Final

STATEMENT OF

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Concerning
Implementation of the Recreational Fee Demonstration Program

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MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

I am pleased to be here today to discuss the progress we have made in implementing the recreational fee demonstration program. I am accompanied by Denny Bschor, the national Director of Recreation, Wilderness and Heritage Resources for the Forest Service.

Since its inception in FY 1996, the recreational fee demonstration program (RFDP) has proven to be quite successful. In fact, the program is now being viewed as a model for other initiatives to generate additional revenue for conservation purposes. Today, I will provide a progress report, including some of our successes, results from customer surveys, how the additional revenue is being spent, interagency coordination, and suggestions for how the program could be improved if it were to become permanent.

Progress to Date

The RFDP is currently being tested at 67 project locations around the country. In FY 1998, we more than doubled our RFDP revenues from the previous year. Annual revenue collections were $43,000 in FY 1996 with only 4 projects, $9.3 million in FY 1997 with 40 projects, and $20.8 million in FY 1998 with 67 projects. We anticipate collecting around $24 million in FY 1999 with 95 projects. Since FY 1996, the additional $30 million in new revenues from the RFDP compares to about $10 million we collected annually before the RFDP. This increase has allowed the Agency to quickly address some of the public's demand for higher quality recreation services.

We reduced our fee collection costs from 45 percent of gross revenues in FY 1997 to approximately 17 percent in FY 1998. In fact, the total we spent collecting fees actually dropped even with the addition of 27 new projects. Over 60 percent of the fees collected have been spent on priority on-the-ground projects which led to the General Accounting Office (GAO) providing a favorable audit in November, 1998.

Public acceptance is increasing. To date, over 3,300 responses to the USDA Forest Service national comment card survey have been analyzed and responses to all questions show an increase in positive response when comparing FY 1997 to FY 1998. Projects in their second or third years generally show higher acceptance than new projects. A majority of responses show high to neutral acceptance of fees on public lands. Individual projects are also collecting public comments. This information is used locally to help each project manager modify the operation to help increase public support.

We still have much work to do to educate our forest visitors about the benefits of the RFDP. We are learning that once the public begins to see the on-the-ground improvements, the program is more readily accepted.

The agency is also taking action to mitigate possible adverse impacts that fees might have on low income and ethnic populations. Beginning on October 1, 1999, we will require all fee demonstration projects to amend their business plans to include demographic data of their customer base on race, gender, income, national origin, and disability, and to identify activities to mitigate possible impacts the program might have on non-traditional users

Meeting Public Expectations

Large numbers of people are drawn to the 155 national forests for a wide variety of activities. The Forest Service is one of the largest suppliers of public outdoor recreation, with over 23,000 developed recreation facilities, including over 4,000 campgrounds, over 130,000 miles of designated trails, and 34.7 million acres of wilderness on 412 wilderness units.

Demands for recreation opportunities are becoming increasingly complex. Forest visitors include more senior citizens, people of diverse ethnic backgrounds, urban dwellers, and people with disabilities. To meet this demand and protect America's natural resources, we need more specialized recreation facilities and capabilities to provide the quality experiences our visitors expect. Except for a small increase in wilderness management, the President's FY 2000 budget request for the Agency's recreation program is at the same level as FY 1999. Appropriations for the Forest Service recreation program have generally remained static as demand and inflation have increased, and we are counting

on the increased revenues in order to keep pace. We must continue to meet our recreation objectives through creative and innovative approaches, such as the RFDP and working jointly with our partners and volunteers.

I will take this opportunity to say that it is critically important that base level appropriations funding not be supplanted by user fee collections so that we can demonstrate a clear added value to the public for their fees. For instance, in sparsely populated backcountry areas, such as Alaska, Montana, and parts of Idaho, there are fewer opportunities to generate revenue. A stable appropriation to ensure continuation of these unique recreation experiences needs to be maintained.

Recreation Backlog and Enhancements

Since the beginning of the program, we have spent 63 percent of the total fees that we have collected, or about $19 million. The enclosed pie chart shows how we spent this money -- 23 percent was allocated for repairs and maintenance of recreation resources, 20 percent for annual operations costs, 13 percent for interpretation and signs, 8 percent for health and safety needs, 20 percent for collection costs, and 16 percent for facility enhancement, law enforcement, and resource and habitat protection.

The fee demo program has given our recreation managers positive incentives and opportunities to help keep up with public demand -- addressing maintenance backlogs and greatly improving our recreation facilities and services, as the public has been telling us they want. Balancing visible improvements with behind the scene repairs is a key part of our implementation strategy to develop public acceptance of the fee system. For these reasons, the Forest Service strongly supports the

RFDP as an essential part of meeting the increasing demand for quality recreation facilities and services to the public.

National Marketing Project

The Forest Service agrees with Congress about its ability to provide high-quality recreational opportunities to visitors. The RFDP is one giant step that is helping address this goal. The Forest Service recognizes this opportunity and has decided to take a market-driven approach -- based on marketing science principles -- in preparing the Forest Service for the future of servicewide implementation of the RFDP.

