

**OUTFITTER/GUIDE
SPECIAL USE FEE EVALUATION
PHASE I
Analyzing Potential 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
December 14, 2001

FILE #2-01-034B

BY
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Steven E. Carlson, Appraiser
Brian Z. Bethard, Appraiser

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TABLE OF CONTENTS

CERTIFICATION	4
PART I - INTRODUCTION	5
NATURE OF THE ASSIGNMENT	6
Background.....	6
Objective Of The Assignment	7
Market Value Definitions	9
Extraordinary Assumptions, Hypothetical Conditions, & Limiting Conditions	12
Scope Of The Investigation And Analyses	13
PART II – GENERAL DATA	16
ALASKA REGION.....	17
MARKET OVERVIEW	24
The Alaska Marketplace	35
Market Overview Summary	38
Conclusion: Significance of the Market Overview to the Assignment Objective	39
PART III – PRELIMINARY SCREENING OF PRICING/VALUATION METHODOLOGIES	41
ANALYSES OF NFS OUTFITTER-AND-GUIDE FEE POLICIES.....	42
National Policy	42
Alaska Region Interim Flat Fee Policy	46
Summary-Analyses Of The Forest Service Policies.....	51
LAND VALUE AS THE BASIS OF OUTFITTER/GUIDE FEES	52
RELATIONSHIP OF COST, INCOME, AND MARKET COMPARISON	56
TO POTENTIAL METHODOLOGIES	56
OTHER POTENTIAL METHODOLOGIES.....	60
SUMMARY--PRELIMINARY SCREENING OF POTENTIAL METHODOLOGIES.....	63
PART IV – DESCRIPTIONS AND ANALYSES OF METHODS/POTENTIAL	65
DESCRIPTIONS AND ANALYSES OF METHODS/POTENTIAL	66
SUMMARY AND FINAL RANKING	76
CONCLUSION OF PHASE I AND RECOMMENDATION	77
PART IV - ADDENDA	79
Supplemental Follow-Up Survey of American Tribal Programs	81
Summaries of Alaska Native Corporation Policies.....	93
State/Province Survey Responses:.....	100
Agencies With Commercial Recreation Fee Policies	100
Bibliography	113
Qualifications of Appraisers	

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

Re: Outfitter/Guide Special Use Fee Evaluation
Phase I-Analyzing Potential Methodologies
Contract #53-0109-0-00542

Dear Mr. Smith,

As requested, we are submitting a Phase I of the Outfitter/Guide Special Use Fee Evaluation project.

The assignment is developed and reported as an impartial, research related consulting service that is intended to conform with the Uniform Standards of Appraisal Practice for specialized appraisal services (Standards Rules 4 and 5), the Uniform Appraisal Standards for Federal Land Acquisitions, and the specifications of Contract #53-0109-0-00542.

The report sets forth the client's objectives, definition of the problem, the purpose and intended use of the assignment, the scope of our investigation, extraordinary assumptions, hypothetical conditions, limiting conditions, and the effective date of the assignment. Per the contract specifications, the potential methodologies are identified, described, analyzed and evaluated.

Sincerely,



BLACK-SMITH AND RICHARDS, INC.

Diane Black-Smith, MAI

Steven E. Carlson, Appraiser

Brian Z. Bethard, MAI

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 Service 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.

Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice and 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.

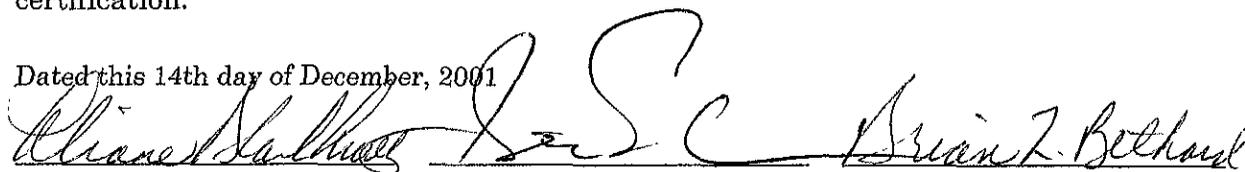
As of the date of this report Diane Black-Smith, MAI, and Brian Z. Bethard, MAI have completed the requirements under the continuing education program of the Appraisal Institute.

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

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

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

Dated this 14th day of December, 2001



Diane Black-Smith, MAI

Steven E. Carlson, Appraiser

Brian Z. Bethard, MAI

PART I - INTRODUCTION

NATURE OF THE ASSIGNMENT

Background

USDA, Forest Service (FS) regulations at 36 C.F.R. 251.57(a) authorize the National Forest System (NFS) 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. The outfitting and guiding definition is stated here and expanded for purposes of this assignment on Page 21.

*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. 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

The focus is on activities that are not associated with commercial public service sites, such as a resort lodge.²

In November 1995, the FS adopted a final policy and procedures for assessing fees based on 3% of adjusted gross revenues.³ In the Alaska Region, the policy was challenged in a 1997 case entitled, *The Tongass Conservancy v. Glickman*, No. J97-029-CV. 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 Forest Service 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. Outfitting and guiding activities are characterized as commercial recreation uses.

¹ FSH2709.11 Chapter 41.53c.

² Contract Specifications (Appendix).

³ USFS Handbook 2909.11, Chapter 37.

The Alaska Region now seeks to develop a conforming final fee policy that:

- Is fair in that it would charge similar fees for similar uses of the National Forest;
- Will not require competitive awards 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.⁴

“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.”⁵

Objective Of The Assignment

The objective of the assignment is not a valuation. Rather, its purpose is to identify and evaluate methodologies that could be used to value the use of NFS lands in the Alaska Region for outfitting and guiding activities. The assignment is divided into two phases.

Phase I

1. Review the National Policy and evaluate its ability to develop prices that are fair to both permit-holders and the government.
2. Review the Alaska Region Interim Flat Fee Policy 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.
3. Analyze 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 a resort or lodge.

⁴ Contract Specifications (Page 11).

⁵ Ibid. Appendix (Page 34).

Phase II

4. Develop alternative fee systems based on some of the potential methodologies.

The *fair market value* of the privilege to use National Forest System land in the Alaska Region "... shall conform to the definition of fair market value as defined by the latest editions of the Uniform Standards of Professional Appraisal Practice (USPAP) and the Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA)."⁶ In case of a conflict between the two sets of standards, the latter standard shall take precedence.

Effective Date Of The Assignment

January 1, 2001

Draft Report Date (Phase I)

September 14, 2001

Property Interest

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.⁷

⁶ Ibid. (Pages 14).

⁷ Ibid. (Pages 14-15).

Market Value Definitions

USPAP defines *market value* as:

The most probable price, which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- 1) Buyer and seller are typically motivated;
- 2) Both parties are well informed or well advised, and both acting in what they consider their own best interest;
- 3) A reasonable time is allowed for exposure in the open market;
- 4) Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- 5) The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.⁸

UASFLA (2000) defines *market value* as:

The amount in cash, or on terms reasonably equivalent to cash, for which in all probability the property would have sold on the effective date of 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 any compulsion to buy or sell, giving due consideration to all available economic uses of the property at the time of the appraisal.

The complexity of this assignment necessitates some distinctions and an understanding of the conditions imposed by the definitions. The market value definition is the touchstone for determining the adequacy of the market for purposes of estimating market value.

The Appraisal Institute defines a *market* as "... a set of arrangements in which buyers and sellers are brought together through the price mechanism.... A market may be defined in terms of geography, products or product features, the number of available buyers and sellers, or some other arrangement of circumstance."⁹

However, "For market value to have meaning there must be a genuine market, one in which people can trade freely and prices can find their own levels. Moreover, the market must be adequate in the sense that the transactions occurring there are

⁸ Federal Register, 12 CFR, Part 34, Subpart C 34.42 (f), August 24, 1990.

⁹ Appraisal Institute, *The Appraisal of Real Estate; Eleventh Edition* (Page 19).

numerous, open, free, and representative enough to give convincing evidence of value and to allow confident predictions of future price behavior.”¹⁰ In these terms, the “market” for special use authorizations (permits) is inadequate (see Market Overview).

*“Given an adequate market, we can talk about value;
without one all we can talk about is price.”¹¹*

The term *price* usually refers to a sale or transaction price and implies an exchange; a price is an accomplished fact. Once finalized, it represents the amount a particular purchaser agrees to pay and a particular seller agrees to accept under the circumstances surrounding their transaction.¹²

However, the circumstances can be other than those outlined in the market value definitions. Market prices can reflect personal value concepts as well. *Use value* is defined as the value a specific property has for a specific use.¹³ *Investment value* is defined as the specific value of an investment to a particular investor or class of investors based on individual investment requirements.¹⁴ Unlike market value, the term “price” implies no promise that the next seller will not ask a different price or that the next transaction will not produce one.¹⁵

The analyst must distinguish between transactions that meet the test outlined by the market value definition, and those that don’t. For example, four transactions reflect market prices for similar vacant commercial lots in the same neighborhood as the property being appraised. Three fall within a narrow range from \$8 to \$10 per square foot; the fourth is an anomaly at \$15. The three transactions meet the market test while the fourth results from a unique set of circumstances; the adjacent owner needed the lot for additional parking and no other alternatives were available.

In this case, both the buyer and seller were knowledgeable and both acted in their own best interests. However, the buyer was atypically motivated; compelled to acquire this particular lot. The price affected by undue stimulus (\$15/SF) can be said to reflect the use value or investment value to an adjacent owner. Market value is the most probable price (\$8 to \$10) evidenced by a number of transactions that meet the market test.

¹⁰ The Market in Market Value, Jared Shlaes, MAI, *Appraisal Journal*, October 1984 (Page 503).

¹¹ Appraisal Institute, *The Appraisal of Real Estate*; Eleventh Edition (Page 19).

¹² Appraisal Institute, *The Dictionary of Real Estate Appraisal*; Third Edition.

¹³ *Ibid.*

¹⁴ *Ibid.*

¹⁵ The Market in Market Value, Jared Shlaes, MAI, *Appraisal Journal*, October 1984 (Page 499).

"If a property's current use is so specialized that there is no demonstrable market for it, but the use is viable and likely to continue, the appraiser may render an estimate of use value. Such an estimate should not be confused with a market value estimate."¹⁶

Issues in the valuation of a utility corridor across pastureland exemplify the distinction between market value (rent) and use value (rent). Theoretically, the same corridor could house a water line, a gas pipeline, or a hydroelectric transmission line. The economics of these utilities are unique and the ability to pay is not the same. The rates that can be justified reflect use values - specific rates for special, yet different uses of the same land.

The market value equation recognizes that it would be extremely unlikely for different utilities to compete against each other for the same corridor, nor is it likely that the same types of utilities would compete. Because a competitive market for corridors does not exist, the highest and best use is pastureland. Because the market value concept implies competing owners of pasturelands, the utility would only have to outbid pastoral users by a nominal amount. The fair market rent for the corridor is derived from the collective evidence of a number of larger parcel transactions (sales/leases of pasture lands). The use value (rent) is reflected by the rate per gallon, cubic feet, or kilowatt that the utility can afford to pay.

In summary, the market value definition is the touchstone for determining the adequacy of the market for purposes of estimating market value. Price is distinguished from value; *market value* is distinguished from personal value concepts like *use value*. The distinction is acknowledged in a specific limiting condition stated on the subsequent page.

¹⁶ Appraisal Institute; *Appraisal of Real Estate; Eleventh Edition.*

Extraordinary Assumptions,¹⁷ Hypothetical Conditions,¹⁸ & Limiting Conditions

"Use value" best accounts for the unique characteristics of the marketplace, the FS special use authorizations themselves, and the objectives of the Alaska Region fee policy. The substitution of "use value" for "market value" is an appropriate *limiting condition* of the assignment (the limiting condition is developed at the conclusion of the Market Overview).

As instructed, the assignment recognizes that:

- Outfitting-and-guiding permits are not leases and do not convey any interest in real property.
- Land covered by the permits that authorize the uses is generally vacant (excepting visitor centers, trails, viewing platforms, etc.).
- All licenses, permits, certificates, or any other approval documents necessary to conduct outfitting and guiding activities on National Forest System land in the Alaska Region are in place.
- The requisite environmental analysis for the use and occupancy of National Forest System land in the Alaska Region for outfitting and guiding activities has been completed.¹⁹

Following the TTC case (see Part II, Alaska Region) the court directed the Forest Service 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." However, a standard for "fairness" is subject to interpretations. For the purposes of this assignment, the criteria for evaluating a method's compliance with the TTC ruling is based on the following interpretations identified as limiting conditions.

- The "fee" must be expressed as a dollar amount for a specific unit of measure (per-client-day, per-hunt, etc.); in other words, a flat fee.
- The term "similar use" allows for the differentiation of a number of specific outdoor activities so that different fees may be charged for different uses of the same land.
- "Similarly situated users" applies to outfitters and guides conducting the same specific activity in the same type of setting.
- Disparate fees may not be charged similarly situated users for similar uses of NFS lands in the Alaska Region.

¹⁷ "An assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions." *Uniform Standards of Professional Practice*.

¹⁸ "That which is contrary to what exists, but is supposed for the purpose of analysis." *Uniform Standards of Professional Practice*.

¹⁹ Contract Specifications (Page 15).

Scope Of The Investigation And Analyses

The contracting agency provided the background information on developments in the Alaska Region of the U. S. Forest Service leading to the current interim flat fee policy.

- U. S. Forest Service regulations governing special use permits, 36 C.F.R. Part 251, Subpart B.
- National Forest Service permit policy for outfitting and guiding, FSH 2709.11, Chapter 37 and Chapter 41.
- Copy of Sample Special Use authorization for outfitting and guiding.
- Proposed and final interim flat fee policies for outfitting and guiding in the Alaska Region and the supporting data for the policies. Supporting data is considered confidential and must be protected pursuant the 'Confidentiality' Ethics Rule in USPAP.

In addition, reports addressing the fair market value aspect of special use permits were provided:

- U.S. Forest Service: Fees for Recreation Special-Use Permits Do Not Reflect Fair market Value (GAO/RCED-97-16, Dec. 20, 1996).
- An Analysis of Methodologies for Determining the Fair Market Value of the Use of National Forest System Land by Ski Areas (Brown & Company, Dec. 19, 1994).
- "A Review of a Report Entitled An Analysis of Methodologies for Determining the Fair Market Value of the Use of National Forest System Land by Ski Areas" (Bruce M. Closser, CRE, MAI, Jan. 13, 1995).
- "A Review of An Analysis of Methodologies for Determining the Fair Market Value of the Use of National Forest System Land by Ski Areas" (Charles E. Gilliland, Ph.d., Jan. 12, 1995).

Numerous related articles and publications were reviewed. We also developed and conducted the following surveys.

Surveys of Alaska Region (FS) permit holders (direct mail) and Guides & Outfitters Using Lands Other Than NFS Lands (electronic)

In these surveys, respondents are asked to comment on the current interim flat-fee policy. The survey also prompts opinions that might reveal potential valuation methodologies. A question about alternative lands relates to the market concept in the value equation. A ranking and a subsequent questionnaire are intended to provide a perspective on price sensitivity and elasticity.

Survey of Alaska Trade Associations and User Groups

Trade associations typically represent an industry or related businesses. User groups primarily represent unguided users. In this electronic survey we are seeking

additional comments that may be meaningful to an evaluation of the interim-flat fee policy. This survey asks for comments that might reveal potential valuation methodologies for both outfitter/guide fees and unguided user fees for similar activities.

Survey of State and Provincial Agencies

This electronic survey queried one or more agencies of each of the 50 states and several Canadian provinces. The survey is intended to provide comparative fee schedules as well as their basis and objectives. The questionnaire seeks opinions as to fairness and efficiency; it is expected to provide some perspective on price elasticity. The respondent is also asked for general observations, suggestions, and recommendations.

Survey of Private/Corporate Owners Including Native/Tribal Entities

This electronic survey went to several Alaska native corporations, out-of-state tribal organizations and other private-sector owners/managers. The survey is intended to provide comparative fee schedules, their basis and objectives. The questionnaire also seeks data that will be useful in evaluating price and value.

Except for the survey of public agencies, the response levels were generally low. However, the survey responses are not used to forecast quantified changes in supply and demand or project prices. Rather, the surveys are used to develop an overview of the market, identify potential methodologies, and sources of data. Nevertheless, telephone follow-ups supplement the survey of state/provincial agencies and the survey of Private/Corporate Owners.

For *Phase I*, we rely on both the surveys and printed material to:

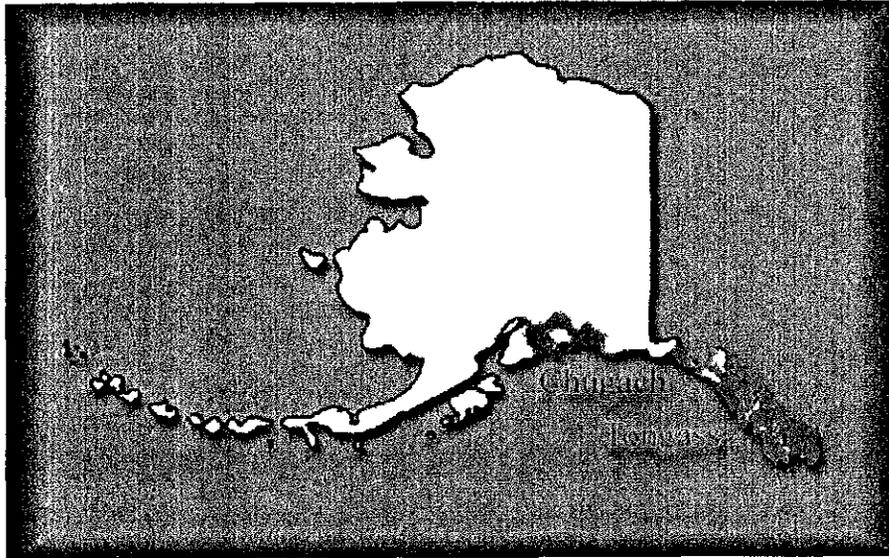
- Identify outfitting and guiding activities;
- Identify general trends in demand;
- Identify sources/suppliers of land for recreation and trends in fee-based use;
- Evaluate the adequacy of the market for purposes of estimating market value;
- Develop extraordinary assumptions and limiting conditions;
- Analyze the National Policy and the Alaska Region Interim Flat Fee Policy; and,
- Identify (and describe) and evaluate potential methodologies.

The methodologies are evaluated in terms of their ability to meet the Alaska Region objectives. A final ranking indicates their relative potential.

No physical inspections have been made for Phase I of the assignment. The relationship of the resource to price/value is recognized in the Phase II development of alternative fee schedules using the methodologies selected for testing.

ALASKA REGION

The Alaska Region is comprised of the nation's two largest forests, the Tongass (± 17 million acres) and the Chugach (± 5.3 million acres).



The **Tongass National Forest** occupies the "panhandle" or southeastern portion of Alaska, extending 500 miles northwesterly along the Pacific coastline from the Alaska-Canada border. Because most of the Tongass is accessible by air, or boat via the Inside Passage, it is often called "the forest of islands." The **Chugach National Forest** stretches over 200 miles in the southcentral portion of the state, extending south and east of Anchorage along the east side of the Kenai Peninsula to Cordova and the nearby Copper River Delta - the largest contiguous wetland area on the U.S. West Coast. The Forest encompasses most of the Prince William Sound area. The communities on the western and northern sides are accessed by the state highway and road system. Cordova, which is on the eastern side of Prince William Sound, is connected to the road system by the Alaska Marine Highway ferry system.

In both forests, the terrain varies from coastal rain forests and glacial fjords to mountain ranges, upland lakes, and river valleys. The Tongass and most of the Chugach are characterized by a wet maritime climate and a rainforest of western hemlock and Sitka spruce. Both forests offer a wide array of outdoor recreation activities and related business opportunities. Outfitting and guiding activities are characterized as commercial recreation uses.

Special Use Authorizations

Subpart B of the U. S. Forest Service (FS) regulations 36 CFR Ch. II (7-1-99 Edition), addresses special uses. The regulations apply to a variety of uses of National Forest

System land, including outfitting-and-guiding activities. Section 251.50(a) requires a *special use authorization*: “a permit, term permit, lease, or easement which allows occupancy, use, rights, or privileges of National Forest System land.”

Three types of permit tenure are described in Chapter 40 of the Forest Service Handbook 2709.11, (Section 41.53).

- **Incidental use:** Annual use that is proposed to be 50 service days or less and is anticipated to have little or no significant impact on public health and safety, the environment, or other authorized uses and activities.
- **Temporary use:** An amount of use assigned the holder of a permit with a period of one season or less.
- **Priority use:** Authorization of use for a period not to exceed five years. The amount of use is based on the holder’s past use and performance on forestland and resource management plan allocations. Authorizations providing for priority use are subject to renewal (sec. 41.53f).

Guides and outfitters are initially issued a temporary use permit. After two years, an authorized officer may reclassify the use as “priority” if the permit holder has met performance standards. Upon termination, a priority use permit may be renewed without competition, provided the permit holder has maintained satisfactory performance and the use continues to comply with long-term land use plans for the area. However, renewal is not guaranteed, and “... shall be at the sole discretion of the authorized officer.”²⁰ Special use permits are considered a privilege and are not transferable. “The permit is not real property, does not convey an interest in real property, and may not be used as collateral.”²¹ If a business or corporation is sold, the existing permit is terminated. The purchaser will be issued a new temporary use permit if the authorized officer determines that the prospective holder is qualified.

The FS regulations (36 C.F.R. 251.57[a]) authorize an annual land use fee for special-use permits. The regulations define *permit* as “a special use authorization which provides permission, without conveying an interest in land, to occupy and use National Forest System land or facilities for specified purposes, and which is both revocable and terminable.”

These regulations further provide that the fees “... shall be based on the fair market value of the rights and privileges authorized, as determined by appraisal or other sound business management principles.” In November 1995, the FS adopted a final policy

²⁰ Ibid., Page 13 of 57.

²¹ Ibid.

and procedures for assessing fees based on 3% of adjusted gross revenues (two options: A or B).²² The policy is analyzed in Part III.

Subsequently, the Alaska Region attempted to simplify its fee structure. A draft schedule, developed and released for public comment in 1997, proposed a schedule of flat fees for the following activities: community-based hiking, freshwater fishing, flight seeing landing tours (fixed wing), helicopter landing tours, non-motorized freshwater boat tours (i.e., rafting, canoe, and kayak trips on lakes and streams), and saltwater boat-based and lodge-based excursions. Following the case entitled *The Tongass Conservancy v. Glickman*, No. J97-029-CV, the method for setting the flat fees was applied to an expanded list of outfitter and guiding activities.

The Tongass Conservancy v. Glickman Case (TTC)

In the TTC case, an operator conducting boat-based tours with stops on NFS lands in Alaska challenged the existing fee policy. Concerned that different fees were being charged for the same type of commercial use of the land, the magistrate judge recommended that the federal district court require the Forest Service to devise a fee schedule that would be fair to the plaintiff. The United States District Court adopted the recommendation and 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."²³ The court directed the Forest Service 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."²⁴

However, a standard for "fairness" is subject to interpretations of "similar use" and "similarly situated users". A "fee" can be a percentage as well as a dollar amount.

- A fee is a payment asked or given for professional services, admissions, licenses, tuition, etc.; charge. *Webster's New World Dictionary*
- A fee is a payment, charge, bill, tip, gratuity, remuneration, reward, recompense, stipend, or honorarium. *The Doubleday Roget's Thesaurus*
- A fee is a charge, commission, percentage, or consideration. *The New Roget's Thesaurus; Putnam*

²² *USFS Handbook* 2909.11, Chapter 30, Section 37.21c.

²³ *History and Development of the Final Interim Policy*, Final Interim Policy for Outfitter and Guide Operations in the Alaska Region, USDA - Forest Service, 1/04/00.

²⁴ Contract Specifications Appendix (Page 31).

For the purposes of this assignment, the criteria for evaluating a method's compliance with the TTC case ruling is based on the following interpretations. These are identified as limiting conditions of the assignment.

- The “fee” must be expressed as a dollar amount for a specific unit of measure (per-client-day, per-hunt, etc.) - in other words, a flat fee.
- The term “similar use” allows for the differentiation of a number of specific outdoor activities so that different fees may be charged for different uses of the same land.
- “Similarly situated users” applies to outfitters/guides conducting the same specific activity in the same type of setting.
- Disparate fees may not be charged similarly situated users for similar uses of NFS lands in the Alaska Region.

For example, bear hunting and deer hunting may be perceived as similar in terms of a general activity category: big game hunting. For the purposes of this assignment, the district court’s ruling allows for the recognition of the specific activities (bear vs. deer hunting) as different uses. Operators that are outfitting/guiding bear hunters are “similarly situated users”, different than operators outfitting/guiding deer hunters.

Alaska Region Interim Flat-Fee Policy

In response to the ruling in the TTC case, the Alaska Region Interim Flat-Fee Policy (ARIFFP) was developed in 1999 from the 1997 fee schedule draft. Some categories were revised; others were added to accommodate all outfitting and guiding activities currently authorized on NFS lands in Alaska.

Outfitting (for the purposes of this assignment) pertains to saddle or pack animals, boats (both motorized and non-motorized) and motor vehicles (cars, trucks, motorcycles, ATV’s, snowmobiles, etc.) *rented on or delivered to* NFS lands.²⁵ **Guiding** activities include hunting (distinguished by species and/or area) and fishing, road-based and remote-setting nature tours, airplane and helicopter flight-seeing (w/landing) tours, fresh-water trips (motorized and non-motorized water-craft), snowmobile and ATV tours, heli-skiing, ski/snowshoe tours, dog-sled tours, mountaineering, hiking and biking, camping, visitor center tours, etc.

²⁵ The definition from the NFS regulations is presented on Page 6.

While the FS policy provides for a three-tier off-forest discount schedule (see Part III) the ARIFFP incorporates the middle tier (40%) into the flat fees for most day-use activities.²⁶ A fee schedule is presented on the following page. The policy is analyzed in Part III.

²⁶ Camping and big game hunts involving overnight camping on NFS lands did not have off-forest discounts incorporated into the per-client-day or per-hunt rates.

