United States General Accounting Office

GAO

Report to the Ranking Minority Member, Subcommittee on National Parks, Historic Preservation, and Recreation, Committee on Energy and Natural Resources, U.S. Senate

November 2001

RECREATION FEES

Management Improvements Can Help the Demonstration Program Enhance Visitor Services

G A O

Accountability * Integrity * Reliability

GAO-02-10

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Abbreviations

BLM Bureau of Land Management
FWS Fish and Wildlife Service

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United States General Accounting Office
Washington, DC 20548

November 26, 2001

The Honorable Craig Thomas
Ranking Minority Member
Subcommittee on National Parks,
Historic Preservation, and Recreation
Committee on Energy and Natural Resources
United States Senate

Dear Senator Thomas:

For many years, the Congress has expressed concern about the ability of federal land management agencies to continue providing high-quality recreational opportunities to visitors and to enhance the protection of resources. To address this concern, in 1996 the Congress authorized an experimental initiative called the Recreational Fee Demonstration Program. The program focuses on the activities of four land management agencies: the National Park Service, the Fish and Wildlife Service (FWS), and the Bureau of Land Management (BLM) within the Department of the Interior, and the Forest Service within the U.S. Department of Agriculture. Under the fee demonstration program, the participating agencies are authorized to establish, charge, collect, and use fees at a number of sites to enhance visitor services; to address a backlog of needs for repair and maintenance; and to manage and protect resources, among other uses. The program applies mainly to two types of visitor fees: "entrance fees" for basic admission to an area and "user fees" for specific activities such as camping or launching a boat. Under the law, as amended, 80 percent of program revenue must be used at the site where it was collected, and the remaining 20 percent may be distributed by the agencies to other sites that may or may not be participating in the demonstration program.[1] The program is currently authorized through September 30, 2004.

To reap the full benefits of the program, the Congress called upon the agencies to be creative in developing and experimenting with new fees and fee collection practices, to improve service to visitors, and to alleviate visitors' confusion by coordinating multiple or overlapping recreation fees. In 1998, about 2 years after the program began, we reported to you that the

[1]P.L. 104-134, title III, sec. 315, as amended. The revenue is deposited into a special Treasury account and then redistributed to the recreational sites.

program was successful in many ways but that improvements were needed in a number of areas. More specifically, opportunities remained for the agencies to be more innovative and cooperative in designing, setting, and collecting fees; cooperation and coordination among the agencies also needed improvement. We further reported that under the program's requirement to use 80 percent of revenues at the collecting site, heavily visited sites might eventually have more revenue than needed for their projects, while sites with fewer visitors could have unmet needs.

Now, after 3 more years of experience, as the Congress is considering whether to make the program permanent, you asked that we review some of the same issues we reported on in 1998 to see if conditions have changed substantially. As agreed with your office, we determined (1) the extent to which agencies used innovative practices to design and collect fees and coordinated their management of the fee demonstration program; (2) what, if any, management improvements can be made to enhance program performance; and (3) whether revenues from the fee demonstration program are being used to meet the agencies' highest-priority needs.

We based our analysis in part on a survey that we developed and made accessible to managers of fee demonstration sites via the Internet. The survey covered such issues as fee innovations, fee collection methods, and attempts to coordinate fees with other agencies or nearby sites. In all, managers of 346 (or 95 percent) of the 365 sites involved in the demonstration program completed this survey. Our survey results are included in a special publication entitled *Recreational Fee Demonstration Program Survey* and is available only on the Internet at http://www.gao.gov/cgi-bin/getrpt?gao-02-88SP. We also based our analysis on work conducted at the agencies' headquarters and selected sites of all four agencies and contacted four state park systems and six interest groups involved with natural resources or outdoor recreation. We conducted our work from November 2000 through September 2001 in accordance with generally accepted government auditing standards. See appendix I for a more detailed description of our scope and methodology.

Results in Brief

Some of the sites that we surveyed experimented with innovative fee designs and collection methods, such as reducing fees during off-peak seasons and allowing visitors to use credit cards to make it easier for them to pay fees, but room for additional innovation exists, particularly in the areas of fee collection and coordination. For example, 70 percent of sites, including some large national parks that host millions of visitors annually,

do not accept credit cards for payment of entrance fees. Furthermore, most sites have not adopted other common retailing techniques, such as collecting fees via toll-free numbers or through off-site vendors. Such techniques would increase visitor convenience by providing more payment options and improve the safety and security of the employees collecting the fees. Similarly, about 70 percent of the sites do not coordinate their fees with other sites. For example, some sites charge a single entrance fee that includes activities, such as hiking or touring a historic site, whereas others nearby charge a separate user fee for these activities. Such lack of coordination results in fees that are not only inconsistent, but also confusing to visitors.

Improvements in three areas of program management are needed to enhance program performance. First, the agencies need effective ways to evaluate their managers' performance in administering the fee program. Performance expectations and associated performance measures, which are largely absent in current performance evaluations, are especially necessary in view of the fact that all four agencies give local site managers broad discretion to implement the program. Without performance expectations and measures, program managers cannot readily determine whether fee-collection and coordination practices are acceptable either at a site or throughout an agency. Second, the agencies need to develop information on which fee-collection and coordination practices work best. This information would become increasingly important as many more sites begin collecting fees if the program is permanently authorized. Third, the agencies need to resolve a number of interagency management issues. For example, agency and interagency passes are not consistently accepted by sites, resulting in visitor confusion and, in some cases, overlapping fees for the same or similar activities. These issues have concerned agency managers for a number of years but have yet to be resolved.

Revenues from the fee demonstration program may not always be used to meet the highest-priority needs of the two agencies that generate almost all of the fee revenue. First, the National Park Service and the Forest Service do not maintain a centralized list of priority needs. Second, since 80 percent of the fees must be used at the site where they were collected, sites that collect most of the revenue use it to meet their local needs even if these needs are minor in comparison with the needs at locations where fees are not as plentiful. Although the on-site retention and use of most of its fee revenue is key to public acceptance of the program, this requirement is creating funding imbalances among the sites managed by the National Park Service and the Forest Service. While some high-revenue sites have more revenue than they may need to meet their priority needs,

the backlog of priority needs of lower-revenue sites or sites not participating in the fee demonstration program may not be addressed for many years. Interior officials acknowledge this problem and believe that certain sites with high fee revenues and with no backlog of needs or a limited backlog could end up searching for additional projects just to spend the money. This situation is particularly acute in the National Park Service, where fee revenue at 14 parks has effectively increased their annual operating budgets by 50 percent or more.

We are making recommendations in this report to improve the management of the fee demonstration program.

We received comments from the Department of the Interior and the Department of Agriculture on a draft of this report. Both departments generally agreed with the findings and the recommendations in the report. Comments from the Department of the Interior are included in appendix II, and comments from the Department of Agriculture are included in appendix III.

