350	x 3 = 9 days			
7	x \$500 = \$3,500	x 4 = 28 days			
Totals	\$4,850	+ 37 days	= \$131	\$4.10	(37 x \$4.10) \$151.70

Under *Option B*, the outfitter/guide fee is 3 percent of the annual adjusted gross revenue, minus any applicable adjustment for use off National Forest System lands.¹³ The operator has a choice of either option. The National Policy provides for an adjustment (discount) for use off National Forest System lands.

Short-stop fees are established by the Regional Forester for situations in which commercial tours and trips involve only very short stops or visits on National Forest System lands of two service days or less (e.g., fees for trips that use National Forest System lands incidental to the purpose of the trip, such as a bus tour that takes clients on a sightseeing trip.)

Summary

Options A and B produce results that, although not identical, are reasonably similar. The Option A method essentially processes 3% of adjusted gross revenues into a per-client-day fee. Either option is easily applied to both existing and new activities. However, the ability to develop prices that are fair to the FS is dependent on the appropriateness of the percentage rate component.

→ Moreover, a universal percentage applied to adjusted gross revenues does not establish similar market prices for similar activities nor differentiate among categories of use. In terms of the TTC ruling, the National Policy is not able to develop prices that are fair to the permit holders.

Note: Because neither Option A, or B of the National Policy assigns flat fees to specific activities, they can only be compared on the basis of the total revenues generated to the Alaska Region. The total revenues based on the 2002 permit holder data reported were calculated in spreadsheets developed and provided by Alaska Region Staff.

¹³ Gross revenue is defined in terms of the types of revenue that are includable.

Alaska Region Interim Flat Fee Policy (ARIFFP)

The policy is described in detail and evaluated in the Phase I report. For the purposes of this report, only the process is described.

The ARIFFP developed flat fees for 24 activities that fall into five categories:

1. Guiding Activities Other Than Big-Game Hunting
2. Big-Game Hunting
3. Road-Based and Remote-Setting Activities
4. Outfitting
5. Visitor Centers

Guiding activities other than big-game hunting

Like the National Policy, the ARIFFP recognizes a fee-per-client-per-service-day schedule established at 3% of the median daily client charge for a series of ascending price brackets. With the exception of the upper-end bracket, the Alaska Region schedule is essentially the same.¹⁴

Adjusted Daily Charge Per Client	Fee Per-Client Per-Service Day 3% of the median (rounded)
Less than \$8.00	\$0.25
\$8.01 to \$20.00	\$0.40
\$20.01 to \$35.00	\$0.80
\$35.01 to \$50.00	\$1.30
\$50.01 to \$75.00	\$1.90
\$75.01 to \$100.00	\$2.60
\$100.01 to \$125.00	\$3.40
\$125.01 to \$150.00	\$4.10
\$150.01 to \$175.00	\$4.90
\$175.01 to \$200.00	\$5.60
\$200.01 to \$250.00	\$6.75
\$250.01 to \$300.00	\$8.25
Over \$300	3% of adjusted daily charges per participant

Note: The brackets result from a distribution rather than calculated averages for any particular activity. The average client-day charge for an Alaska Region activity is calculated to determine which bracket the activity falls within. The per-client per-service day fee is 3% of the bracket median (rounded). The scheduled fee is further adjusted for time spent off National Forest System lands to indicate the outfitter/guide fee.

¹⁴ Recommended by a working group from federal and state agencies assisting the Alaska Land Use Council (ALUC). The ALUC was established by section 1201 of the Alaska National Interest Lands Conservation Act (ANILCA).

Under the National Policy, the outfitter/guide fee is 3% of the adjusted gross revenue (before off-forest discounts) regardless of the activity or client volumes. Option A expresses the 3% as a client-day fee in dollars. With this pricing method, the outfitter/guide fee reflects the "average client-day charge" for his/her specific operation regardless of any other considerations.

In the ARIFFP, the outfitter/guide fee corresponds with a price bracket reflecting the average client-day charge for an activity. Using 1998 as the base year, the total amount of client charges for all Alaska Region operators conducting the same activity was divided by the total number of service days they reported. The average price for each activity was then matched to a per-client per-service day fee from the schedule and adjusted by the percentage of time spent off National Forest System lands. The resultant fees were rounded to the nearest \$0.25.

Big-game hunting

Big-game hunting is charged by the hunt. The flat fees for day use were calculated to reflect a 40 percent off-forest discount. The steps to derive the fee schedule are summarized:

1. Hunt types were categorized based on the species hunted and whether the hunt involves an overnight stay on National Forest System lands.
2. 1998 fee data was used to calculate an average charge per-client-per-service-day for each type of hunt. The average was calculated by dividing the total amount of client charges for each type of hunt by the total number of service days. An average hunt length (in days) was also calculated for each type of hunt.
3. A fee per-service-day was derived for each category of hunt by matching the indicated average charge per-client-per-service-day with the Alaska Land Use Council (ALUC) schedule and adjusting for the percentage of time spent off National Forest System lands.
4. A flat fee (rounded to the nearest \$5) for each category was then calculated by multiplying the fee per-client-per-service-day by the average hunt length.

Road-Based and Remote-Setting Activities

- The road-based nature tours flat fee was developed by averaging the reported service days multiplied by the client charges of each of 12 nature tour permit holders who operated from the road system by buses, vans, and other vehicles. The fee was also applied to road-based wildlife viewing at developed sites (no separate calculations were made for this activity category).
- The remote-setting nature tours flat fee was developed by averaging the reported service days multiplied by the client day charges of each of 21 nature tour permit holders who operated in remote settings. The fee was also applied to remote-setting wildlife viewing at developed sites (no separate calculations were made for this activity category).

To avoid having flat fees based upon revenues that resulted from services a business provides off National Forest System lands, the Alaska Region eliminated from the pool used to develop flat fees certain high-cost operators, such as those who provide overnight accommodations on tour boats in the *category of remote-setting*. The separate remote-setting and roaded-setting categories were established to recognize the higher land use value, for purposes of nature tours, of remote pristine settings as compared to the more modified roaded-settings. This separation of categories is supported by the data reported by the permit holders that indicated a much higher client-day charge for remote-setting nature tours (e.g., \$50 to \$350/client-day charges) than for roaded-setting nature tours (e.g., \$7.50 to \$45.00).

Outfitting

The flat fee per-vehicle-per-day was established by applying the ALUC fee schedule to the average daily rental charge for boats reported by outfitters providing boats for unguided trips on National Forest System lands.

Visitor Centers

The ARIFFP process was not applied to this activity category because visits are characterized as short stops. The ARIFFP adopted existing shortstop flat fees that had been developed for individual visitor centers using a methodology similar to the ARIFFP.

Summary

The ARIFFP is essentially a modification of the National Policy Option A. Both are characterized as top-down pricing methods by which gross revenues are processed into client-day fees using a percentage multiplier. The additional steps of the ARIFFP process, assign unique prices (flat fees) to specific categories of activities so that outfitter/guides pay similar fees for similar activities.

For most activities, the ARIFFP yields outfitter/guide fees that are not significantly different than those calculated under Options A or B of the National Policy. However, in terms of the criteria established by the ruling in TTC case, the ARIFFP is arguably fair to the permit holders. Nevertheless, like the National Policy, the ability to develop prices that are fair to the FS is dependent on the appropriateness of the percentage rate component.

The ARIFFP provides for an annual adjustment using the Implicit Price Deflator-Gross Domestic Product Index (beginning January 1, 2001).¹⁵ For 2002, the flat fees have been increased by approximately 4.5%.

In the following table, the initial 1998 flat fees are compared with the index-adjusted fees for 2002 and a new fee schedule derived by applying the ARIFFP process (at 3%) to the 2002 permit holder data.¹⁶ The client agency provided the data in a spreadsheet that calculates the fees according to the processes described.¹⁷

¹⁵ This is an economic technique used to account for inflation by comparing the current-dollar gross domestic product GDP to constant-dollar GDP as a ratio. The ratio accounts for price changes of goods and services that make up GDP and changes in the composite of GDP.

¹⁶ 113 of 140 (80.7%) outfitter/guides operating in the Chugach National Forest responded to Alaska Region letters requesting permit-holder data for 2002. 205 of 229 outfitter/guides operating in the Tongass National Forest responded (89.5%). The overall rate of response is 86% (318 ÷ 369, rounded). Data entry notes provided by the Alaska Region staff are presented in the addenda.

¹⁷ The 1998 and 2002 applications of the process were slightly different. For the initial application, the highs and lows were eliminated from the averaging process and only day-use charges were considered for remote-based nature tours. For the current application to the 2002 permit holder data, the highs and lows were included as were all charges for remote-based nature tours. The 2002 permit holder data is referenced in the tables as "raw" data.

<i>Permitted Activity</i>	Code ¹⁸	1998 ARIFFP Schedule	Index-Adj. ARIFFP 2002	ARIFFP Fees Processed on Raw 2002 data
Road-Based Nature Tours	A	\$0.50	\$0.52	\$1.25
Remote-Setting Nature Tours	B	\$2.50	\$2.61	\$7.00
Freshwater Fishing	C	\$2.50	\$2.61	\$5.00
Flight-seeing Land Tours	D	\$2.00	\$2.09	\$3.25
Helicopter Land Tours	E	\$2.50	\$2.61	\$4.00
Non-Motorized Freshwater Boat Trips	F	\$1.25	\$1.31	\$1.25
Dog-Sled Tours	G	\$2.50	\$2.61	\$2.50
Snowmobile Tours	H	\$4.00	\$4.18	\$2.50
Heli-Skiing Tours	I	\$7.75	\$8.10	\$11.25
Visitor Center - Begich Boggs	J	*\$0.80	\$0.84	\$2.50
Camping	K	\$4.00	\$4.18	\$3.00
Visitor Center - Mendenhall & SEAVC	L	*\$0.50	\$0.52	\$0.75
Road-Based Wildlife Viewing at Developed Sites	M	*\$0.50	\$0.52	\$1.25
Remote Wildlife Viewing at Developed Sites	N	*\$2.50	\$2.61	\$4.00
Hunting - Waterfowl & small game	O	\$5.00	\$5.22	\$6.50
Brown Bear Hunts (Day Use)	P	\$140.00	\$146.23	\$190
Brown Bear Hunts (Camping)	Q	\$195	\$203.67	\$250
Black Bear Hunts (Day Use)	R	\$70	\$73.11	\$60
Black Bear Hunts (Camping)	S	N/A	N/A	\$105
Mountain Goats Hunts (Day Use)	T	\$105	\$109.67	\$125
Mountain Goats Hunts (Camping)	U	\$130.00	\$135.78	\$160
Deer Hunts (Day Use)	V	\$30	\$31.33	\$35
Deer Hunts (Camping)	W	\$70	\$73.11	\$45
Moose Hunt (Day Use)	Y	N/A	N/A	N/A
Moose Hunts (Camping)	Z	\$120	\$125.34	N/A
Elk Hunt (Day Use)	AA	N/A	N/A	N/A
Elk Hunt (Camping)	BB	N/A	N/A	N/A
Outfitting	CC	\$1.25	\$1.31	\$4.00
Transporter Provided Services	DD	N/A	N/A	\$3.25
Transport	EE	N/A	N/A	\$0.25
Other (Wolf Hunt)	<i>no code</i>	N/A	N/A	\$0.75

*The 1998 fees were adopted from existing short-stop flat fees that were developed for individual visitor centers prior to the implementation of the ARIFFP. The Alaska Region may want to recognize a group of incidental or short-stop uses with an adjusted off-forest discount (a universal 40% is applied in the ARIFFP process).

The 2002 permit holder data indicates two new categories. Activity code "EE" represents the transportation activity of one permit holder. The "Other" category is a single-client, 10-day wolf hunt with only 1 day spent on National Forest System land.

¹⁸ Activities are coded by the Alaska Region for data entry and analysis purposes.

FEE DEVELOPMENT UNDER THE TWO SELECTED METHODOLOGIES

- Bottom-up Pricing Method
- Modified Alaska Region Interim Flat Fee Policy

Both methods develop flat fees that are applied to client volumes to determine the annual outfitter/guide fee. In order to focus on the differences, the analyses and evaluations recognize the following common elements:

- Both methods employ a market comparison. The unique qualities of the Alaska Region are recognized in the correlation of data.
- The FS is authorized to recover costs incurred in the processing of all types of commercial special-use permit applications, and in the monitoring of commercial special-use authorizations.¹⁹ None of the methods described and evaluated recognizes the recovery of these costs as a distinct price component. A cost recovery fee could be a universal add-on.
- Periodic updates to the fee schedule would require a reapplication of the initial fee development process. In the interim, annual adjustments would be applied according to an inflation index. For example, the ARIFFP recognizes the Implicit Price Deflator-Gross Domestic Product Index. Based on these assumptions, the ability of these methods to respond to change is approximately equal.
- The ARIFFP fee schedule recognizes a wide variety of specific activities rather than general categories. The modified ARIFFP could not be applied to new activities without a lead-in period that is sufficient to generate the necessary data. However, in the interim, the fee for the most similar activity could be applied. For both methods, this is a practical, probable approach.

¹⁹ U.S. FOREST SERVICE, Fees for Recreation Special-Use Permits Do Not Reflect Fair Market Value, US. General Accounting Office December 1996.

FEE DEVELOPMENT BY THE BOTTOM-UP PRICING METHOD

While the Alaska Region does not charge fees for unguided use, the Bottom-Up Pricing Method prices (and indirectly values) the outfitter/guide's use in terms of the unguided use values evidenced in the marketplace.²⁰ The landowner only receives from outfitters/guides what unguided users are willing to pay for an equivalent unit of use (per-day, per-hunt) for the same activity.

This method is based on the following rationale:

- The per-client-day fee paid by an outfitter/guide to the Alaska Region represents the price of the client's use of National Forest System land *net* of outfitter/guide services.
- What the outfitter/guide can afford to pay is directly related to the client's willingness to pay.
- The willingness to pay for an individual's unit of use (per-day, per-hunt), is evidenced by unguided user fees for comparable activities.
- Unguided fees represent the minimum that a landowner would accept for a unit of use. Arguably, for comparable activities, the guided client's impact on the resource would be no less than that of the unguided user. If landowners can get \$5 to \$6 per-day from unguided fishermen, why should the FS be willing to accept only \$2.50 from outfitter/guides for an equivalent unit of use?

By this method, a schedule of client-day and per-hunt fees is derived from market comparisons of unguided fees for similar activities. The market comparison process includes the generation of price data by survey and a

²⁰ One of the two remote-setting wildlife-viewing sites (Pack Creek) and two of three visitors centers (Mendenhall and Southeast Alaska) are the exceptions. At Pack Creek, the fee for a remote site is the same for both self directed visitors (unguided) and those delivered by a transporter. However, the transported visitors are not indirectly double-charged because point-to-point transporters do not pay outfitter/guide fees. Tour companies typically include the price of admission to the two visitor centers identified. Customers are issued a pass to be presented in lieu of the general admission fee. This is consistent with area business practices exemplified by visitor attractions that charge a fee (e.g., Big Game Alaska in Portage and the Alaska Sea Life Center in Seward). In one arrangement, tour companies let their customers pay at the door/gate. The owner of the attraction acknowledges that the tour company generates customers and does not charge any additional fee. In another arrangement, the tour company includes the price of admission to the attraction. It is common for the tour company's promotional effort to be recognized with a bulk or volume discount.

correlation to the outfitting and guiding activities recognized by the Alaska Region. Elements of comparison could include accessibility, the quality of natural resources and supply and demand characteristics. Predictably, a range of prices would be reflected for each activity (or category of related activities). The analyst can then develop an opinion of an appropriate price for the comparable Alaska Region activity.

The Alaska Region recognizes a diverse list of specific activities. A central acknowledgement to the development of a fee schedule by the Bottom-Up Pricing Method is that the broader market does not recognize this level of stratification. The predominant practice is the recognition of a few general categories of related uses. Except for species-specific hunting, outfitting, visitor center tours and wildlife viewing at developed sites, the activities recognized by the Alaska Region can be grouped into the following *general activity categories*:

- General recreation - non-motorized, non-consumptive uses
- Camping
- Off-road motor sports
- Fishing
- Small game, birds & waterfowl hunting

The sub-markets represented by these activities are inefficient in terms of their ability to generate quantifiable considerations (dollar or percentage adjustments) for various features and characteristics.²¹ In the subsequent analyses, the development of value opinions relies heavily on qualitative evaluations (e.g. comparable/similar, superior/inferior) and measures of central tendency.²²

²¹ An active residential real estate market is comparatively efficient. From a quantity of transactions, buyer preferences for specific features or characteristics can often be measured and expressed as a percentage or dollar adjustment. In terms of optimizing price, the efficiency of a market is enhanced by a competitive open market environment in which numerous sellers offer alternative choices to numerous buyers.

²² Measures of central tenancy (also known as measures of central location) include the average or arithmetic mean (mean), the median (value of the middle item or mean of the two middle items), and the mode (the value that occurs with the highest frequency greater than 1).

Value of Individual Units of Use - General Recreation

General recreation is a broad category of non-motorized, non-consumptive day uses that includes hiking, biking, sightseeing, photography, wildlife viewing (excepting bear viewing at unique sites). This grouping recognizes that the relative expense of access is reflected in the overall client charges rather than in the net amount that flows to the landowner for the activity of the client. Because the market does not distinguish between partial days and whole days, the point of origin, or between modes of access (Addenda - Table II), Alaska Region activities represented by this category include:

Alaska Region Activity	Description	1998 ARIFFP Fee per National Forest System Client Day	2002 Index-Adjusted ARIFFP Fee per National Forest System Client Day
Road-Based Nature Tours	Day uses such as hiking, biking, sightseeing, photography, wildlife and nature viewing, and vehicle tours that originate from road systems	\$0.50/day	\$0.52/day
Remote-Setting Nature Tours	Days uses such as hiking, sight-seeing, photography, wildlife	\$2.50	\$2.61
Flight-seeing Landing Tours	Day-use landing tours on freshwater or land using a fixed-wing aircraft	\$2.00	\$2.09
Helicopter Landing Tours	Day-use landing tours on freshwater or land using a fixed-wing aircraft	\$2.50	\$2.61
Non-Motorized Freshwater Boat Trips	Day uses such as rafting, canoeing, & kayaking on freshwater lakes & streams	\$1.25	\$1.31
Dog-Sled Tours	Day-use guided tours	\$2.50	\$2.61
Heli-Skiing Tours	Day-use guided tours	\$7.75	\$8.10

Despite the comparatively low ARIFFP fee for road-based nature tours, the activity is distinguished from tour company stops at public viewing waysides. The road-based nature tour day uses are generally similar to the other Alaska Region activities listed in the table.

Where western-state parks charge for unguided general recreation activities, individual fees range from \$1 to \$7 per day (see Table II). Entrance fees that are assessed on a per-vehicle basis range from \$2 to \$10 per-day. At an average of two people per-vehicle, the rates are diluted to \$1 to \$5 which are generally consistent with the range of individual fees. One private landowner reports higher fees for specialized activities (e.g., \$10 for “canyoneering” and \$15 for

river running [see Addenda - Table IV]). But in general, there is little data available from the private sector for this activity category. In summary, an appropriate rate lies within the range reflected by the state park data - \$1 to \$7. Our opinion is developed from the following observations.

The disparity in prices is primarily attributable to a variety of policy objectives rather than the relative physical qualities of the park. Some programs are aggressively moving toward higher levels of self-support while others are comparatively passive. For example, some states mandate that a significant portion of the total park system budget (including administration, capital expenditures, and maintenance) must be funded by user fees. Others intend that user fees recover only the cost of the permitting process.

While the majority of fee programs are fairly consistent at \$1 to \$3, the data suggests users are generally willing to pay higher prices, from \$4 to \$7. Recognizing the upper-end indicator as an anomaly (high demand area), the remaining data suggests a narrower range from \$4 to \$6.

Given equal weight to both ends of this narrowed range, the value of an individual unit of general recreation use (unguided) in the Alaska Region is fairly represented at \$5.00 per day.

Value of Individual Units of Use - *Camping*

Camping includes all multi-day activities with overnight stays on National Forest System lands. The initial fee developed by the ARIFFP process was \$4 per-day, index-adjusted to \$4.18 for 2002.

For the purposes of this assignment, camping activities occur in natural settings. Western state parks often distinguish between “primitive” and developed campsites. Daily rates for primitive sites range from \$6 to \$11 (see Addenda - Table II). However, the fees apply to the campsite regardless of the number of campers. Assuming that more than one camper is the norm, the daily campsite rates can reflect a range of per-person rates:

Range of “primitive” campsite fees	\$6 per-day	\$11 per-day
Per-person daily equivalent at:		
• 2 campers per-site	\$3.00	\$5.50
• 3 campers per-site	\$2.00	\$3.67
• 4 campers per-site	\$1.50	\$2.75
• 5 campers per-site	\$1.20	\$2.20
• 6 campers per-site	\$1.00	\$1.83

The calculations suggest a broad range of per-person rates from \$1.00 to \$5.50. However, limited data from the private sector reflects per-person rates from \$3 to \$5 per day; a range that narrowly brackets the initial ARIFFP flat fee (\$4 per day). In summary, the value of an individual unit of use (unguided) for camping in the Alaska Region is fairly represented within this narrow range (\$3 to \$5 per day) but the upper-end of the range is not unreasonable:

- The Alaska Region permit holders already support fees above the mid-point of the range (index-adjusted to \$4.18 for 2002).
- We previously concluded that \$5 per-day was appropriate for an individual unit of general recreation use (unguided) in the Alaska Region. Arguably, camping generates more litter and concentrated evidence of activity than many other general recreation uses.