<i>Permitted Activity</i>	<i>Activity Definitions</i>	<i>Fee</i>
Table 2a.	Fees for Guiding Activities Other than Big Game Hunting	Per NFS 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
Remote-Setting Nature Tours	Days uses such as hiking, sight-seeing, photography, wildlife	\$2.50
Freshwater Fishing	Day-use freshwater fishing	\$2.50
Flight-seeing Landing Tours	Day-use landing tours on freshwater or land using a fixed-wing aircraft	\$2.00
Helicopter Landing Tours	Day-use landing tours on freshwater or land using a fixed-wing aircraft	\$2.00
Non-Motorized Freshwater Boat Trips	Day uses such as rafting, canoeing, and kayaking on freshwater lakes and streams	\$1.25
Dog-Sled Tours	Day-use guided tours	\$2.50
Snowmobile Tours	Day-use guided tours	\$4.00
Heli-Skiing Tours	Day-use guided tours	\$7.75
Camping	All multi-day activities that include overnight stays on National Forest System lands	\$4.00
Visitor Center	Begich Boggs Visitor Center	\$0.80
Visitor Center	Mendenhall Glacier Visitor Center and SEAVC	\$0.50
Road-Based Wildlife Viewing at Developed Sites	Hyder/Fish Creek	\$0.50
Remote Wildlife Viewing at Developed Sites	Anan and Pack Creek	\$2.50
Hunting	Waterfowl & small game	\$5.00
Table 2b.	Fees for Big Game Hunting	Per Hunt
Hunting	Brown Bear - (Day Use)	\$140
Hunting	Brown Bear - (Camping)	\$195
Hunting	Black Bear - (Day Use)	\$70
Hunting	Mountain Goats - (Day Use)	\$105
Hunting	Mountain Goats - (Camping)	\$130
Hunting	Deer Hunts - (Day Use)	\$30
Hunting	Deer Hunts - (Camping)	\$70
Hunting	Moose Hunts - (Camping)	\$120
Table 2c.	Fees for Outfitting	Per Vehicle Per Day on NFS Land
Outfitting	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	\$1.25

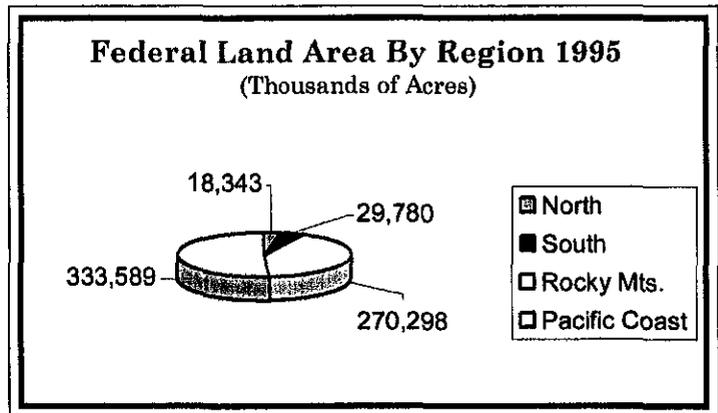
Unlisted activities include motorized boat tours (day-use guided tours), ATV/motorcycle tours (day-use guided tours), and snow-cat tours (day-use guided tours), black-bear hunt camping, moose hunt day-use, elk hunt camping, elk hunt-day use, sheep hunt-camping, sheep hunt-day use, combo hunts-camping (2 or more species), combo hunts-day use, other species hunts, mountaineering, orienteering, rock/ice climbing, caving, paleontology/archaeology tours hang-gliding, para-gliding, ballooning, land sailing, and sand-surfing.

MARKET OVERVIEW

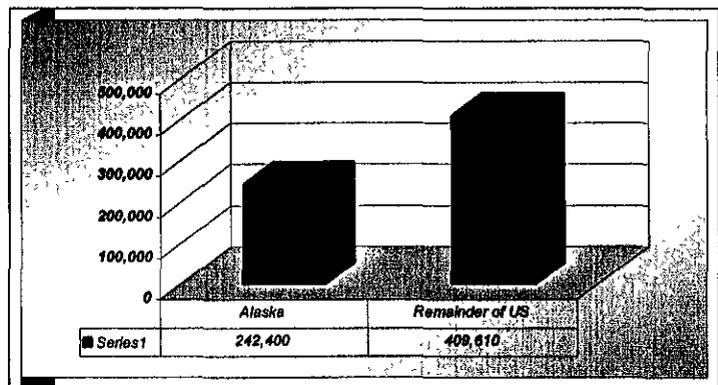
The purpose of the market overview is to describe the nature of the marketplace, supply and demand characteristics, trends, and sources of data. Ultimately, its purpose is to determine the adequacy of the "market" for estimating value (see Market Value Definitions).

Population growth, coupled with a decade of economic growth, have contributed to increased demand for land for out-door recreation activities. Public agencies are the primary providers but the supply characteristics vary from region to region.

The federal government owns approximately 28% of all lands in the U.S., approximately 650 million acres. Although the eastern region contains over 75% of the population, it has only 7% of the federal supply. The vast majority (93%) is located in western regions.²⁷



Alaska accounts for over one-third of federally owned land. Approximately 242.4 million (73%) of the Pacific Region's 333.6 million acres is located in Alaska.²⁸ State agency providers include parks, forests, and land trusts. The State of Alaska's park lands account for more than a quarter of all state park lands.



Pressure on public lands is restructuring the role of private landowners in an emerging "recreation business". "There will be increasing importance for private, rural land to be able to add to the supply of outdoor recreational opportunities."²⁹ Private-sector providers include individual estates, timber companies, and native/tribal entities.

²⁷ Outdoor Recreation in American Life: a national assessment of demand and supply trends. Sagamore Publishing 1999 (Page 41).

²⁸ Ibid.

²⁹ Wright & Fesenmair, 1988; Wright, Cordell, & Brown, 1988; Cordell, English, & Randeall, 1993.

Traditionally, opportunities for entrepreneurs and landowners focused on hunting and fishing activities. However, the nature of demand is changing. In a 1994-95 survey of 17,000 Americans, participants over the age of 15 were questioned about their participation in 81 specific recreation activities.³⁰ Activities were not limited to the rural outdoors or wilderness type activities, but included a wide variety of outdoor sports and pastimes. According to the survey, the most popular activities include walking, non-consumptive wildlife viewing, biking, sightseeing, swimming (non-pool), fishing, family gathering, and picnicking. Anticipated high growth activities include historic visits, alpine skiing, snowmobiling, sightseeing, and participating in non-consumptive wildlife activity.

In summary, the marketplace is characterized as a complex bazaar where both public and private owners can generate revenue from a wide variety of recreation activities conducted both commercially (guided) and non-commercially (unguided). Each activity represents a sub-market that can be further differentiated by area and/or other specifics such as animal species. Each can be affected by a unique set of social, environmental, political, and governmental considerations.

Ideally, the value of the land use to outfitters and guides would be evidenced by competitive open-market sales and re-sales of permits that authorize similar uses, subject to similar terms and conditions. However, because landowners prefer to retain a high degree of control (reasons include performance standards and liability consideration), transferability is typically conditioned if not restricted altogether. FS special use authorizations are not transferable. Although a valuable asset to an operator, it is not a marketable asset. As such, there is almost no direct opportunity to observe open market behavior indicative of market value.

In order to incorporate these characteristics into the objective of the overview, the remainder is divided into three discussions. The first evaluates evidence of the value of non-commercial recreation uses (unguided activities). The second evaluates evidence of the value of commercial recreation uses (outfitting and guiding activities). The third profiles the Alaska marketplace.

³⁰ The National Survey on Recreation and the Environment.

Evidence of the Value of Non-Commercial Recreational Use

For both public and private owners, non-commercial users (unguided individuals and groups) are the primary source of recreation revenues.³¹ Potentially, unguided user fees could be equated with the value of an individual's unit of use for a specific activity. The concept is explained more fully on pages 31, 45, and 50.

Prices can be surveyed for a variety of uses. Sources include states and provinces, individual and corporate owners, and native/tribal organizations. However, while access to comparative data is improving, landowner policies vary in their rationale, method, units of comparisons, and the resultant prices.

Public agency policies reflect the gamut of motivations, from subsidized use of the land (no fees) to operating cost recovery. As a result, prices vary dramatically. The National Association of State Park Directors publishes an Annual Information Exchange that lists entrance fees and some activity fees for all 50 states.³² The following tabulation from Table 5 of that publication indicates ranges of several hundred percent.

	# of State Park Systems
Fixed Entrance Fees (residents)	
\$0.00	23
\$0.50	3
\$1.00	6
\$2.00	4
\$2.50	1
\$4.00	1
\$5.00	1
Variable Entrance Fees (residents)	
\$1.00 - \$2.00	1
\$1.00 - \$2.50	1
\$1.00 - \$3.00	2
\$1.50 - \$3.00	1
\$2.00 - \$3.00	1
\$2.00 - \$4.00	1
\$2.00 - \$5.00	1
\$2.00 - \$6.00	1
\$4.00 - \$5.00	1
\$5.00 - \$6.00	1

50

While a comparative survey is often cited as the method for establishing these prices, the efforts are likely to be commensurate with the policy objective. For example, if

³¹ The majority of survey respondents that reported a fee policy for unguided activities do not have a permit policy or fee schedule for commercial operators.

³² <http://www.indiana.edu/~naspd/director/aix/index.html>

there is little emphasis on cost recovery, only a cursory overview may be justified. Whether the resulting fees are optimum may be unimportant. If a policy mandates self-sufficiency, an expanded data search and thorough analysis (correlation) would probably be necessary.

The disparity in user fees indicates that some prices are well below what the market would support. The state park entrance fees are less the cost of going bowling or to a movie.

Under the *Recreational Fee Demonstration Program*, Congress authorized the National Park Service, U. S. Fish and Wildlife Service, Bureau of Land Management, and the USDA Forest Service to implement and test new fees. The Program was authorized to begin October 1, 1995 and end on September 30, 1998. Congress authorized continued operation through September 30, 2002. In the FY 1999 Progress Report to Congress, the U. S. Department of Interior findings include:

- In three years, the agencies doubled their annual recreation fee revenues over levels that existed before the program began (growth slowed in FY 1999).
- Visitation to Recreational Fee Demonstration Program sites continues to appear unaffected in any significant way by the new fees.

The significance of this test is that it indicates a willingness to pay that had been unrealized. In summary, public agency fees for non-commercial recreation activities (unguided uses) are generally below the value of the use to the individual (or group).

Private sector practices should be more meaningful. According to the most recent National Private Landowners Study (NPLOS) completed in 1995, there are approximately 181 million acres of private land available for outdoor recreation. Major land owners include timber companies (33.8 million acres), tribal organizations (55 million acres³³), and individuals/estates (6.3 million acres³⁴). Alaska Native corporations own approximately 44 million acres.³⁵

³³ Fish and Wildlife Resource Tribes of the United States, Bureau of Indian Affairs, Office of Trust Responsibilities, Washington, D.C. 20240, June 18, 1999

³⁴ John S. Baen; "The Growing Importance and Value Implications of Recreation Hunting Leases to Agriculture Land Investors", *Journal of Real Estate Research*, Volume 14, Number 3, 1997, Page 406.

³⁵ Commercial Visitor Services in Alaska, Alaska Land Managers Forum, Sept. 2000.

General trends noted by the NPLOS include:

- Hunting and fishing are primary uses.
- Non-consumptive uses are increasing.
- Hunting leases support only a fraction of land value.
- The purposes of charging fees for entry and use include the payment of taxes, minimizing liability, and control of trespass.

However, while landowner opportunities are increasing, most sub-markets are dominated by government agencies. Where public agencies fees are less than what users are willing to pay, private-owner opportunities may be diluted. Other barriers to private owners include:

- No defined market that permits an understanding of the types of outdoor experiences sought, and limited ability to reach and quantify the market; and,
- A lack of information about outdoor recreation products and opportunities (relating to market demand and the resource and management requirements of the enterprise).³⁶

Sub-markets for hunting leases may be an exception, particularly in Texas where approximately 98% of the land is privately owned. However, a 1997 study notes:

- "There is an 'open market' or 'market value' for hunting/recreational access rights to private lands that has not yet been discussed in academic journals or noted in the real estate appraisal literature."
- "The market for recreational access rights to private lands is a very 'inefficient market' due to a general lack of leasing market information availability between tenants and landowners."
- "While leasing rates can vary due to a number of factors unique to individual properties, there appears to be a wide range of pricing structures (annual leasing, season leases, species leases, day leases, etc.) that tend to confuse both the landowners and recreation tenants as to what a fair market price should be for access to private land."³⁷

Since this 1997 study, Internet technology has improved access to comparative data. Hundreds of electronic postings promote fishing and hunting opportunities on private lands across the country.³⁸ For deer hunting, a sample of listings from SmartHunter.com confirms that prices and units of comparison continue to vary considerably.

³⁶ Supply Analysis, A technical report completed as part of "Texas Outdoors: A Vision for the Future; Texas A&M University, August, 1998 (Page 9).

³⁷ John S. Baen; "The Growing Importance and Value Implications of Recreational Hunting Leases to Agricultural Land Investors"; *Journal of Real Estate Research*; Volume 14, Number 3, 1997 (Page 400).

³⁸ www.smarthunter.com
www.deerleases.com

	Units of comparison	Range of Prices
Daily Rates:	Per person	\$50 to \$1,000 per day
	Per gun	
	Per mussel-loader	
	Per bow	
3-Day Weekend, & Weekly:	Per person	\$600 to \$1,250
Seasonal Rates:	Per acre	\$2 to \$20
	Per member	\$375 to \$750
	Per person/per hunter	\$150 to \$35,000
	Per bow	\$500
	Per gun	\$500 to \$4,000
	Other:	\$600 or highest bid
		\$600 + \$100 enrollment fee

The disparity in prices reflects the influence of several variables including the number of hunters (exclusive or shared use), the size of the tract, proximity to population centers (markets) and the balance of supply and demand, natural and scenic amenities, facilities (e.g., bunkhouse, shooting stands), and the relative quality of the animals.

Nevertheless, despite some market-supported preferences, the inconsistencies testify to the inefficiencies of the hunting-lease sub-market. Its evolution is hindered by a supply/demand equation that generally will not support hunting as the highest and best use of the land. In Texas, where approximately 98% of the land is privately owned, an analysis of 115 counties capitalized the income from hunting leases to indicate the per-acre value of the hunting/recreation component.³⁹ The component value averaged only 25% of the average per-acre value of ranch land.

As with public agency owners, profit is not the primary motivation of private-owners. The 1995-96 National Private Landowners Survey (NPLOS) indicated that the two major reasons landowners lease their land are to help pay property taxes and to help control trespassing. Less than 10% of the respondents indicated that their lands are managed primarily to make money. Less than 1% indicated that fee-based recreation is the primary source of income.⁴⁰

³⁹ John S. Baen; "The Growing Importance and Value Implications of Recreational Hunting Leases to Agricultural Land Investors"; *Journal of Real Estate Research* Volume 14, Number 3, 1997.

⁴⁰ *Outdoor Recreation in American Life: a national assessment of demand and supply trends.* Champaign, IL: Sagamore Publishing. Chapter IV, Private Lands and Outdoor Recreation in the United States. R. Jeff Teasley, John C. Bergstrom, H. Ken Cordell, Stanley J. Zarnoch, Paul Gentle.

The observations are significant. The hunting-lease sub-market most closely approaches the competitive market ideal, yet the inconsistencies and disparities complicate any analysis and correlation toward a value judgment.

Tribal programs are cataloged in a 1999 Bureau of Indian Affairs directory that provides an overview (and contacts) of nearly 200 tribal programs (excluding Alaska).⁴¹ A cursory review indicates that the most common revenue-generating activities in terms of user days (excluding visitor centers and campgrounds) are fishing and bird hunting (including waterfowl).

Roughly 40 of these programs are described as offering a variety of outdoor recreation opportunities. Other listed activities include big-game hunting (numerous species), motorized and non-motorized boating (i.e. canoeing, kayaking, whitewater rafting), off-road motor sports (i.e., snowmobiles, ATV's, motorcycles), hiking, skiing, sight seeing, horseback riding, etc. However, electronic access to information is nearly non-existent and response to an initial mail-out survey was poor.

For a follow-up telephone survey, we identified 10 programs that appeared to be the most progressive in the catalog profiles (telephone logs are presented in the addenda). All ten permit some un-guided uses but policy objectives, price development, and fee schedules vary dramatically. Policy characterizations range from passive, to active and progressive.

For example, some tribes recognize fee-based recreation as a business opportunity. In terms of activity-price differentiation, various levels of sophistication are represented. The White Mountain Apache Tribe (Arizona) is progressive. Fee schedules are developed for a variety of unguided activities and some commercial recreation uses. Comparatively passive programs permit only a few unguided activities (Flathead Indian Reservation [Montana] and the Navajo Nation of Arizona, New Mexico, and Utah). In general, fee schedules are simplified by grouping a variety of activities into only a few categories (excepting big-game permits that distinguish between species).

Indian reservations that are open to the public for recreation use may allow fishing and/or hunting that is regulated and enforced by public officials. This arrangement may be necessitated by checkerboard ownership resulting from historic sales of Indian allotments to non-Indians. Also, free use of maintained snowmachine trails can be justified by lodging and casino operations.

⁴¹ Fish and Wildlife Resource Tribes of the United States (1999), Bureau of Indian Affairs Office of Trust Responsibilities.

In summary, prices for non-commercial recreation activities can be surveyed for a variety of uses. Fees charged the public for non-commercial use, are likely to be below levels that users would support. Private owner practices should be meaningful but the marketplace is inefficient in its ability to establish norms and optimized prices. In terms of the market value definition, a few isolated sub-markets are marginally adequate for purposes of estimating value; most are inadequate as demonstrated in previous discussions.

Nonetheless, non-commercial user fees can provide meaningful evidence of individual use values that are expressed in the same terms recognized by commercial-recreation fee policies (per-day, per-hunt). Arguably, the value of a unit of use to an unguided individual is the cornerstone of the use-value to an outfitter/guide. The isolation of this fundamental component is useful to any analysis that recognizes that the consumer or client (end user) is the ultimate driver of the value of special use authorizations. The ability of an outfitter/guide to pay is directly related to the ability and willingness of the client to pay.

Evidence of the Value of Commercial-Recreation Use of the Land

Although general conditions favor increasing opportunities for both landowners and entrepreneurs, we could find almost nothing in the literature that addresses the value of commercial recreation uses of the land by outfitters and guides. And, evidence in the marketplace is sparse. Of 18 respondents to our survey of 71 private owners (timber companies, tribal organizations and Alaska native corporations), only six reported that they have a commercial-recreation permit policy.

In a follow-up telephone survey of 10 tribal programs that offer a variety of recreation opportunities, only one of nine respondents permitted non-Indian outfitting/guiding activities. Business opportunities on the reservation are typically reserved for the tribal organization or its members.

Only a few Alaska Native corporations have generalized fee policies for outfitter/guide activities. A follow-up telephone survey indicates that many corporations either prohibit or discourage non-shareholder activities. The lack of program development may be partially attributable to the unresolved status of the subsistence preference issue (Should rural residents have a preference or priority to subsistence resources?). The promotion of sport hunting and fishing opportunities could be seen as conflicting with the campaign for a subsistence preference.

The fee policies of two large-tract owners are summarized below. Alaska Native corporation policies are summarized in the subsequent section (Alaska Marketplace).

Land-Owner Category	Owner	Fee Development	Application
Native American Tribe	The White Mountain Apache Tribe, White River, Arizona	A market survey assisted the establishment of prices several years ago. Subsequent increases have been applied without the benefit of market comparisons.	The outfitter/guide fee is the sum of unguided user fees plus a substantial seasonal fee. Non-Indian fishing guides pay a seasonal fee of \$750 plus \$6 per-client—the per-day rate charged for unguided fishing. In a variation that acknowledges the volume of clients generated by the operator, the tribe charges a seasonal fee for a non-Indian “river-running” guide of \$2,500 plus \$10 per-client--a discount of \$5 from the \$15 per-day unguided fee.
Timber Company	International Paper	Fees are generally based on local market conditions determined by a survey but there is no specific fee schedule.	Areas are leased seasonally to clubs at the market rate. If a club drops a lease, it may be re-offered in a competitive bid format.

Of the 25 respondents to our survey of 59 states and provinces, only six reported that they have a permit policy and fee schedule for commercial operators (excluding concessions for souvenirs, food and beverage, etc). However, a supplemental telephone follow-up that focused on non-responding Rocky Mountain States and provinces

indicated that most had a commercial-recreation fee policy. A sampling of state/province fee policies is summarized.

State or Province	Agency	Fee Development	Application or Unit of Comparison
Colorado	Colorado State Land Board Recreation Program	Survey of private land owners	\$100 application fee + per-acre charge per year. \$/acre charges are based on ranch lease within the market. Values range from \$1/AC/Year to \$33/AC/Year.
Idaho	Idaho Parks unknown department	Per GAO Report; we were unable to confirm	Parks department reports no fee policy. 5% of gross sales or \$250/year, whichever is greater – Per GAO Report.
Montana	Department of Natural Resources	Random, staff decision, some survey of existing permits	Random negotiations; most uses are \$25 to \$50/year. Each activity is bid or negotiated separately. Many operators don't pay.
Nevada	Division of State Parks	Survey public and private agencies and some cost recovery analysis. Special use fees are negotiated with user.	Annual permit and payment of daily fees. Special uses are based on a percentage of annual revenue.
New Jersey	State Park Service	Negotiate or establish by bid.	Annual negotiated flat fee (they only have one guide)
Pennsylvania	Bureau of State Parks	Staff study	Flat fees for 7 activity categories. Fees range from \$25 to \$150 per year.
Utah	Utah Parks & Recreation	Administratively set based on other agencies	Commercial Concessions License \$300/yr up to 150 client, then \$1.50/client per trip. Hunting guides get Special Use Permit that is determined on a case-by-case basis. Fees range from \$300 to \$1,000 per year
Virginia	Department of Conservation & Recreation	Compared to unguided fees for general public & negotiated fair price with operators	Permits are set up as entrance fees that charge guides & outfitters more than the general public. Flat fees are applied for parking and launch fees; either per-day or per-year. Fees range from \$8 to \$15/day, or \$75 to \$200/year.
Wyoming	Office of State Lands & Investments	Public hearing	Fees are charged as a flat fee per-client-day or per-year. Fishing-guide fees are the greater of \$5/client/day or \$250/year. Hunting outfitters pay a \$5/client day or \$150/year which ever is greater.
British Columbia	Ministry of Environment, Lands, & Parks	Government Regulation	Flat license fee is \$400 for a guide + \$5 habitat fee; \$50 for assistant guides + \$5 habitat fee. 250 guide areas. Guides pay royalty on game kills, ranging from \$25/wolf to \$250/grizzly bear. There are also fees for commercial recreation use of Crown Lands. Permits for up to 10 years cost \$150 for a document fee & a \$100 application fee. These are one time filing charges. In addition, there is a Tenure Management Fee of \$100/Yr for non-mechanized uses and \$1,000/Yr for mechanized uses. Additionally, per client day fees are \$1/day for non-mechanized, \$4/day for snow-cat/heli skiing, and \$6/day for all other mechanized uses.
Ontario	Ministry of Tourism, Regional Econ. Dev. Branch	Survey of private and corporate owners	Require "Resource Based Tourism License"; \$20/year flat fee. For specific sites, +/-400 per year depending on size and location. Trophy fees are extra.
Yukon	Department of Renewable Resources	1982 government policy (method unknown)	\$700/Yr flat fee + \$75 operator certificate + \$20 guide fee (\$10 assistant guide fee). Trophy fees range from \$50 for a coyote to \$750 for female grizzly bears. Commercial-Rec., License is \$100/yr flat fee.

As with pricing methods for non-commercial user fees, commercial-recreation fee policies (public and private) reflect a variety of motivations and objectives. But the number of activities for which commercial recreation prices can be surveyed is comparatively few. Except for hunting and fishing activities, little data is available.

Because landowners typically restrict the transfer of permits, there is almost no direct opportunity to observe open market behavior in order to estimate market value. In terms of unit prices (as opposed to percentages) judgments about use value can be made for only a few of the activity categories recognized in the Alaska Region (for example; hunting for various species of big game and fishing).

Emerging relationships in the private sector may evidence the value of some outfitter/guide uses. Where a landowner permits both guided and unguided hunts, some agreements with outfitter/guides suggest a wholesale/retail or broker-client relationship. In one example, a landowner charges an unguided deer hunter \$1,500 to \$1,800 per-deer while the guide pays only \$1,200.⁴² The landowner offers a discount to a reliable outfitter/guide in return for marketing, administration, shared liability, stewardship, and control of trespass. The outfitter/guide earns a profit on the cost of the deer while the end-cost to the client is a reasonably priced alternative to hunting without assistance.

An Internet marketing company is now publicizing limited, high-priced hunting on the Blackfeet Reservation for non-tribal members. Maryland-based Xoutdoors.com has negotiated exclusive hunting opportunities and is offering 21 permits for moose, elk, whitetail deer, mule deer, black bear, antelope and buffalo. One bighorn sheep tag also is being auctioned separately. The tribal council sells the tags to Xoutdoors.com to market around the world at a mark-up. The retail price includes outfitting/guiding services.⁴³

In summary, in terms of the market value definition, a market for special use authorizations does not exist. Price data is marginally adequate to make judgments about the use value of only a few commercial recreation activities.

⁴² Jimmy Fontenot, President of the Texas Outfitter & Guide Association (915) 944-0747 or (915) 949-6890.

⁴³ Billingsgazette; November 2000.

The Alaska Marketplace

In Alaska, the marketplace is dominated by public agencies. The federal government is the largest landowner with over 240 million acres controlled by the four main agencies. State land totals over 157 millions acres and approximately 44 million acres are owned by Alaska Native Corporations.⁴⁴ Except for developed sites (e.g., parking lots, boat landings, campgrounds, remote cabins), public agencies have been reluctant to implement fee programs for unguided activities. But most issue special use permits for commercial recreation operations. Fee policies are summarized below.

Agency	Outfitter /Guide Permit Required?	Permit Duration	Fees	Unguided Permit Required?	Ownership Rights
USFS Alaska Region Interim Flat Fee Policy	Yes	1 year (NFS discretion) 5-yr renewal priority @ NFS discretion	Flat Fee with off FS land discount. Minimum fee \$100. \$.50 - \$.75/day for various uses; \$30 - \$195/day hunting (annual CPI adjustment).	No	Not transferable; no real property interest.
USFS National Policy	Yes	1 year (NFS discretion) 5-yr renewal priority @ NFS discretion	3% gross rev., with reduction for time off FS Land. Minimum fee \$100.	No	Not transferable; no real property interest.
BLM Alaska	Yes (SRP) Special Rec. Permit	5 year	Total revenue. - deductions, - off land use, x 3%. At least \$80.	No	Transferable for remainder of term at discretion of BLM.
US Fish & Wildlife Alaska	Yes	1 year	Fee schedule \$2.25-\$16.70/day based on 3% of per client charge. (3 yr. update) Minimum Fee \$100.	No	Transferable for remainder of term.
NPS Alaska	Yes (IBP) Incidental Business Permit / Concession Contracts	1-2 years	IBP Cost Recovery Program: \$100 application fee, \$100 admin. fee, & \$50 admin. fee for additional parks. Concession Contracts: Typically 2%-3% of gross income; Hunting 3% of gross income, \$500/yr min.	No	Not transferable.
Alaska State Parks	Yes: Commercial Use Permit	1 year	\$50 application fee, \$100 - \$450 for Alaska residents. \$300 - \$1,350 non-AK Res., + \$.25 to \$10/daily client fee.	No	Not transferable.
Alaska Division of Land	Yes (for commercial use of temporary camps or floats)	1- 5 years	\$100 application fee + \$350 for 6 mo. \$650 for 8.5 months \$1,000 for > 8.5 mo.	No	Not transferable.