Background

Under the fee-demonstration program, up to 100 sites per agency have been permitted to charge, collect, and establish recreation fees.[2] The National Park Service and BLM have 100 sites each participating in the program, while the FWS and the Forest Service have 88 sites each.[3] Because the program is a demonstration program, the conference committee encouraged the agencies to be innovative in designing and collecting fees and to coordinate their fees with other federal, state, and local recreational sites.[4]

Developing innovative fees and collection methods is a key objective of the program because the Congress viewed experimentation with fees as a way to improve customer service. Fee innovation was envisioned as charging different types of fees beyond simply charging fees for entering a site or using a facility or increasing fees that existed prior to the program.

[2] The Congress recently expanded the fee demonstration program, eliminating the 100 demonstration sites per agency limitation (P. L. 107-63, sec. 312 (b)).

[3] We excluded from our survey two FWS sites, two BLM sites, and seven Forest Service sites because some sites were not collecting fees or the sites had been consolidated as of September 30, 2000.

[4] H.R. Conf. Rep. No. 105-825, at 1194 (1998).

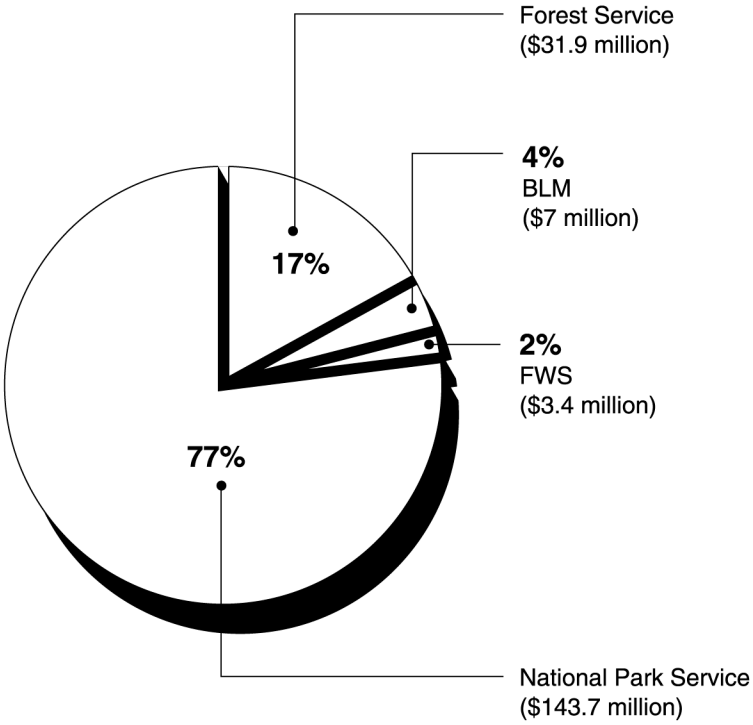
For example, fee innovation includes such things as basing fees on the length of stay or the season of the year visited. Innovative fee collection procedures were encouraged to provide visitors with a broader variety of payment options for recreation fees, such as using automated fee payment machines and credit or debit cards.

Coordinating fees within and among the agencies, as well as with other nearby recreational sites, is also an important aspect of the program. Agencies are encouraged to work toward a seamless program by cooperating to eliminate inconsistent, duplicative, or overlapping fees that can confuse visitors or otherwise detract from the quality of service provided to them.

Since fiscal year 1997, the four participating agencies have collected more than $600 million in the program. In fiscal year 2000, revenue collections totaled $186 million, with the National Park Service collecting over 75 percent of the total (see fig. 1).[5]

[5] The National Park Service fee demonstration revenue includes $10.1 million from sales of the National Parks Pass.

Figure 1: Fiscal Year 2000 Fee Demonstration Revenues



More Innovation and Better Coordination Can Improve Visitor Services

Being innovative is an important goal of the fee demonstration program. While some of the sites surveyed experimented with innovative types of fees and fee collection methods, room for improvement exists—particularly in the area of fee collection and coordination. Currently, many sites use traditional collection methods and have not adopted innovative practices that could improve the quality of service to the visiting public. Furthermore, frequently agencies are not pursuing opportunities to coordinate fees better among their own sites; with other agencies; or with other nearby, nonfederal recreational sites. As a result, existing fees are sometimes overlapping, duplicative, or confusing.

Some Sites Experimented With Innovative Fees

The experimental nature of the fee demonstration program furnishes agencies with the opportunity to try different types of recreation fees. The agencies are expected to take advantage of this opportunity by trying different types of fees, rather than merely increasing existing entrance or user fees. Our survey found that overall about 25 percent of sites tried

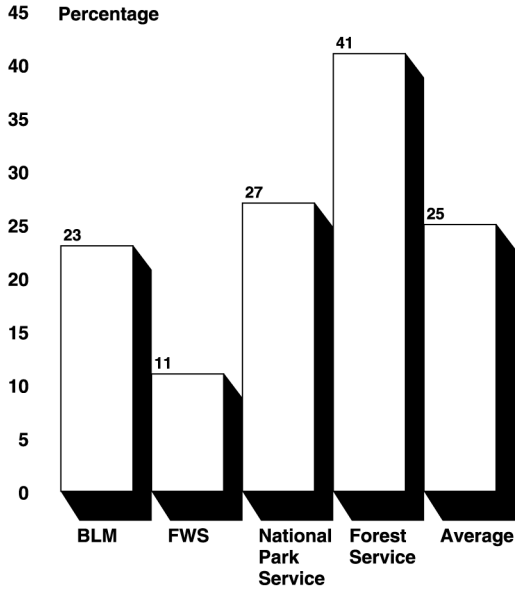
some form of innovative fees. The remaining sites—about 75 percent—continued with their traditional approaches for charging entrance and user fees.

For purposes of our analysis, we defined fee innovation as doing more than taking a traditional approach to setting fees. Specifically, if sites made no changes to their fees or increased fees that were already in place when the program began, we did not consider them to be innovative. On the other hand, if sites used nontraditional approaches like basing fees on their visitors' length of stay or offering fee incentives for visiting during off-peak periods, we considered the sites to be innovative. Such variable pricing, often referred to as differential pricing, offers visitors a greater range of recreational fee prices. It also enables agencies to manage visitation better during peak periods, to align fees better with the costs of providing services, and to help lessen overcrowding and the resulting negative effect on resources.

The survey results show that 87 sites (about 25 percent of all sites surveyed) have experimented with some type of fee innovation.[6] The remaining 259 sites (about 75 percent) in the program have not experimented with innovative fees. The extent of fee innovation varied considerably among the agencies (see fig. 2).

[6]Specifically, we asked questions about a site's use of peak-period pricing, reduced-fee prices during shoulder seasons (such as the fall or spring or other times of the year with lower visitation), increased-fee prices for campsites with scenic amenities, and other types of new or experimental entrance or user fees. See http://www.gao.gov/cgi-bin/getrpt?gao-02-88SP, questions 46A-D and 53, for further detail.