In conclusion, the value of an individual unit of use (unguided) for camping in the Alaska Region is estimated at \$5.00 per day.

Value of Individual Units of Use – *Off-Road Motor Sports*

Because overnight stays on National Forest System land are recognized with a camping fee, the value of an individual unit of use for off-road motor sport activities is measured in terms of day use only.

The only off-road motor sport activity currently recognized by the ARIFFP is “snowmobile tours”. The original ARIFFP flat fee was \$4.00, index-adjusted to \$4.18 for 2002. Market data for this activity category is extremely limited. Nevertheless, related activities evidenced elsewhere use motorcycles, all-terrain vehicles (ATV), dune buggies, or four-wheel drive vehicles (4WD). This motorized equipment is characterized by a general category referenced as off-road vehicles (ORV) or off-highway vehicles (OHV).

There are numerous private and public OHV/ORV and motocross (MX) parks across the country. Due to liability considerations and environmental wear and tear, OHV/ORV fees are considerably higher than for comparatively low impact general recreation activities (non-motorized, non-consumptive uses).

Day use fees for maintained motocross tracks generally range from \$5 to \$15 per-bike-per-day with a central tendency of \$10. Daily rates at larger OHV/ORV parks with trail systems generally range from \$10 to \$35 depending on various features and amenities (Addenda – Table IX).²³

The upper-end fees include overnight camping and/or medical insurance. Typical amenities include restrooms, showers, and snack bar/concessions. Rates attributable to various combinations of these features and amenities range from \$15 to \$35 per-day. A park with no amenities reflects a daily rate of \$10.

With no amenities, the suggested value of an individual unit of use (unguided) for OHV/ORV activities in the Alaska Region is less than \$15 per-day. A low-end indicator is suggested by the indicated value developed for general recreation uses in the Alaska Region by the Bottom-Up Pricing Method (\$5/day).

²³ The reported fees from two California state parks are below what the market will support. They are given no weight in the analysis.

Although OHV/ORV parks are business operations that maintain facilities, operators generally do not distinguish between the uses of racetracks or trail systems. In other words, the ability to operate on raw, undeveloped acreage is likely to command a comparable price.

In summary, an appropriate unit value is fairly represented within a range from \$5 to \$15 per-day. In the final consideration, the environmental wear and tear justifies a significant premium over fees for general recreation use. Certainly, damage to terrain, noise, and emissions, have contributed to the diminishing supply of land available for off-road motor sports. However, we recognize the features and amenities typical of daily rates \$15 per-day and higher. The indicated value of individual units of use (unguided) for off-road motor sports on National Forest System land is \$10 per-day.

Value of Individual Units of Use – *Fishing*

The original ARIFFP flat fee was \$2.50, index-adjusted to \$2.61 for 2002. The available data (see Table VI) reflects prices for individual (unguided) units of use. Low-end rates range from \$6 to \$8.

<u>Landowner</u>	<u>Daily Rate</u>
White Mountain Apache Tribe, Arizona	\$6
Navajo Nation, of Arizona, New Mexico, and Utah	\$7
Mescalero Apache, New Mexico	\$6
Hualapai Indian Reservation, Arizona	\$8

An Alaska Native corporation (Koniag) charges \$125 per trip for world class salmon fishing on the Karluk River. Trip lengths can range from one day to several days. Given the expense of accessing this destination, multi-day trips are more likely. We've recognized a typical trip of three days to indicate a daily rate of \$42 (rounded). In summary, the data reflects a broad range of daily rates from \$6 to \$42.

While the Situk River in particular is a noted steelhead stream, the Alaska Region includes numerous lesser streams. In other words, a universal rate applied throughout the Alaska Region should be weighted by the predominance of non-world class streams. Giving most weight to the low end of the range, the indicated value of an individual unit of use (unguided) for fishing in the Alaska Region is estimated at \$10 per day.

Value of Individual Units of Use - *Small Game Hunting*

The original ARIFFP flat fee was \$5.00, index-adjusted to \$5.22 for 2002.

This category which includes game birds and waterfowl, exemplifies the inefficiencies of fee-based recreation markets. While small game hunting is a common activity, a wide range of prices is attributable to a variety of species, localized supply/demand characteristics, and inconsistent units of comparison. The available data (Addenda - Table VII) reflects prices per-day, per-trip/hunt, per-season, and per-year. The inconsistencies complicate an analysis.

Nevertheless, we recognize that most of the small game species that generate landowner opportunities are not found in the Alaska Region. Turkey, hogs, and upland game birds (e.g., pheasant, quail, and dove) command upper-end prices. Except for migratory waterfowl, there are no small game species in the Alaska Region that would attract a significant number of hunters let alone an outfitter/guide.

Based on these observations, a value for unguided small game hunting in the Alaska Region is developed from the data presented in Table VII. The data reflecting small game activities most similar to those found in the Alaska Region is summarized in the following table. Prices for species not found in the Alaska Region (e.g., turkeys and hogs) and/or combination hunting/fishing prices are excluded. The annual/seasonal prices are calculated to suggest a daily rate assuming an average of five hunting-days per year.

Location	Landowner	Activity	Fee	5 hunting days (rounded)
Browning, MT	Blackfeet Tribe	Game bird and waterfowl hunting	\$45/year (includes \$10 annual entrance fee)	\$9
Pablo, MT	Confederated Salish/Kootenai	Bird hunting	\$24/year (\$12 general recreation permit + \$22 camping stamp)	\$5
Window Rock, AZ	Navajo Nation, of AZ, NM, UT	Small game & waterfowl hunting	\$30/season small game \$5/season additional for waterfowl, with small game permit	\$7
Onamia, MN	Mille Lacs Chippewa	Migratory birds, waterfowl hunting	\$32 (seasonal fee in lieu of state license)	\$6

The data suggests a range of daily rates from \$5 to \$9. Some landowners recognize small game hunting as a low impact activity not unlike non-motorized, non-consumptive uses which have a low impact on resources and the environment. On the other hand, small game hunting is a consumptive activity. In terms of typical license and tag fee schedules, the activity is more similar to sport fishing than big game hunting. Based on these observations, the value indicator previously developed for fishing in the Alaska Region (by the Bottom-Up Pricing Method) supports, and slightly expands the range.

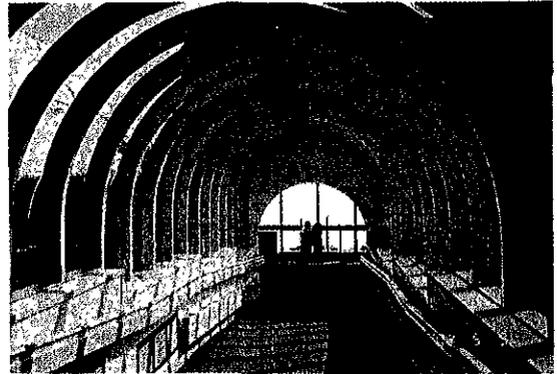
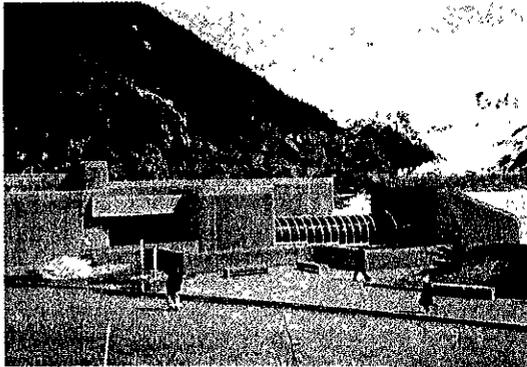
<i>Suggested</i> daily rates for small game hunting	\$5 to \$9/day
Indicated value of an individual unit of use for fishing in the Alaska Region	\$10/day

For the purposes of our analysis, small game hunting activities in the Alaska Region which includes game birds and waterfowl are equated with sport fishing activities. On that basis, the indicated value of an individual unit of use (unguided) is fairly represented at the upper-end of the expanded range at \$10 per day.

Value of Individual Units of Use – Visitor Centers

Summary descriptions are based on our physical inspections of the Begich-Boggs and Mendenhall facilities and online photos of the Southeast Alaska Visitor Center.

The **Begich-Boggs Visitor Center** (BBVC) is a good quality, concrete, interpretive facility in good condition. It is located at Portage Lake off the Seward Highway at the head of Turnagain Arm, approximately 50 miles southeast of Anchorage. The facility features an orientation area, a variety of exhibits and an observatory. General admission is free and there are no on-site revenue generators (e.g., retail sales, concessions). There is a nominal \$1 admission fee to view a program presented in the theater.



The **Mendenhall Glacier Visitor Center (MGVC)** is a good quality, multi-level concrete building in good condition. The visitor center is located approximately 13 miles from downtown Juneau at the end of the Mendenhall Glacier Spur Highway and has an excellent view of the Mendenhall Glacier. The facility is improved with a variety of informational exhibits and a movie viewing area. Admission is \$3 per person during the summer season. The movie is included in the admission fee. There is no charge for hiking the trails or viewing the glacier from outside of the visitor center.



The **Southeast Alaska Visitor Center (SEAVC, a/k/a Discovery Center)** is a good quality, wood-sided, frame building in good condition. It is located at 50 Main Street in Ketchikan, Alaska.

Features include interpretive exhibits, a learning center and a bookstore. There is also a 200-person theater where a 14-minute program is presented. The theater is also used for meeting and lectures during the winter months. Admission is \$5 per person during the summer season. A \$15 season pass is also available.



The general admission fees represent the prices for individual units of use (unguided). Despite a similarity in general purpose, the fees are inconsistent. The range (\$0 to \$5) does not appear to relate to any relative ability of these three attractions to command price – either on the basis of scope (cost and scale) or local supply/demand characteristics. This contention is supported by the following comparison of the ARIFFP fees with the general admission fees.

	1998 ARIFFP Fee Per National Forest System Client Day	2002 Index-Adjusted ARIFFP Fee Per National Forest System Client Day	General Admission (Unguided fee)
Begich-Boggs Visitor Center	\$0.80	\$0.84	\$-0-
Mendenhall Glacier Visitor Center	\$0.50	\$0.52	\$3.00
Southeast Alaska Visitor Center			\$5.00

The ARIFFP fees are derived from outfitter/guide operations. The comparison indicates that while permit holders promoting and using the BBVC generate higher fees for the Alaska Region, general admission is free.

For the purposes of our analysis, we recommend the development of a universal fee for these three Alaska Region visitor centers.

Admission to similar public attractions is often free. However, where admission is charged, fees generally range from \$2.00 to \$13.00 (Addenda - Table X) depending on the nature of the attraction, policy objectives, and other sources of revenue.

The higher-end fee data (> \$8) is reflected by the Alaska Sea Life Center in Seward²⁴ and the Challenger Learning Center of Alaska in Kenai.²⁵ The relative ability of these attractions to command price is perceived as superior to that of the subject facilities.

The remaining data reflects a general range of fees from \$2 to \$8. However, the majority supports a narrower range from \$3 to \$5 – a range already supported by two of the three facilities (MGVC & SEAVC). In summary, the value of an individual unit of use (unguided) for the Alaska Region visitor centers is fairly represented at a mid-range rate of \$4.

²⁴ The Alaska Sea Life Center is a non-profit marine science facility dedicated to understanding and maintaining the integrity of the marine ecosystem of Alaska through research, rehabilitation and public education. It is a high quality facility with viewing tanks and aquariums, naturalistic exhibits, video presentations, and a gift shop. The Center's research facilities and naturalistic exhibits immerse visitors in the dynamic marine ecosystems of Alaska.

²⁵ Opened in April 2000, the Challenger Learning Center of Alaska is part of a worldwide network of forty-three Challenger Centers. Students coming to the facility partake in a simulated space mission. They act as astronauts aboard a space station or mission controllers supporting the space station crew.

Value of Individual Units of Use: *Road-based Wildlife Viewing at Developed Sites*

The Forest Service operates the Fish Creek Wildlife Observation Site - a day-use recreation area in the Salmon River valley near Hyder and the Misty Fiords National Monument. This is the only bear-viewing site in Alaska that is accessible by highway. There is no charge for admission.

Both brown (grizzly) and black bears can be observed fishing for chum and pink salmon from mid-July through early September. The site is open from 6:00 am to 10:00 pm daily. On-site FS staff provides information and rule enforcement.



Facilities include a small parking area and an elevated viewing platform set in a grove of trees along the bank of Fish Creek. Bears and salmon can also be seen from the shoulders of the Salmon River Road and from a dike that separates Fish Creek and Marx Creek.

The original ARIFFP flat fee for this activity was equated with the \$0.50 fee for road-based nature tours. The fee is index-adjusted to \$0.52 for 2002. However, the available data indicates that the current fee is below what the market would support. Bear viewing opportunities are limited, and some sites in Alaska command prices in excess of \$50 per-day. However, the Fish Creek site does not restrict visitors by a quota system that requires reservations (first come/first served) or selects by lottery.

An appropriate range of unit values is suggested by prices for wildlife viewing at developed facilities. The following data from Table X in the Addenda reflects artificial habitats yet the prices are commensurate with the relative quality of the facilities.

Facility	Location	Fee Schedule	
<i>Alaska Sea Life Center</i>	Mile 0, Seward Highway, Seward, AK 99664 (907-224-6300)	Adults	\$12.50
		7-12	\$10.00
		< 7	Free
<i>Alaska Zoo</i>	4731 O'Malley Road, Anchorage, AK (907-346-2133)	Adults	\$8.00
		Seniors	\$7.00
		12-17	\$5.00
		3-11	\$4.00
		< 3	Free
<i>Big Game Alaska</i>	Mile 79, Seward Highway, Portage, Alaska (907-783-2025)	Adults	\$5.00
		Seniors & children	\$3.00
		< 4	Free

The data suggests a range of unit values from \$5 to \$12.50 per-day (for adult admission). The upper end indicator is established by the new Sea Life Center in Seward, Alaska. It is a high quality facility with viewing tanks and aquariums, interpretive exhibits, video presentations, and a gift shop. The low-end indicator is reflected by a private sector attraction that has been built up over several years. Improvements include a log lodge building with a gift shop and food court.

Given the relative scope of the improvements at the Fish Creek Wildlife Observation Site, the data suggests that an appropriate unit value would be less than the low-end indicator (<\$5/day).

However, we previously concluded that the market would support a fee of \$4 per-day for individual units of use (unguided) for general recreation activities in the Alaska Region. These are comparatively generic uses. Road accessible bear viewing opportunities are extremely limited. Not only are concentration sites near roadways rare, the season is short (mid-July through early September). The unique qualities of the Fish Creek site offset the lack of significant structural improvements. The indicated value of road-based wildlife viewing at developed sites in the Alaska Region is \$5 per-day.

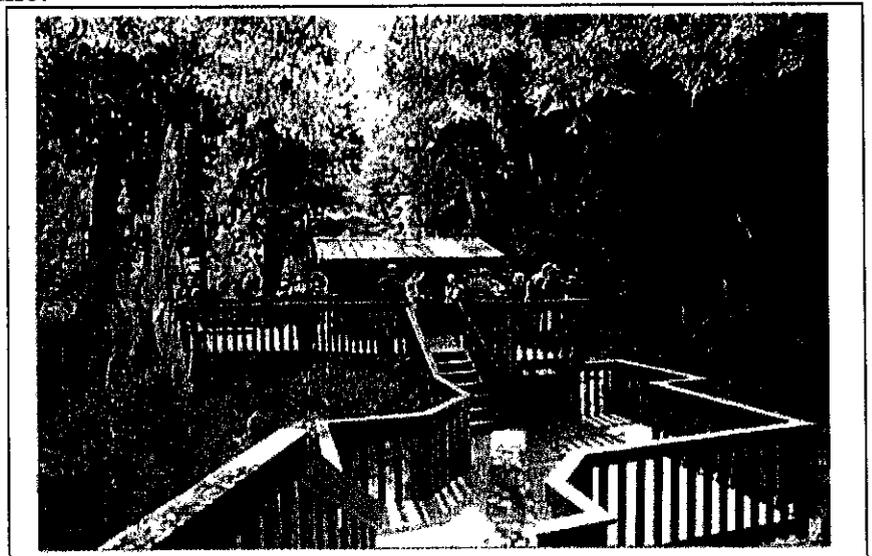
Value of Individual Units of Use: *Remote-setting Wildlife Viewing at Developed Sites*

Two remote Alaska Region bear viewing sites are located in southeast Alaska: at *Anan Creek* on the mainland approximately 34 miles southeast of Wrangell Island, and at *Pack Creek* on Admiralty Island. The original ARIFFP flat fee for this activity was equated with the \$2.50 fee for remote-setting nature tours. The fee is index-adjusted to \$2.61 for 2002.

Anan Creek

From mid-July through early August, black bears and some brown bears are attracted to migrating pink salmon that congregate at a waterfall about 1/2 mile from the saltwater. Access to the Anan Wildlife Observatory is by boat or floatplane and a short hike.

The facility is an open log style wood shelter with two entryways and viewing ports that overlook the creek and falls. A two level wooden deck provides additional room for viewing opportunities. An outdoor privy is available nearby.



Forest Service Interpreters are on duty in July and August at the trailhead and observatory to provide current information on bear safety, trail conditions and bear activity. No fees or permits are required for individuals.

Pack Creek

The Pack Creek estuary is a concentration point for brown bears feeding on salmon from June to early September.

Access to the site is by boat or floatplane. Bears can be viewed from a tower (a 1-mile walk through the rainforest along a gravel and dirt path), or from the viewing spit accessed from the beach. On-site rangers provide information and rule enforcement. Visits require a permit according to the following fee schedules:



Peak Season	Shoulder Season
July 5 – August 25	June 1 – July 4; August 26 – September 10
Adults (16 – 61 yrs. old) - \$50 per day	Adults (16 – 61 yrs. old) - \$20 per day
Seniors (62+ yrs. old) - \$25 per day	Seniors (62+ yrs. old) - \$10 per day
Juniors (under 16 yrs old) - \$25 per day	Juniors (under 16 yrs old) - \$10 per day

During the peak season, permits are limited to 24 per day and must be purchased in advance. However, during the shoulder season there are no limits on the number of permits. Pack Creek is part of the Recreation Demonstration Program authorized by Congress in 1996. Unlike recreation fees collected under the Land and Water Conservation Fund Act, monies collected at Fee Demonstration sites like Pack Creek are directly reinvested in the program. Half of the fee goes to the FS to directly fund Pack Creek, and the other half goes to the Alaska Department of Fish and Game (ADF&G) as a permanent state fee that directly funds Pack Creek management as well.



While the Anan Creek improvements appear to be superior in quality to the Pack Creek improvements, the ability to command price is related to the species and supply/demand characteristics. Anan Creek features “black bears and some brown bears”. Pack Creek is a brown bear viewing site with limited access.

The ARIFFP fees for remote-setting wildlife viewing are summarized in the following comparative table along with the fees for road-based wildlife viewing in the Alaska Region and other owner-agency fees from elsewhere in Alaska.²⁶

Activity/Attraction	1998 ARIFFP Fee per Nationa l Forest System Client Day	2002 Index- Adjusted ARIFFP Fee per National Forest System Client Day	Individual Permit Fee (Unguided) Owner- agency daily rate	Indicated Value previously developed by the bottom-up pricing method
Remote setting wildlife viewing <i>Anan Creek near Wrangell</i>	\$2.50	\$2.61	\$-0-	
<i>Pack Creek on Admiralty Island</i>	\$2.50	\$2.61	*\$20-\$50	
Road based wildlife viewing <i>Fish Creek near Hyder</i>	\$0.50	\$0.52	\$-0-	\$5/day
Remote brown bear viewing <i>Brooks Camp at Katmai Nat'l Park & Preserve</i> <i>McNeil River, State (AK) Game Sanctuary</i>	N/A	N/A	<i>Day-use</i> \$10 ²⁷ \$33 ²⁸ \$83 ²⁹	<i>Resident</i> <i>Non-resid.</i>

*The adult peak season rate is \$50, the off-season, or “shoulder season” rate is \$20.

The relationship of the attraction (species) and the local supply/demand characteristics is illustrated in the tabulation of fees in ascending order.

²⁶ Although there are some bear viewing sites on Native corporation land, there are almost no unguided, land-based viewing opportunities. As a result, fee development relies largely on data from public owner-agencies.

²⁷ An additional \$5 is charged for overnight camping.

²⁸ The regular permit is for 4 days at \$150. There is no additional charge for camping. The indicated day-use rate is \$38 (\$150/4, rounded) less a \$5 per-night allocation to the camping component. The \$5 value for camping was previously developed by the bottom-up pricing method. It is the same as the NPS camping rate for overnight stays at Brooks Camp.

²⁹ The day-use rate for non-residents is based on a 4-day permit of \$375 including camping ([$\$350/4$] - \$5 = \$83, rounded).