In our survey of over 400 Alaska Region permit holders, 86% of the respondents indicated that suitable alternative lands are not available. Given this circumstance, the permit holder is at a disadvantage. Agencies charging low-end prices could easily adjust their fees schedules upward to match, or even exceed the price leader. The only

⁴⁴ Commercial Visitor Services in Alaska, Alaska Land Managers Forum, Sept. 2000.

real barrier to price adjustments is the willingness of the clients (consumers or end users) to absorb higher costs for the outfitter/guides use of the resource.

Except where access to the resource is limited, outfitters and guides compete for clients rather than for land use. Because public agency permits are not transferable, there is almost no opportunity to observe price behavior that would evidence the market value of the rights and privileges authorized.

Demand for some activities has generated opportunities for some Native corporations. However, the development of fee-based recreation programs has been limited. Only a few of the activities recognized by the Alaska Region are represented. Of the 11 respondents to our survey of all 12 regional corporations, only four reported fee-based recreation programs.⁴⁵ A sampling that includes a couple of responding village corporations is summarized.

Regional Corporation	Fee Development	Application or Unit of Comparison
AHTNA, Inc.	No method, internal policy decision	Guided fees are \$1,000/year minimum or \$5/client/day. Overnight camping fees are \$25/client/day. Other activities are charged on a case-by-case basis. Unguided fees are \$5/vehicle for fishing or \$25/vehicle/day for camping. Do not issue new hunting permits.
Cook Inlet Region Inc.	Survey private / corporate land owners	Flat administration fee for guiding: \$500/Yr + 5% of gross revenues. Flat fee for studies and non-consumptive recreation uses.
Chugach Alaska Corp.	Survey public and private land owners	Fees negotiated for each use (\$0 to \$100). They are trending away from non-shareholder guided hunting. Unguided users pay \$50/person for all uses. One hunting guide pays +/- \$50 application fee + 5% of gross revenue.
Koniag, Inc.	Survey private / corporate owners	No commercial operator fee at this time. Flat license fee for unguided users. Non Resident Bear Hunting: \$1,250 Hunting and Fishing: \$175 Fishing / Other Recreation: \$125 Children under 18: Free
Village Corporation	Fee Development	Application or Unit of Comparison
Native Village of Eyak	No method, internal policy decision	Guided and unguided pay the same. Non-consumptive uses are \$25/day; consumptive uses are \$250/day. Not in recreation business and don't enforce fees. Fees set to discourage non-shareholder use of land.
Kuskokwim Corporation	No method, internal policy decision	Recreational Land Use Permit: \$100/year General Land Use Permit: \$400/year, \$100/year (5 yr. residents) Commercial Use Permit: \$100 application fee; \$400/year

⁴⁵ SeaAlaska Corporation did not respond to repeated follow-up telephone calls.

Our survey echoes the findings of a 1999 survey that found a wide array of uses and units of measure. "Both the private sector and other public agencies distinguish fewer categories of use types than those seen in the Alaska Region Interim Schedule. In fact, the Forest Service lists over twice as many types of use as that of any other agency or corporation."⁴⁶

In summary, in terms of the market value definition, a market for special use authorizations does not exist in Alaska. Price data is marginally adequate to make judgments about the use value of only a few commercial recreation activities permitted in the Alaska Region (hunting for various species of big game).

⁴⁶ Jim Smith, USFS Regional Appraiser, Memo to Paul Tittman, Chief Appraiser, USFS, November 12, 1999.

Market Overview Summary

The national forest system is the largest public provider of outdoor recreation.⁴⁷ Other major federal providers include the Bureau of Land Management (BLM), National Park Service (NPS), Fish and Wildlife Service (USFWS). At the state level, the primary providers include parks departments, forest systems and trust land divisions. General trends include:

- Increasing visitation but decreasing operating budgets;
- Movement toward user-fee support; and,
- Increasing popularity of non-consumptive uses.

Private providers include individual estates, timber companies, and native/tribal entities. General trends (from National Land Owners Survey) include:

- Hunting and fishing are primary uses.
- Non-consumptive uses increasing.
- Hunting leases support only a fraction of land value.
- The purposes of charging fees for entry and use include the payment of taxes, minimizing liability, and control of trespass.

General conditions favor increasing opportunities for both private and public landowners. Potential sources of revenue include:

- User fees/entrance fees for unguided individuals and groups;
- Special-use permits for commercial-recreation operations; and,
- Concessions (some park systems authorize sales of souvenirs and food/beverage).

Fees for non-commercial uses (unguided individuals and groups) are the primary source of recreation revenues for both public and private owners. Market prices can be surveyed for a variety of non-consumptive activities (e.g., camping, hiking, rafting), fishing, small game and bird/waterfowl hunting, and hunting for various species of big game. Limited data is available for only a few of the outfitting and guiding activities recognized in the Alaska Region (primarily, fishing and big-game hunting).

For both unguided and guided uses, public and private-owner policies reflect a variety of objectives and pricing methods. For most activities, the transactions (exchange of a permit for a fee) do not meet the market test; prices are not optimized in a competitive market environment. In terms of the market value definition, the market is inadequate to estimate the *market value* of the authorized uses. Price data is marginally adequate to make judgments about the *use value* of only a few of the authorized uses recognized in the Alaska Region.

⁴⁷ Outdoor Recreation in American Life: a national assessment of demand and supply trends. Sagamore Publishing 1999 (Page 46).

Conclusion: Significance of the Market Overview to the Assignment Objective

The assignment instructions require that:

- The contractor should be upfront and direct in the explicit definitions of fair market value, fee value, and fair market rent.⁴⁸
- The contractor's estimate of the fair market value shall conform to the definition of fair market value as defined by the latest editions of USPAP and USFLA.⁴⁹

However, the market is inadequate. "Transactions that occur in inadequate or insufficiently congruent markets, or between incompetent or ill-informed parties, are not by themselves indicative of market value, which must be estimated on some other basis if it can be said to exist at all."⁵⁰

The Alaska Region, with the apparent support of the district court ruling in the TTC case, recognizes different prices/values for different uses of the same land. For example, big-game hunting for several species can occur on the same Alaska Region land. The activity is essentially the same, yet price is differentiated by species.

Fees for Big Game Hunting (Alaska Region Interim Flat Fee Policy)	Per Hunt
Brown Bear - (Day Use)	\$140
Mountain Goats - (Day Use)	\$105
Black Bear - (Day Use)	\$70
Deer Hunts - (Day Use)	\$30

Clearly, depending on the relative scarcity of a particular species, different individuals or categories of operations can pay more than others for the use of the same land. Few, if any, alternatives are available and the evidence suggests that virtually all outfitter/guide activities could justify higher fees. The open competitive market envisioned by the market value definition does not exist. Given the characteristics of the marketplace and the objectives of the Alaska Region fee policy, "fair market value" is a misnomer.

These circumstances are addressed by the *use value* definition - the value a specific property has for a specific use. Nevertheless, absent a genuine market, use values can be used to predict the most probable prices that would evolve *if* policy changes allowed the transferability of the rights and privileges authorized. In other words, use values could be used to predict market values assuming a perfectly competitive market did exist.

⁴⁸ Contract Specifications (Page 12).

⁴⁹ Ibid. (Page 14).

⁵⁰ The Market in Market Value, Jared Shlaes, MAI, *Appraisal Journal*, October 1984 (Page 516).

In summary, the substitution of *use value* for *market value* is an appropriate *limiting condition* that is consistent with the objectives of the assignment.

This direction does not undermine the fairness overtone of the market value definition. Although the contract references *fair market value*, "fair" has been dropped from the contemporary definitions recognized by both USPAP and UASFPA. It does not add anything to the conditions outlined in those definitions. In other words, "fairness" is implied by the definitions themselves.

The brief use value definition is not conditioned. In a use value scenario, an owner can charge the maximum the user will pay in the absence of suitable alternatives. However, as long as the charge can be supported by the user's business, it is not unfair. Use values can be developed that are fair to both the Alaska Region and the outfitters/guides.

**PART III – PRELIMINARY SCREENING OF
PRICING/VALUATION METHODOLOGIES**

ANALYSES OF NFS OUTFITTER-AND-GUIDE FEE POLICIES

The pricing methods of the National and Alaska Region policies are evaluated in terms of their ability to develop market prices that are fair to the FS and to the permit holders.

National Policy

In November 1995, the FS adopted a final policy and procedures for calculating fees for commercial outfitting and guiding. Applicants could select one of two options (A or B).⁵¹ 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.⁵² Client-day fees are calculated at 3% of the median daily client charge for a series of ascending price brackets.

Average Client-Day Charge (for client days on and off NFS lands)	Client-Day Fee 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
\$300.01 to \$400.00	\$10.00
Over \$400	3% of the average client-day charge

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.

⁵¹ USFS Handbook 2909.11, Chapter 30, Section 37.21c.

⁵² 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 NFS 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.

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

The National Policy provides for an adjustment (discount) for use off NFS lands.

Under *Option B*, the outfitter/guide fee is 3 percent of the annual adjusted gross revenue, minus any applicable adjustment for use off NFS lands.⁵³

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 NFS lands of two service days or less (e.g., fees for trips that use NFS lands incidental to the purpose of the trip, such as a bus tour that takes clients on a sightseeing trip.)

Analysis/Evaluation

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 per-client-day fee. For the purposes of this analysis, the National Policy charges outfitters and guides 3% of adjusted gross income. The policy is a pricing method, not a measure of value. The components of price are:

- Adjusted Gross Revenue
 - Relative quality of the resource
 - Supply and demand for outfitter/guide services
 - Entrepreneurial prowess of the outfitter/guide
 - Ability and willingness of clients to pay
- Percentage rate
- Off-forest discount

The Ability To Develop Market Prices That Are Fair To The FS

The National Policy is easily applied to both existing and new activities. The burden on both the agency and the permit holders is minimal. Because the fee is a percentage of adjusted gross revenues, this pricing method automatically responds to inflation, the supply-demand equation, user preferences and their ability to pay.

⁵³ Gross revenue is defined in terms of the types of revenue that are includable.

However, the ability of this method to develop prices that are fair to the FS is dependent on the level of commitment to determining an appropriate percentage rate. Although a 1996 GAO report indicated that the FS rate (3%) is below those charged by some state agencies (5% to 15%) for similar uses of the land, the rate has not been adjusted.⁵⁴

The Ability To Develop Market Prices That Are Fair To The Permit Holders

In the proposed interim policy, FS Alaska Region of the FS noted that the U. S. General Accounting Office (GAO) concluded in a 1996 report that adjusted gross revenues were an appropriate measure of fair market value of the uses authorized by the permits. The final interim policy (1/4/00) notes: "In general, the gross revenues of a commercial business conducted on NFS land are an accurate reflection of the value of the business's use of those lands".

In this pricing method (National Policy), a universal percentage rate is applied. And, the commercial use of lands other than NFS lands can be recognized with the off-forest discount. As long as the percentage rate is supportable, this pricing method appears to be fair to the permit holders.

However, in the Alaska Region, the policy was challenged in the 1997 TTC case.⁵⁵ The plaintiff 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 Forest Service 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 summary, 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.

⁵⁴ U.S. FOREST SERVICE, Fees for Recreation Special-Use Permits Do Not Reflect Fair Market Value, US. General Accounting Office December 1996.

⁵⁵ The Tongass Conservancy v. Glickman, No. J97-029-CV.

Other Observations

The National Policy provides a meaningful perspective by translating 3% of gross revenues into per-client-day fees. Option A expresses the client's use of the land in dollar amounts from \$0.25 to \$10 per day (prior to any off-forest discounts). These benchmarks can be used to evaluate the efficiency of the policy and test the reasonableness of price increases.

For example, an average client-day charge of \$131 corresponds with a client-day fee of \$4.10 (see previous example). Because this is the net amount that flows to the FS for the use of the lands, it essentially represents the price of the client's use of the land for one day - net of the outfitter/guide services. In other words, while the client pays \$131 for the day, only \$4.10 is allocated to the use of the land. The remaining \$126.90 is allocated to all of the outfitter/guide's other costs and profit requirements.

A shift in policy from a 3% rate to 6% results in a doubling of the client-day fee to \$8.20; effectively a 100% increase in the outfitter/guide fee. This appears to be a dramatic step that is sure to raise objections. However, the ability of an outfitter/guide to pay; is directly related to the ability and willingness of the client to pay. As long as the rate change is universally applied, it is reasonable to predict that outfitters/guides could pass the increase (\$4.10) through to the client. A 100% increase of the client-day fee represents only a 3% increase in the overall client charge ($\$4.10 \div \131).

Alaska Region Interim Flat Fee Policy

In response to the ruling in the TTC case, Option B of the FS policy (3% of adjusted gross revenues) is no longer applicable in the Alaska Region. The Alaska Region Interim Flat Fee Policy (*ARIFFP*) developed flat fees for five categories of activities.

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.⁵⁶

Adjusted Daily Charge Per Client	Fee Per Client Per Service Day <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
Over \$300	3% of adjusted daily charges per participant

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.

⁵⁶ Recommended by a working group from federal and state agencies assisting the Alaska Land Use Council. The ALUC was established by section 1201 of the Alaska National Interest Lands Conservation Act (ANILCA).

In the ARIFFP, the outfitter/guide fee reflects the “average client-day charge” for an activity category. Using 1998 as the base year, the total amount of client charges for all Alaska Region operators in the category was divided by the total number of service days they reported. The “adjusted daily charge per client” for each category was then matched to the fee-per-client-per-service-day schedule and adjusted by the percentage of time spent off NFS 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 NFS 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 NFS 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, etc.
- The remote-setting nature tours flat fee was developed by averaging the reported service days by the client day charges of each of 21 nature tour permit holders who operated in remote settings.

To avoid having flat fees based upon revenues that resulted from services a business provides off NFS 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 NFS lands.

The Ability To Develop Market Prices That Are Fair To The FS

The ARIFFP is essentially a modification of the National Policy. The additional steps assign unique prices to specific categories of activities so that outfitter/guides pay similar fees for similar activities. Because the flat fees are based on 1998 operations, the ARIFFP provides for an annual adjustment using the Implicit Price Deflator-Gross National Product Index (beginning January 1, 2001).⁵⁷ Based on a recent history, the annual adjustment is projected at 2%. With these modifications (to the National Policy), the annual outfitter/guide fee (under the ARIFFP) is responsive to inflationary pressures and changes in client volumes.

Despite the convolutions, this method only indicates the per-unit price that an average operator could afford to pay given the existing foundation - 3% of gross revenues (unadjusted). 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 current ARIFFP client-day fees are often less than what unguided users pay for the same activity. For example, in the following table, selected ARIFFP flat fees are compared to unguided fees for similar activities in the private sector.

⁵⁷

<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	Com- pound Rate of Change
89.67	91.84	94.06	96.02	98.11	100.00	101.93	103.19	104.73	106.89	1.97%

Alaska Region Activity	Alaska Region Per Client-Day Fees	White Mountain Apache Tribe		Navajo Nation	
	Per NFS Client-Day	Per-Person Daily Price		Per-Person Daily Price	
Freshwater Fishing	♣\$2.50	General Fishing Permit	\$6	N/A	N/A
Remote-Setting Nature Tours <i>Day uses such as hiking, sight-seeing, photography, wildlife</i>	♣\$2.50	Outdoor Recreation Permit	\$3	Back-Country Permit	\$5
Non-Motorized Freshwater Boat Trips <i>Day uses such as rafting, canoeing, and kayaking on freshwater lakes and streams</i>	♣\$1.25	River Running Permit	\$15	N/A	N/A
Camping <i>All multi-day activities that include overnight stays on National Forest System lands</i>	♣\$4.00	Camping Permit	\$3	Camping Permit	\$5

♣Reflects off-forest discount.

♠Not discounted for time off NFS land.

The comparison suggests that the 3% foundation of the policy, and/or the off-forest discount, result in prices that are not fair to the FS. If a landowner can get \$5 to \$6 per-person-per-day from unguided users, why would a landowner allow an outfitter/guide to bring clients to the property, yet receive only \$2.50 for the equivalent unit of use (per-client-day). Also, because the ARIFFP is an interim policy, a periodic re-application of the fee establishment process has not been scheduled. Without modifications that address these deficiencies, the ARIFFP cannot establish nor maintain prices that are fair to the FS.

The Ability To Develop Market Prices That Are Fair To The Permit Holders

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, with the additional steps, 3% of adjusted gross revenues are translated into unique prices for specific activities so that outfitter/guides pays similar fees for similar activities.

In our survey of Alaska Region outfitters and guides, the majority of respondents favor a flat fee schedule. Eighty percent of the respondents (81 of 101) opined that the ARIFFP is fair and equitable. However, the high level of acceptance may be largely attributable to minimal reporting requirements and the nominal fees that have been reduced by the off-forest discounts. The per-client-day fees for 14 of 16 outfitting/guiding activities (other than big-game hunting) are ≤ \$4. Nonetheless, in

terms of the criteria established by the ruling in TTC case, the ARIFFP is fair to the permit holders.⁵⁸

Other Observations

Like Option A of the National Policy, the ARIFFP results in a schedule of per-client-day fees (for activities other than big-game hunting).

Pricing Method	Unit of Comparison	Range of Fees	Notes
National Policy Option A	Client-Day Fee	\$0.25 to \$10.00 <i>(3% of average client-day charge > \$400)</i>	Prior to off-forest discount
ARIFFP	Fee per NFS Client Day	\$0.50 to \$7.75 <i>(3% of adjusted daily charge per client > \$300)</i>	Net of off-forest discount

The ARIFFP fees reflect the net amount that flows to the Alaska Region for specific land uses, particularly those fees that are discounted for off-forest use. The client-day fees essentially represent the price of the client's use of the land for one day, net of the outfitter/guide services. This acknowledgement is opportune and meaningful to the development of a new methodology or modifications to the ARIFFP.

In a bottom-up pricing model, the client's ability and willingness to pay would be recognized as the determinant of what an outfitter/guide can afford to pay. Theoretically, appropriate client-day fees could be measured by a comparison and correlation of unguided user fees for similar activities. The rationale is exemplified in the ARIFFP's pricing of outfitter permits. Although the ARIFFP is primarily a top-down pricing method, the per-vehicle-per-day flat fee 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 NFS lands. With this approach, the value of the outfitter/guide use is measured in terms of the value of individual units of use evidenced in the marketplace.

In contrast, the ARIFFP is a top-down pricing method in which a percentage of gross revenues are processed into client-day fees. Periodic updates are likely to support higher percentage rates. The reasonableness of the resultant client-day fees can be tested against unguided user fees.

⁵⁸ See Extraordinary Assumptions, Hypothetical Conditions, and Limiting Conditions.

Summary-Analyses Of The Forest Service Policies

Both the National Policy and the ARIFFP are based on 3% of annual adjusted gross revenues. Evidence indicates that this historical rate is below what the market would support. At the appropriate rate, both methods could be argued as fair to the FS. Once implemented, both are easy to apply and the reporting requirements of the permit holder can be minimized. Both methods provide indicators (client-day fees) that can be equated with the client's day-use of the land, net of outfitter/guide services.

Excepting the percentage-rate component, the National Policy pricing method automatically responds to inflation, the supply-demand equation, user preferences and their ability to pay. However, it does not establish similar prices for similar activities nor differentiate among categories of use. Given the outcome of the TTC case and the evaluation criteria recognized, the National Policy is not applicable in the Alaska Region.⁵⁹

The ARIFFP assigns unique prices to the wide variety of activities conducted on Alaska Region lands. In terms of the ruling in the TTC, the method is fair to the permit-holders. However, as implemented, the method has not developed, nor can it maintain, prices that are fair to the FS.

With a committed effort to determine an appropriate percentage rate, and the periodic re-establishment of a base fee schedule, a modified ARIFFP is potentially useful as a long-term solution.

⁵⁹ Ibid.

LAND VALUE AS THE BASIS OF OUTFITTER/GUIDE FEES

Brown & Company Report

The difficulties in developing fair prices for special uses of NFS lands has long been acknowledged. The 1994 Brown & Company Report was intended to assist the Forest Service (FS) in developing a method for estimating the fair market value of the use of the land for ski areas.⁶⁰ The report describes and evaluates techniques for valuing real estate and businesses.

Ski areas are defined sites/parcels and the term of the permits is sufficient to allow substantial capital investments in long-lived improvements (e.g., lodges, ski-lifts). The use authorized by the ski area permits is analogous to an interest in real estate. The market value of the site/parcel is an appropriate basis for the annual market rent.

The Brown & Company investigation focuses on land value as the basis of the special use fee. Of several recognized land valuation techniques, the sales comparison approach is preferred as the most reliable if adequate data is available.

However, while ski areas and outfitter/guide operations are characterized as special uses of NFS lands, they are dissimilar. Outfitter/guide areas are generally undefined and use of the same area may be shared by a number of operations. Permit tenures are comparatively short. These special use authorizations "... are not leases and do not convey any interest in real property."⁶¹

Nonetheless, the special use permits authorize uses of real estate. Land value as a basis of outfitter/guide fees is explored. The assignment instructions emphasize, "... the fair market value of the privilege to use National Forest System land in the Alaska Region is analogous to market rent."⁶² The market rent for land is related to market value. Annual ground rent is typically measured as a percentage of the fee simple value. Value is established by one, or more, of three approaches to value: cost, income capitalization, and sales comparison.

Despite the dissimilarity in the ski-area and outfitter/guide valuation problems, the Brown and Company report identifies essential elements to potential solutions of both.

⁶⁰ Brown & Company, CPAs; Arlington, Virginia 22201-3367, "An Analysis of Methodologies for Determining the Fair Market Value of the Use of National Forest System Land by Ski Areas".

⁶¹ Contract Specifications (Pages 14-15).

⁶² Ibid.

"The availability of objective data was considered the key element in determining the utility and reliability of these valuation techniques."⁶³

The **cost approach** is applicable to some improved properties. Value is derived by adding the estimated land value to the depreciated replacement cost of the improvements. The technique is not applicable to unimproved land; rather, it requires an estimate of the land value derived by some other means. The **income approach** measures the present value of the future benefits of ownership. The technique is applicable to income-producing properties. However, the NFS lands available for outfitter/guide activities are utilized under a permit system rather ^{than} demised by lease agreements. Generally, because specific lands are not defined, there is no reliable means of allocating income. The **sales comparison approach** can be used to measure the value of both improved properties and vacant land. If adequate data is available, it is the most reliable technique for estimating land value.

Where sites are defined and the use is exclusive, land value is a reasonable and practical basis for pricing special use authorizations. However, most outfitting and guiding activities in the Alaska Region are not exclusive, nor are specific lands legally described and quantified in outfitter/guide permits. And, evidence suggests that recreation fees (commercial and non-commercial) cannot be expected to support the values of large tracts of natural lands.

- For most activities, recreation fees (commercial and/or private) generally do not recover the cost of operation (administration, management, and maintenance) let alone provide a return to the land. In 1997, 16 state park systems were reported to regularly obtain more than half of their operating costs from user fees. Only two (New Hampshire and Vermont) were self-sufficient.⁶⁴
- In an analysis of the hunting-lease concept in Texas, the component value attributable to hunting-lease income averaged only 25% of the average per-acre value of ranch land.⁶⁵
- The 1995-96 National Private Landowners Survey (NPLOS) indicated that less than 1% indicated that fee-based recreation is the primary source of income.⁶⁶

⁶³ Brown & Company, CPAs; Arlington, Virginia 22201-3367, "An Analysis of Methodologies for Determining the Fair Market Value of the Use of National Forest System Land by Ski Areas", Executive Summary, (Page "i").

⁶⁴ Back to the Future to Save Our Parks. Donald R. Leal and Holl L. Fretwell. Political Economy Research Center (PERC) Policy Series Issue Number PS-10. June 1997.

⁶⁵ John S. Baen; "The Growing Importance and Value Implications of Recreational Hunting Leases to Agricultural Land Investors"; *Journal of Real Estate Research* Volume 14, Number 3, 1997.

If recreation fees cannot be expected to support large-tract values, land value is not a practical basis of fees. However, while the two Alaska Region forests contain millions of acres, most activities require only a fraction. Potentially, outfitter/guide fees could be calculated as the *shared* rent for an area allocated to a specific activity.

In a hypothetical example, a 10-mile segment of a river used for float trips is defined by a one-mile wide corridor. With each square mile at 640 acres (1 section), the allocation is 6,400 acres (10 sections x 640 acres/section). At a nominal value of \$100 per acre and a capitalization rate of 8%, the annual ground rent would be \$51,200.⁶⁷

$$(6,400 \text{ acres} \times \$100 \text{ per acre} \times .08).$$

Per client-day fees could be calculated by dividing the annual ground rent for the allocated area by the projected number of client days (see following table).

Annual Ground Rent for the Allocated Area	÷ Projected Annual Number of Rafters (Client Days)	= Client Day Fee
\$51,200	2,500	\$20 (rd)
\$51,200	5,000	\$10 (rd)
\$51,200	10,000	\$5 (rd)

Because other uses could co-exist (i.e., sport fishing), a further allocation may be appropriate.

The number of client days would be projected from historical data. Given the data requirements, the client-day fees would be set for a period of years. However, while the method provides a satisfactory return on the land value (fair to the FS), it is impractical.

- The data needed to value large tracts of natural land is inadequate. Value estimates are often controversial, particularly when forestry is a possible use.
- The allocation of acreage is a subjective, administrative task open to challenges.
- A pricing model would have to be developed for each activity.

⁶⁶ Outdoor Recreation in American Life: a national assessment of demand and supply trends. Champaign, IL: Sagamore Publishing. Chapter IV, Private Lands and Outdoor Recreation in the United States. R. Jeff Teasley, John C. Bergstrom, H. Ken Cordell, Stanley J. Zarnoch, Paul Gentle.

⁶⁷ Routine appraisal assignments by our company consistently indicate that capitalization rates in Alaska typically range from 6% to 10%.

Moreover, while the method develops flat fees, it does not meet the Alaska Region's objectives.