Figure 2: Percentage of Agency Sites That Used Innovative Fee Pricing



The following examples illustrate the kind of fee innovations that have been used:

- 48 sites (14 percent of those surveyed) reported reducing fee prices during off-peak or shoulder seasons, such as the fall or spring. For example, BLM's Upper Colorado River site, located in Colorado, has reduced its camping fees in the spring and fall, when fewer services are available. According to the fee manager, the site began this practice before the fee demonstration program to more closely align fees with the level of service provided.
- 35 sites (10 percent of those surveyed) reported using some other type of peak-period or differential pricing. For example, to help manage high visitation levels during the three summertime holiday weekends, the Forest Service's Sand Lake Recreation Area in Oregon added $10 to its entrance fee and limits the number of off-highway vehicles to 1,200 vehicles for those weekends. These changes helped offset some of the administrative and staffing costs associated with increased holiday weekend use and provided an incentive to shift visits to non-holiday weekends, according to an agency official. Before the fee demonstration program, the area charged no additional fees, and increased operational costs during the holiday weekends were absorbed into the site's existing budget, according to a Forest Service official.

Each agency experimented to some extent with new or innovative entrance or user fees. We recognize that some innovative types of fees may not be practical or feasible at all locations. However, whether this degree of experimentation is acceptable in terms of achieving the results expected by agency managers cannot be determined because none of the agencies developed performance expectations or criteria for success.

More Innovation to Update Fee Collection Practices Would Improve Visitor Convenience

The fee demonstration program encouraged agencies to be innovative and improve visitor service by using modern, more convenient fee collection methods. Among the four agencies, a number of sites have used new or innovative approaches to collecting fees to improve visitor convenience, reduce collection costs, and improve the safety and security of employees collecting fees. However, over 60 percent of sites surveyed reported that there was little or only some difference in their fee collection methods for both entrance and user fees since the program began. These data suggest that much more can be done to offer visitors a wider variety of options for paying recreation fees. The agencies could accomplish this goal by more frequently adopting commonly used retail practices, such as using credit cards, where feasible.

Our survey asked sites about their use of fee collection methods for both entrance and user fees during the demonstration program.[7] These methods included more traditional methods, such as collecting fees at an entrance station or at an "iron ranger" fee tube—a metal tube which is used as a self-service payment station—as well as methods that could be considered innovative and more convenient for visitors when compared to the traditional practices used by the agencies: credit cards, automated fee payment machines, the Internet, 800 toll-free telephone numbers, and off-site vendor sales.

We selected these five particular ones because they are collection and payment methods used everyday in retail, recreation, or entertainment industries.

As tables 1 and 2 show, relatively few sites have experimented with the five innovative collection or payment methods for entrance and user fees.

[7]These methods included both fee collection and fee payment practices; e.g., collection of fees paid by using an 800 toll-free telephone number. See http://www.gao.gov/cgi-bin/getrpt?gao-02-88SP for a list of the fee collection methods.

In addition, significant variations existed among agencies in the use of these methods. For example, while more than 40 percent of the Forest Service sites collected user fees via off-site vendor sales, only 6 percent of National Park Service sites used this method.

Table 1: Percentage of Fee Demonstration Sites That Used Innovative Collection Methods for Entrance Fees

	Agency				
Collection or payment method[a]	**BLM**	**FWS**	**National Park Service**	**Forest Service**	**Total**
Credit card at an entrance station	9	3	48	27	**30**
Automated fee payment machine	0	3	12	9	**8**
Internet	0	0	3	0	**2**
800 telephone number	0	0	4	0	**2**
Off-site vendor sales	18	3	15	18	**12**
Number of sites	11	35	69	11	

[a]Excludes sale of the FWS' Duck Stamp and the National Park Service's National Parks Pass.

Table 2: Percentage of Fee Demonstration Sites That Used Innovative Collection Methods for User Fees

	Agency				
Collection or payment method[a]	**BLM**	**FWS**	**National Park Service**	**Forest Service**	**Total**
Credit card at an entrance station	8	2	30	12	**14**
Automated fee payment machine	1	0	19	10	**8**
Internet	3	0	16	20	**10**
800 telephone number	3	0	20	20	**11**
Off-site vendor sales	7	4	6	42	**14**
Number of sites	76	54	70	59	

[a]Excludes sale of the FWS' Duck Stamp and the National Park Service's National Parks Pass.

The sites that did experiment with any of these collection practices generally found that they increased visitor convenience, reduced agency collection costs, and increased the safety and security of employees collecting fees.

Using credit cards can make it easier for visitors to pay for multiple entrance or user fees simultaneously and can increase the safety of employees collecting fees by reducing cash handling. Nonetheless, while credit cards are ubiquitous in retail transactions, many of the demonstration sites have been reluctant to use them. For example, 30 percent of the surveyed sites that charge entrance fees and 14 percent of the surveyed sites that charge user fees accept credit cards for payment at an entrance station. While about half (33 of 69 sites that collect entrance fees) of the Park Service demonstration sites accept credit cards at an

entrance station, a number of popular parks visited by millions annually, such as Yosemite National Park, do not accept credit cards. In commenting on a draft of this report, the Park Service stated that Yosemite National Park will begin accepting credit cards by the end of 2001. An October 2000 Forest Service review of fee demonstration sites in one of its regions questioned why it was so difficult for the agency to establish credit card acceptance and cited significant customer inconvenience because of this. The review noted that credit cards would also greatly reduce cash handling and improve employee safety. In addition, our survey results show that none of the top five FWS revenue sites, which accounted for 42 percent of the agency's fiscal year 2000 total fee demonstration revenues, offer visitors the option of using credit cards for fee payment. Overall, while officials from the Interior agencies and the Forest Service agree that more can be done in this area, many times it may not be feasible for a number of reasons. For example, they said that credit cards may not be cost-effective at all sites and that the lack of adequate infrastructure, such as on-site power or phone lines in remote locations, prevented some sites from accepting credit cards.

Another type of collection technique being used at some sites are automated fee payment machines similar to the automated teller machines used by banks and other financial institutions. With automated payment machines, visitors can pay a variety of fees, such as entrance, campground, or boat launch fees that can be paid with cash or credit cards, and the machines issue receipts showing the fees were paid. At BLM's Imperial Sand Dunes Recreation Area, for example, a fee demonstration site in southern California, 17 automated fee payment machines are used to collect $10 for a weekly pass or $30 for an annual pass from users of off-highway vehicles (see fig. 3). Total fee revenue at this site in fiscal year 2000 was about $400,000, according to a BLM official. About 500,000 people use the 118,000-acre site each year, peaking at about 100,000 people during Thanksgiving weekend. According to a BLM official at the site, the battery operated fee machines, which are owned and maintained by a private contractor, are very convenient to use and accept both cash and credit cards for fee payment. Use of the machines has significantly reduced the number of agency staff required for fee collection at the sites where the machines are located.

Despite the potential of automated fee machines to lower visitors' waiting times during peak periods and the potential to reduce the agencies' collection costs, only 8 percent of the 126 sites charging entrance fees and 8 percent of the 259 sites charging user fees employed such machines. According to Park Service and Forest Service officials, use of automated

fee-payment machines may not always lower the cost of collection. In addition, officials from the two agencies said some sites are reluctant to purchase these machines because of the temporary nature of the fee demonstration program and the potential for vandalism when they are installed in remote locations. We recognize that automated fee payment machines may not be practical or cost effective at all demonstration sites such as those with low visitation or remote access. However, among those sites that have not installed automated payment machines for collecting entrance or user fees are several that have a high volume of visitors—each with over a million annually—including Acadia and Yellowstone National Parks; the Forest Service's Sawtooth National Recreation Area in Idaho and Shasta-Trinity National Recreation Area in California; and the FWS' Chincoteague National Wildlife Refuge in Virginia.