Activity/Attraction	Indicated Individual (Unguided) Peak Season Day-Use Fee	Attraction Species	Supply/Demand Characteristics
Remote setting wildlife viewing <i>Anan Creek near Wrangell</i>	\$-0-	black bears & some brown bears	no permit or reservation required
Road based wildlife viewing <i>Fish Creek near Hyder</i>	*\$5	both black bears & brown bears	no permit or reservation required
Remote brown bear viewing <i>Brooks Camp at Katmai Nat'l Park & Preserve</i>	\$10	brown bear	permit and reservation required
Remote setting wildlife viewing <i>Pack Creek on Admiralty Island</i>	\$50	brown bears	no lottery but permits must be purchased in advance. Limited to 24 viewers/day during the peak season.
Remote brown bear viewing <i>McNeil River, State (AK) Game Sanctuary</i>	**\$60	brown bear	185 regular permits per year by lottery – a maximum of 10 per day ³⁰

*This fee was previously developed by the bottom-up pricing method. It is included as an indicator of a reasonably supportable minimum price.

**The indicated average of the calculated day-use fees for residents (\$33) and non-residents (\$83), rounded to reflect a slight weighting to non-resident visitors.

The price order is consistent with the relative scarcity of the resource. Black bear viewing requires no permits or reservations. Brown bear viewing opportunities are comparatively limited. Although the Pack Creek permit fee (\$50) was developed under the Recreation Demonstration Program, it is supported by the data (see table).

³⁰ 57 stand-by permits are also drawn. The price of stand-by permits is 50% of the regular price.

In summary, the indicated value of an individual unit of use (unguided) at the Pack Creek site is fairly represented at the current day-use fee of \$50 (recommended activity code NN). While the ARIFFP fee schedule applies the same fee to both Pack Creek and Anan Creek activities (activity code N), the ability of these sites to command price are not the same. The viewing opportunities at Anan Creek are more similar to those at Fish Creek – only the mode of access is significantly different. On that basis, the indicated value of an individual unit of use (unguided) at Anan Creek (recommended activity code N), is \$5 per-day.

Value of Individual Units of Use – *Big Game Hunting*

Hunt-camping fees are developed by correlating market data (Addenda – Table VIII) and the relative ability of various species to command price (Addenda Table XI). Data for most Alaska Region big game species is limited – particularly from the private sector. Because terrain typical of mountain goat habitat is generally not suitable for economic uses, little of it has found its way into private ownership. Most of the brown/grizzly bear habitat is on public lands. Moose and black-bear populations generally do not support a private owner business opportunity. Nevertheless, deer hunting is nearly a universal activity from which a number of price relationships can be observed.

The ARIFFP fee schedule distinguishes between big game hunts that include overnight stays on National Forest System lands (hunt-camping) and day use only.

Hunting Activity	1998 ARIFFP Fee Per Hunt	2002 Index-Adjusted ARIFFP Fee Per Hunt
Brown Bear (Day Use)	\$140	\$146.23
Brown Bear (Camping)	\$195	\$203.67
Black Bear (Day Use)	\$70	\$73.11
Mountain Goats (Day Use)	\$105	\$109.67
Mountain Goats (Camping)	\$130	\$135.78
Deer Hunts (Day Use)	\$30	\$31.33
Deer Hunts (Camping)	\$70	\$73.11
Moose Hunts (Camping)	\$120	\$125.34

The general market does not distinguish between hunts with and without camping. The activity of hunting is the primary component of price. Camping is often available at no extra charge. In other words, the available data reflects prices that include on-site camping privileges.

Nevertheless, inclusive market prices can be correlated to the day-use only hunts by adjusting for the value of the camping component. In the following calculations, adjustments are suggested by allocating the original ARIFFP fees (shaded in yellow).

Species	Activity Code	1998 ARIFFP Fee For Hunt w/Camping	Less: Fee For Day Use Only	Equals: Allocation To Camping	Divided By 1998 Average Hunt w/Camping Length (rd.)	Allocated Daily Rate For Camping
Brown Bear	Q	\$195	(\$140)	= \$55	+ 9 days	\$6.11
Mountain Goat	U	\$130	(\$105)	= \$25	+ 7 days	\$3.57
Deer Hunt	W	\$70	(\$30)	= \$40	+ 5 days	\$8.00
<i>Mean</i>						\$5.89

While the price order of hunt-camping fees is consistent with the relative supply and demand equations for these species (comparatively limited opportunities command higher prices/fees), the allocated daily rates for the camping components are not commensurate. For example, the fee for mountain goat hunt-camping is nearly twice that for deer hunt-camping, yet the allocated daily rate for the camping component of the mountain goat hunt (\$3.57) is slightly less than half that for the deer hunt (\$8.00). The comparison indicates that the species is not significant to the value of the camping component

Also, the ARIFFP fees result from a complex process that is sensitive to variable inputs (e.g. averaged client days, averaged client day charges, average trip/hunt lengths, and an off forest discount [percentage]). As such, the allocations could fluctuate up or down from one periodic update to another (see following table).

Hunt w/Camping	Activity Code	1998 Average Days Per-Hunt ³¹ <i>rounded</i>	2002 Average Days Per-Hunt ³² <i>rounded</i>
Black Bear	S	n/a	4
Brown Bear	Q	9	7
Mountain Goat	U	7	3
Deer Hunt	W	5	2

In summary, allocations are unreliable as adjustments. It is necessary to develop a universal value for the camping component of hunt-camping fees.

³¹ The calculations from the 1998 permit holder data were provided by the client (total of hunt/trip lengths in days divided by the number of hunts).

³² Our calculations from the 2002 permit holder data provided (total of hunt/trip lengths in days divided by the number of hunts).

The ARIFFP fee schedule camping category includes "... all multi-day activities that include overnight stays on National Forest System lands." A universal Alaska Region rate of \$5 per-day was previously developed for camping by the bottom-up pricing method. Values (adjustments) for the camping components are calculated by multiplying the average hunt-camping length (in days) by the daily rate for camping (\$5/day). The hunt-camping length is calculated as the average of the 1998 and 2002 averages.

Species	Activity Code	Average Hunt-Camping Length (rd.)	Alaska Region Daily Rate for Camping Developed by the Bottom-Up Pricing Method	Indicated Value of the Camping Component (subtract from indicated hunt-camping value to indicate day-use value)
Black Bear	S	n/a (1998) 4 (2002)	x \$5.00	\$20
Brown Bear	Q	9 (1998) <u>7 (2002)</u> 8 days	x \$5.00	\$40
Mountain Goat	U	7 (1998) <u>3 (2002)</u> 5 days	x \$5.00	\$25
Deer Hunt	W	5 (1998) <u>2 (2002)</u> 4 days	x \$5.00	\$20

In summary, the values of unguided big-game hunts that include camping are developed for each Alaska Region species by the Bottom-Up Pricing Method. For day-use only hunts with an average hunt length established, the price is adjusted downward by the indicated value of the camping component developed in the previous table.

Deer Hunt - Camping

Clients of Alaska Region permit holders already support the ARIFFP hunt-camping fee of \$70, index-adjusted to \$73.11 for 2002. The available data indicates that the scheduled rate is less than what clients could reasonably be expected to pay. The data sample summarized in Table VIII reflects the following ranges (excluding game tags and royalty or trophy fees):

- Daily rates from \$125 to \$275 per day;
- Per-trip and per-hunt rates from \$125 to \$1,200; and,
- Per-season rates from \$200 to \$1,500.

Price is affected by the relative quality of the animals. Areas that consistently produce trophy whitetails and/or mule deer command a premium. Price is also influenced by supply and demand imbalances attributable to location. Demand is higher nearer large population centers.

Sitka Blacktail deer found in the Alaska Region are comparatively small. The relative quality of the animals does not justify the travel expense for a significant number of hunters from outside the region and the local population is sparse. In summary, the supply generally exceeds the demand. On that basis, the value of an individual unit of use (unguided) in the Alaska Region is estimated at the low-end indicator of \$125 per-hunt.

Deer Hunt - Day Use

For day-use only hunts, the indicated hunt-camping fee is adjusted downward by the indicated value of the camping component (\$20).³³

Indicated value of an individual unit of use for deer hunt-camping in the Alaska Region <i>(by the Bottom-Up Pricing Method)</i>	\$125 per hunt
Indicated value of the camping component	(\$20 per hunt)
Indicated value of unguided day-use deer hunt	\$105 per hunt

³³ The average number of days for deer hunt-camping (4 days) times the universal Alaska Region daily rate for camping developed by the bottom-up pricing method (\$5/day).

Black Bear Hunt – Hunt Camping

In the original ARIFFP schedule, there is no fee for black bear hunt camping on NFS land. Because data is limited, a value is developed for black bear hunt-camping by adjusting the indicated value of an individual unit of use for deer hunt-camping in the Alaska Region (\$125/hunt). In the following table, indicators extracted from Table XI (see Addenda) are compared in order to calculate multipliers or adjustment factors. The indicators for the Canadian provinces also appear in Table VIII.

	Deer	Black Bear	Adjustment Factor
<i>ARIFFP - 2002 index adjusted fee day use only</i>	\$31.33	\$73.11	x 2.33
<i>Alaska Non-Resident Tag Fee</i>	\$150	\$225	x 1.50
<i>Alaska Non-Resident Alien Tag Fee</i>	\$200	\$300	x 1.50
<i>British Columbia Trophy Fee</i>	\$38	\$50	x 1.32
<i>Ontario, Canada Tag Fee</i>	\$150	\$155	x 1.03

The comparisons are consistent in supporting a higher value for bear hunt-camping in the Alaska Region than for deer hunt-camping. The indicated adjustment factors range from 1.03 to 2.33.

While the upper-end indicator (2.33) is related to land use in the Alaska Region, the ARIFFP fees result from a complex process that is sensitive to variable inputs (e.g. averaged client days, averaged client day charges, average trip/hunt lengths, and an off forest discount [percentage]). As such, the indicated adjustment could fluctuate up or down from one periodic update to another. The other indicators are developed from public agency fee schedules rather than competitive market examples. Given the limitations, most weight is given to the following measures of central tendency.

	<u>Mean</u>	<u>Median</u>
Overall range	1.54	1.50
Excluding high and low end indicators (outliers)	1.44	1.50
Alaska-only indicators	1.78	1.50
Alaska & Western Canada indicators (excludes Ontario)	1.66	1.50

Giving the narrowness of the range reflected by these measures (1.5 to 1.8, rounded) we've applied a mid-range indicator of 1.65 in the following calculations:

Indicated value of an individual unit of use for deer hunt-camping in the Alaska Region <i>(by the Bottom-Up Pricing Method)</i>	\$125
x Adjustment Factor	x 1.65
Indicated value of an individual unit of use for black bear hunt-camping in the Alaska Region <i>(by the Bottom-Up Pricing Method)</i>	(rd) \$205

Black Bear Hunt - Day Use

For day-use only hunts, the indicated hunt-camping fee is adjusted downward by the indicated value of the camping component (\$20).³⁴

Indicated value of an individual unit of use for black bear hunt-camping in the Alaska Region <i>(by the Bottom-Up Pricing Method)</i>	\$205 per hunt
Indicated value of the camping component	<u>(\$20 per hunt)</u>
Indicated value of unguided day-use black bear hunt	\$185 per hunt

³⁴ The average number of days for bear hunt-camping (4 days) times the universal Alaska Region daily rate for camping developed by the bottom-up pricing method (\$5/day).

Mountain Goat Hunt - Camping

The initial ARIFFP per-hunt fee for mountain goat hunt-camping (\$130) is index-adjusted to \$135.78 for 2002. Following the methodology previously developed, adjustment factors are calculated from the following comparisons reconstructed from Tables VIII and XI (see Addenda).

	Deer	Mountain Goat	Adjustment Factor
ARIFFP - 2002 index adjusted fee camping included	\$73.11	\$135.78	1.86
Alaska Non-Resident Tag Fee	\$150	\$300	2.00
Alaska Non-Resident Alien Tag Fee	\$200	\$400	2.00
Afognak Native Corp. (Afognak Isl.) Land-Use Fee	\$125	\$200 ³⁵	1.60
British Columbia Trophy Fee	\$38	\$100	2.63

The comparisons are consistent in supporting a higher value for mountain goat hunt-camping in the Alaska Region than for deer hunt-camping. The indicated adjustment factors range from 1.60 to 2.63. Acknowledging the same limitations previously noted in the development of the black bear hunt-camping value, most weight is given to the following measures of central tendency.

	<u>Mean</u>	<u>Median</u>
Overall range	2.02	2.00
Excluding high and low end indicators (outliers)	1.95	2.00
Alaska only indicators	1.87	1.93
Alaska & Western Canada indicators (excludes Ontario)	2.02	2.00

Giving the narrowness of the range reflected by these measures (1.9 to 2.0, rounded) we've applied a mid-range indicator of 1.95 in the following calculations:

Indicated value of an individual unit of use for deer hunt-camping in the Alaska Region (by the Bottom-Up Pricing Method)	\$125
<u>x Adjustment Factor</u>	<u>x 1.95</u>
Indicated value of an individual unit of use for mountain goat hunt-camping in the Alaska Region (by the Bottom-Up Pricing Method)	\$245 rounded

³⁵ The State of Alaska fee schedule for non-resident game tags equates elk with mountain goats. The land use fee for hunting elk on Afognak Native Corporation (ANC) is \$200. Like the tag/trophy fee schedules, ANC's elk hunting fee is higher than for deer and less than for bear.

Mountain Goat Hunt - Day Use

For day-use only hunts, the indicated hunt-camping fee is adjusted downward by the indicated value of the camping component (\$25).³⁶

Indicated value of an individual unit of use for mountain goat hunt-camping in the Alaska Region <i>(by the Bottom-Up Pricing Method)</i>	\$245/hunt
Indicated value of the camping component	(\$25/hunt)
Indicated value of unguided day-use mountain goat hunt	\$220/hunt

³⁶The average number of days for mountain goat hunt-camping (5 days) times the universal Alaska Region daily rate for camping developed by the bottom-up pricing method (\$5/day).

Moose Hunt - Camping

The initial ARIFFP per-hunt fee for moose hunt-camping (\$120) is index-adjusted to \$125.34 for 2002. Following the methodology previously developed, adjustment factors are calculated from the following comparisons reconstructed from Tables VIII and XI (see Addenda).

	Deer	Moose	Adjustment Factor
<i>ARIFFP - 2002 index adjusted fee camping included</i>	\$73.11	\$125.34	1.71
<i>Alaska Non-Resident Tag Fee</i>	\$150	\$400	2.67
<i>Alaska Non-Resident Alien Tag Fee</i>	\$200	\$500	2.50
<i>Ontario, Canada Tag Fee</i>	\$150	\$310	2.07
<i>British Columbia Trophy Fee</i>	\$38	\$75	1.98
<i>Yukon Territory Trophy Fee</i>	\$50 ³⁷	\$150	3.00

The comparisons are consistent in supporting a higher value for moose hunt-camping in the Alaska Region than for deer hunt-camping. The indicated adjustment factors range from 1.71 to 3.00. Acknowledging the same limitations previously noted in the development of the black bear hunt-camping value, most weight is given to the following measures of central tendency.

	<u>Mean</u>	<u>Median</u>
Overall range	2.32	2.29
Excluding high and low end indicators (outliers)	2.31	2.29
Alaska only indicators	2.29	2.50
Alaska & Western Canada indicators (excludes Ontario)	2.37	2.50

Giving the narrowness of the range reflected by these measures (2.3 to 2.5, rounded) we've applied a mid-range indicator of 2.4 in the following calculations:

Indicated value of an individual unit of use for deer hunt-camping in the Alaska Region <i>(by the Bottom-Up Pricing Method)</i>	\$125
<u>x Adjustment Factor</u>	<u>x 2.4</u>
Indicated value of an individual unit of use for moose hunt-camping in the Alaska Region <i>(by the Bottom-Up Pricing Method)</i>	\$300

³⁷ The Yukon Territory does not have a trophy fee for deer. A fee of \$50 is imputed recognizing the territory's black bear fee of \$75.

Moose Hunt - Day Use

The average number of days for moose hunt-camping has not been established. For the purposes of our analysis, the value of the camping component is recognized at \$30 - the mid-point of the range developed for the camping components of black bear, brown bear, mountain goat, and deer hunts (\$20 - \$40).

Indicated value of an individual unit of use for moose hunt-camping in the Alaska Region <i>(by the Bottom-Up Pricing Method)</i>	\$300 per hunt
Indicated value of the camping component	<u>(\$30 per hunt)</u>
Indicated value of unguided day-use moose hunt	\$270 per hunt

Brown Bear Hunt - Camping

The initial ARIFFP per-hunt fee for brown bear hunt-camping (\$195) is index-adjusted to \$203.67 for 2002. Following the methodology previously developed, adjustment factors are calculated from the following comparisons reconstructed from Tables VIII and XI (see Addenda).

	Deer	Brown/Grizzly Bear	Adjustment Factor
ARIFFP - 2002 index adjusted fee camping included	\$73.11	\$203.67	x 2.79
Alaska Non-Resident Tag Fee	\$150	\$500	x 3.33
Alaska Non-Resident Alien Tag Fee	\$200	\$650	x 3.25
Afognak Native Corp. (Kodiak Isl.) - Land-Use Fee	\$125	\$1,325	x 10.6
Koniag Inc. (Kodiak Isl.) - Land-Use Fee	\$175	\$1,250	x 7.14
British Columbia Trophy Fee	\$38	\$250	x 6.58

The comparisons are consistent in supporting a higher value for brown bear hunt-camping in the Alaska Region than for deer hunt-camping. The indicated adjustment factors range from 2.79 to 10.6.

This wide range is attributed to unique supply/demand characteristics. Brown bears are a limited resource as evidenced by the bag limits in coastal game units managed by the State of Alaska.³⁸ State issued permits can be obtained by registration.

The upper-end indicators are reflected by private owner land use fees in the Kodiak Island Archipelago.³⁹ While bag limits in the area are generally the same, permits are issued via a drawing process. In addition, the archipelago is more widely recognized for trophy bears.

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Unit	Locale	Bag Limit
1	Southeast mainland	1 bear every 4 regulatory years by permit (registration)
2	Prince of Wales Island	No open season
3	Petersburg-Wrangell	No open season
4	Admiralty, Baranof & Chicagof Isls.	1 bear every 4 regulatory years by permit (registration)
5	Yakutat	1 bear every 4 regulatory years by permit (registration)
6A-C	Gulf of Alaska to PWS	1 bear every regulatory year (license)
6D	Western Prince Wm., Sound	1 bear every 4 regulatory years by permit (registration)
7	Seward	1 bear every 4 regulatory years by permit (registration)

³⁹ Includes Kodiak, Afognak, Raspberry, and Shuyak Islands.

Acknowledging the same limitations previously noted in the development of the black bear hunt-camping value, most weight is given to the following measures of central tendency.

	<u>Mean</u>	<u>Median</u>
Overall range (Alaska and western Canada)	5.62	4.96
Excluding high and low end indicators (outliers)	5.08	4.96
Alaska only indicators	5.42	3.33

The indicators suggest a range from 3.3 to 5.6 (rounded). The low-end indicator is an anomaly. Given the consistency of the other indicators we've recognized a narrower range from 5.0 to 5.6 (rounded). A mid-range indicator of 5.3 is applied in the following calculations:

Indicated value of an individual unit of use for deer hunt-camping in the Alaska Region <i>(by the Bottom-Up Pricing Method)</i>	\$125
<u>x Adjustment Factor</u>	<u>x 5.3</u>
Indicated value of an individual unit of use for brown bear hunt-camping in the Alaska Region <i>(by the Bottom-Up Pricing Method)</i>	(rd) \$665

Brown Bear Hunt Day Use

For day-use only hunts, the indicated hunt-camping fee is adjusted downward by the indicated value of the camping component (\$40).⁴⁰

Indicated value of an individual unit of use for brown bear hunt-camping in the Alaska Region <i>(by the Bottom-Up Pricing Method)</i>	\$665 per hunt
Indicated value of the camping component	(\$40 per hunt)
Indicated value of unguided day-use brown bear hunt	\$625 per hunt

⁴⁰The average number of days for brown bear hunt-camping (8 days) times the universal Alaska Region daily rate for camping developed by the bottom-up pricing method (\$5/day).

Elk Hunt - Camping

Elk hunting was not a listed activity in the original ARIFFP fee schedule. However, the Alaska Department of Fish and Game tag fees equate elk with mountain goat (see Addenda – Table XI). On that basis, the relative ability of elk to command price is approximately equal to that of mountain goat. We previously developed a value of \$245 for mountain goat hunt-camping in the Alaska Region and \$220 for mountain goat day-use hunts.

Value of Individual Units of Use – *Outfitting*

The original ARIFFP flat fee was \$1.25, index-adjusted to \$1.31 for 2002.

This category recognizes uses of National Forest System land involving rented equipment including boats (both motorized and non-motorized) and motor vehicles (such as cars, trucks, all terrain vehicles, and snowmobiles) rented on or delivered to National Forest System Land.

For these activities, the outfitter's use of National Forest System land may be indirect. Nevertheless, in the Bottom-Up Pricing Method, the per-client-day fee paid by an outfitter/guide to the Alaska Region represents the price of the client's use of National Forest System land *net* of outfitter/guide services. In other words, the services of the outfitter/guide are add-on considerations on top of the value of an individual unit of land use.

On that basis, whether a permit holder accompanies a client or merely gets one started does not make a significant difference in the use of National Forest System land. For example, the individual unit of use on a rented snowmobile is the same as that in a guided tour where the client essentially rents the equipment and a guide.

In summary, an appropriate fee for outfitting is represented by the indicated values of the client activities – the values developed by the Bottom-Up Pricing Method for individual units of use in the Alaska Region:

- \$10 per-day for off-road motor sports (activity code CC), and,
- \$5 per-day for non-motorized general recreation uses (recommended activity code CCC).