- The client-day fees are related to the land value and frequency of use rather than a specific activity. The method would develop similar prices for *all* users of a particular allocated area. It does not differentiate between categories of activities.
- Because the values of large tracts change little over time, the method is not sensitive to either the clients' willingness to pay or the supply/demand equation for outfitting/guiding services. Periodic adjustments could result in lower client-day fees if client volumes go up; higher client-day fees if volumes go down. Regardless, the sum of the outfitter/guide fees realized will only approximate the annual ground rent for the allocated area.
- As long as client volumes are stable or trending upward, the method is fair to the permit holders. However, it invites challenges if a decline in volume is attributable to increased travel costs, competitive offerings, or regulatory restrictions. If the ground rent has to be generated from a decreasing number of clients, the higher fees are likely to be a deterrent; further eroding the business opportunity.

In summary, this is not a method that could develop fair prices for the wide variety of outfitter/guide activities recognized by the Alaska Region policy. Except for exclusive uses of defined sites/parcels, land value is not a practical basis for establishing fees for outfitting and guiding permits in the Alaska Region.

Summary—Land Value as the Basis of Outfitter/Guide Fees

None of the recognized techniques for valuing real estate are directly applicable to the pricing of special use fees. Nevertheless, the relationship of the concepts (cost, income, market comparison) to potential methodologies is evaluated.

RELATIONSHIP OF COST, INCOME, AND MARKET COMPARISON TO POTENTIAL METHODOLOGIES

Cost

In the private sector, fee-based recreation is recognized as a possible use that contributes toward offsetting holding costs. Operating expenses can include taxes, insurance, management, administration, and maintenance. At the state park level, there is some evidence that fee-based recreation can support operating budgets.

In a pricing method intended to recover costs, outfitter/guide fees would be calculated as a pro-rata share of the landowner's operating costs. A *cost recovery* method is easy to develop, implement, and maintain. Cost data generated by another department is available at no cost. The number of client-days is projected from prior years. No comparative data is required.

However, while cost recovery can be the target of fee policies, it is generally not a reasonable objective for large tracts of natural lands. For example, the 1999 National Park Service budget for Wrangell St. Elias Park was \$2,119,000. At 29,265 visitors, the per-person fee required for cost recovery would have been \$72. If allocated only to outfitted/guided visitors, the per-client-day fee would have been dramatically higher.

Typically, recreational revenues (from both guided and unguided users) will support only a fraction of the total operating costs. Conceivably, a portion could be targeted for recovery. But the cost-recovery method would not meet the objectives of the Alaska Region:

- *Price Development*
It would establish a universal price for a universal unit of comparison (per-client-day). It would not distinguish between categories of use nor assign unique prices.
- *Fairness to the FS*
There is little to no potential for the FS to realize favorable supply/demand characteristics and additional willingness to pay. Client-day fees are sensitive only to fluctuating budgets that are influenced by societal, political, and governmental forces. Periodic adjustments would limit the FS to the recovery of targeted costs.
- *Fairness to Permit-Holders*
Cost recovery could be fair to permit holders as long as budgets and client volumes are stable (depending on the portion of costs targeted for recovery). However, shifts in budgetary policy could result in dramatic price increases without recognizing any limitations of the outfitter/guides' ability to pay.

Income

Some business valuation methods focus on excess earnings on sales and/or assets. Assets can include real estate, equipment, inventories, permits/licenses, franchises, and goodwill. Although not marketable (transferability is restricted), the special use authorization is an asset to an outfitter/guide operation; a component of production.

The Brown & Company Report concluded that some business valuation techniques could be used to support the land value estimates derived by recognized real estate valuation techniques. By first measuring the value of a going concern, industry benchmarks or norms may allow the isolation of a residual to real property components.

Potentially, the value of the rights and privileges authorized could be derived from the annual operating data of representative outfitter/guide operations. In an adaptive *income residual* technique, sales/earnings would be allocated in a business model for each activity. After providing a reasonable return, of and on, all of the other components of the business enterprise (including the land), the excess earnings or surplus productivity (surplus) would be attributed to the rights and privileges authorized (special use value of the land).

If sufficient data is available to isolate a surplus, this technique would be an analytical tool that should reveal what particular types of operations could afford to pay for the use of NFS lands. In other words, the method could measure the special use value of the lands to outfitter/guides. Adapting the averaging process of the ARIFFP, the values could be translated into client-day fees. Such a method would develop similar prices for similar uses and assign unique prices to different activities.

However, the method is impractical. Representative business models would be extremely difficult to develop and defend. Even among similarly situated users, the asset base would vary dramatically. Because most outfitter/guides are small owner-operators, the reliability of the operating data would be suspect and the bottom line obscure. And, for nearly all of the business models, there are no norms or benchmarks to support an appropriate return, of and on, the entrepreneurial elements. In other words, there is simply no reliable means of justifying an allocation of the surplus to anything other than entrepreneurial prowess. In summary, the residual technique is not directly applicable as a method of either valuing or pricing the rights and privileges authorized.

In a *direct income capitalization* technique, sales/revenues are translated into a price (outfitter/guide fee). Simply, a percentage multiplier is applied to gross income. An appropriate multiplier is determined by correlating rates observed in the marketplace. The method is comparatively easy to implement and maintain. However, it does not meet the Alaska Region objectives. It is essentially the FS National Policy method previously analyzed. A universal percentage applied to adjusted gross revenues does not establish similar prices for similarly situated users nor differentiate among categories of use.

The ARIFFP, a derivative of the "gross income multiplier" method, processes a percentage of gross revenues into flat fees for individual units of use (per-client-day, per-hunt). Modified to require market-based support for the multiplier and provide for periodic updates, the ARIFFP is potentially useful as a long-term solution. A *modified ARIFFP* method is developed in Part IV.

Market Comparison

Ideally, the value of the land use to outfitters and guides would be derived by a direct comparison of open-market sales and re-sales of permits that authorize similar uses, subject to similar terms and conditions. However, open-market evidence of value is extremely limited. Price data is marginally adequate to make judgments about the value of only a few commercial recreation activities permitted in the Alaska Region (see: Market Overview). As such, a *direct market comparison* method is not able to develop unique prices for the variety of outfitting and guiding activities recognized in the Alaska Region.

Nevertheless, a market comparison can be a task incorporated into other methodologies. For example, an appropriate multiplier for a *modified ARIFFP* method would be determined by the market comparison process (data survey, correlation, and reconciliation). In another market comparison, the client-day fees are recognized as the price of the client's use of the land, net of outfitter/guide services. For perspective, projected fees would be compared with unguided user-fees for similar activities. In this application, the market comparison process is used to test reasonableness and predict the ability of outfitter/guides to pass through price increases.

The theory of economic valuation is based on individual preferences and choices. It is often referred to as "willingness to pay."⁶⁸ In another potential method that relies on market comparison, the client is seen as the consumer or end user. The outfitter/guide's ability to pay may be evidenced by consumer surplus - the difference

⁶⁸ Ecosystem Valuation. Dennis M King, Ph.D, University of Maryland. Marisa Mazzotta, Ph.D, University of Rhode Island.

between the price actually paid for a good, and the maximum amount that an individual is willing to pay for it.⁶⁹

In a method previously characterized as a *bottom-up pricing method*, unguided user fees are the basis of the outfitter/guide fee. Client-day fees would be measured by a comparison and correlation of unguided user fees for similar activities. With this method, the value of the outfitter/guides' use is indirectly measured in terms of the indicated value of individual units of use.

Summary--Relationship Of Cost, Income, And Market Comparison

Both a *modified ARIFPP* and *bottom-up pricing model* could develop similar flat fees for similar activities yet assign unique prices to different activities. The applications will be developed further in Part IV.

However, the ability of both methods to develop fair prices for special uses is dependent on the adequacy of the available data. While ranges of percentages or unit prices would establish the minimums supported by the marketplace, there may be no clear picture of the optimum. For the purposes of this analysis, an *optimum price* is the highest outfitter/guide fee that can be supported by the client base (consumers or end users). Other pricing methods address "optimum price".

⁶⁹ Ecosystem Valuation. Dennis M King, Ph.D, University of Maryland. Marisa Mazzotta, Ph.D, University of Rhode Island.

OTHER POTENTIAL METHODOLOGIES

In prefacing a review of the Brown & Company Report, Charles E. Gilliland, Ph.D. noted that markets for ski areas are not likely to approximate the competitive ideal. Acknowledging the difficulties, he suggested that the auction or negotiated net lease approaches; may provide effective solutions to the ski area fee problem.⁷⁰

Gilliland notes that auctioning "... is the only alternative that would result in exposing the USFS land to the open market."⁷¹ Applied to the outfitter/guide fee problem, a *competitive bid* process would let the market determine the highest price for the rights and privileges authorized. Arguably, the process is fair to both the FS and the bidders, particularly where the demand is high and the supply is limited by regulatory restrictions. A bid process can be uncomplicated and no annual reporting by the permit holders is required. As a pricing method, it is responsive to change and efficiently captures economic surplus, if any.⁷² Successful bids are unique not only to the activity but to the location as well.

However, competitive bidding is impractical as a pricing method for the wide variety of outfitting and guiding activities recognized in the Alaska Region.

- In general, for most of the authorized uses, the number of outfitter/guides is not limited. Outfitter/guides compete for clients but not for the use of the land.
- If price is the sole basis of awarding permits, the high bidders could be otherwise undesirable. Where additional criteria are weighed to assure a level of quality or a performance standard, the significance of price is diluted.
- The method is generally objectionable to Alaska Region permit holders. Potentially, competitors with the greatest resources could monopolize a submarket.

⁷⁰ Charles E. Gilliland, Ph.D. Associate Research Economist, Real Estate Center, Texas A&M University, College Station, Texas, *A Review Of An Analysis Of Methodologies For Determining The Fair Market Value Of The Use Of National Forest System Land By Ski Areas*, January 12, 1995, Page 15.

⁷¹ Ibid. Page 14.

⁷² *Economic surplus* is the sum of consumer surplus and producer surplus. *Consumer surplus* is the difference between the price actually paid for a good, and the maximum amount that an individual is willing to pay for it. *Producer surplus* is the difference between the total amount earned from a good (price times quantity sold) and the production costs.

Gilliland also suggests: "The USFS may wish to approach the problem like an entrepreneur negotiating a lease in private industry."⁷³ He describes a lease that provides a base rental designed to cover costs and provide some minimal return to the landlord with a provision for a percentage of income as sales exceed a prescribed level. In other words, the rental fee consists of two components.

Rents for retail properties often include both fixed and variable components.⁷⁴ Theoretically, the tenant is not committed to a higher rent than the business will support yet the landlord is assured a share of any speculative potential. Where market conditions preclude a determination of an optimum rate (the maximum rate that the business could support), a component structure can effectively address the unknowns. Simply, if the business does better, the property owner does better.

Component structures are also reflected by a variety of commercial-recreation fee policies. In Idaho, outfitters and guides pay 5 percent of gross sales or \$250 annually, whichever is greater.⁷⁵ Cook Inlet Region, Inc., (CIRI), a southcentral Alaska Native corporation, charges bear guides a flat fee plus a percentage of gross revenues. Where fees are collected for both guided & unguided activities, the price of the unguided use is usually the common denominator. The outfitter/guide fee is an add-on. Arrangements observed are numbered for reference.

1. The outfitter/guide fee is the sum of unguided user fees plus a nominal administrative fee related to the cost of processing permit applications and monitoring performance. Examples include Alaska Native Regional corporations Koniag Inc., and Ahtna Inc., (see *Addenda*).
2. The outfitter/guide fee is the sum of unguided user fees plus a substantial seasonal fee. The White Mountain Apache Tribe of the Fort Apache Indian Reservation charges non-Indian fishing guides a seasonal fee of \$750 plus \$6 per-client - the per-day rate charged for unguided fishing.⁷⁶ In a variation that acknowledges the volume of clients generated by the operator, the tribe charges

⁷³ Charles E. Gilliland, Ph.D. Associate Research Economist, Real Estate Center, Texas A&M University, College Station, Texas, *A Review Of An Analysis Of Methodologies For Determining The Fair Market Value Of The Use Of National Forest System Land By Ski Areas*, January 12, 1995, (Page 14).

⁷⁴ Additional rent can also be in the form of a prorated charge for operating expenses, increases in expenses over a base year, or a prorated share of common-area charges.

⁷⁵ U.S. FOREST SERVICE, Fees for Recreation Special-Use Permits Do Not Reflect Fair Market Value, US. General Accounting Office. December 1996.

⁷⁶ White River, Arizona.

a seasonal fee for a non-Indian "river-running" guide of \$2,500 plus \$10 per-client - a discount of \$5 from the \$15 per-day unguided fee (see *Addenda*).

3. The outfitter/guide fee is the sum of unguided user fees plus a percentage of client charges or gross revenues. Examples include Alaska Native Regional corporations, Cook Inlet Region Inc., and Chugach Alaska Corporation (see *Addenda*).

Because a nominal administrative fee could be an add-on with any method, the first arrangement is not considered as a potential methodology. While the second arrangement prices both personal and business uses of the resource, the examples represent limited access situations (only one or two operations are permitted). Each reflects unique economics and/or negotiations. The available data is insufficient to develop seasonal flat fees for the business-use components of the variety of outfitter/guide activities recognized in the Alaska Region.

The third arrangement would have a universal application. In a *flat fee plus percentage* method, the flat fee is recognized as the minimum level of support - a base rate. A percentage of client charges or adjusted gross revenues allows the FS to realize a share of the unforeseen - potential additional revenues attributable to inflation, economic surplus, and/or entrepreneurial prowess.

Arguably, this method could meet the objectives of the Alaska Region. Fairness to both parties is the foundation of this win-win approach. While the total fee is not a flat fee, the base rates are unique prices for specific activities. And, the percentage method can be structured to avoid penalizing more successful operators and/or those with higher operating costs that are supported by higher client charges. The application will be developed further in Part IV.

SUMMARY--PRELIMINARY SCREENING OF POTENTIAL METHODOLOGIES

Several pricing methods were screened for their potential to meet the Alaska Region objectives. The results are summarized in the following table.

Potential Methodology	Basis or Application	What it does	Potential to Meet Alaska Region Objectives?	
	Outfitter/guide fee is calculated as a prorated share of the landowner's operating costs.	Pricing method that ignores any market evidence of value.	No	Would be subject to fluctuating budgets rather than market forces. Would not distinguish between categories of use nor assign unique prices.
	An amount the outfitter/guide could afford to pay is extracted from detailed operating statements.	Measures special use value.	No	The level of reporting accuracy required is unlikely to be achieved. There is no reliable means to justify an allocation of any surplus to the rights and privileges authorized.
	A percentage multiplier is applied to an outfitter/guide's gross revenues.	Pricing method, does not measure value.	No	The method is essentially mirrors the FS National Policy. It results in disparate fees for similar uses. It does not distinguish between categories of use nor assign unique prices.
	Value is derived from market transactions – the sales of permits authorizing similar use.	Measures special-use value.	No	Data is inadequate to develop unique prices for the wide variety of outfitting and guiding activities recognized in the Alaska Region.
	In a complex process, a percentage of gross revenues is translated into flat per-client-day fees that are multiplied against client volumes.	Pricing method supported by the measured value of individual units of use.		Develops unique prices for the wide variety of outfitting and guiding activities recognized in the Alaska Region. It is sensitive to the economics of each.
	Flat per-client-day fees are derived from a market comparison of fees for similar unguided activities. The flat fees are multiplied against client volumes.	The value of outfitter/guide use is indirectly measured by the indicated value of individual units of use.		Develops unique prices for the wide variety of outfitting and guiding activities recognized in the Alaska Region.
	Maximizes outfitter/guides ability to pay in a competitive environment.	Pricing policy. Inferences of value can be made from bid results.	No	Generally, outfitters/guides compete for clients, not for land. Only appropriate for a few activities in select locations. Price is not suitable as the sole criterion for awarding bids. Objectionable to most permit-holders.
	Outfitter/guide fees consist of two components: a minimum base rate and a share of any speculative potential that might be realized.	Pricing method that recognizes two components of value - the value of individual units of use and a nominal consideration for the business use.		Recognizing the flat fee component, this method could be said to develop unique prices for a variety of activities. The percentage component can be structured to avoid penalizing the more successful operators.

The limitations imposed by the TTC case and/or the availability of adequate data, combine to narrow the list of prospects. Three methods with the potential to meet the Alaska Region objectives are developed and analyzed in Part IV.

1. Modified Alaska Region Interim Flat Fee Policy
2. Bottom-up Pricing Method
3. Flat Fee Plus Percentage

All three methods would employ market comparison techniques: the survey, comparison, and reconciliation of market data.

PART IV – DESCRIPTIONS AND ANALYSES OF METHODS/POTENTIAL

DESCRIPTIONS AND ANALYSES OF METHODS/POTENTIAL

Three methods with the potential to meet the Alaska Region objectives are developed and evaluated:

1. Modified Alaska Region Interim Flat Fee Policy
2. Bottom-Up Pricing Method
3. Flat Fee Plus Percentage

In order to focus on the differences, advantages and disadvantages, the evaluations of all three methods recognize these common elements:

- All three methods would 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.⁷⁷ 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 require a reapplication of the initial fee development process. These are scheduled every five years.⁷⁸ In the interim, annual adjustments would be applied according to an inflation index. For example, the ARIFFP recognizes the Implicit Price Deflator-Gross National 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 all three methods, this is a practical, probable approach.
- Because all three methods should result in increased fees, the probability of public acceptance is considered only in terms of the reporting burden on the permit holder.

⁷⁷ U.S. FOREST SERVICE, Fees for Recreation Special-Use Permits Do Not Reflect Fair Market Value, US. General Accounting Office December 1996.

⁷⁸ Five-year periods are the norm for updating ground leases in Alaska. This term weighs the time and expense of an update with the potential for the lessee to realize an advantage at the expense of the land-owner.

The overall ability of these methods to meet the Alaska Region's objectives is indicated by grading the following criteria on a scale of 1 (weak) to 3 (strong). The relative strength indicated by the total score is the basis for a final ranking.

- *Availability of data*

This criterion considers the data requirements and the ease with which it can be collected. For each method, the quantity and quality of the data will vary depending on the activity. The ability of the method to develop optimum prices is dependent on the *adequacy* of the data.

- *Ability to establish similar market prices for similar activities*

This criterion considers the degree to which the method complies with the ruling in the TTC case.

- *Ability to differentiate among categories of use and to assign unique prices*

This criterion considers the variety of activities for which the method can develop unique prices.

- *Ability of the method to develop optimum prices*

For the purposes of this analysis, an *optimum price* is the highest outfitter/guide fee that can be supported by the client base (consumers or end-users). An optimum price is fair to both the landowner and the permit holder. The ability of a method to develop optimum prices is related to the adequacy of the available data and/or the effectiveness of any mechanisms intended to capture a share of surplus, if any.

- *Ease of application*

Periodic updates are essentially a re-application of the initial price development process. And, maintenance requirements are universal (application of an inflation index factor). To avoid over-weighting a consideration of practicality, the ease of application is evaluated only in terms of the overall complexity of development and implementation.

- *Ease of accounting and reporting by the permit holder*

This criterion acknowledges the burden on the permit holder as a potential source of protest.

Modified Alaska Region Interim Flat Fee Policy

With the Alaska Region Interim Flat Fee Policy (ARIFFP), flat fees are derived from calculations that process 3% of gross revenues into per-client-day or per-hunt charges. The fees are applied to client volumes to calculate the annual outfitter/guide fee. This top-down pricing method is described in detail in Part III.

Briefly, for guiding activities other than big-game hunting, the total amount of client charges for all Alaska Region operators in an activity category are 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 NFS 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 NFS lands. A flat fee (rounded to the nearest \$5) for each category was calculated by multiplying the fee per-client-per-service-day by the average hunt length.

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

However, the resultant prices are based on a historical 3% of adjusted gross revenues. Available data suggests that this rate, combined with off-forest discounts, results in prices that are below what the market would support. Without the ability to adjust the percentage rate and test the reasonableness of the result, the ARIFFP cannot develop nor maintain prices that are fair to the FS. Only a slight modification would address the deficiency.

In the Modified ARIFFP, the determination of an appropriate percentage rate is the fundamental step in the process. The rate (multiplier) is determined using a market comparison technique. A range of rates is first identified by a survey of public and private landowners. However, the correlation of data and reconciliation of an appropriate multiplier would be largely subjective. For example, because the market is inefficient, the qualities or characteristics that justify an upper-end rate are likely to be obscure. Arguably, given the unique opportunities and aesthetic qualities of the Alaska Region, the upper-end of the range is an appropriate rate.

Nevertheless, the reconciliation toward an optimum rate can be aided by a comparison that recognizes the resultant flat fees as the net benefit the landowner receives for a unit of use. The flat fees essentially represent the client's use of the land net of outfitter/guide services. In these terms, the flat fees can be compared with unguided fees for a sample of similar activities that are nearly universal (e.g., fishing, camping, non-motorized boating, and general recreation).

For example, in the following table, select ARIFFP flat fees are indicated in the 3% column. For simplicity, higher fees that would result from higher percentages are projected in multiples of 3%. The reasonableness of this range of rates (3% to 9%) is tested by comparing un-guided fees from the marketplace (right-hand column).

Alaska Region Activity	Per Client-Day Fees			White Mountain Apache Tribe	
	@ 3%	@ 6%	@ 9%	Per-Person Daily Price	
Freshwater Fishing	♣\$2.50	\$5.00	\$7.50	General Fishing Permit	\$6
Remote-Setting Nature Tours <i>Day uses such as hiking, sight-seeing, photography, wildlife</i>	♣\$2.50	\$5.00	\$7.50	Outdoor Recreation Permit	\$3
Non-Motorized Freshwater Boat Trips <i>Day uses such as rafting, canoeing, and kayaking on freshwater lakes and streams</i>	♣\$1.25	\$2.50	\$3.75	River Running Permit	\$15
Camping <i>All multi-day activities that include overnight stays on National Forest System lands</i>	♣\$4.00	\$8.00	\$12.00	Camping Permit	\$3

♣Reflects off-forest discount.

♣Not discounted for time off NFS land.

In practice, an expanded table of comparative price data would be necessary. Relying on a larger body of data, the analyst would develop an opinion of the rate that is justified by the unique qualities of the Alaska Region and the use-value objective - the optimum price.

Summary—Modified ARIFFP

The Modified ARIFFP is a top-down pricing method that indirectly prices the outfitter/guide's use as a percentage of gross revenues. The method is unlikely to develop per-client-day prices (or per-hunt) that are higher than what unguided users pay for similar activities. As such, the resultant flat fees will not reflect a distinct element of price attributable to the privilege of conducting business on NFS lands.

Evaluation

Evaluation Criteria—<i>Modified ARIETP</i>	Grade
<p><u>Availability of data</u> Market data is limited but sufficient to identify a range of percentage rates (multipliers) and unit prices for a sample of similar unguided activities.</p>	3
<p><u>Ability to establish similar market prices for similar activities</u> The method develops similar flat fees for similarly situated users.</p>	3
<p><u>Ability to differentiate among categories of use and to assign unique prices</u> The method assigns unique prices to a wide variety of specific activities.</p>	3
<p><u>Ability of the method to develop optimum prices</u> Because the prices are developed based on the operating histories of Alaska Region guides and outfitters, this method is particularly sensitive to the economics of each sub-market. But there is no assurance that the optimum percentage rate is represented within the range observed in the marketplace. Potentially, even higher rates could be justified if the increases could be passed through to the client (consumer). Nevertheless, price data for a sample of near-universal unguided activities is sufficiently adequate to aid the analyst in approximating an optimum rate via the reconciliation step described.</p>	2
<p><u>Ease of application</u> Initial development and periodic updates require the modeling of numerous activity categories. The process is complex but it relies more on accounting tasks than the generation of market data. Because the method relies heavily on operator data, subjectivity is minimized. Only one analytical judgment is required - the determination of an appropriate percentage rate (multiplier).</p>	2
<p><u>Ease of accounting and reporting by the permit-holder</u> Permit holders would be required to report client volumes annually. Every five years, client charges (gross revenues) would be reported in addition to client volumes.</p>	2
SCORE	15

Bottom-Up Pricing Method

The bottom-up pricing method develops flat fees that are applied to client volumes to determine the annual outfitter/guide fee. The basis of this method is the recognition of unguided fees as the minimum that a landowner would accept for a unit of use. Arguably, 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.

In the bottom-up pricing method, 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-client-day, per-hunt) is evidenced by the unguided fees observed in the marketplace. The services of an outfitter/guide are an additional cost. In other words, a schedule of client-day and per-hunt fees would be derived from market comparisons of unguided fees for similar activities.

While data availability should improve over the long term, the development of a database is currently a time-consuming and frustrating task.⁷⁹ Nevertheless, the available data would allow the development of unique prices for several big game species. Activities other than big-game hunting are most often consolidated into a few general categories of related uses, such as:

- fishing
- small game, waterfowl and bird hunting
- non-motorized boating—canoes, kayaks, rafting
- motorized watersports
- off-road motorsports
- camping
- general recreation—non-motorized, non-consumptive uses including hiking, cross-country skiing, snowshoeing, rock-climbing, wildlife viewing, etc.

The market comparison process would include the generation of price data by survey and a correlation to each outfitting and guiding activity in the Alaska Region. Elements of comparison can include accessibility, quality of natural resources, supply and demand characteristics, etc. Predictably, a range of prices would be reflected for each category. The analyst would develop an opinion of the price that is justified by the relative qualities of the Alaska Region and the use-value objective - the optimum price.

The reconciliation process could be aided by a contingent valuation technique. The *contingent valuation method* (CVM) involves directly asking people, in a survey, how much they would be willing to pay contingent on a specific hypothetical scenario and

⁷⁹ Technology is enhancing opportunities for land owners (on-line ticketing and permitting).

description of the good or service.⁸⁰ CVM is a controversial method but it would be employed as a test of reasonableness rather than as a stand-alone pricing method.

Summary—Bottom-Up Pricing Method

The Bottom-Up Method prices (and indirectly values) the outfitter/guide's use in terms of the unguided use values evidenced in the marketplace. In other words, 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. Beyond this basic level of price, there is no distinct element attributed to the privilege of conducting business on NFS lands.