In commenting on a draft of this report, the Park Service and the Forest Service noted that automated fee payment machines were not installed at some locations for various reasons. The Park Service said that such machines were not installed because power and telephone lines may not be available and because of the park's desire to maintain a uniformed-ranger contact with visitors when paying fees. The Forest Service cited issues, such as sites having multiple points of entry, vandalism concerns, and the potentially short-term nature of the program. We agree that these are important considerations in helping decide whether to use these machines. However, in light of the very limited use of these machines to date—even at many high-visitation parks and forests—we believe that in the interest of improving visitor services and convenience, the agencies need to pursue all opportunities in this area.

Figure 3: Automated Fee Payment Machines at BLM's Imperial Sand Dunes Recreation Area

Another little-used technique is paying entrance or user fees over the Internet or via a toll-free telephone number. These techniques can also increase customer convenience, encourage less cash handling at individual sites, and lessen visitor delays during peak times. For example, camping and hiking permits for Paria Canyon-Coyote Buttes in Arizona, one of BLM's demonstration sites, are sold via the Internet. Overnight camping in the Paria Canyon area and hiking in the Coyote Buttes area are each limited to 20 people a day. Using the Internet allows visitors to obtain information on the area, check on the availability of required camping and hiking permits for particular dates, make reservations, fill out and submit detailed application forms, and print out the application forms for mailing. A BLM official responsible for managing the program said the Internet payment method was very successful and that it accounted for about 80 percent of total permit sales at that site. Despite the common use—and convenience—of the Internet and a toll-free telephone number for conducting retail transactions today, only 2 percent of all sites surveyed used them for sales of entrance fees via the Internet, and 10 percent used

the Internet for sales of user fees. Also, concerning 800 telephone number sales, only 2 percent of sites surveyed used it for sales of entrance fees and 11 percent used it for sales of user fees.

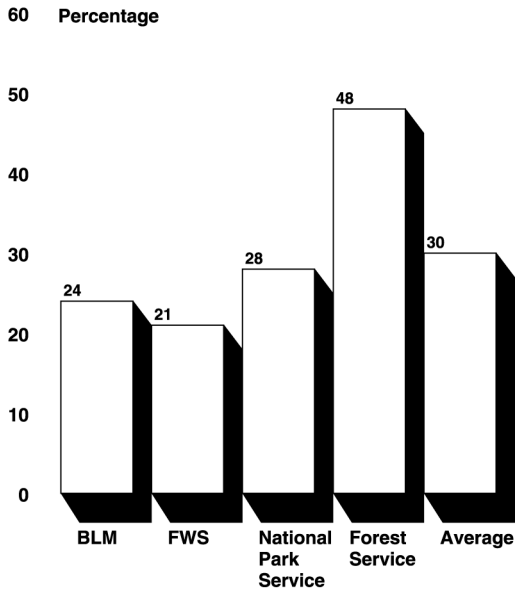
Finally, using off-site vendors to collect entrance or user fees can be more convenient for the visitor and more efficient for the agency. In some instances, paying fees at a location inside a site may not always be convenient particularly if the site has no main entrance or has multiple access points, such as in many Forest Service recreation sites. In such situations, some sites have experimented with having small businesses, such as gas stations, grocery stores, fishing tackle stores, or other groups in the vicinity or adjacent to the site, collect entrance and user fees from visitors. For example, about 240 vendors sell passes to visitors for recreation in 17 national forests in Oregon and Washington State that participate in a fee demonstration project called the Northwest Forest Pass—a user fee for payment at developed recreation facilities and for trailhead parking. According to a Forest Service official, use of off-site vendor sales have reduced agency operational costs as well as improved visitor convenience. Despite the many advantages of off-site vendor sales, less than 15 percent of all sites use them for sales of either entrance or user fees, although 42 percent of Forest Service sites use this method for sales of user fees. National Park Service officials said that they do not use off-site sales as much as the Forest Service because unlike the Forest Service, many of their sites rely on entrance stations for fee collection.

In commenting on a draft of this report, the Park Service reported that it is expanding vendor sales of passes. The Park Service also commented that it has implemented other types of innovations, such as computer-based cash register systems, electronic banking, and commercial-tour-fee vouchers. In addition, FWS commented that the report makes the assumption that more traditional fee collection methods equate to poorer customer service compared with more sophisticated higher-technology methods. While we recognize that existing fee collection methods may provide adequate customer service at some recreation sites, at others, especially those with high visitation, greater use of more innovative collection methods can improve visitor convenience, reduce collection costs, and improve the safety and security of employees collecting fees.

More Coordination Will Help Eliminate Overlapping and Inconsistent Fees

The legislative history of the fee demonstration program emphasizes the need for the participating agencies to work together to minimize or eliminate confusion for visitors when overlapping or inconsistent fees are charged. In implementing the fee demonstration program, management in each agency has encouraged local site managers to coordinate fees to avoid such confusion. However, in the final analysis, whether coordination occurs is largely based on the desire and will of local site managers. The site managers responding to our questionnaire reported that about 30 percent of their sites—103 out of 346—began coordinating their fees with other federal, state, or local recreation sites after the fee demonstration program began. While coordination of fees may not be feasible at all recreation sites, there are many additional opportunities for addressing confusing fee situations by identifying and eliminating overlapping or inconsistent fees. Figure 4 shows the extent of coordination by each agency.

Figure 4: Percentage of Agency Sites Coordinating Fees



So far, the coordination that has occurred has led to some successes when sites have worked together to better serve visitors by eliminating overlapping and inconsistent fees. The following examples illustrate how some sites have successfully avoided overlapping and inconsistent fees by simplifying fees to better serve visitors.

- Seventeen recreational sites along the Oregon coast accept the Oregon Pacific Coast Passport, which allows unrestricted access for entrance, day use or parking at each facility. These 17 sites are a combination of federal and state locations and include a site from the National Park Service, a BLM site, several Forest Service sites, and numerous state park sites. The per-vehicle pass is offered as either an annual pass ($35) or a 5-day pass ($10). This pass was initiated to reduce visitor confusion and frustration over having to pay a fee at each different agency managing the recreational sites along the Oregon Coast. Prior to the fee demonstration program, visitors were required to pay entrance or other fees at each site individually.
- The Idaho Department of Parks and Recreation and four federal agencies—the Bureau of Reclamation, the Park Service, the Forest Service, and BLM—-together offer the Visit Idaho Playgrounds pass. This per-vehicle pass covers entrance, trailhead and boating fees at over 100 recreational sites statewide and costs either $69 for an annual pass or $10 for a 5-day pass. The pass, which became available in December 2000, covers day-use fees but not camping and group fees. With the advent of the fee demonstration program, the statewide pass was created to address the state's concerns about visitors having to pay so many separate fees.
- The Park Service's Assateague Island National Seashore in Maryland and the FWS' Chincoteague National Wildlife Refuge in Virginia are adjacent sites located on the same island bordering the Atlantic Ocean. Because of their proximity and their relatively remote location, they share many of the same visitors. To better accommodate the visitors, the managers at the sites developed a reciprocal fee arrangement whereby each site accepts the fee paid at the other site.