Value of Individual Units of Use – *Transporter-Provided Services*

Transporter-provided services (TPS) was a new activity category that was included when the request for 2002 special use permit data was sent to outfitters and guides. It was defined in the request as:

Provides services which may include but are not limited to food, shelter, interpretation, care of fish and game, and other services besides or in addition to strictly point-to-point transportation.

Forest Service Alaska Region policy further clarifies package trips that require a permit to include “non-guided, non-outfitted trips onto National Forest System lands, improvements or resources with fees in excess of competitive point-to-point transportation rates... Strictly point-to-point air, auto/bus, or boat transportation services at competitive fee rates to National Forest system lands, improvements or resources...that are not a tour or package trip...do not require a permit.”

For the purposes of our analysis, the actual use data for 2002 was used as reported directly from the outfitter/guides. For example, some business reported boat-based hunts that offered offshore lodging and meals for the duration of the hunt as well as transportation to and from the hunting grounds. While the hunt itself is unguided, this new category recognizes the transporter’s role as an outfitter/transporter.

In the development of the fee for outfitting, we recognized that whether a permit holder accompanies a client or merely gets one started does not make a significant difference in the use of National Forest System land. On that basis, an appropriate fee for outfitting is represented by the indicated values of the client activities – the values developed by the Bottom-Up Pricing Method for individual units of use in the Alaska Region. TPS activities reported in the 2001 permit holder data include unguided black bear hunting and deer hunting.

However, TPS is a broad category that can include a number of client activities. Unless the TPS permit holders are specifically categorized by the activities of their clients, a universal rate must acknowledge the range of individual unit

values (unguided) developed by the Bottom-Up Pricing Method for the Alaska Region - \$5 to \$62 per day.⁴¹

For the purposes of our analysis, an appropriate universal rate lies between the values developed for general recreation uses (\$5/day) and the low end of the range reflected by big game hunts (\$26.25/day).⁴² The indicators fairly evenly bracket a mid-range value of \$15 per day for individual units of TSP activities in the Alaska Region.

While the indicated value is dramatically higher than those developed for general recreation activities and camping (\$5/day), it is not unreasonable for the most probable TPS activities. Clients of typical TPS permit holders are likely to be big game hunters.

The Alaska Region may want to further segment this category to distinguish between the types of client activities. For example, TPS fees for non-consumptive activities (e.g., general recreation and camping) should be less than for big game hunting activities.

⁴¹ Per-day values for the Alaska Region that were developed by the bottom-up pricing method include \$5 for general recreation use and \$62 for day-use brown bear hunting (\$620 per hunt/10 days [average duration of day-use hunts], rounded).

⁴² Per-day values for the Alaska Region that were developed by the bottom-up pricing method include \$5 for general recreation use and \$26.25 for day-use deer hunting (\$105 per hunt/4 days [average hunt length reflected by 1998 and 2002 permit holder data], rounded).

Value of Individual Units of Use – Other Activities

The 2002 permit holder data includes two new activities. Activity code “EE” is referenced as the “transport” activity of one permit holder. The flat fee generated by the ARIFFP process is only \$0.25 per-client day. Another activity identified as “Other” has not been assigned an activity code. The data entries indicate that the activity is a single-client, 10-day wolf hunt with only one day spent on National Forest System land. Recognizing wolf as a big-game species, the resulting day-use fee, rounded to the nearest \$5.00, is \$5.00 per-client day.

These fees are by far the lowest of any generated by applying the ARIFFP process to the 2002 permit holder data. Both are anomalies that illustrate the need to assess the fee for the most comparable activity. As these infrequent situations arise, an appropriate assessment will require a judgment call on the part of the personnel accepting and processing permit applications.

For purposes of our analysis, the value of the transport activity “EE” is equated with the general recreation activity fee (\$5 per client day) developed by the Bottom-Up Pricing Method.

The value of the “other” activity (wolf-hunt) is measured from the \$105 per-hunt fee developed by the Bottom-Up Pricing Method for deer hunting (day use). In the following table, indicators extracted from Table XI (see Addenda) are compared in order to calculate adjustment factors.

	Deer	Wolf	Adjustment Factor
Alaska Non-Resident Tag Fee	\$150	\$30	x .20
Alaska Non-Resident Alien Tag Fee	\$200	\$50	x .25

Because the most probable guided wolf hunter would be an out-of-state client, the 25% factor is applied in the following calculations.

Indicated value of an individual unit of use for a day-use deer hunt in the Alaska Region (by the bottom-up pricing method)	\$105
x Adjustment Factor	x 0.25
Indicated value of an individual unit of use for a day-use wolf hunt in the Alaska Region (by the bottom-up pricing method)	\$26 rounded

SUMMARY (TABLE)

The fees developed by the Bottom-Up Pricing Method for the Alaska Region activity categories are summarized in the following comparative grid.

ALASKA REGION ACTIVITY		1998 ARIFFP Fee	2002 Index- Adjusted ARIFFP Fee	2002 ARIFFP Fee Processed on Raw Data	Bottom- Up Fee
Activities other than Big Game Hunting	Code	Per Client Day	Per Client Day	Per Client Day	Per Client Day
Road-Based Nature Tours	A	\$0.50	\$0.52	\$1.25	\$5.00
Remote-Setting Nature Tours	B	\$2.50	\$2.61	\$7.00	\$5.00
Freshwater Fishing	C	\$2.50	\$2.61	\$5.00	\$10.00
Flight-seeing Landing Tours	D	\$2.00	\$2.09	\$3.25	\$5.00
Helicopter Landing Tours	E	\$2.50	\$2.61	\$4.00	\$5.00
Non-Motorized Freshwater Boat Trips	F	\$1.25	\$1.31	\$1.25	\$5.00
Dog-Sled Tours	G	\$2.50	\$2.61	\$2.50	\$5.00
Snowmobile Tours	H	\$4.00	\$4.18	\$2.50	\$10.00
Heli-Skiing Tours	I	\$7.75	\$8.10	\$11.25	\$5.00
Begich Boggs Visitor Center	J	\$0.80	\$0.84	\$2.50	\$4.00
Camping	K	\$4.00	\$4.18	\$3.00	\$5.00
Mendenhall Glacier Visitor Center Southeast Alaska Visitor Center	L	\$0.50	\$0.52	\$0.75	\$4.00
Road-Based Wildlife Viewing at Developed Sites - <i>Fish Creek near Hyder</i>	M	\$0.50	\$0.52	\$1.25	\$5.00
Remote Wildlife Viewing at Developed Sites - <i>Anan Creek</i>	N	\$2.50	\$2.61	\$4.00	\$5.00
Remote Wildlife Viewing at Developed Sites - <i>Pack Creek</i>	*NN	\$2.50	\$2.61	\$4.00	\$50.00
Hunting - Waterfowl & small game	O	\$5.00	\$5.22	\$6.50	\$10.00
Big Game Hunting	Code	Per Hunt	Per Hunt	Per Hunt	Per Hunt
Brown Bear (Day Use)	P	\$140	\$146.23	\$195	\$625
Brown Bear (Camping)	Q	\$195	\$203.67	\$250	\$665
Black Bear (Day Use)	R	\$70	\$73.11	\$60	\$185
Black Bear (Camping)	S	N/A	N/A	\$105	\$205
Mountain Goats (Day Use)	T	\$105	\$109.67	\$125	\$220
Mountain Goats (Camping)	U	\$130	\$135.78	\$160	\$245
Deer Hunts (Day Use)	V	\$30	\$31.33	\$35	\$105
Deer Hunts (Camping)	W	\$70	\$73.11	\$45	\$125
Moose Hunts (Day Use)	Y	N/A	N/A	N/A	\$270
Moose Hunts (Camping)	Z	\$120	\$125.34	N/A	\$300
Elk Hunt (Day Use)	AA	N/A	N/A	N/A	\$220
Elk Hunt (Camping)	BB	N/A	N/A	N/A	\$245

*Recommended activity code to distinguish Pack Creek from Anan Creek.

ALASKA REGION ACTIVITY		1998 ARIFFP Fee	2002 Index- Adjusted ARIFFP Fee	2002 ARIFFP Fee Processed on Raw Data	Bottom-Up Fee
Outfitting	<i>Code</i>	<i>Per Vehicle Day</i>	<i>Per Vehicle Day</i>	<i>Per Vehicle Day</i>	<i>Per Vehicle Day</i>
Motorized boats and motor vehicles (such as cars, trucks, all terrain vehicles, and snowmobiles) rented on or delivered to National Forest System lands	CC	\$1.25	\$1.31	\$4.00	\$10.00
Non-motorized boats, canoes, rafts, kayaks, rented on or delivered to National Forest System lands	*CCC	\$1.25	\$1.31	\$4.00	\$5.00
Transporter-Provided Services	<i>Code</i>	<i>Per Client Day</i>	<i>Per Client Day</i>	<i>Per Client Day</i>	<i>Per Client Day</i>
Provides services which many include, but are not limited to food, shelter, interpretation, care of fish and game, and other services besides or in addition to strictly point-to-point transportation	DD	N/A	N/A	\$3.25	\$15.00

ALASKA REGION ACTIVITY New Activities Reported with the 2002 Permit Holder Data		1998 ARIFFP Fee	2002 Index- Adjusted ARIFFP Fee	2002 ARIFFP Fee Processed on Raw Data	Bottom-Up Fee
Transport	<i>Code</i>	<i>Per Day</i>	<i>Per Day</i>	<i>Per Day</i>	<i>Per Day</i>
Tour	EE	N/A	N/A	\$0.25	\$5.00
Other	<i>Code</i>	<i>Per Hunt</i>	<i>Per Hunt</i>	<i>Per Hunt</i>	<i>Per Hunt</i>
Wolf Hunt	No code	N/A	N/A	\$5.00	\$26.00

Summary

The Bottom-Up Pricing Method directly measures the Alaska Region outfitter/guide fees as the value of individual units of use evidenced by unguided user fees for similar activities. Flat fees are derived from a survey and correlation of actual market data. The only permit holder data required is the annual reports of client volumes. There is no percentage component.

However, implementation of this method would require recognition of a small number of related activity categories. Moreover, the method relies heavily on data from outside the Alaska Region. While this data can be meaningful, it is too limited to isolate percentage or dollar considerations for the relative qualities

of the Alaska Region (positive or negative attributes). In other words, there is no reliable means of adjusting for the differences. These circumstances elevate the level of subjectivity in the value judgments.

In summary, the available data is simply too limited to develop unique values by the Bottom-Up Pricing Method for the diverse list of activities recognized in the Alaska Region. Also, because client charges are not a component of the development process, sensitivity to change in Alaska Region market conditions is limited to fluctuations in client volumes and comparable fees charged elsewhere.

FEE DEVELOPMENT BY THE MODIFIED ARIFFP METHOD

Like the Alaska Region Interim Flat Fee Policy (ARIFFP), the Modified ARIFFP is a top-down pricing method by which flat fees are derived from calculations that process a percentage (multiplier) of gross revenues into per-client-day or per-hunt charges.

The rationale for the ARIFFP is a district court directive to the Alaska Region of the FS to devise a fee schedule that is fair and will not result in the assessment of disparate fees to similarly situated users for similar use of National Forest System lands (see "Nature of the Assignment"). The ARIFFP fee development process, previously described in detail, is summarized here.

For guiding activities other than big-game hunting, the total amount of client charges for all Alaska Region operators in an activity category was divided by the total number of service days reported (1998). The adjusted-daily-charge-per-client for each category was then matched to a fee-per-client-per-service-day schedule and adjusted by the percentage of time spent off National Forest System lands. The resultant fees were rounded to the nearest \$0.25. An averaging process was also applied in the development of fees for road-based and remote-setting activities and outfitting.

For big-game hunting, per-hunt fees were derived using a similar averaging process. Hunt types were categorized based on the species hunted and whether the hunt involves an overnight stay on National Forest System lands. A flat fee (rounded to the nearest \$5) for each category was calculated by multiplying the per-client-per-service-day fee by the average hunt length.

In terms of the TTC case ruling, the method is fair to the permit holders in that the process develops similar prices for similar activities and assigns unique prices to a wide variety of specific activities. The ARIFFP has been implemented and the public response is generally favorable.

However, the resultant flat fees are based on a historical 3% of adjusted gross revenues. Citing the following data, a 1996 GAO report concluded that the 3%

National Policy rate (also the basis of the ARIFFP) was low relative to fees charged elsewhere.⁴³

Table 1: 1995 Rate of Return for State Commercial Permits Covered in Our Review.

	<u>California</u>	<u>Colorado</u>	<u>Idaho</u>	<u>Minnesota</u>	<u>Montana</u>
Percent of gross sales charged for permit	11%	6% - 12%	7.5% - 15%	12%	5%

Source: National Parks and Conservation Association

Data from the private sector supports the GAO's conclusion (see Addenda – Table I).

On that basis, the historic rate (3%), adjusted by off-forest discounts, results in ARIFFP fees that are below what the market will support. The ARIFFP does not include a mechanism for addressing the deficiency.

The Modified ARIFFP process is identical to the ARIFFP process previously described with two exceptions:

- In the ARIFFP, the multiplier (3%) is an arbitrary constant. In the Modified ARIFFP, an appropriate percentage/multiplier is developed from a range of rates identified by a survey of public and private landowners.
- In the ARIFFP, the initial flat fees, calculated from 1998 permit holder data, are subject only to an annual index adjustment. In the Modified ARIFFP, periodic updates would require reapplication of the entire process to current permit holder data. Index adjustments would only be applied in the interim.

In summary, fee schedule development by the Modified ARIFFP process requires two fundamental elements: current permit holder data and an appropriate

⁴³ U.S. FOREST SERVICE, Fees for Recreation Special-Use Permits Do Not Reflect Fair Market Value, US. General Accounting Office December 1996.

multiplier. Because the client has already compiled 2002 permit holder data, the focus is on the development of an appropriate multiplier.

The data reflects a broad range of gross revenue multipliers from 3% to 12.5% (see Addenda – Table I).⁴⁴ But the market survey can only identify this range and provide reasoning for its narrowing. For example, 3% is arguably below the market while the upper-end rates tend to acknowledge high demand and/or exclusive uses. The rate reported with the greatest frequency is 5%.

However; because the rates are typically established with minimal analysis, if any, the marketplace does not establish the criteria by which the most appropriate rate can be determined. A simple selection of 5% on the basis of frequency does not adequately address the ultimate objective of this assignment, "... a permit fee policy that is fair to the outfitting-and-guiding industry as a whole, as well as to the Government, which must receive fair market value for the use of public resources."⁴⁵

Selected fees previously developed by the Bottom-Up Pricing Method provide touchstones by which fairness can be considered. The Bottom-Up Pricing Method recognizes unguided fees as the minimum that a landowner would accept for a unit of use. Conversely, why should outfitter/guides pay more when the market practice is for the outfitter/guide to pay the same or less?

The determination of an appropriate stand-alone rate (exclusive of additional seasonal administrative fees) for the Alaska Region is aided by testing a sample of near-universal activities (e.g., general recreation, camping, fishing, and deer hunting) using the 2002 permit holder data.

In the following analysis, the flat fees that would result from applications of the ARIFFP process at rates from 4% to 12.5% are simulated by applying a factor (multiplier) to the 2002 ARIFFP flat fees generated using the historic 3% rate. For example, at 6% the fees generated by the ARIFFP process would be double. The indicated adjustment factor is 2.0 ($6\% \div 3\%$).

⁴⁴ The indicated multipliers are often in addition to flat, seasonal administrative fees.

⁴⁵ Contract Specifications Appendix (Page 34)

The resulting range of client-day fees are compared to the fees developed for those same activities by the Bottom-Up Pricing Method. The appropriate rate is that percentage which produces a set of flat fees that are the most closely supported by the flat fees developed by the Bottom-Up Pricing Method.

In the following table, the flat fees generated by applying the ARIFFP process (at 3%) to the 2002 permit holder data are shaded. Applying the percentage rates suggested by the market data (4% to 12.5%) to the same permit holder data generates the flat fees in the middle columns (blue).⁴⁶ The indicated values for individual units of use (developed by the bottom-up method) appear in the right-hand column (pink). The highlighted indicators nested in the blue columns (yellow) are the closest approximations to the indicated values developed by the Bottom-Up Pricing Method (right hand column [pink]).

⁴⁶ Fees for big game hunts are rounded to the nearest \$5. Fees for other activities are rounded to the nearest \$0.25.

The indicated mean and median reflected by the majority of the comparisons is 5.5%. In summary, the analysis establishes a rate of 5.5% as an appropriate multiplier for the Modified ARIFFP process.⁴⁷

The process requires a recalculation of the Alaska Region per client-per-service day schedule at 5.5%.⁴⁸ In the following table, the fee is calculated as 5.5% of the median of each price bracket (see page 14), rounded to the nearest \$0.05.

Adjusted Daily Charge Per Client	Median	x Rate	Fee Per-Client Per-Service Day (rounded to the nearest \$0.05)
Less than \$8.00	\$4.01	5.5%	*\$0.50
\$8.01 to \$20.00	\$14.01	5.5%	\$0.75
\$20.01 to \$35.00	\$27.51	5.5%	\$1.50
\$35.01 to \$50.00	\$42.51	5.5%	\$2.35
\$50.01 to \$75.00	\$62.51	5.5%	\$3.45
\$75.01 to \$100.00	\$87.51	5.5%	\$4.80
\$100.01 to \$125.00	\$112.51	5.5%	\$6.20
\$125.01 to \$150.00	\$137.51	5.5%	\$7.55
\$150.01 to \$175.00	\$162.51	5.5%	\$8.95
\$175.01 to \$200.00	\$187.51	5.5%	\$10.30
\$200.01 to \$250.00	\$225.01	5.5%	\$12.40
\$250.01 to \$300.00	\$275.01	5.5%	\$15.15
Over \$300	5.5% of adjusted daily charges per participant		

*Like the recommended fee schedule, we have assigned a nominal minimum rate.

Incorporation of the schedule into the Modified ARIFFP process is exemplified in the following calculations that develop flat fees:

Activity	Road-Based Nature Tours	Remote-Setting Nature Tours
Activity code	A	B
Average daily client charge (from Raw 2002 permit holder data)	\$71.04	\$384.35
Bracket from schedule	\$50.01 to \$75.00	> \$300
Bracket median	\$62.51	n/a
x Rate	x 5.5%	x 5.5%
Scheduled fee per-client per-service day	\$3.45	\$21.14
Adjustment for off-forest discount (-40%)	x .60	x .60
Indicated Alaska Region flat fee	\$2.00 <i>rounded to the nearest \$0.25</i>	\$12.75 <i>rounded to the nearest \$0.25</i>

⁴⁷ Future updates that re-apply this process to updated permit-holder data may develop a different rate.

⁴⁸ The schedule, recommended by a working group from federal and state agencies assisting the Alaska Land Use Council, is a fundamental element of the ARIFFP process.

The flat fees resulting from reprocessing the 2002 permit holder data according to this schedule are rounded and entered in the following table.⁴⁹

ALASKA REGION ACTIVITY		1998 ARIFFP Fee	2002 Index- Adjusted ARIFFP Fee	2002 ARIFFP Fee Processed on Raw Data	Bottom- Up Fee	Modified ARIFFP Fee
Activities other than Big Game Hunting	Code	Per Client Day	Per Client Day	Per Client Day	Per Client Day	Per Client Day
Road-Based Nature Tours	A	\$0.50	\$0.52	\$1.25	\$5.00	\$2.00
Remote-Setting Nature Tours	B	\$2.50	\$2.61	\$7.00	\$5.00	\$12.75
Freshwater Fishing	C	\$2.50	\$2.61	\$5.00	\$10.00	\$9.00
Flight-seeing Landing Tours	D	\$2.00	\$2.09	\$3.25	\$5.00	\$6.25
Helicopter Landing Tours	E	\$2.50	\$2.61	\$4.00	\$5.00	\$7.50
Non-Motorized Freshwater Boat Trips	F	\$1.25	\$1.31	\$1.25	\$5.00	\$2.00
Dog-Sled Tours	G	\$2.50	\$2.61	\$2.50	\$5.00	\$4.50
Snowmobile Tours	H	\$4.00	\$4.18	\$2.50	\$10.00	\$4.50
Heli-Skiing Tours	I	\$7.75	\$8.10	\$11.25	\$5.00	\$20.50
Begich Boggs Visitor Center	J	*\$0.80	\$0.84	\$2.50	\$4.00	\$4.50
Camping	K	\$4.00	\$4.18	\$3.00	\$5.00	\$5.25
Mendenhall Glacier Visitor Center Southeast Alaska Visitor Center	L	*\$0.50	\$0.52	\$0.75	\$4.00	\$1.50
Road-Based Wildlife Viewing at Developed Sites - <i>Fish Creek near Hyder</i>	M	*\$0.50	\$0.52	\$1.25	\$5.00	\$2.00
Remote Wildlife Viewing at Developed Sites - <i>Anan Creek</i>	N	*\$2.50	\$2.61	\$4.00	\$5.00	\$7.50
Remote Wildlife Viewing at Developed Sites - <i>Pack Creek**</i>	NN	*\$2.50	\$2.61	\$4.00	\$50.00	\$7.50
Hunting - Waterfowl & small game	O	\$5.00	\$5.22	\$6.50	\$10.00	\$12.00
Big Game Hunting	Code	Per Hunt	Per Hunt	Per Hunt	Per Hunt	Per Hunt
Brown Bear - (Day Use)	P	\$140	\$146.23	\$195	\$625	\$360
Brown Bear - (Camping)	Q	\$195	\$203.67	\$250	\$665	\$460
Black Bear - (Day Use)	R	\$70	\$73.11	\$60	\$185	\$110
Black Bear - (Camping)	S	N/A	N/A	\$105	\$205	\$195
Mountain Goats - (Day Use)	T	\$105	\$109.67	\$125	\$220	\$230
Mountain Goats - (Camping)	U	\$130	\$135.78	\$160	\$245	\$295
Deer Hunts - (Day Use)	V	\$30	\$31.33	\$35	\$105	\$65
Deer Hunts - (Camping)	W	\$70	\$73.11	\$45	\$125	\$85
Moose Hunts - (Day Use)	Y	N/A	N/A	N/A	\$270	N/A
Moose Hunts - (Camping)	Z	\$120	\$125.34	N/A	\$300	N/A
Elk Hunt - (Day Use)	AA	N/A	N/A	N/A	\$220	N/A
Elk Hunt - (Camping)	BB	N/A	N/A	N/A	\$245	N/A

*The 1998 fees were assigned rather than developed by the ARIFFP averaging process. The Alaska Region may want to recognize a group of incidental or shortstop uses with an adjusted off-forest discount (a universal 40% is applied in the ARIFFP process).