Evaluation

Evaluation Criteria—Bottom-Up Pricing Method	Grade
<p><u>Availability of data</u> Fees for unguided activities (as opposed to similar outfitter/guide activities) are the primary source of recreation revenues. Market data is sufficient to identify ranges of unit prices for big-game hunts and general categories of activities. However, while technology is improving access and market survey capabilities, the data can be difficult to obtain. The generation of an adequate database is likely to require some dogged persistence.</p>	2
<p><u>Ability to establish similar market prices for similar activities</u> The method develops similar flat fees for <i>generally</i> similar users (the method requires a fewer number of broader categories).</p>	2
<p><u>Ability to differentiate among categories of use and to assign unique prices</u> The method assigns unique prices to a variety of <i>general</i> activity categories recognized by the majority of providers (the method requires a fewer number of broader categories).</p>	2
<p><u>Ability of the method to develop optimum prices</u> For some species of big game, the method is able to develop per-hunt prices at, or near the optimum. For other activities, there is no assurance that the optimum price is represented within the range of prices observed. Potentially, even higher prices would be reflected if landowners were more aggressive in their policies. A contingent valuation technique could aid the analyst in approximating a near-optimum price.</p>	2
<p><u>Ease of application</u> Data gathering is labor intensive and time consuming. Because the method relies on the correlation of market data from inefficient sub-markets, subjectivity is required for each price determination. The difficulties are compounded by the number of categories recognized.</p>	1
<p><u>Ease of accounting and reporting by the permit-holder</u> Permit holders would only be required to report client volumes annually.</p>	3
SCORE	12

⁸⁰ Ecosystem Valuation. Dennis M King, Ph.D, University of Maryland. Marisa Mazzotta, Ph.D, University of Rhode Island.

Flat Fee Plus Percentage

In this method, the outfitter/guide fees consist of two components: flat fees that are applied to client volumes and a percentage of client charges or gross revenues. Flat fees are developed using the same process described in the bottom-up pricing method. Briefly, per-client-day and per-hunt fees are derived from a market comparison of unguided fees for similar activities. The percentage component is a mechanism intended to assure the landowner a share of the unforeseen - potential additional revenues attributable to inflation and changing supply/demand characteristics.

From another perspective, the flat fee component represents the price of an individual's unit of use, net of outfitter/guide services. This fee is simply a cost of production; a unit of use that is acquired from the landowner and re-sold to a client. The percentage component represents an increment of value attributable to the privilege of conducting business on the owner's land. That privilege includes the potential to mark-up, or profit on, this component of production. Given the inefficiencies of the marketplace, a market-supported percentage component can be argued as being reasonably fair to the permit-holders as well as to the landowner.

In the leasing of some types of real estate, a component structure is a practical solution when the optimum rent cannot be established by any other means. But this practice is also evidenced in the permitting of outfitters and guides (see Part III: Other Potential Methodologies).

The ability of this method to comply with the TTC case ruling is subject to interpretation. The flat fees are differentiated by the type of activity while the percentage component is applied universally. Obviously, the sum of the flat fees and the percentage charges would be different for each operator in a category. However, except for fixed-fee seasonal licensing, all methods will result in a different total fee for each operator. Under any policy that multiplies flat fees against client volumes, the more successful operators will pay higher annual outfitter/guide fees.

Recognizing the differentiated flat fees as the basis of compliance, the Flat Fee Plus Percentage Method arguably can develop similar prices for similarly situated users.

The determination of an appropriate percentage rate would be aided by a market comparison. However, where a percentage of gross revenue is the sole component of price, the indicated rates would be above an appropriate rate for a two-component structure. Nevertheless, the data is useful to an administrative determination of a rate. For example, if rates from 3% to 10% of gross revenues are reflected by single

component fee structures, a rate less than 3% could be justified for a two-component structure.

The percentage component could be applied in two ways. In the simplest application, a flat, nominal rate of 1% or 2% would be applied to gross revenues. In a more complicated structure intended to address concerns related to the TTC case, a range of progressively lower rates would be applied to ascending brackets of revenues. While a fixed rate (or a progression of higher rates) would arguably penalize the more successful operators; a schedule of declining rates would reward entrepreneurial prowess. It would also recognize that higher client charges might be attributable to higher operating costs.

In the following example, four operators compete in the same activity category. Per-day client charges supported by the market are \$100 per day. The landowner charges a flat fee of \$5 per-client-day plus a percentage of the client charge (gross revenues). A range of declining rates is distributed to ascending revenue brackets.

		Operator <u>1</u>	Operator <u>2</u>	Operator <u>3</u>	Operator <u>4</u>
Annual Number of Client Days		1,000	2,000	3,000	4,000
Client Charge Per Day		\$100	\$100	\$100	\$100
Annual Client Charges or Gross Revenues		\$100,000	\$200,000	\$300,000	\$400,000
Percent Applied to 1st \$100,000	2.00%	\$2,000	\$2,000	\$2,000	\$2,000
Percent Applied to 2nd \$100,000	1.50%	\$0	\$1,500	\$1,500	\$1,500
Percent Applied to 3rd \$100,000	1.00%	\$0	\$0	\$1,000	\$1,000
Percent Applied Gross Above \$300,000	0.50%	\$0	\$0	\$0	\$500
Total Percent Charges		\$2,000	\$3,500	\$4,500	\$5,000
Per Client Day Charges @	\$5	\$5,000	\$10,000	\$15,000	\$20,000
Total Outfitter/Guide Fee		\$7,000	\$13,500	\$19,500	\$25,000
Total Outfitter/Guide Fee as a % of Gross Revenues		7.00%	6.75%	6.50%	6.25%
Total Outfitter/Guide Fee Averaged as a Per Client Day Price		\$7.00	\$6.75	\$6.50	\$6.25

In this example, every operator pays the same price (shaded rows) for a basic level of business activity: \$5 per-client-day plus 2% of the client charges (gross revenues) up to \$100,000. The landowner effectively receives a minimum level of support from each operator. After meeting this minimum, the operator is allowed to retain more of any excess (ascending revenue brackets) that may be attributable to superior promotion, knowledge, skills, service, or equipment.

Summary—Flat Fee Plus Percentage Method

The Flat Fee Plus Percentage Method prices the outfitter/guide's use as the sum of the use-value to unguided individuals, and an increment of value attributed to the privilege of conducting business on NFS lands.

Evaluation

Evaluation Criteria— <i>Flat Fee Plus Percentage</i>	Grade
<p><u>Availability of data</u> Market data is sufficient to identify ranges of unit prices for big-game hunts and general categories of activities. However, while technology is improving access and market survey capabilities, the data can be difficult to obtain. The identification of a range of percentage rates is an additional step.</p>	1
<p><u>Ability to establish similar market prices for similar activities</u> The method develops similar flat fees for <i>generally</i> similar users (the method requires a smaller number of broader categories than the Modified ARIFFP). Despite the percentage component, the method can be interpreted as compliant with the TTC ruling.</p>	2
<p><u>Ability to differentiate among categories of use and to assign unique prices</u> The method assigns unique prices to a variety of general activity categories recognized by the majority of providers (the method requires a smaller number of broader categories than Modified ARIFFP).</p>	2
<p><u>Ability of the method to develop optimum prices</u> For some species of big game, the method is able to develop per-hunt prices at, or near the optimum. For other activities, a contingent valuation technique could aid the analyst in supporting near-optimum flat fees. The percentage component would further optimize the outfitter/guide fee.</p>	3
<p><u>Ease of application</u> Data gathering is labor intensive and time-consuming. Because both unit prices and a percentage rate must be derived from inefficient sub-markets, subjectivity is maximized. The difficulties are compound by the number of categories recognized.</p>	1
<p><u>Ease of accounting and reporting by the permit-holder</u> Permit holders would be required to report both client volumes and gross revenues annually.</p>	1
SCORE	10

SUMMARY AND FINAL RANKING

Modified ARJFFP	Bottom-Up Pricing Method	Flat-Fee Plus Percentage
<p>The Modified ARJFFP is a top-down pricing method that indirectly prices the outfitter/guide's use as a percentage of gross revenues.</p> <p>The method is able to develop prices for the widest variety of activities. The process recognizes the economics of each Alaska Region sub-market.</p> <p>The method can approximate optimum outfitter/guide fees only in terms of unguided units of use. The method does not recognize a distinct element of value attributable to the business use of the resource.</p> <p>Data requirements are comparatively minor as are the analytical judgments required.</p> <p>Permit holder reporting requirements are not unreasonable.</p>	<p>The Bottom-Up Pricing Method prices (and indirectly values) the outfitter/guide's use in terms of the use value to unguided individuals for similar activities.</p> <p>The method is able to develop prices for general categories of activities.</p> <p>The method can approximate optimum outfitter/guide fees only in terms of unguided units of use. The method does not recognize a distinct element of value attributable to the business use of the resource.</p> <p>The number of comparative analyses necessary, related data requirements, and the subjectivity of the correlation process dilute the practicality of this method.</p> <p>Permit holder reporting is minimal.</p>	<p>The Flat-Fee Plus Percentage Method prices the outfitter/guide's use as the sum of the use value to unguided individuals for similar activities, and an increment of value attributed to the privilege of conducting business on NFS land.</p> <p>The method is able to develop prices for general categories of activities. Despite the percentage component, the method can be interpreted as compliant with the TTC ruling.</p> <p>Because this method recognizes an element of value attributable to the business use of the resource, it has a distinct advantage in terms of optimizing outfitter/guide fees.</p> <p>The amount of analysis, related data requirements and subjectivity are maximized.</p> <p>Permit holder reporting is comparatively burdensome.</p>
Score: 15	Score: 12	Score: 10
Rank: 1	Rank: 2	Rank: 3

CONCLUSION OF PHASE I AND RECOMMENDATION

Phase I of the assignment presents an overview of the marketplace and analyzes both the FS National Policy (for outfitters and guides) and the Alaska Interim Flat Fee Policy. Several other methods were screened for their potential to meet objectives of the Alaska Region. Criteria imposed by the TTC case ruling automatically narrows the list of candidates.

But even more significant is the very nature of fee-based recreation. For most industries, benchmarks and rules of thumb (e.g., percentage of total cost, percentage of gross revenues) have been fine-tuned by a competitive marketplace. The evolution of similarly meaningful touchstones for commercial recreation activities is hindered by restrictions on permit transferability, the diversity of activities, unique characteristics of individual sub-markets, and a supply/demand equation that will not support fee-based recreation as the highest-and-best-use of the land.

Commercial-recreation policies are diverse in their objectives, rationale, and application. Virtually every conceivable arrangement can be observed. But it is not enough to say that the marketplace is inefficient. Despite the apparent opportunities, we perceive a general lack of motivation to share information, analyze existing policies, or develop new programs. These circumstances complicate any method that relies heavily on market data.

In the absence of industry norms, the indicated value of individual units of use (unguided user fees) is a practical foundation for the development and evaluation of outfitter/guide fee policies in the Alaska Region. This level of price/value is responsive to changing market conditions, particularly from pressure on public agencies to become more business-like if not self-supporting. Predictably, fees charged by the dominant providers (public agencies) will gradually increase. And, the feasibility of fee collection is aided by technology (i.e., electronic ticketing/permitting). These developments will enhance opportunities for private owners. In other words, the unguided level of use is more likely to resemble a market environment.

All three of the methods analyzed recognize individual units of use (unguided user fees), either directly or indirectly, as the common denominator to similar outfitter/guide activities. As such, all three methods develop prices that are supported by the market.

While the Modified Alaskan Region Interim Flat Fee Policy is ranked as having the best potential to meet the objectives of the Alaska Region, all of the rating criteria have been given equal weight. Each of the methods has merit and different rankings could result depending on different weighting by policy makers and/or additional criteria

such as anticipated future developments. For example, *if* a fee program for unguided users were foreseen, the flat fees would be developed as part of that program. The data requirements and the ease of application for the outfitter/guide program would be simplified. In this scenario, the Bottom-Up Method would score slightly higher than the Modified ARIFFP.

Nevertheless, policy makers should consider that while all three methods recognize a common denominator and produce generally similar results, their abilities are not the same.

The Modified ARIFFP and Bottom-Up methods have little to no ability to generate outfitter/guide fees any higher than the willingness to pay demonstrated by unguided users for similar activities. In other words, these two methods do not develop prices that reflect a distinct element of price attributable to the business use of the land. This deficiency can be rationalized by offsetting a consideration for the business use of NFS lands with the fee-collection function provided by the outfitter/guide.

In contrast, the Flat Fee Plus Percentage Method recognizes the same prices for the same units of use yet an additional increment of price/value for the privilege of conducting business on NFS lands. Even though the FS benefits from fee collection by the outfitter/guide, this approach can be rationalized by arguing that an outfitter/guide program creates its own set of administrative tasks and related costs that justify the added increment of price/value attributable to the business use of the land.

At this time, despite the apparent potential of the Bottom-Up and Flat Fee Plus Percentage methods, the number of comparative analyses necessary, related data requirements, and the subjectivity of the correlation process dilute practicality.

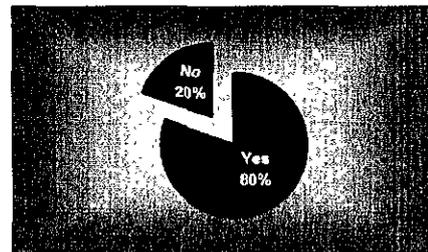
The Modified ARIFFP is best suited to the specific objectives of the Alaska Region. By recognizing local operator data, the method is sensitive to the economics of Alaska Region sub-markets yet support is derived from the broader market. Data requirements are comparatively minor and subjective correlations are minimized. Permit holder reporting requirements are generally not objectionable. Finally, it is the only apparent method that can develop unique prices for the wide variety of outfitting and activities recognized by the Alaska Region. We recommend that further development and refinement of the Modified ARIFFP be the focus of Phase II of the assignment.

PART IV - ADDENDA

SURVEY 1		SUMMARY OF FINDINGS		Survey of Guides and Outfitters (USFS Alaska Region Permittees)	
•	Total surveys sent:			400+/-	
•	Total surveys received:			113	
•	Completion %:			28%	

1. Is the current flat fee policy fair and equitable?		
Answer:	# of Responses	Percent
Yes	81	80%
No	20	20%

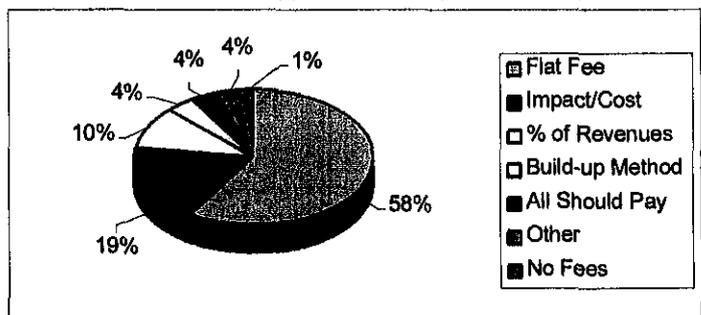
80% Of the Alaska respondents feel that the Flat Fee Policy is fair and equitable. Note: Although it appears the Permittees genuinely favor the flat fee method, acceptance will decline as fees are increased towards the market value objective.



2. How should the cost of permits be determined?
 The vast majority of respondents favor a system similar to the Flat Fee Policy. The most familiar unit of comparison is \$/client/day or visit. The type of activity, actual time on NPS land, and impact of use are common concerns.

Top 3 Responses	#	%
Flat Fee	47	58%
Impact/Cost	15	19%
% Revenues	8	10%

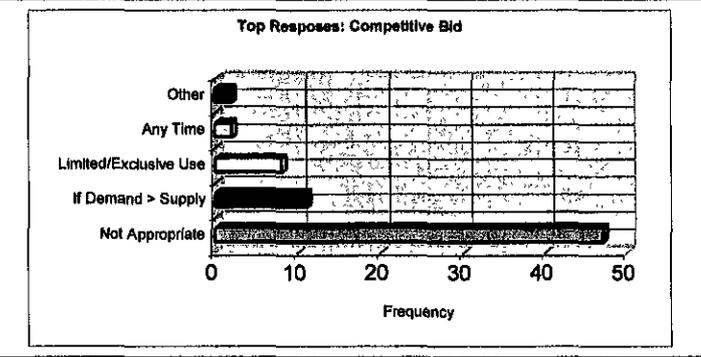
The responses have been categorized into the following groups for comparison purposes. 58% of the respondents favor some sort of flat fee system that is based on a per client/day/visit rate. 19% favored some type of policy that accounted for actual impact to land or costs of management. 10% would prefer a system based on a percent of revenues.



3. Under what circumstances would a competitive bid process be appropriate?

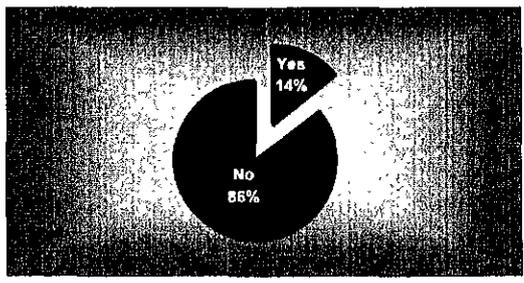
Top 5 Responses	# of Responses
Not Appropriate	47
If Demand > Supply	11
Limited/Exclusive Use	8
Any Time	2
Other	2

The existing permit holders strongly oppose any methods involving a competitive bid process.



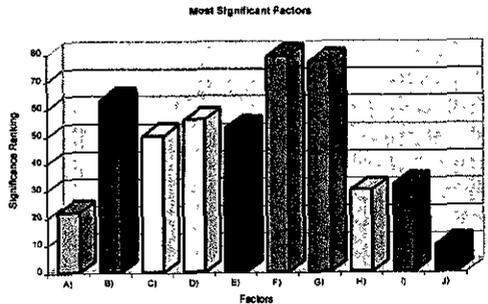
4. Are suitable alternative lands available to your operation?		
Answer:	# of Responses	Percent
Yes	15	14%
No	89	86%

86% of Alaska Region respondents do not have alternative lands to operate on. This is an important concept when considering market value. By definition market value assumes that there are alternatives available.



*The total number of surveys received may not equal the sum of responses for each question because some respondents did not answer all of the questions.

5. Please rank the following factors in the order of how they may affect your business:



Legend: A) B) C) D) E) F) G) H) I) J)

Significance	Most	Mod.	Least
A) Similar operations in other areas	22	38	46
B) # of competitors in same area	63	20	22
C) Clients travel costs	50	36	27
D) Cost of land use permits	56	44	13
E) Regulatory Limitations	53	30	20
F) Quality (hunt/fish/wildlife)	79	12	14
G) Aesthetic quality of area	77	17	11
H) State tourism spending	30	36	40
I) Promotions of others	32	28	46

Aesthetic quality of surroundings and the quality of hunting, fishing and wildlife resources are by far the most significant factors. The number of competitors in the same region is third on the list. The least significant factors are operators in other areas of the country, State tourism spending, and promotions from others.

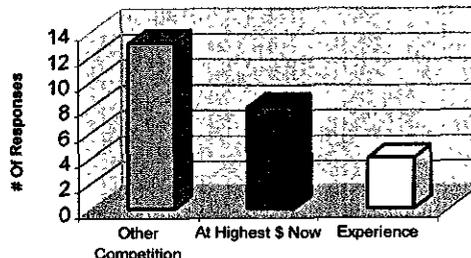
6. Can you predict the price-point beyond which clients would be discouraged from using your services?

Answer: 54-Yes / 41-No

Basis for estimating Price	Frequency
Other Competition	13
At Highest \$ Now	8
Experience	4

57% of the respondents can predict the maximum price they can charge for their services. The only relevance here is that pricing, or at least their reasoning when considering pricing, is based on overall experience and a market comparison technique. A number of operators stated that they are currently charging the maximum that the market will bear. This is reasonable because it is unlikely that they would leave money on the table intentionally.

Basis For Estimating Prices



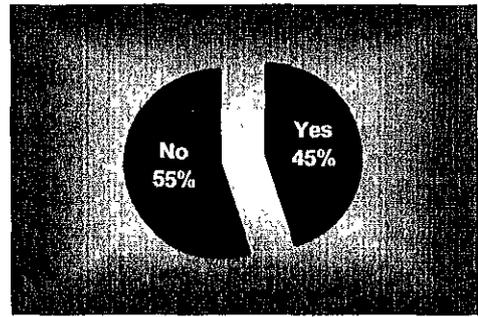
Top 3 Responses

SURVEY 2		SUMMARY OF FINDINGS		Survey of Guides and Outfitters (Lands not managed by USFS)	
•	Total surveys sent:			122+/-	
•	Total surveys received:			20	
•	Completion %:			16%	

1. Who owns or manages the lands you operate on?	
Government:	USDA Forest Service, BLM, State of AK, NPS, ANWR, Canada
Private:	Chenega Corp., Cook Inlet Region, Eyak Corp.
Note:	12 of the 20 respondents also conduct business on NFS Land, so there is overlap with Survey 1

2. Is the current flat fee policy fair and equitable?		
Answer:	# of Responses	Percent
Yes	9	45%
No	11	55%

Only 45% of the respondents who operate on lands other than those managed by the USFS feel that the Flat Fee Policy is fair and equitable. Note: This conflicts with the overwhelming majority of the Alaska Region permit holders who favor the Flat Fee Policy. Responses were varied; ranging from "no fees should be charged", to "fees should be charged for actual use only", to "fees should be charged on a case-by-case basis".



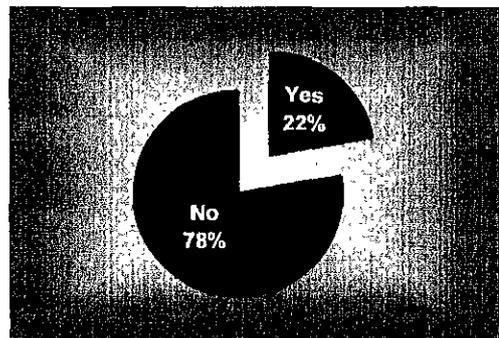
3. How should the cost of permits be determined?	
There was little consistency in the responses. The majority did express concern that "fees should reflect actual use or time on land". Other common suggestions included; per day charges, fees for all users (including unguided), and no fees should be charged at all.	

4. Under what circumstances would a competitive bid process be appropriate?		
Top 5 Responses	# of Responses	<p>The existing permit holders strongly oppose any methods involving a competitive bid process.</p>
Not Appropriate	9	
If Demand > Supply	1	
Limited/Exclusive Use	4	

Response	Frequency
Limited/Exclusive Use	4
If Demand > Supply	1
Not Appropriate	9

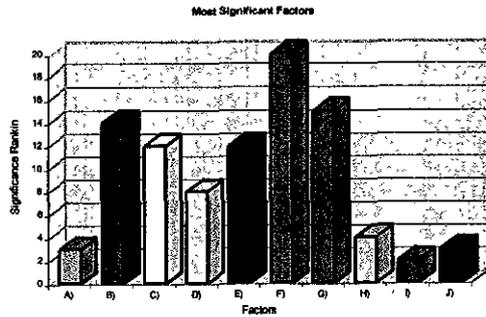
5. Are suitable alternative lands available to your operation?		
Answer:	# of Responses	Percent
Yes	4	22%
No	14	78%

78% of the respondents do not have alternative lands available for them to operate on. This is an important concept when considering market value. By definition market value assumes that there are alternatives available. Note: The Alaska Region Permittees also reported limited alternatives.



*The total number of surveys received may not equal the sum of responses for each question because some respondents did not answer all of the questions.

6. Please rank the following factors in the order of how they may affect your business:



■ A) ■ B) ■ C) ■ D) ■ E) ■ F) ■ G) ■ H) ■ I) ■ J)

Significance	Most	Mod.	Least
A) Similar operations in other areas	3	12	5
B) # of competitors in same area	14	5	1
C) Clients travel costs	12	7	0
D) Cost of land use permits	8	10	4
E) Regulatory Limitations	12	5	4
F) Quality (hunt/fish/wildlife)	20	0	0
G) Aesthetic quality of area	15	5	0
H) State tourism spending	4	9	7
I) Promotions of others	2	8	10

Aesthetic quality of surroundings and the quality of hunting, fishing and wildlife resources are the most significant factors. The cost of land use permits was ranked sixth. The least significant factors are operators in other areas of the country, State tourism spending, and promotions from others.

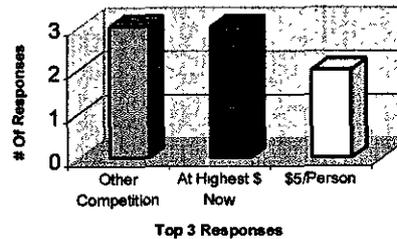
7. Can you predict the price-point beyond which clients would be discouraged from using your services?

Answer: 12-Yes / 6-No

Basis for estimating Price	Frequency
Other Competition	3
At Highest \$ Now	3
\$5/Person Max	2

Although there were a limited number of respondents, the top 2 answers coincide with the results of Survey 1. Other Competition is the most common method of pricing. Note: This is similar to market comparison. Two respondents noted that \$5/person is the maximum price.

Basis For Estimating Prices



Top 3 Responses

8. Additional Comments or suggestions?

There was little consistency in the responses. General comments include:

- More types of hunts (combo hunts)
- USFS needs to improve speed of permit application review
- Percent of gross revenues is not fair
- Public agency should collect user fees
- Cost of permit admin. should be paid by permittee
- There needs to be limits on number of competitors
- Guides have less impact than unguided users

SURVEY 3	SUMMARY OF FINDINGS	Survey of User Groups & Trade Associations
• Total surveys sent:	10	
• Total surveys received:	3	
• Completion %:	30%	

We faxed or e-mailed the following organizations our survey. The initial response percentage was zero – an indication that these user groups are not significantly concerned with the fee policies for guides and outfitters. This is understandable because the groups and organizations primarily represent unguided users of recreation land. Note: The one organization that did respond represents over 300 members.

The contact list included:

Association	Contact	Phone	Email (fax)
Nordic Ski Assn. Of Anchorage		276-7609	nsaa@alaska.net (266-7609 f)
FNAWS/Alaska Chapter		248-9010	fnawsak@alaska.net
Chitina Dipnetters Assn.		456-4426	sbloom@polar.net .com
Territorial Sportsmen, Inc.		789-2399	586-6020 fax
Kenai River Sportfishing Association		262-8588	classic@eagle.ptialaska.net
AK Wilderness Recreation & Tourism Assoc.	Scott McEwen	258-3171	info@awrta.org
Alaska Travel Industry Association	Tina Lindgren	929-2842	tlindgren@alaskatla.org (561-5727 f)
Alaska Flyfishers			webmaster@akflyfishers.org
Audubon In Alaska	Stanley Senner	276-7034	ssenner@audubon.org
AK Inst. for Sustainable Recreation & Tourism	Sarah Leonard	258-3171	info@awrta.org

Follow-up contact resulted in a total of three responses. The results are as follows:

Organization	Contact	Survey Results
AK Wilderness Recreation & Tourism Assoc.	Scott McEwen	Complete Survey: Numerous Comments
AK Inst. for Sustainable Recreation & Tourism	Sarah Leonard	Not Applicable;
Audubon In Alaska	Stanley Senner	Not Applicable;

Comments from the respondents are summarized as follows:

<p>1. Who owns or manages the lands you operate on?</p> <ul style="list-style-type: none"> • AWRTA is a non-profit trade association that promotes the recognition and protection of Alaska's recreation and tourism resources and the businesses that rely on them. It has over 300 members, mostly businesses operating within the state of Alaska. • AWRTA member companies are generally supportive of the flat-fee policy. • Several member companies considered old process (3% of gross revenues) unfair. • Companies especially appreciate the administrative ease the new policy offers. • AWRTA Concerns: Operators without permits; limited monitoring & oversight of commercial operators.
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<p>2. How should land use fees for commercial-recreational permits be determined?</p> <ul style="list-style-type: none"> • AWRTA: Most companies are satisfied with the basic flat-fee structure. • One company wanted to see the fee based on a % of land used compared with trip duration and visitor use. • Another felt that air polluting, noise producing recreational vehicles should not be permitted uses. • Other companies felt that determination should be made based on the impact to the land and resources. • AWRTA Concerns: some companies operate in multiple jurisdictions, private land use comparables may be high.