Despite these examples of successful coordination efforts, there are still many opportunities where more coordination could improve the overall quality of service being offered to visitors by eliminating the confusing fee situations that still exist. For example, our survey results indicated that 30 percent of the sites responding to our questionnaire coordinated fees with other sites. In addition, only 17 percent of the responding sites coordinated fees with sites within their own agency. Even fewer sites coordinated with state and local governments: 9 and 3 percent, respectively.

Limited fee coordination by the four agencies has permitted confusing fee situations to persist, both within and among the agencies. At some sites, an entrance fee may be charged for one activity whereas a user fee may be charged for essentially the same activity at a nearby site. For example, in Washington state, visitors entering either Olympic National Park or

Olympic National Forest for day hiking are engaging in the same recreational activity—obtaining general access to federal lands—but are charged distinct entrance and user fees for the same activity. For a 1-day hike in Olympic National Park, users pay a $10 per-vehicle entry fee (good for 1 week), whereas hikers using trailheads in Olympic National Forest are charged a daily user fee of $5 per vehicle for trailhead parking. Also, holders of the interagency Golden Eagle Passport—a $65 nationwide pass that provides access to all federal recreation sites that charge entrance fees—are able to use it to enter Olympic National Park but are not able to use it to pay the Forest Service's trailhead parking fee because that fee is a user fee.

Such confusing and inconsistent fee situations also occur at sites within the same agency. For example, visitors to some Park Service national historic sites, such as the San Juan National Historic Site in Puerto Rico, pay an entrance fee and have access to all amenities at the sites, such as historic buildings. However, other Park Service historic sites, such as the Roosevelt/Vanderbilt Complex in New York State, charge no entrance fees but tours of the primary residences require payment of user fees. As a result, visitors who have purchased annual passes for entrance fees such as the Golden Eagle Passport or the Park Service's National Parks Pass—a $50 annual pass that provides access to all Park Service sites that charge entrance fees—have access to the San Juan site but have to pay for the activities at the Roosevelt/Vanderbilt Complex.

Other examples of this confusing situation involve fees charged for a variety of cave tours within the national park system. For self-guided cave tours at Carlsbad Caverns National Park in New Mexico and the Oregon Caves National Monument, either the Golden Eagle Passport or National Parks Pass is accepted for payment. However, at Mammoth Cave National Park in Kentucky, visitors must pay a user fee to take the self-guided cave tour, and the national entrance passes are not accepted. Several other Park Service sites–such as Jewel Cave and Wind Cave—also charge user fees for their cave tours and do not accept the national entrance passes for payment. In our view, comments made by one of the site managers in response to our questionnaire best sum up the current entrance and user fee situation. According to the fee manager at the Roosevelt/Vanderbilt Complex, "There is ongoing confusion as to what constitutes an entrance and a use [fee]. Some sites consider entering the grounds of the site the 'entrance' and others consider entering the 'prime' resource or historic home, etc., the entrance. The public at all levels are confused because the agencies apply the definitions differently—both between and among the agencies."

In commenting on a draft of this report, the Park Service acknowledged inconsistencies among Park Service fee demonstration sites that charge entrance and user fees. The agency stated that it was planning to implement recommendations from a recent consultant study that would reduce visitor confusion by using more consistent fees.

Management Improvements Are Needed to Make the Program More Effective

To achieve the desired level of experimentation with different types of fees, improve the use of more up-to-date collection methods, and to foster more coordination among sites, management improvements are needed in three areas: performance expectations and measures, program evaluation and identification of best practices, and the resolution of interagency issues. Improvements in each of these areas could enhance the effectiveness of the program and better position the agencies for full-scale implementation of the program if it becomes permanent.

Performance Expectations and Measurement Criteria Have Not Been Developed

The fee demonstration program legislation gave each of the agencies broad authority to implement the demonstration program. All four agencies chose to manage the program on a decentralized basis, giving local site managers considerable discretion in the way the program is implemented. To hold site managers, and the agencies, accountable for helping accomplish the goals of the program, performance expectations and measures that are consistent with program goals are critical. Having clear performance expectations and measures would clarify what site managers are to accomplish and provide a basis for judging performance and identifying areas needing improvement, both on a site-by-site basis and across the program as a whole. However, none of the agencies have developed performance expectations or measures. Without such guidance, it is not surprising that the majority of the demonstration sites have not experimented with new or additional types of entrance fees; used more contemporary, convenient collection methods on a broader scale; or more frequently coordinated fees with other recreation sites. As a result, there is no way to determine whether the level of innovation and coordination that has occurred at a site or throughout the agency is acceptable.

Our findings are similar to what the four agencies reported to the Congress in January 1998.[8] In providing a progress report on the fee demonstration

[8] *Recreational Fee Demonstration Program: Progress Report to Congress*, U.S. Department of the Interior and U.S. Department of Agriculture (Jan. 31, 1998).

program, the Department of the Interior and the Department of Agriculture stated that ". . . managers are often confused over what primary objective, if any, should take priority, or whether they should attempt to satisfy several objectives simultaneously." In their January 2000 report to the Congress, the two departments emphasized the need to measure the results of the demonstration program.[9] The 2000 report concluded that "the agencies continue to wrestle with the problem of how to measure . . . accomplishments and to communicate . . . successes in a meaningful way." This need continues.

None of the four agencies have implemented an effective performance measurement system. While the Forest Service has taken some steps to address its performance-management needs for this program by developing draft criteria for determining successful performance, the program is already 5 years old, and the agency does not plan to implement its performance criteria until January 2002.

Systematic Program Evaluations Have Not Been Done; Best Practices Have Not Been Identified

Today, after almost 5 years of experience with the program, the agencies have yet to complete systematic evaluations of the implementation of the program to identify what types of fees and fee collection practices work best. Performing such evaluations and developing knowledge of what the best practices are would enable agency managers to identify the most effective fees and collection practices to use should the program be permanently authorized, which would improve visitor service.

The Department of the Interior and the Department of Agriculture, in their January 1998 report to the Congress, cited the importance of assessing the demonstration program. The report, among other things, identified the need to evaluate the effectiveness of the way various agencies approach fees as well as to determine the most effective modes to collect fees. Since the January 1998 report, however, no formal system has been developed to document, analyze, and exchange information on innovative fee approaches, fee collection methods, or the extent of coordination with other recreation sites in a consistent and systematic way. According to fee-demonstration program managers, the agencies have shared information on best practices through informal methods such as attendance at conferences and email communications. In commenting on a

[9] *Recreational Fee Demonstration Program: Progress Report to Congress*, U. S. Department of the Interior and U. S. Department of Agriculture (Jan. 31, 2000).

draft of this report, the Park Service acknowledged that no formal mechanism exists to share information, but it has several initiatives under way to address this issue.