**Recommended activity code to distinguish Pack Creek from Anan Creek.

⁴⁹ Fees calculated for big game hunts are rounded to the nearest \$5; fees for other activities are rounded to the nearest \$0.25.

Continued

ALASKA REGION ACTIVITY		1998 ARIFFP Fee	2002 Index- Adjusted ARIFFP Fee	2002 ARIFFP Fee Processed on Raw Data	Bottom- Up Fee	Modified ARIFFP Fee
Outfitting	<i>Code</i>	<i>Per Vehicle Day</i>	<i>Per Vehicle Day</i>	<i>Per Vehicle Day</i>	<i>Per Vehicle Day</i>	<i>Per Vehicle Day</i>
Motorized boats and motor vehicles (such as cars, trucks, all terrain vehicles, and snowmobiles) rented on or delivered to National Forest System lands	CC	\$1.25	\$1.31	\$4.00	\$10.00	\$7.50
Non-motorized boats, canoes, rafts, kayaks, rented on or delivered to National Forest System lands	*CCC	\$1.25	\$1.31	\$4.00	\$5.00	\$7.50
Transporter-Provided Services	<i>Code</i>	<i>Per Client Day</i>	<i>Per Client Day</i>	<i>Per Client Day</i>	<i>Per Client Day</i>	<i>Per Client Day</i>
Provides services which many include, but are not limited to food, shelter, interpretation, care of fish and game, and other services besides or in addition to strictly point-to-point transportation	DD	N/A	N/A	\$3.25	\$15.00	\$6.25

*Recommended code to distinguish between motorized and non-motorized rentals.

ALASKA REGION ACTIVITY New Activities Reported with the 2002 Permit Holder Data		1998 ARIFFP Fee	2002 Index- Adjusted ARIFFP Fee	2002 ARIFFP Fee Processed on Raw Data	Bottom- Up Fee	Modified ARIFFP Fee
Transport	<i>Code</i>	<i>Per Day</i>	<i>Per Day</i>	<i>Per Day</i>	<i>Per Day</i>	<i>Per Day</i>
Tour	EE	N/A	N/A	\$0.25	\$5.00	\$0.50
Other	<i>Code</i>	<i>Per Hunt</i>	<i>Per Hunt</i>	<i>Per Hunt</i>	<i>Per Hunt</i>	<i>Per Hunt</i>
Wolf Hunt	No code	N/A	N/A	\$5.00	\$26.00	\$5.00

Summary

The Modified ARIFFP method involves a number of complicated steps in order to process permit holder data into client-day fees. Nevertheless, despite the data collection and processing requirements, the method assigns unique prices (flat fees) to a diverse list of specific categories of activities so that outfitter/guides pay similar fees for similar activities.

Like the original ARIFFP, the modified method does not develop per-hunt or client-day prices that are significantly higher than what unguided users pay for similar activities (indicated values developed by the Bottom-Up Pricing Method).

But this modified method addresses the deficiencies of the original ARIFFP. Periodic adjustments to the market include an additional analytical step that determines an appropriate multiplier. This step involves the Bottom-Up Method but only to develop comparative fees for a sample of near-universal activities (general recreation use, camping, fishing, and deer hunting) for which market data is comparatively plentiful.

Because total revenues generated to the FS by the Modified ARIFFP are sensitive to both client volumes and local client charges, the method is particularly sensitive to the unique conditions of the various Alaska Region submarkets represented by each of the activities recognized.

SUMMARY

Comparison of Methodologies in Terms of Total Revenues Generated for the Alaska Region of the FS

Activity	Activity Code	Nat'l Policy Option A	Nat'l Policy Option B	Index-Adj. ARIFFP Fees	2002 ARIFFP Fees Processed on Raw 2002 Data	Modified ARIFFP Fees Processed on Raw 2002 Data	Bottom-Up Fees
		Q	R	S	T	U	V
<i>Spreadsheets Column</i>							
Road-Based Nature Tours	A	\$23,697.19	\$23,907.43	\$7,521.12	\$18,320.00	\$29,312.00	\$73,280.00
Remote-Setting Nature Tours	B	\$285,226.30	\$285,435.95	\$72,322.06	\$193,967.20	\$353,297.40	\$138,548.00
Freshwater Fishing	C	\$53,383.34	\$55,276.34	\$25,181.28	\$48,240.00	\$86,832.00	\$96,480.00
Outfitting	CC	\$1,279.26	\$1,369.91	NONE	\$696.00	\$1,305.00	\$1,740.00
Flight-seeing Landing Tours	D	\$93,166.95	\$99,055.51	\$41,160.46	\$64,005.50	\$123,087.50	\$98,470.00
Transporter Provided Services	DD	\$1,655.73	\$1,699.14	NONE	\$919.75	\$1,768.75	\$4,245.00
Helicopter Landing Tours	E	\$374,686.16	\$391,842.59	\$249,677.32	\$382,648.00	\$717,465.00	\$469,680.00
Transport (tour activity in 2002)	EE	\$13.60	\$20.40	NONE	\$8.50	\$17.00	\$170.00
Non-Motorized Freshwater Boat Trips	F	\$51,739.00	\$50,467.51	\$50,357.71	\$48,051.25	\$76,882.00	\$192,205.00
Dog-Sled Tours	G	\$47,789.15	\$49,416.33	\$29,602.62	\$28,355.00	\$51,039.00	\$56,710.00
Snowmobile Tours	H	\$1,584.34	\$1,641.27	\$2,537.26	\$1,517.50	\$2,731.50	\$6,070.00
Heli-Ski Tours	I	\$13,276.25	\$13,276.89	\$5,742.90	\$7,976.25	\$14,534.50	\$3,545.00
Begich Boggs Visitor Center	J	\$19,945.56	\$20,450.81	\$5,596.04	\$16,952.50	\$30,514.50	\$27,124.00
Camping	K	\$61,000.26	\$61,840.34	\$60,913.05	\$43,717.50	\$76,505.63	\$72,862.50
Mendenhall Glacier Visitor Center	L	\$128,956.31	\$147,718.13	\$103,493.52	\$149,269.50	\$296,539.00	\$796,104.00
Southeast Alaska Visitor Center	M	\$3,390.29	\$3,377.24	\$546.36	\$1,553.75	\$2,486.00	\$6,215.00
Road-Based Wildlife Viewing at Developed Sites	N	\$12,737.59	\$12,856.40	\$6,321.42	\$9,688.00	\$18,165.00	\$12,110.00
Remote Wildlife Viewing at Developed Sites	O	\$274.10	\$271.50	\$161.82	\$201.50	\$372.00	\$310.00
Hunting - Waterfowl & small game	Other	\$7.80	\$9.00	NONE	\$5.00	\$5.00	\$26.00
Other (wolf hunt in 2002)	P	\$26,949.86	\$26,967.86	\$20,633.51	\$26,715.00	\$49,320.00	\$85,625.00
Brown Bear - (Day Use)	Q	\$15,201.68	\$15,185.28	\$14,256.90	\$17,500.00	\$32,200.00	\$47,215.00
Black Bear - (Day Use)	R	\$10,873.16	\$11,060.66	\$13,046.89	\$10,740.00	\$19,690.00	\$33,855.00
Black Bear - (Camping)	S	\$2,359.60	\$2,421.00	NONE	\$3,465.00	\$6,435.00	\$6,765.00
Mountain Goats - (Day Use)	T	\$5,429.16	\$5,429.16	\$4,167.46	\$4,750.00	\$8,784.00	\$9,020.00
Mountain Goats - (Camping)	U	\$7,093.40	\$7,107.90	\$7,467.90	\$8,800.00	\$16,225.00	\$13,475.00
Deer Hunts - (Day Use)	V	\$599.82	\$609.30	\$469.95	\$525.00	\$975.90	\$1,575.00
Deer Hunts - (Camping)	W	\$542.00	\$573.00	\$94.21	\$495.00	\$935.00	\$12,375.00
Moose Hunts - (Day Use)	Y	NONE	NONE	NONE	NONE	NONE	NONE
Moose Hunts - (Camping)	Z	NONE	NONE	NONE	NONE	NONE	NONE
Total FS Revenues All Activities		\$1,242,857.86	\$1,289,286.85	\$721,722.06	\$1,089,082.70	\$2,019,422.78	\$2,265,799.50

*We recommend that motorized and non-motorized rentals be distinguished with different activity codes (CC and CCC respectively) and fees. However, because the historic permit holder data does not distinguish, only one activity can be recognized in the comparison. For the purposes of this comparison, the revenues from activity CC (outfitting) by the bottom-up pricing method recognize the rate developed for motorized rentals (\$10/vehicle/day).

**We recommend that wildlife viewing at Anan Creek and Pack Creek be distinguished with different activity codes (N and NN respectively) and fees. However, because the historic permit holder data does not distinguish, only one activity can be recognized in the comparison. For the purposes of this comparison, the revenues generated from activity N (remote wildlife viewing at developed sites) by the bottom-up pricing method recognize the rate developed for Anan Creek (\$5/client/day).

SUMMARY, CONCLUSION, AND RECOMMENDATION

The previous tabulation reflects three distinct tiers of total revenues.

The first tier (highlighted in blue) represents the fees generated by applying index-adjusted fees based on 1998 permit holder data to 2002 client volumes (column S). Comparing the total revenues generated by this method (\$721,722) with the total resulting from the application of the ARIFFP process to the 2002 permit holder data (\$1,089,083 [column T]), indicates that indexed adjustments have not kept pace with changing market conditions in the Alaska Region.

All of the other methods recognize only the 2002 data.

The second tier (highlighted in yellow) is represented by the national policies and the ARIFFP based on the historic revenue multiplier of 3% (columns Q, R, and T). The total fees generated for the Alaska Region by these three methods range from \$1,089,049 to \$1,289,287.

The third tier (highlighted in green) is established by the two alternative methodologies selected for fee schedule development:

- Modified Alaska Region Interim Flat Fee Policy
- Bottom-up Pricing Method

In terms of total revenues, the two alternatives produce similar results in that both will result in significantly higher flat fees as well as total revenues.

Common elements of the two selected alternative methodologies are summarized:

- Both methods develop flat fees that are applied to client volumes to determine the annual outfitter/guide fee.
- Both methods employ a market comparison.

- The FS is authorized to recover costs incurred in the processing of all types of commercial special-use permit applications, and in the monitoring of commercial special-use authorizations.⁵⁰ None of the methods described and evaluated recognize the recovery of these costs as a distinct price component. A cost recovery fee could be a universal add-on.
- Periodic updates to the fee schedule would require a reapplication of the initial fee development process. In the interim, annual adjustments would be applied according to an inflation index. For example, the ARIFFP employs the Implicit Price Deflator-Gross Domestic Product Index.
- The ARIFFP fee schedule recognizes a wide variety of specific activities rather than general categories. The modified ARIFFP could not be applied to new activities without a lead-in period that is sufficient to generate the necessary data. However, in the interim, the fee for the most similar activity could be applied. For both methods, this is a practical approach.

The two methods are evaluated in terms of the criteria identified by the Alaska Region as essential to the development of a conforming final fee policy.

⁵⁰ U.S. FOREST SERVICE, Fees for Recreation Special-Use Permits Do Not Reflect Fair Market Value, US. General Accounting Office December 1996.

It is fair in that it would charge similar fees for similar uses of the National Forest.

Both methods can be said to develop similar fees for similar uses. However, implementation of the Bottom-Up Pricing Method would require recognition of a small number of related activity categories. It will not develop unique prices for the number of diverse activities already recognized by the Alaska Region fee schedule. The Modified ARIFFP has a distinct advantage in that respect.

It will not require competitive issuance of permits except in circumstances of limited outfitting opportunities where demand to provide services exceeds supply.

Neither method involves the competitive issuance of permits.

It will result in stable fees that do not vary widely over time.

Except for annual indexed adjustments, both methods will result in fees that would be stable. Periodic updates would correct for indexed adjustments that could have outpaced the market or vice versa.

It will be simple to administer.

Neither method is simple.

The Bottom-Up Pricing Method relies heavily on data from outside the Alaska Region. The correlation of this data is complicated because the quantity (for most activities) it is too limited to isolate percentage or dollar considerations for the relative qualities of the Alaska Region (positive or negative attributes). In other words, there is no reliable means of adjusting for the differences. The value judgments are largely subjective.

The Modified ARIFFP method involves a number of steps in order to process permit holder data into client-day fees. Reliability is sensitive to the adequacy of the statistical sample of permit holder reports. However,

agency requirements and instructions can assure a satisfactory sample. And, while the ARIFFP process is complex, it is a mechanical process for which the steps are already established and adequately described.

This method includes an additional analytical step of determining an appropriate multiplier. This step involves the Bottom-Up Pricing Method. However, subjectivity is minimized by developing comparative fees for only a sample of near-universal activities (general recreation use, camping, fishing, and deer hunting) for which market data is comparatively plentiful.

It will not result in an undue reporting or record-keeping burden on permit holders.

With both methods, the permit holder would have to report client volumes annually. The Modified ARIFFP would be only slightly more burdensome. For periodic updates, the permit holder would be required to provide the detailed operating data necessary to apply the process (e.g., client charges, gross revenues, and duration of stay/hunts).

It will be fair to the outfitting-and-guiding industry as a whole, as well as to the Government, which must receive fair market value for the use of public resources.

Acknowledging the common elements previously summarized, both methods are arguably fair to both the permit holders and the Government. However, because the total revenues generated for the FS by the Modified ARIFFP are sensitive to both client volumes and local client charges, the method is particularly responsive to the unique conditions of the various Alaska Region submarkets represented by each of the activities recognized. On that basis, the "fairness" criterion is better met by the Modified ARIFFP method.

In summary, in terms of fairness, the ability to develop unique prices for a number of diverse activities with minimal subjectivity; and, sensitivity to Alaska Region market conditions; the Modified ARIFFP has a distinct advantage over the Bottom-Up Pricing Method. Modified ARIFFP is not significantly more complex, nor is its burden on permit holders significantly greater.

In conclusion, the Modified ARIFFP better meets the objectives of the Alaska Region of the Forest Service.

Table I - Percentage Rates

Location	Landowner	Data Source	Primary Activity	Percentage	Fee Development
Southcentral Alaska	Cook Inlet Region Inc.	Teresa Ressler 907-274-8638	Moose and bear hunting	5% of unadjusted gross revenues on top of a one-time, \$500 administrative fee.	Survey of other private owner policies
Southcentral Alaska	Chugach Alaska	Mike Hoyt 907-563-8866	Hunting	5% of unadjusted gross revenues on top of an annual application fee (\$0-\$100).	Survey of other private owner policies
California	State Forests 4/4/2002	Jose Medina 559-539-2855	N/A	No structured fee programs for commercial recreation operations.	N/A
Colorado	State Forest State Park	Tim Metzger 970-723-8366 4/29/2002	Hunting/fishing	\$100 annual fee + 5% of gross revenues (7 outfitter/guides)	Used to be 3% of gross revenues; State committed to operating in a more business-like manner; surveyed other public agencies & private owners. Believed to be a leader among public agencies.
	Arkansas Headwaters	Mike Walker 719-539-7289 4/29/2002	Rock climbing	\$250 annual fee + 8% of gross revenues (unique area)	
			River rafting	5.25% of gross revenues from river rafting (sales of food/beverage, T-shirts, etc. excluded)	
Kauai, Hawaii	Grove Farms	Mike Furukawa 808-245-3678 4/5/2002	Exclusive operator of ATV tours; other uses include horseback riding, off-road van tours, kayaking proposed	Originally 3% of gross revenues subject to a minimum; minimums always exceeded; renewals and new agreements are phasing in higher percentages of up to 6%.	Initially, 3% was an in-house administrative call. Owners did not want to make it too difficult for startups.
Big Island, Hawaii	Private ranch/plantation lands	Mr. Gomes 808-889-6257 4/8/2002	Kayaking, HMV tours, ATV tours	7% to 10% of gross revenues (less commissions to booking agencies) against a minimum. Minimums always exceeded. So far, only one operator permitted per activity.	Rate "pulled out of the air" but there is some support based on practices at other ranches.
Minnesota	State Parks	Steve Anderson 651-296-9679 4/29/2002	Canoe & bike rentals	9% to 12.5% of gross revenues. Upper end reflects exclusive use of designated sites adjacent to state landings. Operators based off state lands pay \$0.	Rates are negotiated; all over the board
Nevada	State Parks	Allen Newberry 775-687-1692 4/5/2002	XC Skiing Mountain Biking Gun Club	3%-5% of gross revenues. Operators maintain trails. \$2,000/quarter plus 3%-5% of gross (sliding scale)	3 concessionaires in the state; national programs (3%) were recognized initially

Table II - 2002 Western States Park Fees

State	Non-Camping Vehicle Fee	Non-Vehicular Entrance Fee	Camping/Day	Floating	Boating/boat	Sno-Park
Alaska	\$3-\$5/day	no specific fee	\$5-\$15/Site	no specific fee	no specific fee	no specific fee
Arizona	\$4-\$10/day	\$1/person hike and bike	\$8-\$12/Site (no hook-ups)	no specific fee	no specific fee	no specific fee
California	\$2-\$3/day	\$1/person hike and bike	\$7/Site (primitive)	\$42/year	no specific fee	\$3/person
Colorado	\$3-\$6/day	no specific fee	\$6-\$8/Site (primitive)	no specific fee	no specific fee	no specific fee
Idaho	\$3/day	no specific fee	\$7/Site (primitive)	no specific fee	no specific fee	no specific fee
Montana	\$24/year	no specific fee	no specific fee	no specific fee	no specific fee	no specific fee
Nevada	\$2-\$6/day	\$1-\$2/person hike and bike	\$11-\$15/Site (developed)	no specific fee	\$5-\$12/day	no specific fee
New Mexico	\$4/day	no specific fee	\$8/Site (primitive)	no specific fee	no specific fee	no specific fee
Oregon	no specific fee	\$4/person hike and bike	\$7-\$10/Site (primitive)	no specific fee	\$7/day	no specific fee
Utah	no specific fee	\$2-\$7/person general day use	\$8/Site (primitive)	no specific fee	no specific fee	no specific fee
Washington	no specific fee	no specific fee	\$7-\$11/Site (primitive)	no specific fee	no specific fee	\$8/person
Wyoming	no specific fee	\$5/person general day use	no specific fee	no specific fee	no specific fee	no specific fee

Table III - Unguided Non-Consumptive, Non-Motorized Uses

Location	Landowner	Data Source	Activity	Fee	Fee Development
Browning, MT	Blackfeet Tribe	Peggy Whitford 406-338-7207 8/23/01	General recreation	\$10/year	Administratively set without the benefit of any survey or market comparison
Pablo, MT	Confederated Salish/Kootenai	Tom McDonald 406-675-2700 12/18/00	General recreation	\$12/year	Intended to recover costs; fees based on a survey of public and private owners
Window Rock, AZ	Navajo Nation, of AZ, NM, UT	Martin Begaye 520-871-6647	General recreation (back country permit)	\$5/day	Intended to recover costs but fees are sensitive to those charged by others
White River, AZ	White Mountain Apache Tribe	Dave Kitcheyan 520-338-4385 8/27/01	Outdoor recreation	\$6/vehicle/day or \$3/person/day for people to bike in or bus in	Market survey employed
South-central Alaska	Chugach Alaska Corp.	Mike Hoyt 907-563-8866 12/13/00	All activities	\$50/trip	Administratively set with minimal comparative survey
West Interior, AK	Kuskokwim Corporation	Edith Morgan 907-675-4275 9-10-01	General land use permit	\$100/year	No specific basis for fees; prices felt to be too low & will be reevaluated
Grand Canyon area AZ	Hualapai Indian Reservation	Hualapai Tribe (928) 769-2216 4/4/02	General entrance, sightseeing, hiking	Diamond Creek: \$6/person entrance. Quartsmaster (Grand Canyon West): \$12.50/day	Unknown
Window Rock, AZ	Navajo Nation, of AZ, NM, UT	Gloria Tom Percy Greyeyes 928-871-6451	All watercraft permits (motorized & non-motorized)	\$18/season	Internally administered