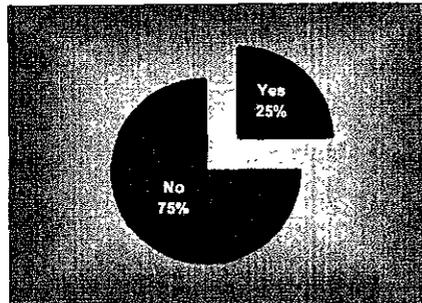
<p>3. Under what circumstances would a competitive process be appropriate?</p> <ul style="list-style-type: none"> • When 2 or more entities want the same area, site or do the same activity at the same time. • When the use reaches or exceeds the carrying capacity (i.e. helicopter landings in the Juneau area). • When a permit holder retires, they did not support the transfer of the permit by means of purchase. • Never- the competitive bid process is flawed; doesn't favor the best operator.

SURVEY 4		SUMMARY OF FINDINGS	Public Agency Survey
•	Total surveys sent:	59	
•	Total surveys received:	25	
•	Completion %:	42%	

1. Other than a business/occupational license, does your state/province have a permit policy or fee schedule for commercial-recreation operations that conduct all or part of their operation on lands/water-bodies managed by your agency?

Answer:	# of Responses	Percent
Yes	6	25%
No	18	75%

75% of the respondents do not have a permit policy for commercial operators. Most state's and provinces require some type of business license, but they do not generally have permit policies or fee schedules for guiding and outfitting.



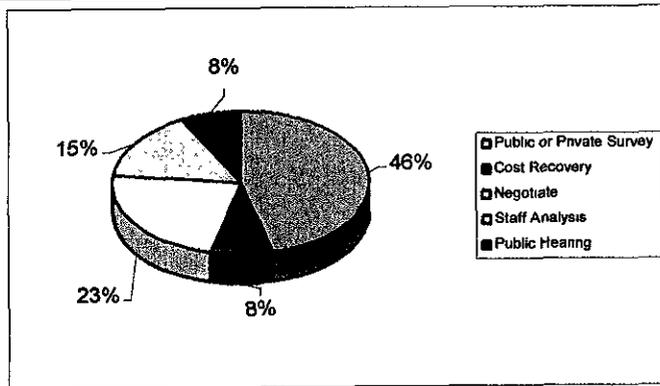
2. What is the Purpose/Objective: What is the objective of the permit or fee policy?

Responses	# of Responses	Of the limited number of respondents, there were no agencies that had mandated self-sufficiency requirements. Comments regarding program objectives focused on <u>cost of administration</u> and <u>public policy</u> .
Self-sufficiency requirement	0	
No self-sufficiency requirement	2	
None or Other	4	

3. Method of Establishing Fee Schedules:

Responses	# of Responses
Survey Public Agencies	3
Survey Private Owners	3
Cost Recovery	1
Negotiation	3
Staff Analysis	2
Public Hearing	1

Again, there were limited respondents. Only 6 out of the 25 public agencies that responded to the survey have a fee policy for commercial users. Many of the agencies use multiple methods in determining their fee policies. Regardless, some type of market survey or comparison is the most common method.



4. How often are fee schedules re-evaluated or updated?

Two respondents stated that policies are updated between 1 and 5 years. Other responses are as follows:

- No set schedule
- Based on CPI

5. Do the current fees represent the highest price guides and outfitters would be willing to pay?

- The respondents were not certain if the Permittees would be willing to pay more. One respondent felt that the Permittees would pay more.

6. Public Acceptance: Please comment on public acceptance/resistance to the fee policy

- Three of the respondents had new programs that have not been tested.
- Two respondents cited no problems with public acceptance.

7. Under what conditions is a competitive bid process used?

- For exclusive or restricted use situations.

*The total number of surveys received may not equal the sum of responses for each question because some respondents did not answer all of the questions.

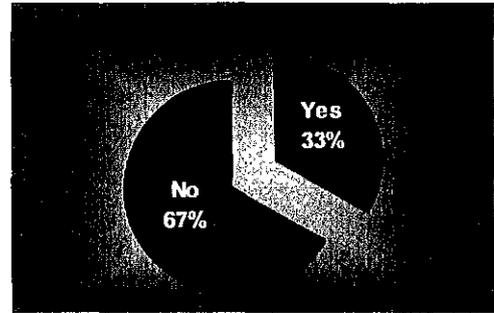
SURVEY 5		SUMMARY OF FINDINGS		Private Owner Survey	
•	Total surveys sent:			71+/-	
•	Total surveys received:			18	
•	Completion %:			25%	

1. Do you have a permit policy or fee schedule for commercial-recreation operations that conduct all or part of their operation on company/corporate/tribal lands or water-bodies?

Answer:	# of Responses	Percent
Yes	6	33%
No	12	67%

67% of the private landowner respondents do not have a fee policy for commercial recreation. The six corporations with policies are listed below:

- Koniag, Inc.
- Confederated Salish & Kootenai Tribes
- CIRI, Inc.
- Chugach Alaska Corp.
- Eyak, Native Village of
- AHTNA, Inc.

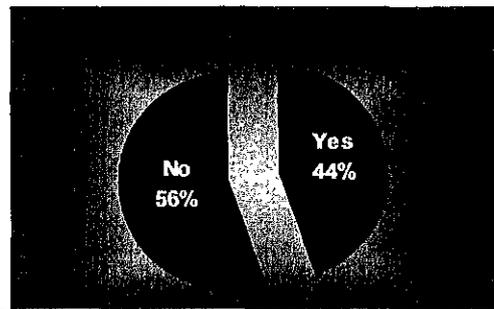


2. Do you have a permit or fee schedule for unguided individuals or groups and clubs?

Answer:	# of Responses	Percent
Yes	8	44%
No	10	56%

44% of the respondents have a fee policy for unguided individuals who use their lands for hunting or recreation. A list of the corporations that reported fees for unguided users is presented below:

- | | |
|----------------------------|-----------------------|
| • Koniag, Inc. | • International Paper |
| • Salish & Kootenai Tribes | • Eyak Village |
| • CIRI, Inc. | • AHTNA, Inc. |
| • Chugach Alaska Corp. | • NANA, Inc. |



3. Purpose/Objective: What is the objective of the permit or fee policy?

Responses	# of Responses
Fees contribute toward taxes and other administrative costs	2
Fees generate additional income beyond taxes and other administrative costs	3
Fee-based use helps to control trespassing and/or minimize liability	5
Fee-based programs promote responsible use of land and resources	4

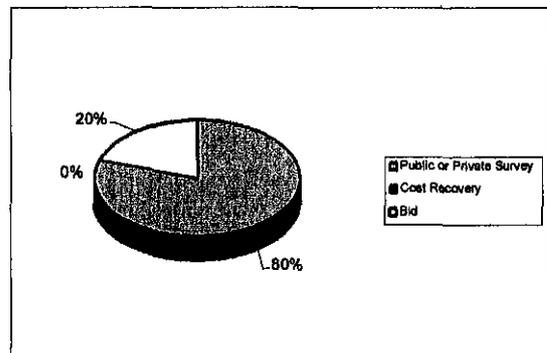
Analysis: There is no consistency in the objectives of the different fee policies.

4. Method of Establishing Fee Schedules:

What methods were used to develop the current policy or fee schedule?

Responses	# of Responses
Survey of public agencies	2
Survey of other private/corporate owners	5
Cost recovery model	0
None or other	3

Analysis: Some type of survey or market comparison is the primary method of developing fee schedules. None or other comments: combination bids; competitor survey; bid to test market (International Paper puts 4 or 5 land leases out to bid each year to test the market)



*The total number of surveys received may not equal the sum of responses for each question because some respondents did not answer all of the questions.

5. How often are fee schedules re-evaluated or updated	
Responses	# of Responses
Each year	2
1-5 years	1
6-10 years	1
Never	2
Comments: Inflation, cost increases, CPI, no set schedule	

6. Do the current fees fairly reflect the value of the land use to guides/outfitters?	
Responses	# of Responses
Yes	0
No	2
Unknown	5

7. Do the current fees fairly reflect the value of the land use to individual and clubs?	
Responses	# of Responses
Yes	0
No	3
Unknown	4
Comments: Demand is high, but it is difficult to determine the top of the market	

8. Under what conditions/circumstances is a competitive bid process used?	
Responses	# of Responses
Comments: Bid to test market; only for RFP's; limited situations, company owned cabin, resource based projects, exclusive use, not appropriate.	

9. Respondents general observations, etc.	
Comments	Survey #
International Paper leases tracts to clubs or groups of individuals	2
Salish and Kootenai Tribes - \$35 Admin Fee, then same as individual per person fees	4
CIRI Bear guides pay \$500 Admin Fee + 5% of gross	10
Chugach Alaska Corp - \$50 Admin Fee + 5% of gross	12
Many people trespass & don't pay	17

Organization:

Blackfeet Tribe of the Blackfeet Indian Reservation
Browning, Montana

Contact:

Peggy Whitford
Blackfeet Fish and Wildlife Department (406-338-7207)
August 23, 2001

Listed Activities (per BIA directory)

Fishing, hunting, camping, boating, swimming, horseback riding, skiing, snowmobiling and other outdoor recreation activities.

Fee Policy

Non-Indian outfitter/guides are not permitted.

Big-game hunting by the public is not permitted except for a limited number of package hunts (with Indian guides) that are auctioned.

Non-consumptive uses by the public require a recreation and conservation permit at a cost of \$10 per year. The permit is similar to an entrance fee. The fee for upland game-bird and waterfowl hunting is \$45 including the \$10 annual entrance fee. The fee for a tribal fishing license is \$60 per year or \$25 per day. Both include the \$10 annual entrance fee.

Fee Development

Fees are administratively set without any survey or market comparison. Ms. Whitford reported that the tribe is not truly in the recreation business. The fee policy is loosely based on the recovery of program costs. This tribal program is said to be leader in the area. Other reservations reportedly call for pricing guidance.

Organization:

Confederated Salish and Kootenai Tribes of the Flathead Indian Reservation
Pablo, Montana

Contact:

Tom McDonald
Wildland Recreation Program (406-675-2700)
December 18, 2000

Listed Activities (per BIA directory)

Fishing, hunting, camping, boating, swimming, hiking, horseback riding, mountain climbing, winter sports and other outdoor recreation activities.

Fee Policy

Non-Indian outfitter/guides are not permitted.

<i>Activity</i>	<i>Permit</i>	<i>Stamp Non-Reservation Montana Resident</i>	<i>Stamp Out-of-state Resident</i>
Season Use Permit	\$12.00		
Season Fishing	\$12.00 +	\$22.00	\$42.00
Season Bird Stamp	\$12.00 +	\$14.00	\$110.00
3-Day Use Permit	\$8.00		
1-Day Combined Use/Fishing Permit			\$17.00
3-Day Combined Use/Fishing Permit		\$14.00	
3-Day Combined Use/Bird Hunting Permit			\$90.00
Camping Stamp	\$12.00 +	\$10.00	\$10.00

The fees represent the price for un-guided or self-guided use. Reservation guides pay a \$35 administration fee on top of the unguided/self-guided fees.

Fee Development

The fee policy is intended to recover program costs but also control trespass and promote responsible use. Fees are based on a survey of public and private owners. The tribe tries to adjust the permit fees upward by \$1 every two years.

Organization:

Navajo Nation of Arizona, New Mexico, and Utah
Window Rock, Arizona

Contact:

Martin Begaye, Parks and Recreation Planner
520-871-6647

Listed Activities (per BIA directory)

Fishing, hunting, trapping, camping, hiking, backpacking, horseback riding, trapping, off-road motor-sports, rafting, boating and sightseeing.

Fee Policy

Non-Indian outfitter/guides are not permitted.

A back-country hiking permit is like a general recreation permit. The cost is \$5 per day. Camping is \$5 per night. The contact offered to fax a fee schedule because a website is under construction. After repeated calls, a fee schedule has not been faxed.

A fishing and hunting permit program is handled by another department (Fish and Wildlife, 928-871-6451). The program administrator (Gloria Tom) was not available at the time but the department is noted as a source of data.

Fee Development

Fees are generally intended to recover department costs. However, this objective is weighed with the fees charged by other owners (private and public) in the region.

Organization:

Mescalero Apache Tribe of the Mescalero Indian Reservation
Mescalero, New Mexico

Contact:

Several phone calls failed to generate a response.

Listed Activities (per BIA directory)

The tribe is reported as a leader in outdoor recreation and sporting enterprises however, many of the activities listed involve improved sites, facilities, & special equipment. Wild-land activities including fishing, hunting, and horseback riding.

Fee Policy

N/A

Fee Development

N/A

Organization:

White Mountain Apache Tribe of the Fort Apache Indian Reservation
White River, Arizona

Contact:

www.wmatoutdoors.com/recpermits.shtml
Dave Kitcheyan, Information Education Officer
Wildlife & Outdoor Recreation Division 520-338-4385
August 27, 2001

Listed Activities (per BIA directory)

The reservation is reported to be nationally renowned for its trophy hunting, trout fishing, downhill skiing, winter sports (including snowmobiling and cross-country skiing), whitewater rafting and numerous other public outdoor recreation opportunities which are regularly featured in outdoor magazines. The tribe has established a program by which an entire lake may be rented by a family or group.

Fee Policy

Prices for self-guided use by the public are posted on the tribe's web-site.

General Fishing Permits	Adult	Juvenile
Yearly	\$65	\$32
Daily	\$6	\$3

Rent-A-Lake Program	Daily Rental
Cyclone Lake	\$400
Hurricane Lake	\$300

Waterdog Permits (annual only)	\$25
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Outdoor Recreation Permits <i>(only needed when vehicle does not have any other permit)</i>	Daily
Per Vehicle	\$6
Per Person (for hikers, bicyclists, or bus passengers*)	\$3

Boating Permits <i>(valid for lake use only)</i>		River Running Permits <i>(Salt River Canyon -- special use)</i>	Per Person/Day
Annual boat/permit/sticker	\$20	River Running	\$15
Daily boat permit	\$3	Canyoneering	\$10

Camping Permits <i>(only needed when vehicle does not have any other permit)</i>	Daily	Monthly
Per Vehicle	\$6	\$125
Per Person (for hikers, bicyclists, or bus passengers*)	\$3	N/A

*These permits are required of people who bicycle or take a bus onto the Reservation. Most people will drive a vehicle onto the Reservation and need the per vehicle permit. A bus is defined as any vehicle that brings more than 10 people onto the reservation.

A limited number of non-Indian guides and outfitters are permitted for some activities. The fee includes two components: a flat per-season fee plus the self-guided per-day charge. Reported examples are summarized.

Activity	Season Permit	Per-Client Day Charge	Notes
River Running	\$2,500	\$10	The tribe discounts the self-guided fee of \$15 because of the volume generated by the guides.
Fishing	\$750	\$6	The self-guided fee is \$6

The guide is required to maintain liability insurance and clients are required to sign liability waivers. Reporting is required to confirm compliance and assess per-client fees.

Fee Development

A market survey assisted the establishment of prices several years ago. Subsequent increases have been administratively determined without any market comparisons. Mr. Kitcheyan indicated that the tribe approaches outdoor recreation as a business opportunity.

Organization:

Lac Courte Oreilles Band of Lake Superior Chippewa Indians
of the Lac Courte Oreilles Indian Reservation
Hayward, Wisconsin

Contact:

Lac Courte Oreilles Conservation Department
Dan Tyrolt 715-865-2329
August 27, 2001

Listed Activities (per BIA directory)

Fishing, camping, and a variety of water and winter sports, and other outdoor recreation opportunities are available.

Fee Policy

Lac Courte Oreilles is characterized as an open reservation. It is open to the public for fishing but licensing is handled by the state (Wisconsin). No fees are required for non-consumptive uses.

Fee Development

N/A

Organization:

Leech Lake Band of the Minnesota Chippewa Tribe,
Leech Lake Indian Reservation
Cass Lake, Minnesota

Contact:

Division of Resource Management and Leech Lake Department of Fisheries and
Wildlife (218-335-7400)
August 27, 2001

Listed Activities (per BIA directory)

Fishing, hunting, trapping, camping, water and winter sports and other outdoor
recreation activities.

Fee Policy

Leech Lake is characterized as an open reservation. It is open to the public for hunting
and fishing during the appropriate seasons. Licensing is handled by the state
(Minnesota). No fees are required for non-consumptive uses.

Fee Development

N/A

Organization:

Grand Portage Band of the Minnesota Chippewa Tribe
Grand Portage Indian Reservation
Grand Portage, Minnesota

Contact:

Bob Vogel
218-475-2415 ex 5
August 24, 2001

Listed Activities (per BIA directory)

Fishing, hunting, hiking, boating, camping, cross-country skiing, and other pursuits including horseback riding, snowshoeing, snowmobiling and dog sledding.

Fee Policy

Non-Indian outfitter/guides are not permitted.

To fish on reservation land, the public is required to purchase a permit on top of a state (Minnesota) fishing license.

3-Day Permit	\$5
10-Day Permit	\$7
Annual Permit	\$15

Permitting for non-consumption uses is handled by a different department that would not respond to repeated telephone requests.

Fee Development

N/A

Organization:

Fond Du Lac Band of the Minnesota Chippewa Tribe,
Fond Du Lac Indian Reservation
Cloquet, Minnesota

Contact:

Terry Perrault
218-879-1759
8-24-01

Listed Activities (per BIA directory)

Hunting and fishing is permitted. A variety of other activities including camping, snowmobiling, and cross-country skiing are available.

Fee Policy

Fond Du Lac is characterized as an open reservation. It is open to the public for hunting and fishing during the appropriate seasons. Licensing is handled by the state (Minnesota). No fees are required for non-consumptive uses. Trail systems and campgrounds are amenities that complement gaming casinos.

Fee Development

N/A

Organization:
Mille Lacs Band of the Minnesota Chippewa Tribe,
Mille Lacs Indian Reservation
Onamia, Minnesota

Contact:
Curt Kalk 1-800-709-6445 ex 7452
August 24, 2001

Listed Activities (per BIA directory)

Hunting, year-round fishing, and a variety of water and winter sports and other outdoor recreation activities including hiking, horseback riding and cross country skiing.

Fee Policy

There is no fee program for non-Indian outfitters and guides. Limited use by the public for hunting and fishing is permitted according to the following schedule.

Sport-fishing	\$22
Big-game hunting	\$32
Small-game hunting	\$26
Trapping	\$26
Migratory Birds/Waterfowl Hunting	\$32
Ricing (wild rice harvesting)	\$20

The permits are seasonal licenses in lieu of state (Minnesota) licenses. The revenues contribute to the cost of administration. There is no business-opportunity objective. No fees are charged for non-consumptive uses but there is little to no demand from the public.

Fee Development

Fees were administratively set several years ago.

Native Corporation:

Koniag, Inc. Regional Native Corporation

Contact:

John Merrick

Koniag, Inc., Land Consultant (907-561-2668)

December 13, 2000 (Survey)

Contact:

Tom Panamaroff

Koniag, Inc., Kodiak Office (907-486-2330)

September 4, 2001 (Phone)

Fee Policy

Koniag, Inc. has a fee policy for commercial and unguided use of its lands for hunting, fishing, and other recreational uses. Commercial guides pay a flat administration fee and then the individual clients are charged at the same rate as unguided users. Unguided fees are set up as a Land Use License based on flat per trip fees for various activities.

Commercial Fees

Type:	Cost:
Fishing Permits	\$10,000 per season to guide 25 fishermen ⁸¹
Deer Permits	\$500/year, up to 10 clients
Black Bear Permits	\$500/year, up to 10 clients

Unguided Fees

Type:	Cost:
Non-Resident Bear Hunting	\$1,250/hunt
Hunting & Fishing	\$175/trip
Fishing & Other Recreation	\$125/trip
Children Under 18	Free
Other	N/A

The permits and licenses are non-exclusive. They are temporary use permits for the use of private lands in the Sturgeon River, Karluk River and Karluk Lake areas owned by Koniag, Inc.

Fee Development

Fees were developed by an analysis and survey of other private land owners. The fees are re-evaluated every 1-5 years, with updates tied to the CPI.

⁸¹ Jim Smith, RPRA, Regional Appraiser, Memorandum: Valuation Consultation for Outfitting and Guiding Fees, Alaska Region, Nov. 12, 1999, Page 4.

Native Corporation:
Cook Inlet Region, Inc.

Contact:
Teresa Ressler
CIRI, Land Specialist (907-274-8638)
January 30, 2001 (Survey)

Fee Policy

Cook Inlet Region, Inc. has a fee policy for the commercial use of its lands for guided hunting and other recreational uses. The policy is set up with a one-time flat administration fee and then a percentage of gross revenues charged on an annual basis.

Commercial Fees

Type:	Cost: ⁸²
Commercial Land Use Administration Fee	\$500 / One time admin. fee
Commercial Land Use Fee	5% of gross revenues

The permits are short-term, non-exclusive and non-transferable without written permission. The fee of 5% of gross revenues is a set percentage that does not vary based on the type of activity or hunt. Primary guiding activity is focused around guided moose and bear hunts. Unguided, non-shareholders must get a permit to use the land, but they are not charged a fee.

Fee Development

Fees were developed by an analysis and survey of other private land owners. The fee policy does not have scheduled updates as each permit is evaluated separately.

⁸² Jim Smith, RPRA, Regional Appraiser, Memorandum: Valuation Consultation for Outfitting and Guiding Fees, Alaska Region, Nov. 12, 1999, Page 4.

Native Corporation:
Chugach Alaska Corporation

Contact:
Mike Hoyt
Chugach Alaska Corporation (907-563-8866)
December 13, 2000 (Survey/Phone)

Fee Policy

Chugach Alaska Corporation has a fee policy for commercial and unguided use of its lands for hunting, fishing, and other recreational uses. Commercial Use Fees are set up as a flat administration fee plus a percentage of gross revenues. Unguided fees are set up as short-term (14 days max) Land Use Permits based on flat fee for all uses.

Commercial Fees

Type:	Cost:
Application Fee	\$0 - \$100/year
Commercial Use Permit	5% of gross revenues

Unguided Fees

Type:	Cost:
Non-Shareholder Land Use Permits	\$50/trip (all activities-14 days max)

The permits and licenses are non-exclusive. They are temporary use permits for the use of private lands owned by Chugach Alaska Corporation. The corporation is trending away from allowing non-shareholder hunting on its lands. There is currently only one hunting guide with a "grand fathered" permit.. All non-shareholders (guided or unguided) must have a permit for use of Chugach Alaska land. The permit policy was established to help control trespassing, minimize liability issue, and promote responsible use of the land and resources.

Fee Development

The flat unguided user fees and commercial administration fees were arbitrarily set with minimal analysis. The commercial use fee of 5% of gross revenues was compared against private and public land managers.

Native Corporation:
Eyak, Native Village of

Contact:
Brian Lettrich
Eyak
January 5, 2001 (Survey/Phone)

Fee Policy

The Native Village of Eyak has a fee policy for commercial and unguided use of its lands for hunting, fishing, and other recreational uses. Guided and unguided users pay the same fees. There is no guided hunting permitted on their lands. The fee policy is set up with flat fees charged on a per day basis. Shareholders are also asked to pay per day usage fees.

Guided/Unguided Fees (Non-shareholders)

Type:	Cost:
Consumptive Uses (hunting / fishing)	\$250/day
Non-consumptive Uses (hiking, biking, etc.)	\$25/day

Shareholder Use Fees

Type:	Cost:
Consumptive Uses (hunting / fishing)	\$5/day
Non-consumptive Uses (hiking, biking, etc.)	\$5/day

The fee policy is NOT enforced and users rarely pay. If shareholders ask for a use permit the fees are often waived. Many non-shareholders trespass on the land without paying, but it is difficult to enforce the policy. Last year they only collected \$250 in land use fees.

Fee Development

There was no specific basis for the fee schedule/policy development. "It seemed like a fair price". The purpose of the policy is to contribute toward administrative costs, control liability issues, and discourage non-local use of the land.

Special Fees:

Eyak charged an operator \$5,000/season for use of a small cabin and charged another private operator a \$100 flat administration fee + \$5/person/day for a 30-year old Forest Service Campground.

Native Corporation:

AHTNA, Inc.

Contact:

Joe Hart

AHTNA, Inc. (907-822-3476)

September 10, 2001 (Phone)

Fee Policy

AHTNA, Inc. has a fee policy for commercial and unguided use of its lands for fishing and other recreational uses. Guided and unguided users pay the same fees. They have moved to a policy of no non-shareholder hunting on their lands, but a few guides have grandfathered leases. The fee policy for guides and outfitters is set up with a minimum annual fee, with additional flat fees charged on a per client per day basis. Unguided users are required to pay a flat fee per-vehicle-per-day or per-group-per-day. For activities other than fishing or camping, guides are charged a flat fee based on individual negotiations for that activity.

Commercial Fees

Type:	Cost:
Guided Fishing	\$1,000/year minimum, or \$5/client/day
Guided Fishing/Camping Overnight	\$1,000/year minimum, or \$25/client/day
Other Commercial/Guided Activities	Negotiate on a case by case basis

Unguided Use Fees

Type:	Cost:
Fishing	\$5/vehicle/day
Overnight Camping	\$25/vehicle/day

Commercial fishing guides pay an up-front annual fee of \$1,000, or \$5/client/day, whichever is greater. For overnight trips, the same formula applies with a \$25/client/day fee. The corporation owns and manages over 1.7 million acres, and it is difficult to enforce the fees and hunting restrictions. The majority of fees collected are related to guided and unguided fishing trips along the Gulkana and Klutina Rivers where limited road access aids in the enforcement of the fee policy.