To its credit, the Forest Service performed evaluations of many individual sites as well as regional programs for several years. While these evaluations have been useful to agency managers, they have been general in nature, varied in scope from site to site, and not consistently focused on specific aspects of the fee demonstration program such as fee innovations, fee-collection practices, and coordination activities. Furthermore, these evaluations have not identified the best practices being used. Moreover, the Forest Service has no process in place for ensuring that recommendations made in its evaluation reports, if any, are implemented.

BLM is also beginning to make progress in evaluating its program. It began site evaluations in March 2001 with plans to evaluate its major sites every 4 years. According to BLM officials, these evaluations will focus on the overall management of the program. Park Service officials told us that the agency's regional offices and park units determine what, if any, audits of the fee demonstration program are performed. The Park Service has performed audits at some individual sites, generally involving cash-handling procedures, but no overall assessment of its fee demonstration program was completed. FWS conducted no formal systematic evaluations of its demonstration sites or its overall program. FWS officials told us that the high turnover in the agency's fee demonstration program managers in Washington, D.C., resulted in substantial staff time devoted to recruiting and training fee managers, and as a result, no evaluation of fee programs was performed.

In June 2000, the Senate Committee on Appropriations expressed similar concerns about the lack of program evaluation. In its report on 2001 fiscal year appropriations for Interior and related agencies, the Committee directed Interior and Agriculture to conduct an assessment of the demonstration program.[10] The assessment is to address many of the same evaluation concerns discussed in this report, such as what criteria are used for evaluating the success of the program, and whether sites are coordinating to avoid multiple fee situations. The departments are now in the process of preparing their report.

[10]S. Rep. No. 106-312, at 114 (2000).

No Effective Mechanism Exists to Promote Interagency Cooperation or Resolve Interagency Issues

Since the demonstration program began 5 years ago, several interagency issues emerged that affected the implementation of the program and the quality of services provided to visitors. While the agencies have been aware of these issues for several years, little was done to successfully resolve them. The effective resolution of these interagency issues would require agreement, coordination, and consistency among the four participating agencies and two departments. However, no effective interagency mechanism is currently in place to ensure this resolution is accomplished. These conditions led to confusion among many visitors and have detracted from the overall quality of service provided by the program.

Perhaps the best example of an interagency issue that needs to be addressed is the inconsistency and confusion surrounding the acceptance and use of the Golden Eagle Passport. This interagency pass costs $65 annually and is used by tens of thousands of visitors each year. Purchasers of the pass have unlimited access to federal recreational sites that charge an entrance fee. However, many sites do not charge entrance fees to gain access to a site; instead, they charge a user fee. For example, Yellowstone National Park, Acadia National Park, and the Eisenhower National Historic Site charge entrance fees. But sites like Wind Cave National Park, Steamtown National Historic Site, and the Delaware Water Gap National Recreation Area charge user fees for general access. If user fees are charged in lieu of entrance fees, the Golden Eagle Passport is generally not accepted even though, to the visitor with a Golden Eagle Passport, there is no practical difference. Our survey results showed that only about 10 percent of the 346 sites that responded to our survey accept the Golden Eagle Passport for a user fee activity, even though many of these sites have similar recreation activities as those charging an entrance fee. A number of site managers commented about how confused visitors were by the Golden Eagle Passport. The following comments are typical of these managers.

Park Service site manager: "Visitors do not understand the difference between a user fee and an entrance fee and are upset when their Golden Eagles do not cover user fees. They understand paying for user fees such as camping and boat launch user fees but not the user fee that permits access to a site."

Forest Service site manager: "Sales of the Golden Eagle . . . do not provide the visitor with sufficient information as to where these passes are valid. Frequently, visitors become confused and angry when they attempt to use this pass at Forest Service sites where user fees are charged."

An interagency working group comprising the four agencies' fee-demonstration coordinators recognized the problem concerning confusion over the use of entrance versus user fees almost 4 years ago in their January 1998 report to the Congress.[11] They pointed out that "In the absence of a clear understanding of the difference between entrance fees and user fees, the public may be uncertain why the Golden Eagle passport is accepted in some situations and locations and not in others." The report also stated that a common definition of entrance fees is needed that can be applied consistently across all federal recreational facilities that accept the Golden Eagle passport. Despite these concerns, the matter remains unresolved.

Further exacerbating the public's confusion over payment of use or entrance fees was the implementation of the Park Service's single-agency National Parks Pass in April 2000. This pass costs $50 annually and admits the holder, spouse, children, and parents to all National Park Service sites that charge an entrance fee. However, the Parks Pass does not admit the cardholder to Park Service sites that charge a user fee, nor is it accepted for admittance to other sites in the Forest Service and in the Department of the Interior, including BLM and Fish and Wildlife Service sites. According to a former coordinator of the Forest Service's demonstration program, the Parks Pass removed the Park Service's incentive to effectively work with other agencies to resolve the problem. However, the Park Service disagrees with this assertion.

Another example of an interagency issue that needs to be addressed is the need to promote greater coordination of fees among nearby or adjacent sites. Situations in which inconsistent and overlapping fees are charged for similar recreational activities—such as at Olympic National Park/Olympic National Forest in Washington—need to be resolved in a way that offers visitors a more rational and consistent fee program.

We made a similar point in our 1998 report on the program.[12] In that report, we stated that further coordination among the agencies participating in

[11]This interagency group meets periodically to discuss various fee demonstration program issues such as fee innovation, interagency coordination, and measures of accomplishments. It also prepares an annual report to the Congress on the progress in implementing the program.

[12]*Recreation Fees: Demonstration Fee Program Successful in Raising Revenues but Could Be Improved* (GAO/RCED-99-7, Nov. 20, 1998).

the fee demonstration program could reduce confusion for visitors. We recommended that the Secretaries of the Interior and Agriculture direct the heads of the participating agencies to improve their services to visitors by better coordinating their fee collection activities under the Recreational Fee Demonstration Program. We also recommended that the agencies approach such an analysis systematically, first by identifying other federal recreation areas close to each of the demonstration sites and then, for each situation, determining whether a coordinated approach, such as a reciprocal fee arrangement, would better serve the visiting public. While the agencies have taken some steps to address this concern, our survey results show that much more could be done. These longstanding problems illustrate the need for all four agencies to make improvements in interagency communication, coordination, and consistency for the program to become visitor friendly. The extent of coordination that occurs is still left to local site managers. In our view, further fee coordination is not occurring because no effective mechanism exists to ensure that interagency coordination occurs or to resolve interagency issues or disputes when they arise. In commenting on a draft of this report, the Park Service stated that it has been working with other agencies on the acceptance of federal passes. However, there are no specific plans or time frames to resolve this issue. BLM, in commenting on a draft of this report, believed that there is an effective interagency mechanism to deal with cross-agency problems. However, we question the effectiveness of this mechanism because it has been almost 4 years since an interagency working group recognized the confusion over federal passes and visitors continue to be confused over the inconsistent acceptance of federal passes.