Table IV - Other

Location	Landowner	Data Source	Activity	Fee	Fee Development
White River, AZ	White Mountain Apache Tribe	Dave Kitcheyan 520-338-4385 8/27/01	River running	\$15/person/day	Market survey employed
White River, AZ	White Mountain Apache Tribe	Dave Kitcheyan 520-338-4385 8/27/01	Canyoneering	\$10/person/day	Market survey employed
Mille Lacs Indian Reservation Onamia MN	Mille Lacs Band of Chippewa Tribe	Curt Kalk 800-709-6445 x 7452 8/24/01	Ricing (wild rice harvesting)	\$20/season	Set administratively years ago
Kuskokwim Area	Kuskokwim Corporation	Edith Morgan 907-675-4275 9/10/01	Cutting logs for homes	\$5/log	Internally administered, no method, reevaluating fees

Table V - Camping

Location	Landowner	Data Source	Activity	Fee	Fee Development
Window Rock, AZ	Navajo Nation, of AZ, NM, UT	Martin Begaye 520-871-6647	Camping	\$5/day	Intended to recover costs but fees are sensitive to those charged by others
Pablo, MT	Confederated Salish/Kootenai	Tom McDonald 406-675-2700 12/18/00	Camping	\$22/year (\$12 general recreation permit + \$10 camping stamp)	Intended to recover costs; fees based on a survey of public and private owners.
White River, AZ	White Mountain Apache Tribe	Dave Kitcheyan 520-388-4385 8/27/01	Camping	\$6/vehicle/night or \$3/person/night	Market survey employed
Interior Alaska	AHTNA, Inc.	Joe Hart 907-822-3476 9/10/01	Camping related to fishing	\$25/vehicle/day; fishing is 5/vehicle/day	No specific basis but the general area is road accessible and there are alternatives at no cost.
West interior, AK	Kuskokwim Corporation	Edith Morgan 907-675-4275 9-10-01	Recreational land use permit	\$100 per year	No specific basis for fees; prices felt to be too low & will be reevaluated
Mescalero, NM	Mescalero Apache	Crystal Garcia 505-464-4494 4/3/02	Camping (camp-sites with restrooms)	\$10/day/tent up to 2 people, additional people \$.50/day.	Set by tribal council
Grand Canyon area AZ	Hualapai Indian Reservation	Hualapai Tribe 928-769-2216 4/4/02	General entrance, sightseeing, camping	Diamond Creek: \$6/person entrance, \$10/night camp,	Unknown

Table VI- Unguided Fishing

Location	Landowner	Data Source	Activity	Fee	Fee Development
Browning, MT	Blackfeet Tribe	Peggy Whitford 406-338-7207 8/23/01	Fishing	\$25/day or \$60/year (includes \$10 annual entrance fee); characterized as a tribal fishing license.	Administratively set without the benefit of any survey or market comparison
Pablo, MT	Confederated Salish/Kootenai	Tom McDonald 406-675-2700 12/18/00	Fishing	\$34/year (\$12 general recreation permit + \$22 fishing stamp)	Intended to recover costs; fees based on a survey of public and private owners
White River, AZ	White Mountain Apache Tribe	Dave Kitcheyan 520-338-4385 8/27/01	Fishing	\$6/day or \$65/year	Market survey employed for initial fee development.
Window Rock, AZ	Navajo Nation, of AZ, NM, UT	Gloria Tom Percy Greyeyes 928-871-6451 4/3/02	Fishing (non tribal)	\$35/season \$7/day, + \$5/2 nd rod/day \$15/3 days, + \$5/2 nd rod/day	Administratively set with no comparative survey
Grand Portage, MN	Grand Portage Chippewa	Bob Vogel 218-475-2415 8/24/01	Fishing	\$5 for a 3-day permit \$7 for a 10-day permit \$15 for an annual permit	N/A
Onamia, MN	Mille Lacs Chippewa	Curt Kalk 1-800-709-6445 8/24/01	Fishing	\$22 (seasonal fee in lieu of state license)	No business objective. Fees were administratively set several years ago.
Sturgeon & Karluk R. Kodiak, AK	Koniag, Inc	Tom Panamaroff 907-486-2330 9/4/01	Fishing/other rec.	\$125/trip	Rely on a survey of other private owners; annual adjustments tied to the CPI; periodic updates every 5 yrs.
Southcentral Alaska	Chugach Alaska Corp.	Mike Hoyt 907-563-8866 12/13/00	All activities	\$50/trip	Administratively set with minimal comparative survey.
Interior Alaska	AHTNA, Inc.	Joe Hart 907-822-3476 9/10/01	Fishing	\$5/vehicle/day related camping is \$25/vehicle/day	No specific basis but the general area is road accessible and there are alternatives at no cost.
West interior, AK	Kuskokwim Corporation	Edith Morgan 907-675-4275 9-10-01	Recreational land use permit	\$100 per year	No specific basis for fees. Prices felt to be too low & will be reevaluated

Table VI continued - Unguided Fishing

Location	Landowner	Data Source	Activity	Fee	Fee Development
Mescalero, NM	Mescalero Apache	Crystal Garcia 505-464-4494 4/3/02	Fishing	\$6/day adult, \$3/day child (\$5/day adult, \$3/day child if also paying \$10 camping fee)	Set by tribal council
Giles County Virginia	Newport Trout Farm	Newport Trout Farm 540-599-3474 4/4/02	Fishing Stocked trout farm	\$2.75/pound	Unknown:assume internal business decision
Sandy, OR	Rainbow Trout Farm	Rainbow Trout Farm 503-622-5223 4/4/02	Fishing Stocked trout farm	\$.50 to \$20.00/trout	
Orangevill, Ontario CA	Primrose Trout Farm	Internet 519-925-3846 4/4/02	Fishing Stocked fish farm (rainbow, speckles, arctic char, Atlantic Salmon)	\$3.00 entry fee \$4.95-\$5.50/lbs \$10/hour catch & release	Unknown
Star Prairie, WI	Star Prairie Trout Farm	Charles & Marcy Graham 715-248-3633 4/4/02	Fishing Stocked trout farm	\$3.99 - \$6.00/lbs	Unknown
Spring Valley, MI	Spring Valley Trout Farm	Jim (internet) 734-426-4772 4/4/02	Fishing Stocked trout farm	\$3.00 entry \$4.39 - \$4.89/lbs	Unknown
Bodega Bay Northern CA	Trout Farm	Rainbow Trout Farm 707-876-3217 4/4/02	Fishing Stocked trout farm	\$1.25 entry fee + \$2.40 to \$9.25/fish (includes cleaning, bags, and ice)	Unknown
Grand Canyon area AZ	Hualapai Indian Reservation	Hualapai Tribe 928-769-2216 4/4/02	General entrance, fishing	Diamond Creek: \$6/person entrance, \$8/day fishing	Unknown
Oklahoma & Kansas	Bird-N-Buck	Ron Thompson 918-642-5509 4/3/02	Fishing	\$300/season	Surveys market and competing operators

Table VII - Unguided Small Game, Birds, Waterfowl Hunting

Location	Landowner	Data Source	Activity	Fee	Fee Development
Browning, MT	Blackfeet Tribe	Peggy Whitford 406-338-7207 8/23/01	Game bird and waterfowl hunting	\$45/year (includes \$10 annual entrance fee)	Administratively set without the benefit of any survey or market comparison
Pablo, MT	Confederated Salish/Kootenai	Tom McDonald 406-675-2700 12/18/00	Bird hunting	\$24/year (\$12 general recreation permit + \$22 camping stamp)	Pablo, MT
Window Rock, AZ	Navajo Nation, of AZ, NM, UT	Gloria Tom Percy Greyeyes 928-871-6451	Small game & waterfowl hunting	\$30/season small game \$5/season more for waterfowl, with small game permit	Internally administered
Onamia, MN	Mille Lacs Chippewa	Curt Kalk 1-800-709-6445 8/24/01	Migratory birds, waterfowl hunting	\$32 (seasonal fee in lieu of state license)	No business objective. Fee were administratively set several years ago.
Mescalero, NM	Mescalero Apache	Hunt Director 505-464-9770 4/3/02	Turkey	Turkey: \$235/hunt (license expires when animal killed or wounded)	Set by tribal council
Oklahoma & Kansas	Bird-N-Buck	Ron Thompson 918-642-5509 4/3/02	Bird hunting	Turkey \$150/day Quail/Pheasant \$100/day (\$600/season) Duck \$300/season	Surveys market and competing operators
Chelsea OK	CliffDwellers Hunting Club	Doug Bilby 918-789-3385 4/2/02	Hog hunting (after deer season)	\$100/ten days or \$100/hog	SmartHunter.com
Eldorado Texas	Forrest Meador Ranches	Meador Ranches 915-853-4508	Various small game Add Number 100644-10719	Turkey \$200/day Dove \$100/day	SmartHunter.com
Sterling City TX	Pardners Hunting	Pardners Hunting 830-866-3861	Turkey/hog, hunting bows only	\$125/day	SmartHunter.com
Uvalde Texas	Mountain Ranch	Rick Banard 830-597-3427 4/4/02	Turkey/hog	Turkey \$125/day Hog \$50/day	SmartHunter.com

Table VII continued - Unguided Small Game, Birds, Waterfowl Hunting

Location	Landowner	Data Source	Activity	Fee	Fee Development
McHenry County, IL	Illinois Hunting	John Meyer 312-346-9000	Pheasant hunting 135 acres	\$750/Season	SmartHunter.com
Dumas Arkansas	Curtis: SmartHunter Ad #100773-10886	Curtis 870-382-4396	Duck & Goose	\$100/day	SmartHunter.com
Kennebec South Dakota	Choal SmartHunter Ad #100912-11053	Choal 605-869-2103	Pheasant hunting	\$175/day	SmartHunter.com
Sturgeon & Karluk R. Kodiak, AK	Koniag, Inc	Tom Panamaroff 907-486-2330 9/4/01	Hunting/fishing	\$175/trip	Analysis and survey of other private owners
South Dakota	Various	Chris Peterson SDConnections 605-767-4868 4/4/02	Pheasant hunts, various locations, no services	\$75-\$150/day	SmartHunter.com

Table VIII - Unguided Big Game Hunting

Location	Landowner	Data Source	Activity	Fee	Fee Development
British Columbia	Province	Lynne Damant 250-387-9789 8/23/01	Mountain Sheep Grizzly Bear Mountain Goat Moose Black Bear Deer	\$200 \$250 \$100 \$75 \$50 \$38	Fees are characterized as royalty or trophy fees. Fees were administratively set by an on-staff economist who looked at other organizations and policies.
Yukon Territory	Province	Dan at Dept. of Renewable Resources	Mountain Sheep Grizzly Bear (M) Grizzly Bear (F) Mountain Goat Moose Black Bear	\$250 \$500 \$750 \$200 \$150 \$75	Non-resident royalty or trophy fees are charged on top of license and sealing tag. Paid only if animal is taken. Non-residents must be accompanied by a guide. Fees were administratively set in 1982.
Ontario Canada	Province	Paul Pepe Tourism Minis. 807-475-1483	Moose Deer Black Bear	\$310 \$150 \$155	Game tags
Afognak Island Kodiak, AK	Afognak Native Corp.	Frank McLucas 907-486-6014 5/3/02	Deer Elk Brown Bear	\$125 annual land use fee \$200 includes annual fee \$1,325 includes annual fee	Some comparisons but Afognak took a leadership role in the development of a fee
Sturgeon & Karluk R. Kodiak, AK	Koniag, Inc	T. Panamaroff 907-486-2330 9/4/01	Bear Hunts Other hunt/fish	\$1,250/trip \$175/trip	Analysis and survey of other private owners
Mescalero, NM	Mescalero Apache	Hunt Director 505-464-9770 4/3/02	Bear hunting Bull elk hunting Cow elk hunting	Bear: \$360/hunt (license expires when animal is wounded or killed) Bull Elk: N/A (guide required) Cow Elk: \$510/hunt	Set by tribal council
Oklahoma & Kansas	Bird-N-Buck	Ron Thompson 918-642-5509 4/3/02	Deer Hunting (unguided, non-exclusive, bow or gun	\$1,500/season	Surveys market and competing operators

Table VIII continued - Unguided Big Game Hunting

Location	Landowner	Data Source	Activity	Fee	Fee Development
Chelsea OK	CliffDwellers Hunting Club	Doug Bilby 918-789-3385 4/4/02	Deer hunting (also includes stands, small game, optional cabin)	\$200/season rifle \$300/season bow	SmartHunter.com
Eldorado, Texas	Forrest Meador Ranches	Meador Ranches 915-853-4508	White tail deer	\$1,200 1-5 days (1 buck/1 doe, or 2 does)	SmartHunter.com
Mille Lacs Indian Reservation Onamia MN	Mille Lacs Band of Chippewa Tribe	Curt Kalk 800-709-6445 x 7452 8/24/01	Big game hunting permit	\$32/season	Set administratively years ago
Kuskokwim Area	Kuskokwim Corporation	Edith Morgan 907-675-4275 9/10/01	General land use, big game hunters	\$400/year	Internally administered; no method, reevaluating fees
Collinsville Mississippi	agic 2001 Ad #100827-10940	High Hill Hunting 601-479-4539 Not Confirmed			
Central Illinois	Northforker Ad #100880-11002	Northforker 317-745-7843	Deer hunting/day	\$175/day	SmartHunter.com
Rudyard Montana	Hansons Ad # 100296-10922	Hansons 406-355-4302	Deer hunting/day	\$150/day	
Ashland Illinois	Private Ad #100689-10769	Owner 217-886-2520 4/5/02	Deer hunt/season \$1,925/7-day bow season	\$275/day	SmartHunter.com Hunting lease magazine
Cherryvale Kansas	Private Ad #100833-11084	grtoudlrs 316-336-3938	Deer hunting/week \$1,500/week	\$214/day	
Uvalde Texas	Mountain Ranch	Rick Banard 830-597-3427 4/4/02	Deer hunting/day	\$125/day	SmartHunter.com

Table IX - Unguided Off-Highway Vehicle (OHV) Use.

Location	Description	Landowner	Data Source	Unit Price	Amenities	Price Development
Motorcycle County Park San Jose, California	442-acre OHV park offers 20 miles of dirt trails, Tracks are crude compared to private sector MX parks.	public (county)	408-226-5223 Mike Ruhstorfer 2-7-02	\$4/vehicle/day including transport vehicles (several riders for 1 fee) No distinction between type of OHV or use (trail or track)	Restrooms, no camping facilities	Administratively set, does not cover costs; additional funds are generated from OHV stickers required by annual registration
Hollister Hills State Vehicle Recreation Area Hollister, CA	2,400 acre OHV park offers 64 miles of trails and 10 tracks. Soon to expand to 1,300 acres.	public (state)	Dane Skow 831-637-3874 2-7-02	\$4/vehicle/day including transport vehicles (several riders for 1 fee) No distinction between type of OHV or use (trail or track)	Restrooms and camping facilities. Camping costs \$6/day	Administratively set. OHV "stickers" (annual registrations) generate additional operating funds.
Motorsports Park	50 acres - primarily a MX facility with limited trails for motorcycles & ATVs	private	815-234-2271 Aaron Vincer 2/07/02	\$25/riders/day. No distinction between the use of track or trail system or type of OHV	Restrooms and camping facilities. Camping is included in the daily rider fee	There is competition. Market prices relative to quality of the facility High-risk business due to liability.

Table IX continued - Unguided Off-Highway Vehicle (OHV) Use.

Location	Description	Landowner	Data Source	Unit Price	Amenities	Price Development
Shiloh Ridge ORV Riding Area Alto, TX	1,000 acres w/36 miles of trails and 3 MX tracks. Diverse terrain includes hills & mud.	private	936-858-2193 Kelly Curry 2/07/02	\$10/OHV/day plus \$5 for the rider - \$15/day. No distinction between the use of track or trail system or type of OHV	Restrooms, showers, & camping, & concessions	There is competition. The diverse terrain of this park is a positive attribute
Haspin Acres, Laurel IN	750 acres of wooded hills and trails - primarily natural habitat.	private	765-698-2420 Pete Collins 4/03/02	\$15/person/day; riders and spectators pay the same fee. However, fee is for 24 hours, so overnight camping is included. Bass fishing and swimming are available at no extra charge	Restrooms, showers, & snack bar	No competition in the immediate area; one operator ±200 miles to the north charges \$15/day; another ±200 miles to the south charges \$17/day
TNT Motorsports Chester, SC	333 acres of wooded trails and 2 MX tracks	private	803-482-4759 web site 4/03/02	\$10/rider/day on top of a \$10 annual membership fee	N/A	N/A
New Jersey ORV Park Chatsworth, NJ	275 acres w/10 miles of trail & 4 controlled access tracks.	non-profit corporation formed by enthusiasts	609-726-0900 Art Schmidt 2/07/02	\$35/rider/day. Includes medical insurance. However, most users pay a \$150 annual fee that includes insurance at \$10 - \$15. Price will increase to \$180/season due to higher insurance costs No distinction between the use of track or trail system, or type of OHV	Minimal - primitive camping area; port-a-potties. Camping is free	Not a lot of competition offering the same thing. Fees are set to recover non-profit costs of operation. Approximately 5,500 annual memberships

Table X - Visitor Centers, Cultural Centers & Museums

Description	Location	Phone (907)	Admission Fee
Challenger Learning Center of Alaska	9711 Kenai Spur Highway, Kenai, Alaska	283-2000	\$13.00 - \$39.00
Alaska SeaLife Center	Mile 0, Seward Highway, Seward, AK 99664	224-2525	\$12.50
Alaska Native Heritage Center	8800 Heritage Center Dr., Anch., AK 99506	330-8000	\$8.00
Alaska Aviation Museum	4721 Aircraft Dr., Anch., AK 99502	245-1251	\$5.00
Anchorage Museum of History and Art	121 West 7 th Avenue, Anch., AK 99501	343-4326	\$6.50
Big Game Alaska	Mile 79, Seward Highway, Portage, Alaska	783-2025	\$5.00
Alaska State Museum	395 Whittier Street, Juneau, AK 99801	465-2901	\$5 Summer \$3 Winter
Pratt Museum	3779 Bartlett Street, Homer, AK 99603	235-8635	\$4.00
Sheldon Jackson Museum	104 College Drive, Sitka, AK 99835	747-8981	\$3.00
Seward Museum	3 rd and Jefferson St., Seward, AK 99664	224-3902	\$3.00
Sheldon Museum & Cultural Center	11 Main Street, Haines, AK 99827	766-2366	\$3.00 Summer \$2.00 Winter
Juneau-Douglas City Museum	4 th and Main Street, Juneau, AK 99801	586-3572	\$3.00 Summer \$2.00 Winter
Sitka National Historic Park	NPS, Lincoln St. ½ mile from town, Sitka, AK 99835	747-6281	\$3.00 Bishops House Visitor Center Free
Kenai Visitors & Cultural Center	11471 Kenai Spur Hwy., Kenai, AK 99611	283-1991	\$3.00 Summer \$0.00 Winter
Dorothy Page Museum & Visitor Center	323 Main Street, Wasilla, AK 99654	373-9071	\$3.00 Summer Closed Winter
Tongass Historical Museum	629 Dock Street, Ketchikan, AK 99901	225-5600	\$2.00 Summer \$0.00 Winter
Alaska Zoo	4731 O'Malley Road, Anchorage, Alaska	346-2133	\$8.00
Begich-Boggs Visitor Center	Portage Glacier, Portage, Alaska	783-2326	Free
Mendenhall Glacier Visitor Center	Mendenhall Glacier, Juneau AK	789-0097	\$3.00 Summer
Southeast Alaska Visitor Center	Ketchikan, Alaska		\$5.00 Summer
Isabel Miller Museum	Centennial Building, Sitka, Alaska 99835	747-6455	Free
Heritage Library & Museum	Wells Fargo, Northern Lights & C St., Anch. AK 99503	265-2834	Free
Fort Richardson Fish & Wildlife Center	Fort Richardson, Building 600, Anch. AK	384-0431	Free
Carrie McClain Memorial Museum	200 E. Front Street, Nome, AK 99762	443-2566	Free

Table XI - Fee Schedule Comparison

Alaska		Alaska	
<u>Non-Resident</u>	<u>Tag Fee</u>	<u>Non-Resident Alien</u>	<u>Tag Fee</u>
Muskox	\$1,100	Muskox	\$1,500
Brown/Grizzly Bear	\$500	Brown/Grizzly Bear	\$650
Bison	\$450	Bison	\$650
Dall Sheep	\$425	Dall Sheep	\$550
Moose	\$400	Moose	\$500
Caribou	\$325	Caribou	\$425
Elk	\$300	Elk	\$400
Mountain Goat	\$300	Mountain Goat	\$400
Black Bear	\$225	Black Bear	\$300
Wolverine	\$175	Wolverine	\$250
Deer	\$150	Deer	\$200
Wolf	\$30	Wolf	\$50

Land Use		Land Use	
<u>Afognak Native Corp.</u>	<u>Fee</u>	<u>Koniag Inc.</u>	<u>Fee</u>
Brown Bear	\$1,325	Brown Bear	\$1,250
Elk	\$200		
Deer	\$125	Deer	\$175

Trophy Fee		Trophy Fee	
<u>Yukon Territory</u>	<u>(Can. \$)</u>	<u>British Columbia</u>	<u>(Can. \$)</u>
Grizzly Bear (F)	\$750	Grizzly Bear	\$250
Grizzly Bear (M)	\$500	Mountain Sheep	\$200
Mountain Sheep	\$250	Mountain Goat	\$100
Mountain Goat	\$200	Moose	\$75
Moose	\$150	Black Bear	\$50
Black Bear	\$75	Deer	\$38

Trophy Fee	
<u>Ontario (Canada)</u>	<u>(Can. \$)</u>
Moose	\$310
Black Bear	\$155
Deer	\$150

GLOSSARY

ANILCA	Alaska National Interest lands Conservation Act
ALUC	Alaska Land Use Council
ARIFFP	Alaska Regional Interim Flat Fee Policy
Average Client-day Charge	The <i>average client-day charge</i> is the adjusted gross revenue divided by the total number of client days for the duration of the outfitted or guided trip.
Bottom-Up Pricing Method	The Bottom-Up Pricing Method prices (and indirectly values) the outfitter/guide's use in terms of the unguided use values evidenced in the marketplace.
Client Day Charge	The <i>client-day charge</i> is the per-client rate charged by the outfitter/guide.
Client Day Fee	The <i>client-day fee</i> is paid by the outfitter/guide to the Forest Service.
Client Days	The number of <i>client days</i> is the number of service days for the duration of the outfitted or guided trip multiplied by the number of clients on the trip.
Flat Fee Plus Percentage Method	In this method, the outfitter/guide fees consist of two components: Flat fees that are developed by the bottom-up method and a percentage of client charges or gross revenues.
Guiding	Guiding is defined as providing services or assistance (such as supervision, protection, education training, packing, touring, subsistence interpretation, or other assistance to individuals or groups in their pursuit of a natural resource-based outdoor activity) for pecuniary remuneration or other gain.
Implicit Price Deflator-Gross Domestic Product Index	An economic technique used to account for inflation by comparing the current-dollar gross domestic product GDP to constant-dollar GDP as a ratio. The ratio accounts for price changes of goods and services that make up GDP and changes in the composite of GDP.