Fee Development

There was no specific basis for the fee schedule/policy development. A new Princes Hotel/Lodge is being constructed in the area and commercial use of the land is expected to increase. The Board of Directors is currently in the process of developing a more comprehensive fee schedule to address the anticipated increase in usage. The fees will most likely be based on a per-client-day basis, similar to the existing structure used for the fishing guides.

Native Corporation:
Kuskokwim Corporation

Contact:
Edith Morgan, Devron Hellings
TKC Aniak (907-675-4275)
September 10, 2001 (Phone)

Fee Policy

Kuskokwim Corporation owns and manages over 950,000 acres of land across Alaska. It has a permit fee policy for commercial and unguided use of its lands for various activities. Seven types of flat fee permits have been established for different uses.

Commercial Fees

Type:	Cost/Description:
Recreational Land Use Permit	\$100/year for non-shareholder commercial and recreational use (access, sport fishing, camping, berry picking, ect.)
General Land Use Permit	\$400/year for non-shareholder big game hunters \$100/year for non-shareholders who have lived in the region for over 5 years
Commercial Use Permit	\$100 one-time, non-refundable application fee \$400/season for campsites and incidental activities of operation \$1,500/season for designated sites
Resource Permit	\$5/log for non-shareholders cutting house logs for building homes
Land Entry Permit	Fees negotiated on a case-by-case basis for commercial users used for access roads, PHS projects, material storage, etc.
Shoreline Entry Permit	Fees negotiated on a case-by-case basis for barge companies using land to off load fuel and supplies.
Land Entry Permit	Fees negotiated on a case-by-case basis for commercial users used for access roads, PHS projects, material storage, etc.

Fee Development

There was no specific basis for the fee schedule/policy development. The corporation's board members are currently in the process of reevaluating their policy and feel that fees are too low for the use of their land.

State/Province Survey Responses:
Agencies With Commercial Recreation Fee Policies
From Initial Electronic Survey and Telephone Follow-Up

State/Province:
Virginia

Contact:
Chuck Wyatt
Department of Conservation & Recreation (804-371-8768)
December 6, 2000 (Survey)

Fee Policy

They initiated a fee policy for commercial use of parklands in 1999. Regulations require a permit for any commercial activity that takes place in a state park. The goal was to establish an easy system to "permit" a wide range of commercial activities. The fees cover activities in which the commercial user, and the user's clients, enter and use the park in the same manner as regular park visitors. They do not allow activities such as selling food or merchandise or renting equipment to general onsite park visitors.

Commercial Fees

Type:	Cost:	Covers:
Daily Parking, A	\$8.00	1-2 vehicles or a bus & 1 vehicle; entrance into park for one day
Daily Parking, B	\$15.00	1-6 vehicles or 2 busses & 2 vehicles; entrance into the park for one day
Annual Parking, A	\$75.00	1-2 vehicles or a bus & 1 vehicle; entrance into park for one year
Annual Parking, B	\$160.00	1-6 vehicles or 2 busses & 2 vehicles; entrance into the park for one year
Daily Parking/Launch	\$12.00	1-2 vehicles or a bus & 1 vehicle; entrance into park & use of boat launch for one day
Annual Parking/Launch	\$200.00	1-6 vehicles or 2 busses & 2 vehicles; entrance into the park & use of boat launch for one year

The fee policy has no scheduled re-evaluation or update policy. Department administrators are not confident that all of the parks are actually collecting the fees.

The fees are intended to cover:

- commercial canoe/kayak/tubing outfitters who launch or retrieve parties in the park
- caterers having parties in the park
- for profit day care park use
- professional fishing guides who launch from the park
- professional ecotours
- boat dealers testing products
- commercial horseback riding
- any person or company that enters the park to make money from use of lands

Fee Development

Fees were administratively set by comparing to existing fees for general public and meetings/negotiations with commercial user organizations.

State/Province:

Pennsylvania

Contact:

Gary Smith

Bureau of State Parks (717-783-3303)

December 6, 2000 (Survey)

Fee Policy

A fee policy is established as a Commercial Use License for commercial use of park land. There are no entrance or parking fees as required by state law and concessions are bid separately. The Commercial Use License is utilized when a request is received to conduct commercial activity within a state park. The licenses are non-exclusive and generally have one-year terms.

Commercial Use License Fees

Activity	Annual Fee
Conducting guided trips (includes fishing/horse tours)	\$50
Day Camps (based in park)	\$25
Maple syruping	\$25
Movie Productions	\$100
Photographic and cinematography use	\$50
Promotion or demonstration of products	\$150
Rental business outside the Park that delivers a service in the park	\$100
Fees for other activities	case by case basis

The fee policy is updated every 1-5 years based on CPI and staff analysis. Comments: Newly enacted fees are the most difficult to support, but once they are established it is easy to modify them. It is better to increase fees in small increments, on a more frequent basis, than to wait longer periods and increase fees substantially.

Fee Development

Fees were administratively set by staff study.

State/Province:

Nevada

Contact:

Allen Newberry

Nevada Division of State Parks (609-292-2772)

December 13, 2000 (Survey)

Fee Policy

Fees are established for a Special Use Permit if a party is camping or using park land as a base camp. The Division of Wildlife issues a separate permit for outfitting and guiding. Fees are indirectly related to the program costs related to the actual guide service being provided. The Special Use Fees are based on a flat annual permit fee and the payment of daily fees. Other costs are negotiated based on the level of activity.

Commercial-Use License Fees

Not Available. Special use fees are negotiated on a case by case basis at the park level.

The fee policy is updated every 1-5 years based on western states average costs, private industry costs, and staff recommendations. Special Use Agreements are negotiated with the user and are approved at the region or park levels. They have few commercial guides and outfitters actually using the park system. For long term exclusive permits a competitive bidding process is used.

Fee Development

Fees were developed based on a survey of private and public agencies and cost recovery. The agency is mandated to collect 34% of its operating budget.

State/Province:

New Jersey

Contact:

Richard F. Barker

State Park Service (609-292-2772)

December 13, 2000 (Survey)

Fee Policy

A permit policy was established to regulate commercial enterprises on park lands and waters. The Administrative Code prohibits commercial activities without a permit, contract, or lease.

There is no standardized fee schedule. Fees are negotiated or established by bid. For long-term contracts, fees are adjusted based on the CPI.

Fee Development

No fee development method. There is currently only one commercial guide operation (a guided fishing service). Any commercial use fees are negotiated separately.

State/Province:

Wyoming

Contact:

Charles Roll

Office of State Lands & Investments (307-777-6527)

December 20, 2000 (Survey)

Fee Policy

Wyoming has a fee policy for commercial operators that is still evolving. The fees are administratively set and applied as Temporary Use Permits. The general public does not have to pay fees for use of the land. Temporary Use Permits for outfitting and guiding activities may be issued on either an exclusive (to outfitters) or nonexclusive basis. Campsites for outfitting/guiding activities that are not removed at the end of each season shall require an exclusive use permit.

Commercial Fees

Type	Cost
Fishing Guides	\$5/client or \$250 per year whichever is higher
Outfitters/Guides (exclusive)	\$150 per year minimum, or \$0.15/acre/year
Outfitters/Guides (nonexclusive)	\$150/year
Exclusive Leases (multiple applicants)	Bids ranging from \$0.25 to \$0.69/acre/year

The fee policy has no scheduled re-evaluation or update provisions. Issuing permits to outfitters for the purpose of guiding hunters, fishermen, mountain bikers, etc. is a relatively new program that is still evolving.

Fee Development

Fees were administratively set based on a public hearing and comment period.

Comments:

There is an example of a hunting lease on fee land that was \$10,000 for 9,776 acres or \$1.03/acres. The guide also had access to 6,400 acres of state land, which he leased for \$0.15/acre. Another private example in Wyoming includes a guide that leases land based on \$500 per deer or antelope harvested.

State/Province:
Ontario, Canada

Contact:
Dave Van Wagoner / Paul Pepe
Ministry of Tourism (807-475-1483)
January 13, 2001 (Survey)
August 29, 2001 (Phone)

Fee Policy

Ontario has two separate fee policies for the commercial use of its land. Consumptive uses (hunting/fishing) fall under the Ministry of Renewable Resources and non-consumptive uses have an additional fee, administered by the Ministry of Tourism. All fees are set up as flat licensing or documentation fees. Unlike the Yukon Territories and British Columbia, hunting Guides and Outfitters are not allocated specific regions and exclusive operating rights. All non-residents are required to have hunting guides, but residents can access the land with a typical hunting license. Hunting Outfitters also pay, or have their clients pay, for hunting licenses for specific animals. Note: An outfitter with a hunting/fishing license would also require a tourism license to conduct non-consumptive guided trips on Crown Lands.

Commercial Fees

Type:	Cost:
Tourism License (Ministry of Tourism)	\$20/Year for all wilderness uses of Crown Lands (bike trips, hunting, fishing, horse tours, etc.)
Land Use Permit (Ministry of Renewable Resources)	+/- \$400 for a specific site (base camp) depends on location, size, & use. Each permit is different.

Hunting Outfitters and Guides are allocated a certain amount of animal tags each year based on their size and number of clients. The Outfitters collect non-resident hunting license fees and in turn pay the government. Current non-resident fees that are passed on to clients are as follows: (there are no additional trophy fees)

- Small Game \$77.50
- Moose \$310
- Deer \$150
- Black Bear \$155

The fee policy has been in place for over 20 years and is re-evaluated periodically. The Provincial Ministry of Natural Resources is in the process of evaluating the entire policy. Fees for using Crown Lands may change in the future.

Fee Development

Fees were administratively set based on a survey of private and corporate owners.

State/Province:
British Columbia, Canada

Contact:

Lynne Damant, Wildlife Branch
Ministry of Renewable Resources
(250-387-9789)
August 23, 2001 (Phone)

Brian Moen
Lands Program
(250-387-1704)
August 23, 2001 (Phone)

Fee Policy

British Columbia has a separate fee policy for guides/outfitters conducting consumptive (hunting/fishing) activities and for those providing non-consumptive services (photo tours, biking, rafting, etc.). There are 250 guide areas in British Columbia and each area has an exclusive guide. Guides and assistant guides pay a series of flat fees + a trophy fee for game killed to the Department of Renewable Resources. In addition, if the guide/outfitter conducts guided trips for other activities there are land use fees. Unguided or self-guided persons do not pay fees other than typical hunting/fishing licenses and game royalties. Non-residents are required to have a guide for big game hunting.

Commercial Fees

Guiding / Outfitting License		
Type:	Cost:	Covers:
Guide Outfitter (Hunting)	\$405	Commercial Guide license and \$5 habitat surcharge
Assistant Guide (Hunting)	\$55	Assistant Guide license and \$5 surcharge
Commercial Recreation Temporary Permits		
Type:	Cost:	Covers:
Document Fee	\$50	One time document fee, short term, non-mechanized use
Application Fee	\$100	One time application fee
Extensive Use Rental	\$1/client	\$1/client/day for all non-mechanized uses (\$250/yr min)
Commercial Recreation License of Occupation		
Type:	Cost:	Covers:
Document Fee	\$150	One time document fee (1-10 year permits)
Application Fee	\$100	One time application fee (mechanized/non-mechanized)
Tenure Management Fee	\$100/Yr	Annual fee for non-mechanized uses
Tenure Management Fee	\$1,000/Yr	Annual fee for mechanized uses
Extensive Use Rental	\$1/client	\$1/client/day for all non-mechanized uses (\$500/yr min)
Extensive Use Rental	\$4/client	\$4/client/day for all snow cat/heli ski activities (\$500/yr min)
Extensive Use Rental	\$6/client	\$6/client/day for all other mechanized activities (\$500/yr min)

In addition to the above fee schedule, guides must also pay royalty (trophy) fees for each animal killed by their clients. These fees are passed onto the client in the overall guiding package.

- \$200 - mountain sheep
- \$250 - grizzly bear
- \$100 - mountain goat
- \$75 - moose
- \$75 - elk
- \$75 - caribou
- \$75 - cougar
- \$50 - black bear
- \$38 - deer
- \$25 - wolf

Fee Development

Fees were administratively set by an on-staff economist who looked at other organizations and policies.

State/Province:

Colorado

Contact:

Beverly Rave, Recreation Program
Colorado State Land Board (3 million acres)
(970-824-2850)
August 23, 2001 (Phone)

Fee Policy

The Colorado State Land Board manages over 3 million acres of trust land in Colorado. They have a fee policy for guides and outfitters conducting business on their lands. Non-commercial uses do not require a fee. The fees are collected according to a two-tier policy consisting of an application fee and an annual land-lease fee. The typical base rate for commercial recreation leases is \$1.30/acre per year.

Commercial Fees

Type	Cost
Application Fee	\$100/year multi use commercial recreation fee
Commercial recreation Lease	\$1/AC - \$33/Acre depending on location and quality

The fees are re-evaluated at the end of each term and are based on the most comparable market evidence.

Fee Development

Fees are developed by a market analysis of private and public leases of ranch lands. Each lease is individually determined based on its size, location, and quality of land compared to similar properties.

State/Province:

Yukon, Canada

Contact:

Dan,

Department of Renewable Resources

<http://www.huntingyukon.com/regsresp>

August 25, 2001 (Phone)

Afan Jones

Division of Tourism

(867-667-3048)

August 26, 2001 (Phone)

Fee Policy

Yukon has a separate fee policy for guides/outfitters conducting consumptive (hunting/fishing) activities and for those providing non-consumptive services (photo tours, biking, rafting, etc.). There are 20 guide areas in the Yukon and each area has an exclusive hunting/outfitting guide. Guides and assistant guides pay a series of flat fees + a trophy fee for game killed to the Department of Renewable Resources. In addition, if the guide/outfitter conducts guided trips for other activities, there are land use fees charged for the commercial use of Crown Lands. Unguided or self-guided persons do not pay fees other than typical hunting/fishing licenses and game royalties. Non-residents are required to have a guide for big game hunting.

Commercial Fees

Guiding / Outfitting Fees		
Type:	Cost:	Covers:
Guide Outfitter (Hunting)	\$700	Commercial Guide license, flat annual fee
Operator Certificate	\$75	Flat annual fee
Guide Fee	\$20	Flat annual fee for head guide
Assistant Guide Fee	\$10	Flat annual fee for all assistant guides
Commercial Recreation Fees (non-consumptive)		
Type:	Cost:	Covers:
Wilderness Tourism License	\$100	Flat annual fee for all commercial activities except hunting

In addition to the above fee schedule, guides or clients must also pay royalty (trophy) fees for each animal taken.

- \$250 - mountain sheep
- \$500 - grizzly bear male
- \$200 - mountain goat
- \$150 - moose
- \$750 - grizzly bear female
- \$500 - bison
- \$150 - caribou
- \$50 - coyote
- \$75 - black bear
- \$75 - wolverine
- \$75 - wolf

Fee Development

Fees were administratively set in 1982.

State/Province:

Montana

Contact:

Sue Hoell, Senior Staff Appraiser
 Montana Department of Natural Resources
 (406-444-4986)
 August 23, 2001 (Phone)

Fee Policy

Montana has a fee policy for charging guides/outfitters for using state trust land. There are over 5 million acres of state trust lands under this program. The policy gives the guide/outfitter the right to hunt specifically defined areas. All leases are bid if there are competing operators. Each management area sets or negotiates its own fees with the operators and there is limited consistency. Typical fees for any commercial recreation use range from \$25 to \$50 per year. There is no set fee schedule. They are required by statute to charge market value for recreation use of State Lands, but market value has been "elusive". According to the staff appraiser, variations in length of stay, location, use, types of animals, and number of clients have made it impossible to correlate the market data. Based on the limited data available, the staff appraiser has suggested a fee of \$1.50 per-acre-per-year as representative of market value "market value".

Commercial Fees

Type	Cost
Commercial Recreation Lease (leases of specific hunting/camping areas based on market price)	Annual rate of \$1.50/acre for year-round access and up to 4 clients per day for hunting and camping.
Commercial Recreation Lease (bids for specific uses/areas)	Actual bids range from \$0.02/AC to \$6.25/AC per year for lands ranging from 480 AC to 40,000 AC
Commercial Recreation Lease (commercial uses – not specific)	\$25 - \$50 per year flat fee negotiated or set by the areas management office

Fee Development

Fees are administratively set or negotiated on a case-by-case basis. The general public is also supposed to purchase a \$10/year use pass for state lands, but the policy is loosely enforced and few visitors actually pay.

State/Province:

Utah

Contact:

Jan Parmenter

Utah State Parks and Recreation

(435-259-3760) jparment.tlmoab@state.ut.us

August 31, 2001 (Phone)

Fee Policy

Utah has a fee policy for commercial operators that use state lands to make money. They administer their fees through Commercial Concession Licenses. These licenses apply to all commercial operators that conduct services on state lands except for hunting services that require the operator have a special-use permit. Fees are established based on a flat fee plus a per-client fee after the minimum threshold is reached. The general public does not have to pay fees for use of the land. There is not a specific guiding/outfitting license for commercial operators that provide guided hunting services on state land, but they must apply for a Special Use Permit. The fees for these temporary permits are determined on a case-by-case basis. They typically range from \$300 to \$1,000 per year depending on length of stay, number of clients, location, etc.

Commercial Fees

Type:	Cost:
Commercial Concession License	\$300/yr up to 150 clients, + \$1.50/per client trip over 150 clients
Special Use Permits	\$300 - \$1,000/yr depending on impact of use

The fee policy has no scheduled re-evaluation or update policy.

Fee Development

Fees were administratively set based on a review of other public policies. The initial policy used aspects of the BLM policy for Special Use Permits.

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Supplemental Follow-Up Survey of American Tribal Programs

Organization:

Blackfeet Tribe of the Blackfeet Indian Reservation
Browning, Montana

Contact:

Peggy Whitford
Blackfeet Fish and Wildlife Department (406-338-7207)
August 23, 2001

Listed Activities (per BIA directory)

Fishing, hunting, camping, boating, swimming, horseback riding, skiing, snowmobiling and other outdoor recreation activities.

Fee Policy

Non-Indian outfitter/guides are not permitted.

Big-game hunting by the public is not permitted except for a limited number of package hunts (with Indian guides) that are auctioned.

Non-consumptive uses by the public require a recreation and conservation permit at a cost of \$10 per year. The permit is similar to an entrance fee. The fee for upland game-bird and waterfowl hunting is \$45 including the \$10 annual entrance fee. The fee for a tribal fishing license is \$60 per year or \$25 per day. Both include the \$10 annual entrance fee.

Fee Development

Fees are administratively set without any survey or market comparison. Ms. Whitford reported that the tribe is not truly in the recreation business. The fee policy is loosely based on the recovery of program costs. This tribal program is said to be leader in the area. Other reservations reportedly call for pricing guidance.

Organization:

Confederated Salish and Kootenai Tribes of the Flathead Indian Reservation
Pablo, Montana

Contact:

Tom McDonald
Wildland Recreation Program (406-675-2700)
December 18, 2000

Listed Activities (per BIA directory)

Fishing, hunting, camping, boating, swimming, hiking, horseback riding, mountain climbing, winter sports and other outdoor recreation activities.

Fee Policy

Non-Indian outfitter/guides are not permitted.

<i>Activity</i>	<i>Permit</i>	<i>Stamp Non-Reservation Montana Resident</i>	<i>Stamp Out-of-state Resident</i>
Season Use Permit	\$12.00		
Season Fishing	\$12.00 +	\$22.00	\$42.00
Season Bird Stamp	\$12.00 +	\$14.00	\$110.00
3-Day Use Permit	\$8.00		
1-Day Combined Use/Fishing Permit			\$17.00
3-Day Combined Use/Fishing Permit		\$14.00	
3-Day Combined Use/Bird Hunting Permit			\$90.00
Camping Stamp	\$12.00 +	\$10.00	\$10.00

The fees represent the price for un-guided or self-guided use. Reservation guides pay a \$35 administration fee on top of the unguided/self-guided fees.

Fee Development

The fee policy is intended to recover program costs but also control trespass and promote responsible use. Fees are based on a survey of public and private owners. The tribe tries to adjust the permit fees upward by \$1 every two years.

Organization:

Navajo Nation of Arizona, New Mexico, and Utah
Window Rock, Arizona

Contact:

Martin Begaye, Parks and Recreation Planner
520-871-6647

Listed Activities (per BIA directory)

Fishing, hunting, trapping, camping, hiking, backpacking, horseback riding, trapping, off-road motor-sports, rafting, boating and sightseeing.

Fee Policy

Non-Indian outfitter/guides are not permitted.

A back-country hiking permit is like a general recreation permit. The cost is \$5 per day. Camping is \$5 per night. The contact offered to fax a fee schedule because a website is under construction. After repeated calls, a fee schedule has not been faxed.

A fishing and hunting permit program is handled by another department (Fish and Wildlife, 928-871-6451). The program administrator (Gloria Tom) was not available at the time but the department is noted as a source of data.

Fee Development

Fees are generally intended to recover department costs. However, this objective is weighed with the fees charged by other owners (private and public) in the region.

Organization:

Mescalero Apache Tribe of the Mescalero Indian Reservation
Mescalero, New Mexico

Contact:

Several phone calls failed to generate a response.

Listed Activities (per BIA directory)

The tribe is reported as a leader in outdoor recreation and sporting enterprises however, many of the activities listed involve improved sites, facilities, & special equipment. Wild-land activities including fishing, hunting, and horseback riding.

Fee Policy

N/A

Fee Development

N/A

Organization:

White Mountain Apache Tribe of the Fort Apache Indian Reservation
White River, Arizona

Contact:

www.wmatoutdoors.com/recpermits.shtml
Dave Kitcheyan, Information Education Officer
Wildlife & Outdoor Recreation Division 520-338-4385
August 27, 2001

Listed Activities (per BIA directory)

The reservation is reported to be nationally renowned for its trophy hunting, trout fishing, downhill skiing, winter sports (including snowmobiling and cross-country skiing), whitewater rafting and numerous other public outdoor recreation opportunities which are regularly featured in outdoor magazines. The tribe has established a program by which an entire lake may be rented by a family or group.

Fee Policy

Prices for self-guided use by the public are posted on the tribe's web-site.

General Fishing Permits	Adult	Juvenile
Yearly	\$65	\$32
Daily	\$6	\$3

Rent-A-Lake Program	Daily Rental
Cyclone Lake	\$400
Hurricane Lake	\$300

Waterdog Permits (annual only)	\$25
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Outdoor Recreation Permits <i>(only needed when vehicle does not have any other permit)</i>	Daily
Per Vehicle	\$6
Per Person (for hikers, bicyclists, or bus passengers*)	\$3

Boating Permits <i>(valid for lake use only)</i>		River Running Permits <i>(Salt River Canyon - special use)</i>	Per Person/Day
Annual boat/permit/sticker	\$20	River Running	\$15
Daily boat permit	\$3	Canyoneering	\$10

Camping Permits <i>(only needed when vehicle does not have any other permit)</i>	Daily	Monthly
Per Vehicle	\$6	\$125
Per Person (for hikers, bicyclists, or bus passengers*)	\$3	N/A

*These permits are required of people who bicycle or take a bus onto the Reservation. Most people will drive a vehicle onto the Reservation and need the per vehicle permit. A bus is defined as any vehicle that brings more than 10 people onto the reservation.

A limited number of non-Indian guides and outfitters are permitted for some activities. The fee includes two components: a flat per-season fee plus the self-guided per-day charge. Reported examples are summarized.

Activity	Season Permit	Per-Client Day Charge	Notes
River Running	\$2,500	\$10	The tribe discounts the self-guided fee of \$15 because of the volume generated by the guides.
Fishing	\$750	\$6	The self-guided fee is \$6

The guide is required to maintain liability insurance and clients are required to sign liability waivers. Reporting is required to confirm compliance and assess per-client fees.

Fee Development

A market survey assisted the establishment of prices several years ago. Subsequent increases have been administratively determined without any market comparisons. Mr. Kitcheyan indicated that the tribe approaches outdoor recreation as a business opportunity.

Organization:

Lac Courte Oreilles Band of Lake Superior Chippewa Indians
of the Lac Courte Oreilles Indian Reservation
Hayward, Wisconsin

Contact:

Lac Courte Oreilles Conservation Department
Dan Tyrolt 715-865-2329
August 27, 2001

Listed Activities (per BIA directory)

Fishing, camping, and a variety of water and winter sports, and other outdoor recreation opportunities are available.

Fee Policy

Lac Courte Oreilles is characterized as an open reservation. It is open to the public for fishing but licensing is handled by the state (Wisconsin). No fees are required for non-consumptive uses.

Fee Development

N/A

Organization:

Leech Lake Band of the Minnesota Chippewa Tribe,
Leech Lake Indian Reservation
Cass Lake, Minnesota

Contact:

Division of Resource Management and Leech Lake Department of Fisheries and
Wildlife (218-335-7400)
August 27, 2001

Listed Activities (per BIA directory)

Fishing, hunting, trapping, camping, water and winter sports and other outdoor
recreation activities.

Fee Policy

Leech Lake is characterized as an open reservation. It is open to the public for hunting
and fishing during the appropriate seasons. Licensing is handled by the state
(Minnesota). No fees are required for non-consumptive uses.

Fee Development

N/A

Organization:

Grand Portage Band of the Minnesota Chippewa Tribe
Grand Portage Indian Reservation
Grand Portage, Minnesota

Contact:

Bob Vogel
218-475-2415 ex 5
August 24, 2001

Listed Activities (per BIA directory)

Fishing, hunting, hiking, boating, camping, cross-country skiing, and other pursuits including horseback riding, snowshoeing, snowmobiling and dog sledding.

Fee Policy

Non-Indian outfitter/guides are not permitted.

To fish on reservation land, the public is required to purchase a permit on top of a state (Minnesota) fishing license.

3-Day Permit	\$5
10-Day Permit	\$7
Annual Permit	\$15

Permitting for non-consumption uses is handled by a different department that would not respond to repeated telephone requests.

Fee Development

N/A

Organization:

Fond Du Lac Band of the Minnesota Chippewa Tribe,
Fond Du Lac Indian Reservation
Cloquet, Minnesota

Contact:

Terry Perrault
218-879-1759
8-24-01

Listed Activities (per BIA directory)

Hunting and fishing is permitted. A variety of other activities including camping, snowmobiling, and cross-country skiing are available.

Fee Policy

Fond Du Lac is characterized as an open reservation. It is open to the public for hunting and fishing during the appropriate seasons. Licensing is handled by the state (Minnesota). No fees are required for non-consumptive uses. Trail systems and campgrounds are amenities that complement gaming casinos.

Fee Development

N/A

Organization:

Mille Lacs Band of the Minnesota Chippewa Tribe,
Mille Lacs Indian Reservation
Onamia, Minnesota

Contact:

Curt Kalk 1-800-709-6445 ex 7452
August 24, 2001

Listed Activities (per BIA directory)

Hunting, year-round fishing, and a variety of water and winter sports and other outdoor recreation activities including hiking, horseback riding and cross country skiing.