Use of Fee Demonstration Revenues May Not Always Reflect Agencies' Highest-Priority Needs

Almost 5 years into the demonstration program, an imbalance is growing in fee revenues—high-priority needs at some lesser-visited sites go unfunded, while more heavily visited sites will be able to address their highest-priority needs and more. Many heavily visited sites in the fee demonstration program in the Park Service and the Forest Service generate a large amount of total fee revenues compared with other sites in these agencies and other sites in the BLM and the FWS.[13] However, most of the revenue stays in the collecting units to address local needs, and these needs may not be the highest-priority needs facing the agency. This situation is particularly acute in the Park Service where fee revenue at 14 parks has effectively increased annual operating budgets by 50 percent or more. In fact, in several cases, such as at the Grand Canyon and Arches National Parks, operating budgets doubled resulting in a large pool of funds for addressing these parks' needs. In our 1998 Recreational Fee Demonstration Program report, we suggested that the Congress might wish to consider modifying the current requirement that 80 percent of fee revenue be used in the units generating the revenues to allow for greater flexibility in using fee revenues.[14]

Many Fee-Demonstration Sites Generate High Fee Revenues

Many heavily visited sites in the fee demonstration program of the National Park Service and the Forest Service generate a large amount of fee revenues compared with other sites in these agencies and other sites in BLM and FWS. The total revenue collected by 42 of the 100 Park Service sites in the fee demonstration program amounted to $116 million in fiscal year 1999.[15] This amount represented about 90 percent of all fee demonstration revenues collected by the Park Service during that year. The 42 sites retained 80 percent of the revenue they collected, or about $92.8 million. Furthermore, of these 42 sites, 14 retained fees that ranged from 50 percent to more than 100 percent of their fiscal year 1999 operating budgets. Three of these sites retained fee revenue that exceeded their annual operating budgets for that year. For example, Arches National

[13]Our review in this section focused only on the National Park Service and the Forest Service because these two agencies generated about 95 percent of all fee demonstration revenue.

[14]*Recreation Fees: Demonstration Fee Program Successful in Raising Revenues but Could Be Improved* (GAO/RCED-99-7, Nov. 20, 1998).

[15]We used fiscal year 1999 revenue data because they were the latest available when we began our review. The revenue figures exclude $10.5 million in Golden Eagle Passport sales.

Park retained fee-demonstration revenue of $1.4 million—156 percent of its $911,000 fiscal year 1999 operating budget, and Grand Canyon National Park retained fees of $19.5 million—116 percent of its $16.8 million operating budget for that year. In contrast, if the remaining 20 percent collected by the 42 sites that year ($23.2 million) were provided to the other 342 park units within the national park system, each unit would receive only about $68,000 for improving visitor services and program operations.

The Forest Service also has many high-revenue sites. The total fee demonstration revenue collected by 17 of the 81 sites in the program amounted to $17.5 million, or 66 percent of the total amount collected by the Forest Service during fiscal year 1999. The 17 sites include about 50 national forests in the country. The Forest Service allows sites to retain 90 to 100 percent of fee demonstration revenues collected. Assuming all these 17 sites retained 90 percent of the fee revenue they collected and the balance of $1.75 million was made available to the other 105 national forests, each forest would receive only about $17,000 for improving visitor services and program operations. In commenting on a draft of this report, the Forest Service responded that our statement that the Forest Service has many high-revenue sites is misleading because several of those sites are on multiple forests and the revenue per forest is often modest as a percentage of appropriated funds. In this regard, the Forest Service noted that it does not have any sites in an "over funded" situation at this time. While some demonstration sites may have more needs than fee revenue can address, our concern is that the agency be provided with the flexibility to address its highest-priority needs first. As the Forest Service acknowledged in its comments, it has not determined its highest-priority needs.

Compared to the Park Service and the Forest Service, the total fee demonstration revenue generated by BLM and the FWS was small—$5.2 million and $3.4 million, respectively. BLM had only 15 sites that each generated more than $100,000, and FWS had 6 sites that each generated more than $100,000.

Fee Revenues May Not Address Agencies' Highest-Priority Needs

Revenues from the fee demonstration program may not always be used to meet the highest-priority needs of the two agencies that generate almost all of the fee revenue. We had previously found this to be the case in two prior reviews of the fee demonstration program.[16] Furthermore, officials in the agencies participating in the fee demonstration program acknowledge that revenue from the program is not always spent on the highest-priority projects. This condition exists for two reasons. First, the National Park Service and the Forest Service do not maintain a centralized list of priority needs. As a result, the use of fee revenue is not based on an agencywide determination of priority needs. Second, 80 percent of fees collected must be used at the site where they were collected, and thus, sites that collect most of the revenue use it to meet their local needs even if these needs are minor in comparison with those at other locations where funding is not as plentiful. In accordance with this requirement, each of the demonstration sites within the Park Service retains 80 percent of fee revenue collected. The Forest Service allows each site to retain 90 to 100 percent of revenue. Since these agencies are retaining 80 to 100 percent of fee revenue at a site, agency officials consider some sites as "cash rich," whereby they have high fee revenues to meet many needs while other sites have not been able to obtain sufficient revenue to meet their priority needs.

We reviewed the use of fee revenues at high-revenue sites, at lower-revenue sites, and sites not in the fee demonstration program to determine how the revenues are being used. For example, during fiscal year 1999, Grand Canyon National Park retained about $19.5 million in fee demonstration revenue that it used to fund many projects, including $4.3 million to construct, repair, and rehabilitate restrooms parkwide and $3.6 million to rehabilitate a park headquarters building and convert a visitor center into administrative offices. Also, Castillo de San Marcos National Monument in Florida retained about $1.1 million in fee revenue—almost doubling its $1.2 million operating budget in fiscal year 1999—for use in funding several projects including $500,000 to replace deteriorated museum exhibits and $485,000 to construct a museum storage facility. We could not determine the extent to which these parks are using fee revenue to meet the agency's highest-priority needs because the agency does not maintain a centralized list of priority needs. As a result, these parks have collected revenue to address many needs that may not always be the

[16] *Recreation Fees: Demonstration Fee Program Successful in Raising Revenues but Could Be Improved* (GAO/RCED-99-7, Nov. 20, 1998) and *National Park Service: Recreational Fee Demonstration Program Spending Priorities* (GAO/RCED-00-37R, Nov. 18, 1999).

highest-priority needs within the national park system. According to the Park Service southeast regional coordinator, Castillo de San Marcos National Monument is currently using fee revenue to meet its deferred needs; however, in future years, given its high-fee revenue, retaining 80 percent of fee collections would not result in the most effective use of revenue because of higher-priority needs in lower-revenue sites and other sites not in the fee demonstration program.

In contrast to the higher-revenue sites, some of the lower-revenue sites and sites not in the fee demonstration program have not been able to address their high-priority needs because of limited availability of fee demonstration revenues.[17] For example, since fiscal year 1999, two non-fee demonstration park units—Pipe Spring National Monument in Arizona and Fort Union National Monument in New Mexico—have been unable to obtain a sufficient amount of the 20-percent fee revenue to install fire suppression systems to protect their primary historic structure and museum and valuable curatorial collections. Pipe Spring and Fort Union had requested $179,000 and $108,000, respectively, for these projects. According to officials in these two park units, they have received limited fee demonstration revenue to meet their priority needs.