Glossary (Cont'd)

Modified ARIFFP Method	The modified ARIFFP is a top-down pricing method by which flat fees are derived from calculations that process a percentage (multiplier) of gross revenues into per-client-day or per-hunt charges.
National Policy A	The number of FS client days is multiplied by the client-day fee corresponding to a price bracket representing the average client-day charge.
National Policy B	The outfitter/guide fee is 3 percent of the annual adjusted gross revenue, minus any applicable adjustment for use off National Forest System lands.
Outfitting	Outfitting is defined as providing through livery, any saddle or pack animal, vehicle or boat, tents or camp gear, or similar supplies or equipment, for pecuniary remuneration or other gain.
Service Day	A <i>service day</i> is a day or any part of a day on National Forest System land for which an outfitter or guide provides goods or services (including transportation) to a client.
Short-stop Fees	<i>Short-stop fees</i> are established by the Regional Forester for situations in which commercial tours and trips involve only very short stops or visits on National Forest System lands of two service days or less (e.g., fees for trips that use National Forest System lands incidental to the purpose of the trip, such as a bus tour that takes clients on a sightseeing trip).

SPREADSHEETS

The following spreadsheets contain the 2002 permit holder data. The first two sets were utilized to calculate the 2002 flat fees using a rate of 3% and then a rate of 5.5%. The third set of spreadsheets is used to calculate and compare the final fee schedules based on total revenues.

- 1) Calculate Flat Fee based on 3%
- 2) Calculate Modified Flat Fee based on 5.5%
- 3) Final Fee Schedule Comparison

See the Separately-Scanned
spreadsheet documents for
each of the above.)

Columns

- A. "Permit Holder"
- § B. "Trip Name"

have been dropped from the
Scanned spreadsheets to
protect the confidentiality
of the permit holders.

```
Function Option_B(Gross_Revenue, Percent_of_Total_Trip_Time_Spent_on_NFS_Lands)
  If Percent_of_Total_Trip_Time_Spent_on_NFS_Lands < 5 Then
    Option_B = Gross_Revenue * 0.03 * 0.2
  ElseIf Percent_of_Total_Trip_Time_Spent_on_NFS_Lands >= 5 And Percent_of_Total_Trip_Time_Spent_on_NFS_Lands <= 60 Then
    Option_B = Gross_Revenue * 0.03 * 0.6
  ElseIf Percent_of_Total_Trip_Time_Spent_on_NFS_Lands > 60 Then Option_B = Gross_Revenue * 0.03 * 1
End If
End Function
```

```
Function Option_A_Fee_Per_Day(Client_day_Charge)
  If Client_day_Charge = 0 Then
    Option_A_Fee_Per_Day = 0
  ElseIf Client_day_Charge <= 8 And Client_day_Charge > 0 Then
    Option_A_Fee_Per_Day = 0.25
  ElseIf Client_day_Charge > 8 And Client_day_Charge <= 20 Then
    Option_A_Fee_Per_Day = 0.4
  ElseIf Client_day_Charge > 20 And Client_day_Charge <= 35 Then
    Option_A_Fee_Per_Day = 0.8
  ElseIf Client_day_Charge > 35 And Client_day_Charge <= 50 Then
    Option_A_Fee_Per_Day = 1.3
  ElseIf Client_day_Charge > 50 And Client_day_Charge <= 75 Then
    Option_A_Fee_Per_Day = 1.9
  ElseIf Client_day_Charge > 75 And Client_day_Charge <= 100 Then
    Option_A_Fee_Per_Day = 2.6
  ElseIf Client_day_Charge > 100 And Client_day_Charge <= 125 Then
    Option_A_Fee_Per_Day = 3.4
  ElseIf Client_day_Charge > 125 And Client_day_Charge <= 150 Then
    Option_A_Fee_Per_Day = 4.1
  ElseIf Client_day_Charge > 150 And Client_day_Charge <= 175 Then
    Option_A_Fee_Per_Day = 4.9
  ElseIf Client_day_Charge > 175 And Client_day_Charge <= 200 Then
    Option_A_Fee_Per_Day = 5.6
  ElseIf Client_day_Charge > 200 And Client_day_Charge <= 250 Then
    Option_A_Fee_Per_Day = 6.75
  ElseIf Client_day_Charge > 250 And Client_day_Charge <= 300 Then
    Option_A_Fee_Per_Day = 8.25
  ElseIf Client_day_Charge > 300 And Client_day_Charge <= 400 Then
    Option_A_Fee_Per_Day = 10
  ElseIf Client_day_Charge > 400 Then
    Option_A_Fee_Per_Day = Client_day_Charge * 0.03
  End If
```

End Function

```
Function Total_Option_A_Fee(Total_Client_Days, Option_A_Fee_Per_Day, Percent_of_Total_Trip_Time_Spent_on_NFS_Lands)
  If Percent_of_Total_Trip_Time_Spent_on_NFS_Lands < 5 Then
    Total_Option_A_Fee = Total_Client_Days * Option_A_Fee_Per_Day * 0.2
  ElseIf Percent_of_Total_Trip_Time_Spent_on_NFS_Lands >= 5 And Percent_of_Total_Trip_Time_Spent_on_NFS_Lands <= 60 Then
    Total_Option_A_Fee = Total_Client_Days * Option_A_Fee_Per_Day * 0.6
  ElseIf Percent_of_Total_Trip_Time_Spent_on_NFS_Lands > 60 Then
    Total_Option_A_Fee = Total_Client_Days * Option_A_Fee_Per_Day * 1
  End If
End Function
```

```

Function Flat_Fee(Primary_Activity_Code, FS_Client_Days, Number_of_Hunts, Number_of_Vehicles)
  If Primary_Activity_Code = "A" Then
    Flat_Fee = FS_Client_Days * 0.52
  ElseIf Primary_Activity_Code = "B" Then
    Flat_Fee = FS_Client_Days * 2.61
  ElseIf Primary_Activity_Code = "C" Then
    Flat_Fee = FS_Client_Days * 2.61
  ElseIf Primary_Activity_Code = "D" Then
    Flat_Fee = FS_Client_Days * 2.09
  ElseIf Primary_Activity_Code = "E" Then
    Flat_Fee = FS_Client_Days * 2.61
  ElseIf Primary_Activity_Code = "F" Then
    Flat_Fee = FS_Client_Days * 1.31
  ElseIf Primary_Activity_Code = "G" Then
    Flat_Fee = FS_Client_Days * 2.61
  ElseIf Primary_Activity_Code = "H" Then
    Flat_Fee = FS_Client_Days * 4.18
  ElseIf Primary_Activity_Code = "I" Then
    Flat_Fee = FS_Client_Days * 8.1
  ElseIf Primary_Activity_Code = "J" Then
    Flat_Fee = FS_Client_Days * 0.84
  ElseIf Primary_Activity_Code = "K" Then
    Flat_Fee = FS_Client_Days * 4.18
  ElseIf Primary_Activity_Code = "L" Then
    Flat_Fee = FS_Client_Days * 0.52
  ElseIf Primary_Activity_Code = "M" Then
    Flat_Fee = FS_Client_Days * 0.52
  ElseIf Primary_Activity_Code = "N" Then
    Flat_Fee = FS_Client_Days * 2.61
  ElseIf Primary_Activity_Code = "O" Then
    Flat_Fee = FS_Client_Days * 5.22
  ElseIf Primary_Activity_Code = "P" Then
    Flat_Fee = Number_of_Hunts * 146.23
  ElseIf Primary_Activity_Code = "Q" Then
    Flat_Fee = Number_of_Hunts * 203.67
  ElseIf Primary_Activity_Code = "R" Then
    Flat_Fee = Number_of_Hunts * 73.11
  ElseIf Primary_Activity_Code = "S" Then
    Flat_Fee = "None"
  ElseIf Primary_Activity_Code = "T" Then
    Flat_Fee = Number_of_Hunts * 109.67
  ElseIf Primary_Activity_Code = "U" Then
    Flat_Fee = Number_of_Hunts * 135.78
  ElseIf Primary_Activity_Code = "V" Then
    Flat_Fee = Number_of_Hunts * 31.33
  ElseIf Primary_Activity_Code = "W" Then
    Flat_Fee = Number_of_Hunts * 73.11
  ElseIf Primary_Activity_Code = "Y" Then
    Flat_Fee = "None"
  ElseIf Primary_Activity_Code = "Z" Then
    Flat_Fee = Number_of_Hunts * 125.34
  ElseIf Primary_Activity_Code = "AA" Then
    Flat_Fee = "None"
  ElseIf Primary_Activity_Code = "BB" Then
    Flat_Fee = "None"
  ElseIf Primary_Activity_Code = "DD" Then
    Flat_Fee = "None"
  ElseIf Primary_Activity_Code = "EE" Then
    Flat_Fee = "None"
  End If
End Function

```

Function Newest_Flat_Fee(Primary_Activity_Code, FS_Client_Days, Number_of_Hunts, Number_of_Clients)

```
If Primary_Activity_Code = "A" Then
    Newest_Flat_Fee = FS_Client_Days * 1.25
ElseIf Primary_Activity_Code = "B" Then
    Newest_Flat_Fee = FS_Client_Days * 7
ElseIf Primary_Activity_Code = "C" Then
    Newest_Flat_Fee = FS_Client_Days * 5
ElseIf Primary_Activity_Code = "D" Then
    Newest_Flat_Fee = FS_Client_Days * 3.25
ElseIf Primary_Activity_Code = "E" Then
    Newest_Flat_Fee = FS_Client_Days * 4
ElseIf Primary_Activity_Code = "F" Then
    Newest_Flat_Fee = FS_Client_Days * 1.25
ElseIf Primary_Activity_Code = "G" Then
    Newest_Flat_Fee = FS_Client_Days * 2.5
ElseIf Primary_Activity_Code = "H" Then
    Newest_Flat_Fee = FS_Client_Days * 2.5
ElseIf Primary_Activity_Code = "I" Then
    Newest_Flat_Fee = FS_Client_Days * 11.25
ElseIf Primary_Activity_Code = "J" Then
    Newest_Flat_Fee = FS_Client_Days * 2.5
ElseIf Primary_Activity_Code = "K" Then
    Newest_Flat_Fee = FS_Client_Days * 3
ElseIf Primary_Activity_Code = "L" Then
    Newest_Flat_Fee = FS_Client_Days * 0.75
ElseIf Primary_Activity_Code = "M" Then
    Newest_Flat_Fee = FS_Client_Days * 1.25
ElseIf Primary_Activity_Code = "N" Then
    Newest_Flat_Fee = FS_Client_Days * 4
ElseIf Primary_Activity_Code = "O" Then
    Newest_Flat_Fee = FS_Client_Days * 6.5
ElseIf Primary_Activity_Code = "P" Then
    Newest_Flat_Fee = Number_of_Hunts * 195
ElseIf Primary_Activity_Code = "Q" Then
    Newest_Flat_Fee = Number_of_Hunts * 250
ElseIf Primary_Activity_Code = "R" Then
    Newest_Flat_Fee = Number_of_Hunts * 60
ElseIf Primary_Activity_Code = "S" Then
    Newest_Flat_Fee = Number_of_Hunts * 105
ElseIf Primary_Activity_Code = "T" Then
    Newest_Flat_Fee = Number_of_Hunts * 125
ElseIf Primary_Activity_Code = "U" Then
    Newest_Flat_Fee = Number_of_Hunts * 160
ElseIf Primary_Activity_Code = "V" Then
    Newest_Flat_Fee = Number_of_Hunts * 35
ElseIf Primary_Activity_Code = "W" Then
    Newest_Flat_Fee = Number_of_Hunts * 45
ElseIf Primary_Activity_Code = "Y" Then
    Newest_Flat_Fee = "None"
ElseIf Primary_Activity_Code = "Z" Then
    Newest_Flat_Fee = "None"
ElseIf Primary_Activity_Code = "AA" Then
    Newest_Flat_Fee = "None"
ElseIf Primary_Activity_Code = "BB" Then
    Newest_Flat_Fee = "None"
ElseIf Primary_Activity_Code = "CC" Then
    Newest_Flat_Fee = Number_of_Clients * 4
ElseIf Primary_Activity_Code = "DD" Then
    Newest_Flat_Fee = Number_of_Clients * 3.25
ElseIf Primary_Activity_Code = "EE" Then
    Newest_Flat_Fee = Number_of_Clients * 0.25
ElseIf Primary_Activity_Code = "OTHER" Then
    Newest_Flat_Fee = Number_of_Clients * 5
End If
```

End Function

Function Built_Up_Fee(Primary_Activity_Code, FS_Client_Days, Number_of_Clients)

```
If Primary_Activity_Code = "A" Then
    Built_Up_Fee = FS_Client_Days * 5
ElseIf Primary_Activity_Code = "B" Then
    Built_Up_Fee = FS_Client_Days * 5
ElseIf Primary_Activity_Code = "C" Then
    Built_Up_Fee = FS_Client_Days * 10
ElseIf Primary_Activity_Code = "D" Then
    Built_Up_Fee = FS_Client_Days * 5
ElseIf Primary_Activity_Code = "E" Then
    Built_Up_Fee = FS_Client_Days * 5
ElseIf Primary_Activity_Code = "F" Then
    Built_Up_Fee = FS_Client_Days * 5
ElseIf Primary_Activity_Code = "G" Then
    Built_Up_Fee = FS_Client_Days * 5
ElseIf Primary_Activity_Code = "H" Then
    Built_Up_Fee = FS_Client_Days * 10
ElseIf Primary_Activity_Code = "I" Then
    Built_Up_Fee = FS_Client_Days * 5
ElseIf Primary_Activity_Code = "J" Then
    Built_Up_Fee = FS_Client_Days * 4
ElseIf Primary_Activity_Code = "K" Then
    Built_Up_Fee = FS_Client_Days * 5
ElseIf Primary_Activity_Code = "L" Then
    Built_Up_Fee = FS_Client_Days * 4
ElseIf Primary_Activity_Code = "M" Then
    Built_Up_Fee = FS_Client_Days * 5
ElseIf Primary_Activity_Code = "N" Then
    Built_Up_Fee = FS_Client_Days * 5
ElseIf Primary_Activity_Code = "O" Then
    Built_Up_Fee = FS_Client_Days * 10
ElseIf Primary_Activity_Code = "P" Then
    Built_Up_Fee = Number_of_Clients * 625
ElseIf Primary_Activity_Code = "Q" Then
    Built_Up_Fee = Number_of_Clients * 665
ElseIf Primary_Activity_Code = "R" Then
    Built_Up_Fee = Number_of_Clients * 185
ElseIf Primary_Activity_Code = "S" Then
    Built_Up_Fee = Number_of_Clients * 205
ElseIf Primary_Activity_Code = "T" Then
    Built_Up_Fee = Number_of_Clients * 220
ElseIf Primary_Activity_Code = "U" Then
    Built_Up_Fee = Number_of_Clients * 245
ElseIf Primary_Activity_Code = "V" Then
    Built_Up_Fee = Number_of_Clients * 105
ElseIf Primary_Activity_Code = "W" Then
    Built_Up_Fee = Number_of_Clients * 1125
ElseIf Primary_Activity_Code = "Y" Then
    Built_Up_Fee = Number_of_Clients * 270
ElseIf Primary_Activity_Code = "Z" Then
    Built_Up_Fee = Number_of_Clients * 300
ElseIf Primary_Activity_Code = "AA" Then
    Built_Up_Fee = Number_of_Clients * 220
ElseIf Primary_Activity_Code = "BB" Then
    Built_Up_Fee = Number_of_Clients * 245
ElseIf Primary_Activity_Code = "CC" Then
    Built_Up_Fee = Number_of_Clients * 10
ElseIf Primary_Activity_Code = "DD" Then
    Built_Up_Fee = Number_of_Clients * 15
ElseIf Primary_Activity_Code = "EE" Then
    Built_Up_Fee = Number_of_Clients * 5
ElseIf Primary_Activity_Code = "CCC" Then
    Built_Up_Fee = Number_of_Clients * 5
ElseIf Primary_Activity_Code = "OTHER" Then
    Built_Up_Fee = Number_of_Clients * 26
```

End If

nd Function

```

Function Mod_Flat_Fee(Primary_Activity_Code, FS_Client_Days, Number_of_Hunts, Number_of_Clients)
If Primary_Activity_Code = "A" Then
    Mod_Flat_Fee = FS_Client_Days * 2
ElseIf Primary_Activity_Code = "B" Then
    Mod_Flat_Fee = FS_Client_Days * 12.75
ElseIf Primary_Activity_Code = "C" Then
    Mod_Flat_Fee = FS_Client_Days * 9
ElseIf Primary_Activity_Code = "D" Then
    Mod_Flat_Fee = FS_Client_Days * 6.25
ElseIf Primary_Activity_Code = "E" Then
    Mod_Flat_Fee = FS_Client_Days * 7.5
ElseIf Primary_Activity_Code = "F" Then
    Mod_Flat_Fee = FS_Client_Days * 2
ElseIf Primary_Activity_Code = "G" Then
    Mod_Flat_Fee = FS_Client_Days * 4.5
ElseIf Primary_Activity_Code = "H" Then
    Mod_Flat_Fee = FS_Client_Days * 4.5
ElseIf Primary_Activity_Code = "I" Then
    Mod_Flat_Fee = FS_Client_Days * 20.5
ElseIf Primary_Activity_Code = "J" Then
    Mod_Flat_Fee = FS_Client_Days * 4.5
ElseIf Primary_Activity_Code = "K" Then
    Mod_Flat_Fee = FS_Client_Days * 5.25
ElseIf Primary_Activity_Code = "L" Then
    Mod_Flat_Fee = FS_Client_Days * 1.5
ElseIf Primary_Activity_Code = "M" Then
    Mod_Flat_Fee = FS_Client_Days * 2
ElseIf Primary_Activity_Code = "N" Then
    Mod_Flat_Fee = FS_Client_Days * 7.5
ElseIf Primary_Activity_Code = "O" Then
    Mod_Flat_Fee = FS_Client_Days * 12
ElseIf Primary_Activity_Code = "P" Then
    Mod_Flat_Fee = Number_of_Hunts * 360
ElseIf Primary_Activity_Code = "Q" Then
    Mod_Flat_Fee = Number_of_Hunts * 460
ElseIf Primary_Activity_Code = "R" Then
    Mod_Flat_Fee = Number_of_Hunts * 110
ElseIf Primary_Activity_Code = "S" Then
    Mod_Flat_Fee = Number_of_Hunts * 195
ElseIf Primary_Activity_Code = "T" Then
    Mod_Flat_Fee = Number_of_Hunts * 230
ElseIf Primary_Activity_Code = "U" Then
    Mod_Flat_Fee = Number_of_Hunts * 295
ElseIf Primary_Activity_Code = "V" Then
    Mod_Flat_Fee = Number_of_Hunts * 65
ElseIf Primary_Activity_Code = "W" Then
    Mod_Flat_Fee = Number_of_Hunts * 85
ElseIf Primary_Activity_Code = "Y" Then
    Mod_Flat_Fee = "None"
ElseIf Primary_Activity_Code = "Z" Then
    Mod_Flat_Fee = "None"
ElseIf Primary_Activity_Code = "AA" Then
    Mod_Flat_Fee = "None"
ElseIf Primary_Activity_Code = "BB" Then
    Mod_Flat_Fee = "None"
ElseIf Primary_Activity_Code = "CC" Then
    Mod_Flat_Fee = Number_of_Clients * 7.5
ElseIf Primary_Activity_Code = "DD" Then
    Mod_Flat_Fee = Number_of_Clients * 6.25
ElseIf Primary_Activity_Code = "EE" Then
    Mod_Flat_Fee = Number_of_Clients * 0.5
ElseIf Primary_Activity_Code = "OTHER" Then
    Mod_Flat_Fee = Number_of_Clients * 5
End If
End Function

```

NOTES ON 2002 OUTFITTER GUIDE REVENUE REPORT, CHUGACH NATIONAL
FOREST

Courtney James, Anchorage, AK

140 letters were sent to O/Gs

113 responded (81%)

Of the 113, 12 had no use

11 others who didn't respond either had no use or their permit was closed (according to Districts)

8 reports could not be deciphered

Many who responded did not include their actual use statement

The actual use statements really didn't help in our case because they have been simplified so much and only ask for client days and the type of use.