Fee Policy

There is no fee program for non-Indian outfitters and guides. Limited use by the public for hunting and fishing is permitted according to the following schedule.

Sport-fishing	\$22
Big-game hunting	\$32
Small-game hunting	\$26
Trapping	\$26
Migratory Birds/Waterfowl Hunting	\$32
Ricing (wild rice harvesting)	\$20

The permits are seasonal licenses in lieu of state (Minnesota) licenses. The revenues contribute to the cost of administration. There is no business-opportunity objective. No fees are charged for non-consumptive uses but there is little to no demand from the public.

Fee Development

Fees were administratively set several years ago.

Summaries of Alaska Native Corporation Policies

Native Corporation:

Koniag, Inc. Regional Native Corporation

Contact:John Merrick
Koniag, Inc., Land Consultant (907-561-2668)
December 13, 2000 (Survey)**Contact:**Tom Panamaroff
Koniag, Inc., Kodiak Office (907-486-2330)
September 4, 2001 (Phone)**Fee Policy**

Koniag, Inc. has a fee policy for commercial and unguided use of its lands for hunting, fishing, and other recreational uses. Commercial guides pay a flat administration fee and then the individual clients are charged at the same rate as unguided users. Unguided fees are set up as a Land Use License based on flat per trip fees for various activities.

Commercial Fees

Type:	Cost:
Fishing Permits	\$10,000 per season to guide 25 fishermen ⁸¹
Deer Permits	\$500/year, up to 10 clients
Black Bear Permits	\$500/year, up to 10 clients

Unguided Fees

Type:	Cost:
Non-Resident Bear Hunting	\$1,250/hunt
Hunting & Fishing	\$175/trip
Fishing & Other Recreation	\$125/trip
Children Under 18	Free
Other	N/A

The permits and licenses are non-exclusive. They are temporary use permits for the use of private lands in the Sturgeon River, Karluk River and Karluk Lake areas owned by Koniag, Inc.

Fee Development

Fees were developed by an analysis and survey of other private land owners. The fees are re-evaluated every 1-5 years, with updates tied to the CPI.

⁸¹ Jim Smith, RPRA, Regional Appraiser, Memorandum: Valuation Consultation for Outfitting and Guiding Fees, Alaska Region, Nov. 12, 1999, Page 4.

Native Corporation:
Cook Inlet Region, Inc.

Contact:
Teresa Ressler
CIRI, Land Specialist (907-274-8638)
January 30, 2001 (Survey)

Fee Policy

Cook Inlet Region, Inc. has a fee policy for the commercial use of its lands for guided hunting and other recreational uses. The policy is set up with a one-time flat administration fee and then a percentage of gross revenues charged on an annual basis.

Commercial Fees

Type:	Cost: ⁸²
Commercial Land Use Administration Fee	\$500 / One time admin. fee
Commercial Land Use Fee	5% of gross revenues

The permits are short-term, non-exclusive and non-transferable without written permission. The fee of 5% of gross revenues is a set percentage that does not vary based on the type of activity or hunt. Primary guiding activity is focused around guided moose and bear hunts. Unguided, non-shareholders must get a permit to use the land, but they are not charged a fee.

Fee Development

Fees were developed by an analysis and survey of other private land owners. The fee policy does not have scheduled updates as each permit is evaluated separately.

⁸² Jim Smith, RPRA, Regional Appraiser, Memorandum: Valuation Consultation for Outfitting and Guiding Fees, Alaska Region, Nov. 12, 1999, Page 4.

Native Corporation:
Chugach Alaska Corporation

Contact:
Mike Hoyt
Chugach Alaska Corporation (907-563-8866)
December 13, 2000 (Survey/Phone)

Fee Policy

Chugach Alaska Corporation has a fee policy for commercial and unguided use of its lands for hunting, fishing, and other recreational uses. Commercial Use Fees are set up as a flat administration fee plus a percentage of gross revenues. Unguided fees are set up as short-term (14 days max) Land Use Permits based on flat fee for all uses.

Commercial Fees

Type:	Cost:
Application Fee	\$0 - \$100/year
Commercial Use Permit	5% of gross revenues

Unguided Fees

Type:	Cost:
Non-Shareholder Land Use Permits	\$50/trip (all activities-14 days max)

The permits and licenses are non-exclusive. They are temporary use permits for the use of private lands owned by Chugach Alaska Corporation. The corporation is trending away from allowing non-shareholder hunting on its lands. There is currently only one hunting guide with a "grand fathered" permit.. All non-shareholders (guided or unguided) must have a permit for use of Chugach Alaska land. The permit policy was established to help control trespassing, minimize liability issue, and promote responsible use of the land and resources.

Fee Development

The flat unguided user fees and commercial administration fees were arbitrarily set with minimal analysis. The commercial use fee of 5% of gross revenues was compared against private and public land managers.

Native Corporation:
Eyak, Native Village of

Contact:
Brian Lettrich
Eyak
January 5, 2001 (Survey/Phone)

Fee Policy

The Native Village of Eyak has a fee policy for commercial and unguided use of its lands for hunting, fishing, and other recreational uses. Guided and unguided users pay the same fees. There is no guided hunting permitted on their lands. The fee policy is set up with flat fees charged on a per day basis. Shareholders are also asked to pay per day usage fees.

Guided/Unguided Fees (Non-shareholders)

Type:	Cost:
Consumptive Uses (hunting / fishing)	\$250/day
Non-consumptive Uses (hiking, biking, etc.)	\$25/day

Shareholder Use Fees

Type:	Cost:
Consumptive Uses (hunting / fishing)	\$5/day
Non-consumptive Uses (hiking, biking, etc.)	\$5/day

The fee policy is NOT enforced and users rarely pay. If shareholders ask for a use permit the fees are often waived. Many non-shareholders trespass on the land without paying, but it is difficult to enforce the policy. Last year they only collected \$250 in land use fees.

Fee Development

There was no specific basis for the fee schedule/policy development. "It seemed like a fair price". The purpose of the policy is to contribute toward administrative costs, control liability issues, and discourage non-local use of the land.

Special Fees:

Eyak charged an operator \$5,000/season for use of a small cabin and charged another private operator a \$100 flat administration fee + \$5/person/day for a 30-year old Forest Service Campground.

Native Corporation:

AHTNA, Inc.

Contact:

Joe Hart

AHTNA, Inc. (907-822-3476)

September 10, 2001 (Phone)

Fee Policy

AHTNA, Inc. has a fee policy for commercial and unguided use of its lands for fishing and other recreational uses. Guided and unguided users pay the same fees. They have moved to a policy of no non-shareholder hunting on their lands, but a few guides have grandfathered leases. The fee policy for guides and outfitters is set up with a minimum annual fee, with additional flat fees charged on a per client per day basis. Unguided users are required to pay a flat fee per-vehicle-per-day or per-group-per-day. For activities other than fishing or camping, guides are charged a flat fee based on individual negotiations for that activity.

Commercial Fees

Type:	Cost:
Guided Fishing	\$1,000/year minimum, or \$5/client/day
Guided Fishing/Camping Overnight	\$1,000/year minimum, or \$25/client/day
Other Commercial/Guided Activities	Negotiate on a case by case basis

Unguided Use Fees

Type:	Cost:
Fishing	\$5/vehicle/day
Overnight Camping	\$25/vehicle/day

Commercial fishing guides pay an up-front annual fee of \$1,000, or \$5/client/day, whichever is greater. For overnight trips, the same formula applies with a \$25/client/day fee. The corporation owns and manages over 1.7 million acres, and it is difficult to enforce the fees and hunting restrictions. The majority of fees collected are related to guided and unguided fishing trips along the Gulkana and Klutina Rivers where limited road access aids in the enforcement of the fee policy.

Fee Development

There was no specific basis for the fee schedule/policy development. A new Princes Hotel/Lodge is being constructed in the area and commercial use of the land is expected to increase. The Board of Directors is currently in the process of developing a more comprehensive fee schedule to address the anticipated increase in usage. The fees will most likely be based on a per-client-day basis, similar to the existing structure used for the fishing guides.

Native Corporation:
Kuskokwim Corporation

Contact:

Edith Morgan, Devron Hellings
TKC Aniak (907-675-4275)
September 10, 2001 (Phone)

Fee Policy

Kuskokwim Corporation owns and manages over 950,000 acres of land across Alaska. It has a permit fee policy for commercial and unguided use of its lands for various activities. Seven types of flat fee permits have been established for different uses.

Commercial Fees

Type:	Cost/Description:
Recreational Land Use Permit	\$100/year for non-shareholder commercial and recreational use (access, sport fishing, camping, berry picking, ect.)
General Land Use Permit	\$400/year for non-shareholder big game hunters \$100/year for non-shareholders who have lived in the region for over 5 years
Commercial Use Permit	\$100 one-time, non-refundable application fee \$400/season for campsites and incidental activities of operation \$1,500/season for designated sites
Resource Permit	\$5/log for non-shareholders cutting house logs for building homes
Land Entry Permit	Fees negotiated on a case-by-case basis for commercial users used for access roads, PHS projects, material storage, etc.
Shoreline Entry Permit	Fees negotiated on a case-by-case basis for barge companies using land to off load fuel and supplies.
Land Entry Permit	Fees negotiated on a case-by-case basis for commercial users used for access roads, PHS projects, material storage, etc.

Fee Development

There was no specific basis for the fee schedule/policy development. The corporation's board members are currently in the process of reevaluating their policy and feel that fees are too low for the use of their land.

State/Province:

Virginia

Contact:

Chuck Wyatt

Department of Conservation & Recreation (804-371-8768)

December 6, 2000 (Survey)

Fee Policy

They initiated a fee policy for commercial use of parklands in 1999. Regulations require a permit for any commercial activity that takes place in a state park. The goal was to establish an easy system to "permit" a wide range of commercial activities. The fees cover activities in which the commercial user, and the user's clients, enter and use the park in the same manner as regular park visitors. They do not allow activities such as selling food or merchandise or renting equipment to general onsite park visitors.

Commercial Fees

Type:	Cost:	Covers:
Daily Parking, A	\$8.00	1-2 vehicles or a bus & 1 vehicle; entrance into park for one day
Daily Parking, B	\$15.00	1-6 vehicles or 2 busses & 2 vehicles; entrance into the park for one day
Annual Parking, A	\$75.00	1-2 vehicles or a bus & 1 vehicle; entrance into park for one year
Annual Parking, B	\$160.00	1-6 vehicles or 2 busses & 2 vehicles; entrance into the park for one year
Daily Parking/Launch	\$12.00	1-2 vehicles or a bus & 1 vehicle; entrance into park & use of boat launch for one day
Annual Parking/Launch	\$200.00	1-6 vehicles or 2 busses & 2 vehicles; entrance into the park & use of boat launch for one year

The fee policy has no scheduled re-evaluation or update policy. Department administrators are not confident that all of the parks are actually collecting the fees.

The fees are intended to cover:

- commercial canoe/kayak/tubing outfitters who launch or retrieve parties in the park
- caterers having parties in the park
- for profit day care park use
- professional fishing guides who launch from the park
- professional ecotours
- boat dealers testing products
- commercial horseback riding
- any person or company that enters the park to make money from use of lands

Fee Development

Fees were administratively set by comparing to existing fees for general public and meetings/negotiations with commercial user organizations.

State/Province:

Pennsylvania

Contact:

Gary Smith

Bureau of State Parks (717-783-3303)

December 6, 2000 (Survey)

Fee Policy

A fee policy is established as a Commercial Use License for commercial use of park land. There are no entrance or parking fees as required by state law and concessions are bid separately. The Commercial Use License is utilized when a request is received to conduct commercial activity within a state park. The licenses are non-exclusive and generally have one-year terms.

Commercial Use License Fees

Activity	Annual Fee
Conducting guided trips (includes fishing/horse tours)	\$50
Day Camps (based in park)	\$25
Maple syruping	\$25
Movie Productions	\$100
Photographic and cinematography use	\$50
Promotion or demonstration of products	\$150
Rental business outside the Park that delivers a service in the park	\$100
Fees for other activities	case by case basis

The fee policy is updated every 1-5 years based on CPI and staff analysis. Comments: Newly enacted fees are the most difficult to support, but once they are established it is easy to modify them. It is better to increase fees in small increments, on a more frequent basis, than to wait longer periods and increase fees substantially.

Fee Development

Fees were administratively set by staff study.

State/Province:

Nevada

Contact:

Allen Newberry

Nevada Division of State Parks (609-292-2772)

December 13, 2000 (Survey)

Fee Policy

Fees are established for a Special Use Permit if a party is camping or using park land as a base camp. The Division of Wildlife issues a separate permit for outfitting and guiding. Fees are indirectly related to the program costs related to the actual guide service being provided. The Special Use Fees are based on a flat annual permit fee and the payment of daily fees. Other costs are negotiated based on the level of activity.

Commercial-Use License Fees

Not Available. Special use fees are negotiated on a case by case basis at the park level.

The fee policy is updated every 1-5 years based on western states average costs, private industry costs, and staff recommendations. Special Use Agreements are negotiated with the user and are approved at the region or park levels. They have few commercial guides and outfitters actually using the park system. For long term exclusive permits a competitive bidding process is used.

Fee Development

Fees were developed based on a survey of private and public agencies and cost recovery. The agency is mandated to collect 34% of its operating budget.

State/Province:

New Jersey

Contact:

Richard F. Barker

State Park Service (609-292-2772)

December 13, 2000 (Survey)

Fee Policy

A permit policy was established to regulate commercial enterprises on park lands and waters. The Administrative Code prohibits commercial activities without a permit, contract, or lease.

There is no standardized fee schedule. Fees are negotiated or established by bid. For long-term contracts, fees are adjusted based on the CPI.

Fee Development

No fee development method. There is currently only one commercial guide operation (a guided fishing service). Any commercial use fees are negotiated separately.

State/Province:

Wyoming

Contact:

Charles Roll

Office of State Lands & Investments (307-777-6527)

December 20, 2000 (Survey)

Fee Policy

Wyoming has a fee policy for commercial operators that is still evolving. The fees are administratively set and applied as Temporary Use Permits. The general public does not have to pay fees for use of the land. Temporary Use Permits for outfitting and guiding activities may be issued on either an exclusive (to outfitters) or nonexclusive basis. Campsites for outfitting/guiding activities that are not removed at the end of each season shall require an exclusive use permit.

Commercial Fees

Type:	Cost:
Fishing Guides	\$5/client or \$250 per year whichever is higher
Outfitters/Guides (exclusive)	\$150 per year minimum, or \$0.15/acre/year
Outfitters/Guides (nonexclusive)	\$150/year
Exclusive Leases (multiple applicants)	Bids ranging from \$0.25 to \$0.69/acre/year

The fee policy has no scheduled re-evaluation or update provisions. Issuing permits to outfitters for the purpose of guiding hunters, fishermen, mountain bikers, etc. is a relatively new program that is still evolving.

Fee Development

Fees were administratively set based on a public hearing and comment period.

Comments:

There is an example of a hunting lease on fee land that was \$10,000 for 9,776 acres or \$1.03/acre. The guide also had access to 6,400 acres of state land, which he leased for \$0.15/acre. Another private example in Wyoming includes a guide that leases land based on \$500 per deer or antelope harvested.

State/Province:

Ontario, Canada

Contact:

Dave Van Wagoner / Paul Pepe
 Ministry of Tourism (807-475-1483)
 January 13, 2001 (Survey)
 August 29, 2001 (Phone)

Fee Policy

Ontario has two separate fee policies for the commercial use of its land. Consumptive uses (hunting/fishing) fall under the Ministry of Renewable Resources and non-consumptive uses have an additional fee, administered by the Ministry of Tourism. All fees are set up as flat licensing or documentation fees. Unlike the Yukon Territories and British Columbia, hunting Guides and Outfitters are not allocated specific regions and exclusive operating rights. All non-residents are required to have hunting guides, but residents can access the land with a typical hunting license. Hunting Outfitters also pay, or have their clients pay, for hunting licenses for specific animals. Note: An outfitter with a hunting/fishing license would also require a tourism license to conduct non-consumptive guided trips on Crown Lands.

Commercial Fees

Type:	Cost:
Tourism License (Ministry of Tourism)	\$20/Year for all wilderness uses of Crown Lands (bike trips, hunting, fishing, horse tours, etc.)
Land Use Permit (Ministry of Renewable Resources)	+/- \$400 for a specific site (base camp) depends on location, size, & use. Each permit is different.

Hunting Outfitters and Guides are allocated a certain amount of animal tags each year based on their size and number of clients. The Outfitters collect non-resident hunting license fees and in turn pay the government. Current non-resident fees that are passed on to clients are as follows: (there are no additional trophy fees)

- Small Game \$77.50
- Moose \$310
- Deer \$150
- Black Bear \$155

The fee policy has been in place for over 20 years and is re-evaluated periodically. The Provincial Ministry of Natural Resources is in the process of evaluating the entire policy. Fees for using Crown Lands may change in the future.

Fee Development

Fees were administratively set based on a survey of private and corporate owners.

State/Province:

British Columbia, Canada

Contact:

Lynne Damant, Wildlife Branch
 Ministry of Renewable Resources
 (250-387-9789)
 August 23, 2001 (Phone)

Brian Moen
 Lands Program
 (250-387-1704)
 August 23, 2001 (Phone)

Fee Policy

British Columbia has a separate fee policy for guides/outfitters conducting consumptive (hunting/fishing) activities and for those providing non-consumptive services (photo tours, biking, rafting, etc.). There are 250 guide areas in British Columbia and each area has an exclusive guide. Guides and assistant guides pay a series of flat fees + a trophy fee for game killed to the Department of Renewable Resources. In addition, if the guide/outfitter conducts guided trips for other activities there are land use fees. Unguided or self-guided persons do not pay fees other than typical hunting/fishing licenses and game royalties. Non-residents are required to have a guide for big game hunting.

Commercial Fees

Guiding / Outfitting License		
Type:	Cost:	Covers:
Guide Outfitter (Hunting)	\$405	Commercial Guide license and \$5 habitat surcharge
Assistant Guide (Hunting)	\$55	Assistant Guide license and \$5 surcharge
Commercial Recreation Temporary Permits		
Type:	Cost:	Covers:
Document Fee	\$50	One time document fee, short term, non-mechanized use
Application Fee	\$100	One time application fee
Extensive Use Rental	\$1/client	\$1/client/day for all non-mechanized uses (\$250/yr min)
Commercial Recreation License of Occupation		
Type:	Cost:	Covers:
Document Fee	\$150	One time document fee (1-10 year permits)
Application Fee	\$100	One time application fee (mechanized/non-mechanized)
Tenure Management Fee	\$100/Yr	Annual fee for non-mechanized uses
Tenure Management Fee	\$1,000/Yr	Annual fee for mechanized uses
Extensive Use Rental	\$1/client	\$1/client/day for all non-mechanized uses (\$500/yr min)
Extensive Use Rental	\$4/client	\$4/client/day for all snow cat/heli ski activities (\$500/yr min)
Extensive Use Rental	\$6/client	\$6/client/day for all other mechanized activities (\$500/yr min)

In addition to the above fee schedule, guides must also pay royalty (trophy) fees for each animal killed by their clients. These fees are passed onto the client in the overall guiding package.

- \$200 - mountain sheep
- \$250 - grizzly bear
- \$100 - mountain goat
- \$75 - moose
- \$75 - elk
- \$75 - caribou
- \$75 - cougar
- \$50 - black bear
- \$38 - deer
- \$25 - wolf

Fee Development

State/Province:

Colorado

Contact:

Beverly Rave, Recreation Program
Colorado State Land Board (3 million acres)
(970-824-2850)
August 23, 2001 (Phone)

Fee Policy

The Colorado State Land Board manages over 3 million acres of trust land in Colorado. They have a fee policy for guides and outfitters conducting business on their lands. Non-commercial uses do not require a fee. The fees are collected according to a two-tier policy consisting of an application fee and an annual land-lease fee. The typical base rate for commercial recreation leases is \$1.30/acre per year.

Commercial Fees

Type:	Cost:
Application Fee	\$100/year multi use commercial recreation fee
Commercial recreation Lease	\$1/AC - \$33/Acre depending on location and quality

The fees are re-evaluated at the end of each term and are based on the most comparable market evidence.

Fee Development

Fees are developed by a market analysis of private and public leases of ranch lands. Each lease is individually determined based on its size, location, and quality of land compared to similar properties.

State/Province:

Yukon, Canada

Contact:

Dan, Afan Jones
 Department of Renewable Resources Division of Tourism
<http://www.huntingyukon.com/regsnresps> (867-667-3048)
 August 25, 2001 (Phone) August 26, 2001 (Phone)

Fee Policy

Yukon has a separate fee policy for guides/outfitters conducting consumptive (hunting/fishing) activities and for those providing non-consumptive services (photo tours, biking, rafting, etc.). There are 20 guide areas in the Yukon and each area has an exclusive hunting/outfitting guide. Guides and assistant guides pay a series of flat fees + a trophy fee for game killed to the Department of Renewable Resources. In addition, if the guide/outfitter conducts guided trips for other activities, there are land use fees charged for the commercial use of Crown Lands. Unguided or self-guided persons do not pay fees other than typical hunting/fishing licenses and game royalties. Non-residents are required to have a guide for big game hunting.

Commercial Fees

Guiding/Outfitting Fees		
Type:	Cost:	Covers:
Guide Outfitter (Hunting)	\$700	Commercial Guide license, flat annual fee
Operator Certificate	\$75	Flat annual fee
Guide Fee	\$20	Flat annual fee for head guide
Assistant Guide Fee	\$10	Flat annual fee for all assistant guides
Commercial Recreation Fees (non-consumptive)		
Type:	Cost:	Covers:
Wilderness Tourism License	\$100	Flat annual fee for all commercial activities except hunting

In addition to the above fee schedule, guides or clients must also pay royalty (trophy) fees for each animal taken.

- \$250 - mountain sheep
- \$500 - grizzly bear male
- \$200 - mountain goat
- \$150 - moose
- \$750 - grizzly bear female
- \$500 - bison
- \$150 - caribou
- \$50 - coyote
- \$75 - black bear
- \$75 - wolverine
- \$75 - wolf

Fee Development

Fees were administratively set in 1982.

State/Province:

Montana

Contact:

Sue Hoell, Senior Staff Appraiser
 Montana Department of Natural Resources
 (406-444-4986)
 August 23, 2001 (Phone)

Fee Policy

Montana has a fee policy for charging guides/outfitters for using state trust land. There are over 5 million acres of state trust lands under this program. The policy gives the guide/outfitter the right to hunt specifically defined areas. All leases are bid if there are competing operators. Each management area sets or negotiates its own fees with the operators and there is limited consistency. Typical fees for any commercial recreation use range from \$25 to \$50 per year. There is no set fee schedule. They are required by statute to charge market value for recreation use of State Lands, but market value has been "elusive". According to the staff appraiser, variations in length of stay, location, use, types of animals, and number of clients have made it impossible to correlate the market data. Based on the limited data available, the staff appraiser has suggested a fee of \$1.50 per-acre-per-year as representative of market value "market value".

Commercial Fees

Type:	Cost:
Commercial Recreation Lease (leases of specific hunting/camping areas based on market price)	Annual rate of \$1.50/acre for year-round access and up to 4 clients per day for hunting and camping.
Commercial Recreation Lease (bids for specific uses/areas)	Actual bids range from \$0.02/AC to \$6.25/AC per year for lands ranging from 480 AC to 40,000 AC
Commercial Recreation Lease (commercial uses – not specific)	\$25 - \$50 per year flat fee negotiated or set by the areas management office

Fee Development

Fees are administratively set or negotiated on a case-by-case basis. The general public is also supposed to purchase a \$10/year use pass for state lands, but the policy is loosely enforced and few visitors actually pay.

State/Province:

Utah

Contact:

Jan Parmenter

Utah State Parks and Recreation

(435-259-3760) jparment.tlmoab@state.ut.us

August 31, 2001 (Phone)

Fee Policy

Utah has a fee policy for commercial operators that use state lands to make money. They administer their fees through Commercial Concession Licenses. These licenses apply to all commercial operators that conduct services on state lands except for hunting services that require the operator have a special-use permit. Fees are established based on a flat fee plus a per-client fee after the minimum threshold is reached. The general public does not have to pay fees for use of the land. There is not a specific guiding/outfitting license for commercial operators that provide guided hunting services on state land, but they must apply for a Special Use Permit. The fees for these temporary permits are determined on a case-by-case basis. They typically range from \$300 to \$1,000 per year depending on length of stay, number of clients, location, etc.

Commercial Fees

Type	Cost
Commercial Concession License	\$300/yr up to 150 clients, + \$1.50/per client trip over 150 clients
Special Use Permits	\$300 - \$1,000/yr depending on impact of use

The fee policy has no scheduled re-evaluation or update policy.

Fee Development

Fees were administratively set based on a review of other public policies. The initial policy used aspects of the BLM policy for Special Use Permits.

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University of Alaska Anchorage, Institute of Social and Economic Research. *Dividing Alaska, 1867-2000: Changing Land Ownership and Management*. *Alaska Review of Social and Economic Conditions*. Volume XXXII, No. 1 (November 2000)

Review of Social and Economic Conditions. Volume XXXII, No. 1 (November 2000)

Vogelsong, Hans G. and Others. *Proceedings of the 1997 Northeastern Recreation Research Symposium*, The Sagamore, Bolton Landing, New York (April 6-8, 1997)

Watt, Carson and Others. Supply Analysis. A technical Report Completed as Part of "Texas Outdoors: A Vision for the Future" Study Commissioned by the Texas Parks and Wildlife Department. Texas A&M University. (August 1998).

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

Seminars

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 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

Page 3

REFERENCES

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

Mr. Stuart Snyder
United States Dep't of the Interior
National Park Service
2525 Gambell Street, Room 107
Anchorage, Alaska 99503
1-800-889-9204

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. Rich Goossens
USDA Forest Service - Alaska Region
P.O. Box 21628
Juneau, AK 99802-1628
(907) 586-7874

Mr. E. Corbett Carson, Vice President
National Bank of Alaska
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

Paul Kapansky
Alaska Housing Finance Corp.
520 E. 34th Avenue
Anchorage, Alaska 99503
(907) 561-1900

**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

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
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

Qualifications Of Appraiser

Steven E. Carlson

Page 2

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
Member Appraisal Institute

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

Certifications

Alaska State Certification: General Real Estate Appraiser #281

Affiliations

General Associate Member of the Appraisal Institute; IIN: 574302619

Candidate for the MAI designation (MAI Associate Member)

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.

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 of Anchorage

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

Black-Smith and Richards, Inc.