Marketing is a broad and powerful business tool that encompasses consumer research, data analysis, market definition, product quality research, customer service, pricing determination, creating investment priorities, communications, and the like, all focused on developing the best possible recreation experience for our customers. This is a national effort in that it involves a team of cross-sectional talented and enthusiastic Forest Service employees and they have just completed their first phase of work. The Forest Service will analyze the RFDP, learn from it, and enhance existing projects by sharing this information with recreation fee managers, line officers, partners, and visitors.

Interagency Coordination

The RFDP has provided a unique opportunity for coordination and collaboration among the four agencies implementing the program. National fee demonstration managers hold regular meetings to share information and provide uniform guidance for collecting public feedback, so that each agency's evaluations are comparable for implementing joint projects. Working jointly across jurisdictional

boundaries has proven to be very effective and less burdensome and confusing to the public. However, as the November 1998 GAO report indicates, we still have work to do in this area.

Lessons Learned

The fee program is a "test", which has allowed the Forest Service the flexibility to be innovative, while making needed adjustments based on public concerns and experience. Since we began testing the RFDP, we learned that most visitors accept paying fees if the majority of those fees are returned to the local project and visible results are evident quickly.

We have learned the most from the few projects that have initially faced stiff opposition. The White Mountain (New Hampshire) and the Sawtooth (Idaho) National Forests both began their projects as a fee for parking anywhere for dispersed recreation. Both projects had significant early opposition. The White Mountain project is now enjoying increased support since it changed its fee structure to a fee for parking at specified locations, mostly for day use at developed sites. The Sawtooth has also been listening to its public and is changing to a similar type of fee. We expect much higher public acceptance and fee compliance in FY 1999 on the Sawtooth.

In Washington and Oregon, we saw a proliferation of fees, as fees began to be collected for 15 Forest Service projects in addition to fees collected at State and other Federal recreation sites. We learned that the public was becoming confused and sometimes angry when faced with multiple fees, especially during a single recreation trip. We have begun to revamp and simplify the fee structure in the Pacific Northwest region.

All of the participating agencies faced a number of other issues such as negotiating regional and multi-agency admission fees; allocating receipts between agencies; questions about reasons for collecting recreation fees; financing start-up costs for new projects; cash management and employee safety; compliance regarding payment of fees; communicating with our visitors; inequities within or among agencies; local community impacts; agency liability; project tracking systems; and gaining critical business and communications skills. We are working to address these concerns as new projects are implemented.

Legislative and Management Improvements

We have a number of suggestions for how the fee program can be improved and strengthened.

- ***Make the Program Permanent:*** The President's FY 2000 Budget proposes to make the fee program permanent. Permanent authority would allow the agencies to make long-term plans for recreation development and to implement these plans in a systematic way. Authority could allow agencies to set aside funds towards expensive maintenance backlog projects that could not be funded with only one or two years of revenue. Permanent authority would also strengthen the agencies' ability to enter into cost-sharing or other partnership arrangements that make backlog reduction a cooperative effort.
- ***Provide for Flexibility of Implementation:*** Flexibility of the RFDP has been its greatest strength. Key to our success has been providing flexibility to establish admission or use fees to meet specific resource management goals, the ability to set fee levels commensurate with recreation use levels, and the ability to institute the fees using a variety of fee collection approaches.
- ***Support Joint Agency Efforts and Partnerships:*** We would like Congress to consider clarifying the existing authority for joint agency efforts across Federal, state, and local jurisdictions in

administering the fee program. Specific statutory authority to enter into multi-agency and multi-governmental fee agreements would be helpful.

- ***Base Level Appropriations:*** We would ask that Congress preserve the added value provided by the fee demonstration by not offsetting appropriations with fee receipts which would undermine local public support and agency incentives.
- ***Broadening the Demonstration Effort:*** The RFDP could be expanded to explicitly include certain recreation-related activities, such as activities authorized by Forest Service commercial recreation special use permits, to the extent that treasury receipts lost are made up from other sources.
- ***Make Provision for a National, Interagency Pass:*** A national annual pass system would defray the public's confusion over the proliferation of recreation passes. This needs to be well coordinated with the participating agencies to ensure a comprehensive approach that is fair to the public and all agencies involved. A joint pass could have multi-agency, as well as agency-specific, applications

Closing

Mr. Chairman, I strongly believe that long-term implementation of the RFDP is necessary to keep up with the rapidly increasing demands placed on federal recreation facilities by an interested public. The second interagency progress report -- which Congress received on January 29 -- will highlight many successes, as well as several areas that need improvement.

I am gratified to know that we are earning our public's trust through listening and collaborative efforts. This program has forced us to work in new and exciting ways and to be more business-like

and accountable to the public. Because of the RFDP, we have found innovative ways to solve recreation problems of mutual benefit to the Federal government and its many constituents, and in doing so, have strengthened many vital relationships. This program represents a significant step towards improving customer services and recreation facilities for those who visit our national forests.

This concludes my statement. We would be pleased to answer your questions.