Approximately 20 -- 25% had to be called for clarification

All of the respondents used a 24 hour day rather than a 12 hr day on the 1st and last day. All had to be recalculated.

Most of the problems were trying to figure out whether it was reported in days or hours and the % time on forest. Next time we should have separate columns for hrs and days and ask them to fill them all in.

Some had trouble figuring out what % time on forest was. For instance, they listed 100% when it was clear by their use it could not be 100% (flightseeing for example) or they only listed the one day they were on the forest out of a multi day trip.

Several didn't report revenue

A few reported more than one use per trip so I listed the most expensive one and noted the others in the remarks column.

NOTES ON 2002 OUTFITTER GUIDE REVENUE REPORT, TONGASS
NATIONAL FOREST
Terry Butler, Sitka, Alaska

I identified 229 guides on the Tongass during the 2002 season.

24 (10.5%) guides either did not respond or the information could not be deciphered.

1 guide did not receive the letter because they had not been entered in SUDS as an active permit.

Some of the problems:

THE SPREADSHEET COULD NOT HAVE BEEN COMPLETED WITH ANY ACCURACY WITHOUT THE USE REPORT IN HAND.

It was apparent most of the Revenue Reports were done exclusive of the actual use report. When compared, they often did not match and some didn't even come close.

Not all units on the Tongass use the same actual use report, therefore, it was difficult to determine days and hours on National Forest System lands.

Approximately 95% of those returning the Revenue Report used 24 hrs/day for a trip rather than 12 hrs 1st and last. The percentage had to be recalculated on all.

It was difficult to determine in all cases whether the total trip length was in hours or days.

The Revenue form and the spreadsheet did not match. The form asked for days or hours for total trip and National Forest time; the spreadsheet asked for both. There are some entries on the spreadsheet showing only days.

Approximately 10-15% did not understand revenue per client. A large number didn't understand that the total trip should include off-forest time.

Approximately 60% showed more than one activity code per line entry. In most cases, I was able to refer to the use report.

Approximately 10-15% required calls to clarify information.

Diane Black-Smith, MAI

Member Appraisal Institute - Member Number 6193

Alaska State Certification #31

Education

Graduated University of Washington (1970 - 1974) - Bachelor of Arts Degree

Graduated West Anchorage High School, 1970

Appraisal Courses Successfully Completed

SREA Appraisal Course 101	University of Alaska, 1974
AIREA Appraisal Course 1B	Seattle Pacific University, 1975
SREA Appraisal Course 201	University of Alaska, 1976
SREA Appraisal Course R-2	University of Alaska, 1979
AIREA Appraisal Course II	Case Studies
	University of Colorado, 1980
	University of San Diego, 1985
AIREA Appraisal Course II	Report Writing, University of Colorado, 1980
AIREA Appraisal Course II	Standards of Professional Practice
	University of Portland, 1980
	Anchorage, Alaska, 1987
AIREA Appraisal Course IV	Litigation Valuation
	University of Colorado, 1980 & 1985
Appraisal Institute	Standards of Professional Practice Parts A & B, 1991
IRWA Course 403	Easement Valuation, 1992
IRWA Course 802	Legal Aspects of Easements, 1992
IRWA Course 401	The Appraisal of Partial Acquisitions, 1994
Appraisal Institute	Standards of Professional Practice
	Part A (USPAP) and Part B, 1991 & 1995
Appraisal Institute Course 410 & 420	Standards of Professional Practice
	Part A (USPAP) and Part B, 2001
Appraisal Institute Course 410 & 420	USPAPS, 2002
Appraisal Institute	Intro to Statistics & Supporting Adjustments, 2002

Seminars

2003 Scope of Work – Appraisal Institute

2001 Partial Interest Valuation-Undivided – Appraisal Institute

2001 Partial Interest Valuation-Divided – Appraisal Institute

1999 Valuation of Detrimental Conditions in Real Estate - Appraisal Institute

1999 Appraisal of Special Purpose Properties - Appraisal Institute

1999 Appraisal of Nonconforming Issues - Appraisal Institute

1999 The Technical Inspection of Real Estate - Virgil H. Beckman, P.E.

1999 Eminent Domain and Condemnation Appraising - Appraisal Institute

1995 Appraisal Practices for Litigation, Appraisal Institute

1994 Debate and Open Forum on "Public Interest Value", American Society of Farm Managers and Rural Appraisers

1994 Understanding Limited Appraisals & Appraisal Reporting Options
Alaska Chapter - Appraisal Institute

1993 Market Extractions, Alaska Chapter - Appraisal Institute

1993 Appraising Troubled Properties, Alaska Chapter - Appraisal Institute

1992 Course 403 - Easement Valuation, International Right of Way Association

1992 Course 802 - Legal Aspects of Easements, International Right of Way Association

1992 Under the Microscope: Highest and Best Use, Appraisal Institute

1992 Advanced Electronic Spreadsheet Lotus 1-2-3, Appraisal Institute

1992 Residential Appraisal Reports from a Reviewer's Perspective, Appraisal Institute

1991 General and Residential State Certification Review Seminar Appraisal Institute

1988 Alaska Condemnation Law and Procedures - Instructor

1987 Capitalization Workshop

PROFESSIONAL QUALIFICATIONS

Diane Black-Smith

Page 2

Numerous special seminars and workshops with the American Institute and Society of Real Estate Appraisers from 1974 through 1996. Accumulate an average of 20 credit hours annually for recertification credit with the Appraisal Institute.

Professional Recognition

Past President (1987)	Alaska Chapter No. 57 of Real Estate Appraisers
State Coordinator (1988)	National Appointment by AIREA to represent Alaska for Legislation in the Appraisal Industry.
Board Member	Municipality of Anchorage, Board of Equalization (Alternate 1986, 1987, and 1988)
Court Experience:	Qualified as an Expert Witness in the Alaska Superior Courts and Federal Bankruptcy Court

Employment History

Black-Smith and Richards, 2602 Fairbanks Street, Anchorage, Alaska
Owner/President - Established Company in December, 1980.

Fee Appraiser June 1977 to December 1980 with Appraisal Company of Alaska, and Noey and Associates, Anchorage, Alaska

Staff Appraiser - Department of Transportation and Public Facilities, State of Alaska, June 1975 to June 1977

Appraisal Experience

Diane Black-Smith, MAI is president and Chief Appraiser of Black-Smith and Richards, Inc., established in 1980. In addition to managing the business, Ms. Black-Smith is a full time commercial real estate appraiser. She is a member of the Appraisal Institute, having been awarded the MAI (Member Appraisal Institute) on November 6, 1980, Certificate Number 6193. She has been a resident of Alaska since 1963 and a full time Real Estate Appraiser in the Anchorage and Alaskan market since 1975. Prior to being a fee appraiser, she was employed by the Alaska Department of Transportation and Public Facilities as an appraiser/right-of-way agent. Ms. Black-Smith has served as President of the local chapter of the Appraisal Institute, education chairman and state chairman for Certification Legislation of Real Estate Appraisers. Her primary experience is in commercial appraisals, government appraisals and consultation on major land acquisitions and condemnation appraisals. She has completed appraisal assignments for acquisitions on "C" Street, the Parks Highway, 15th Avenue, Dimond Boulevard, A/C Couplet, Sterling Highway, Spenard Road, Lake Otis Parkway, Jewel Lake, Eagle River and Rabbit Creek Interchanges.

The Appraisal Institute conducts a voluntary program of continuing education for its designated members. MAI's and SRA's who meet the minimum standards of this program are awarded periodic educational certification. I am currently certified under this program.

PROFESSIONAL QUALIFICATIONS

Diane Black-Smith

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REFERENCES

Bill McGrew, Vice President
First National Bank of Anchorage
201 W. 36th Avenue
Anchorage, Alaska
(907) 265-3559

Mr. Chuck Gilbert
United States Dep't of the Interior
National Park Service
2525 Gambell Street, Room 107
Anchorage, Alaska 99503
257-2585

Mr. Mark Pfeffer, Architect/Developer
Koonce Pfeffer Inc.
425 G Street, Suite 800
Anchorage, Alaska 99501
(907) 274-7443

Mr. Tony Blomfield
The Blomfield Company
500 "L" Street, Suite 303
Anchorage, AK 99501
(907) 562-2766

Ms. Gladys M. Wilson
Municipality of Anchorage
Heritage Land Bank
P.O. Box 196650
Anchorage, Alaska 99519-6650
(907) 343-4333

Mr. James H. Smith, RPRA
USDA Forest Service - Alaska Region
P.O. Box 21628
Juneau, AK 99802-1628
(907) 586-7874

Mr. E. Corbett Carson, Vice President
Wells Fargo
301 W. Northern Lights Boulevard
P.O. Box 100600
Anchorage, AK 99510-0600
(907) 265-2140

Richard Todd
State of Alaska
Assistant Attorney General
Office of the Attorney General
(907) 269-5168

Judy Robinson
State of Alaska
Department of Natural Resources
Division of Mining, Land and Water
750 W. 7th Avenue, Suite 650
Anchorage, Alaska
(907) 269-8512

Mr. Alan Trawver, SR/WA
Trawver Land Services
7900 Upper O'Malley Road
Anchorage, Alaska 99516
(907) 346-2433

Mr. Steve Schuck
U.S. Fish and Wildlife Service
1011 East Tudor Road
Anchorage, Alaska
(907) 786-3426

Eric Havelock
Alaska Housing Finance Corp.
520 E. 34th Avenue
Anchorage, Alaska 99503
(907) 330-8461

Kathleen Broquet
Residential Mortgage
1400 West Benson Blvd, Ste 200
Anchorage, AK 99503
222-8800

**QUALIFICATIONS OF THE APPRAISER
STEVEN E. CARLSON**

Alaska State Certification #231

EDUCATION

University of Alaska, Anchorage -
 BBA in Real Estate
Real Estate Fundamentals
Real Estate Appraising

Real Estate Investment Analysis
Real Estate Law
Real Estate Management

National Association of Realtor's Courses

Fundamentals of Real Estate, Investment and Taxation
Fundamentals of Location and Market Analysis
Advanced Real Estate Taxation and Marketing Tools for Real Estate
Impact of Human Behavior on Commercial Investment Decision Making

Appraisal Courses Taken

Intro to Statistics & Supporting Adjustments, Appraisal Institute, 2002
Course 550 - Advanced Applications, Appraisal Institute, October 2000
Course 540 - Report Writing and Valuation Analysis, Appraisal Institute, May 2000
Course 430 - Standards of Professional Practice, Part C, Appraisal Institute, January 2000
Course 530 - Advanced Sales Comparison and Cost Approaches, Appraisal Institute, August 1999
Course 520 - Highest and Best Use and Market Analysis, Appraisal Institute, August 1999
Course 510 - Advanced Income Capitalization, Appraisal Institute, May 1999
Course A-15 - Report Writing School, American Society of Farm Managers and Rural Appraisers,
 July 1995
Course A-18 - Income Capitalization (Part I) Unleveraged, American Society of Farm Managers and
 Rural Appraisers, May 1995
Course 214 - Skills of Expert Testimony, International Right of Way Association, April 1994
Course 600 - Environmental Awareness, International Right of Way Association, April 1994
Course 401 - The Appraisal of Partial Acquisitions, International Right of Way Association, April
 1994
Course 410 - Standards of Professional Practice; Part A (USPAP), Appraisal Institute, January 1993
Course 420 - Standards of Professional Practice, Part B, Appraisal Institute, January 1993

Seminars Taken

Syndicating the Single Family Dwelling
Exchanging A to Z
Taxation and Estate Planning
Creative Real Estate Paper
Navigable Waters and Wetlands, International Right of Way Association, April 1994
Understanding Limited Appraisals & Appraisal Reporting Options, Appraisal Institute, July 1994
Debate and Open Forum on "Public Interest Value", American Society of Farm Managers and Rural
 Appraisers, November 1994
"The High-Tech Appraisal Office", Appraisal Institute, June, 1996
"The Internet and Appraising", Appraisal Institute, June 1996
Alaska Native Land Issues, International Right of Way Association, October 1996
Scope of Work, Appraisal Institute, April 2003
Yellow Book Seminar, Appraisal Institute, June 2003

Qualifications Of Appraiser
Steven E. Carlson
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Seminars Taken (Cont'd)

Access Law and Issues Affecting Public and Private Lands in Alaska, International Right of Way Association, October 1996
Understanding and Using DCF Software, Appraisal Institute, November 1997
Comprehensive Appraisal Workshop, Appraisal Institute, February 2001

BUSINESS EXPERIENCE

Black-Smith and Richards, Inc., Appraiser
Erickson and Associates, Appraiser
Licensed Real Estate Sales Associate in 1976
Licensed as Associate Broker in 1978
Currently holds a State of Alaska Real Estate Broker's License
Development of residential lots and housing

Appraisal Experience

Steve Carlson is a life-long Alaskan whose primary career is in real estate. He has a BBA degree in Real Estate from UAA, plus 20 years of real estate experience as a broker, developer, and appraiser. Mr. Carlson has been the associate appraiser on projects completed for the Bureau of Indian Affairs, State of Alaska, U.S. Fish and Wildlife Service, National Park Service, and the U.S. Department of Agriculture - Forest Service.

QUALIFICATIONS OF THE APPRAISER

Brian Z. Bethard, MAI

General Education

Service High School, Anchorage, Alaska - Graduate 1989
The Colorado College, Colorado Springs, CO - Bachelor of Arts, Economics 1993
University of Alaska, Anchorage, Anchorage, AK - MBA May 1996

Employment History

Black-Smith and Richards, Inc. - Fee Appraiser - 1995 to Current
Randal, Hayes, and Henderson, Inc. - Fee Appraiser - 1993 to 1995

Appraisal Courses/Seminars Taken

Residential Case Study, University of Alaska Anchorage - 1994
Uniform Residential Appraisal Report, Appraisal Institute - 1993
Standards of Professional Practice, Part A, Appraisal Institute - 1996
Standards of Professional Practice, Part B, Appraisal Institute - 1996
Advanced Sales Comparison & Cost Approaches, Appraisal Institute - 1997
Appraisal Principles, Appraisal Institute - 1998 (challenge exam)
Appraisal Procedures, Appraisal Institute - 1998 (challenge exam)
Highest and Best Use Market Analysis - Appraisal Institute, 1998
Advanced Applications and Market Analysis - Appraisal Institute, 1998
Report Writing and Valuation Analysis - Appraisal Institute, 1998
Advanced Income Capitalization – Course 510 – Appraisal Institute, 2000
Intro to Statistics & Supporting Adjustments, Appraisal Institute, 2002

Certifications

Alaska State Certification: General Real Estate Appraiser #281

Affiliations

Member Appraisal Institute (Member No. 11857)

Typical Clients

Northrim Bank
Alaska Housing Finance Corp.
The Blomfield Company
The Municipality of Anchorage
The City of Valdez
Alaska Industrial Development & Export Authority
National Bank of Alaska
Key Bank
State of Alaska Department of Natural Resources
First National Bank Alaska

Typical Appraisal Assignments

Village Inn Hotel, Valdez AK
Alaska Fish & Game Building, Anch., AK
Highlands Luxury Apartments, Anch., AK
The Veco Building, Anch., AK
Charter North Hospital, Anch., AK
Eagle Pointe Subdivision, Eagle River, AK
The School District Building, Anch., AK
Alaska DOT Building, Juneau, AK
Golden Heights Apartments, Juneau, AK
Royal Suite Annex, Anch., AK

LIMITING CONDITIONS AND ASSUMPTIONS

By this notice, all persons and firms reviewing, utilizing or relying on this report in any manner bind themselves to accept these assumptions and limiting conditions. Do not use this report if you do not so accept. The following conditions are a part of the appraisal report, they are a preface to any certification, definition, fact or analysis, and are intended to establish as a matter of record that the appraiser's function is to provide a present market value indication based upon the appraisers' observations. This appraisal report is an economic study to estimate value as defined in it. It is not an engineering, construction, legal or architectural study nor survey and expertise in these areas, among others, is not implied.

Limit of Liability

The liability of Black-Smith & Richards, Inc. and employees and affiliated independent contractors, is limited to the client only. Further there is no accountability, obligation, or liability to any third party. If this report is placed in the hands of anyone other than the client, the client shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions.

Copies, Publication, Distribution, Use of Report

Possession of this report or any copy thereof does not carry with it the right of publication, nor may it be used for other than its intended use; the physical report(s) remain the property of the Appraiser for the use of the client, the fee being for the analytical services only.

The Bylaws and Regulations of the Appraisal Institute of the National Association of Realtors require each Member and Candidate to control the use and distribution of each appraisal report signed by such Member or Candidate; except as hereinafter provided, the client may distribute copies of this appraisal report in its entirety to such third parties as he may select; however, selected portions of this appraisal report shall not be given to third parties without the prior written consent of the signatories of this appraisal report. Neither all nor any part of this appraisal report shall be disseminated to the general public by the use of advertising media, public relations, news, sales or other media for public communication without the prior written consent of the appraiser. (See last item in this list for client agreement/consent.)

Confidentiality and Use

This appraisal is to be used only in its entirety and no part is to be used without the whole report. All conclusions and opinions concerning the analysis as set forth in the report were prepared by the Appraiser(s) whose signature(s) appear on the appraisal report, unless indicated as "Review Appraiser". No change of any item in the report shall be made by anyone than the Appraiser and/or officer of the firm. The Appraiser and firm shall have no responsibility if any such unauthorized change is made.

The Appraiser may not divulge the material (evaluation) contents of the report, analytical findings of conclusions, or give a copy of the report to anyone other than the client or his designee as specified in writing except as may be required by the Appraisal Institute as they may request in confidence for ethics enforcement, or by a court of law or body with the power of subpoena.

Trade Secrets

This appraisal was obtained from Black-Smith & Richards, Inc., or related independent contractors and consists of "trade secrets and commercial or financial information" which is privileged and confidential and exempted from disclosure under 5 U.S.C. 552 (b) (4). Notify the Appraiser(s) signing report or an officer of Black-Smith & Richards, Inc., of any request to reproduce this appraisal in whole or part.

Information Used

No responsibility is assumed for accuracy of information furnished by work of or work by others, the client, his designee, or public records. We are not liable for such information or the work of possible subcontractors or the client. The comparable competitive data and market information relied upon this report has been confirmed, to the extent reasonably possible, with one or more parties familiar with the transaction or from affidavit or other source though reasonable; all are considered appropriate for inclusion to the best of our factual judgment and knowledge. An impractical and uneconomic

expenditure of time would be required in attempting to furnish unimpeachable verification in all instances. It is suggested that the client consider independent verification.

Testimony, Consultation, Completion of Contract for Appraisal Services

The contract for appraisal consultation or analytical services is fulfilled, and the total fee is payable upon completion of the report. The Appraiser(s) or those assisting in preparation of the report will not be asked or required to give testimony in court or hearing because of having made the appraisal, in full or in part, nor engage in post appraisal consultation with client or third parties except under separate and special arrangement and at additional fee. If testimony or deposition is required because of any subpoena, the client shall be responsible for any additional time, fees, and charges regardless of issuing party.

Market Value: Defined, In Report, Change, Dynamic Market, Influences, Alteration of Estimate by Appraiser

The estimated market value, which is defined in the report, is subject to change with market changes over time; value is highly related to exposure, time, promotional effort, terms, motivation, and conditions surrounding the offering. The value estimate considers the productivity and relative attractiveness of the property physically and economically in the marketplace.

Such estimates are as of the date of the estimate of value; they are thus subject to change as the market and value is naturally dynamic.

Auxiliary and Related Studies

No environmental or impact studies, special market study or analysis, highest and best use analysis study or feasibility study has been requested or made unless otherwise specified in agreement for services or in the report.

Continuing Education Current

The Appraisal Institute conducts a mandatory program of continuing education for its designated members, MAI Designates who meet the minimum standards of this program are awarded periodic educational certification and; MAI(s) signing the report is/are currently under this program.

Authentic Copies

The authentic copies of this report are signed in blue ink. Any copy that does not have the above is unauthorized and may be altered.

Review

Unless otherwise noted herein, named review Appraiser of/from Black-Smith & Richards, Inc., has reviewed the report only as to general appropriateness of technique and format, and has not necessarily inspected the subject or market comparable properties.

Changes, Modifications

The Appraisers and/or officers of Black-Smith & Richards, Inc., reserve the right to alter statements, analysis, conclusion or any value estimate in the appraisal if there becomes known to us facts pertinent to the appraisal process which were unknown to us when the report was finished.

Acceptance of, and/or use of, this appraisal report by client or any third party constitutes acceptance of the above conditions. Appraiser liability extends only to stated client, not subsequent parties or users of any type. Retention and or use of the report signifies acceptance of all assumptions and limiting conditions specified.