Officials from the four land management agencies in the fee demonstration program acknowledged that some sites with large fee revenues may eventually have more revenue than they need to meet their priority needs, while other lower-revenue sites in the program and sites not participating in the demonstration program may have limited or no fee revenues to meet their priority needs. For example, according to the January 1998 Interior and Agriculture report to the Congress on the fee demonstration program, ". . . it is possible that some key revenue-producing sites may quickly reduce their backlog projects and then be faced with accumulating large balances in their fee revenue accounts, funding projects that would rank low in priority compared to projects elsewhere in the agency, or searching for additional projects just to spend the money."[18] The report further states that "This could be a significant problem for an agency if, at the same time,

[17]The Park Service allocates the portion of fee demonstration revenue not used by collecting sites (20 percent) to lower-revenue fee demonstration sites, park units that do not participate in the fee demonstration program, and for servicewide initiatives. Examples of servicewide initiatives include funding nonprofit youth groups to work on national park projects and renewable energy efficiency technology projects.

[18]*Recreational Fee Demonstration Program Progress Report to Congress* (Jan. 31, 1998).

there remain substantial backlogs at other agency sites that either have low visitation, or are not authorized to charge recreation fees."

The return of most of the revenue to the collecting sites for use in improving services and facilities is a key incentive for fee collection and for the high level of visitor support now enjoyed by the agencies. However, because a small percentage of sites generate a high percentage of the agencies' total revenue, the agencies suggested, in the January 31, 2000, *Recreational Fee Demonstration Program Progress Report to Congress* that they needed increased flexibility in some situations to use more than 20 percent of the fees at sites other than where they were collected. They pointed out that this flexibility would result in a more efficient use of fee revenue to meet the highest-priority needs of the agencies.

In commenting on a draft of this report, the National Park Service acknowledged that there is a need for flexibility in allocation formulas to ensure that fee revenue funding can be made available to parks with the greatest needs. It also stated that its revised project management system due in November 2001 will help to ensure that the priority needs of individual parks are identified and funded.

Furthermore, the Forest Service as well as the Interior agencies stated back in 1998 that they would evaluate whether retaining 80 percent of fee revenue at the collecting sites would constitute a problem in the long run as the fee demonstration program progresses. Although the fee demonstration program has been in effect for over 5 years, such an evaluation has not been conducted.

In our 1998 Fee Demonstration Program report, we stated that the Congress might wish to consider modifying the current requirement that 80 percent of fee revenue be used in the units generating the revenues to allow for greater flexibility in using fee revenues. If this requirement were changed, the agencies could consider various options that could result in a more equitable use of fee revenue, while at the same time maintaining incentives for collecting fees. For example, the agencies could allow sites to use an amount up to a specified maximum percentage amount of their operating budget (e.g., up to 60 percent of their operating budget).

In commenting on a draft of this report, both the Park Service and the Forest Service agreed that the need exists for some flexibility in using fee revenues. However, they expressed concerns about our example of basing fee revenue allocations on operating budgets. The Park Service stated that it favors basing fee revenues on its proposed comprehensive

approach that identifies the priority needs of parks while the Forest Service favors retaining 60 percent or more of fee revenue at the collecting site if the intent were to redistribute funds. Basing fee revenues on operating budgets is only one example of providing flexibility in using fee revenues. We recognize that several alternative approaches may result in a more equitable means of distributing such revenues.

Conclusions

Essentially, the fee demonstration program is about raising revenue for the participating sites and using it to maintain and improve the quality of visitor services and the protection of resources at federal recreation sites. So far, the program has successfully raised a significant amount of revenue. However, our analysis indicates that the agencies can do more to improve the quality of visitor services it is providing. Without greater effort to adopt more modern and convenient fee collection practices, like credit cards or Internet sales, visitors to many sites will continue to be faced with limited payment options. Furthermore, unless more is done to eliminate the inconsistent fee situations that now exist, many visitors will continue to be confused about the fees they are being asked to pay. Until these conditions are addressed, the overall quality of the services provided to visitors and the overall quality of a visitor's experience are diminished.

Because each of the four participating agencies manage the program on a decentralized basis, local site managers have considerable latitude in determining how to implement the program. Under these circumstances, holding individual site managers accountable for accomplishing the goals of the program is imperative. To get this done, establishing performance expectations and measures that would clarify what individual site managers are to accomplish is critical. Yet, even though the program is now over 5 years old, this has not been done. Establishing performance expectations and measures on a site-by-site and agencywide basis would help improve the overall quality of visitor services by, among other things, making clear where improved collection practices should be used and where increased coordination should occur. Furthermore, the agencies have yet to complete systematic evaluations of the program to identify what types of fees and fee collection practices work best. Performing such evaluations and developing knowledge of what the best practices are will enable agency managers to identify the most effective fees and fee collection practices to use on a broader scale should the program be permanently authorized. Finally, although agency managers have been aware of a number of interagency issues for several years, little has been done to resolve them. The most obvious example of this involves the inconsistent application of entrance and user fees among the agencies.

The effective resolution of these issues requires agreement, coordination, and consistency among the four participating agencies in two departments. However, no effective interagency mechanism is currently in place to ensure that this is accomplished.

Concerning the revenue retention component of the demonstration program, the current legislation provides a financial incentive to establish and operate fee-collection programs, but it does not always provide the agencies with enough flexibility to address high-priority needs of low revenue recreation sites. In 1998, we suggested that the Congress might wish to consider modifying the current requirement that 80 percent of fee revenue be used in the units generating the revenues to allow for greater flexibility in addressing high-priority needs. We still believe that our earlier suggestion has merit.

Recommendations for Executive Action

In order to improve the performance and effectiveness of the program, we recommend that the Secretaries of the Interior and Agriculture require the agency head for each of the participating agencies to

- develop specific program performance expectations and measurable performance criteria agencywide and for each participating site;
- develop and implement a process for conducting systematic evaluations of the program to identify which fee designs, collection methods, and coordination practices work best; and to disseminate the information to all participating sites; and
- develop an effective interagency mechanism to oversee and coordinate the program among the four agencies and resolve such interagency issues as developing standard definitions of “entrance” versus “user” fees. If congressional authorization is needed to accomplish this, then the agencies should seek the necessary legislation.

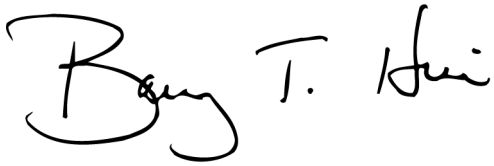
Agency Comments

We provided the Department of the Interior and the Department of Agriculture copies of a draft of this report for their review and comment. The Department of the Interior, including the three Interior agencies that participate in the fee demonstration program, and the Department of Agriculture generally agreed with the findings and the recommendations in the report. In addition, both departments provided us with additional clarifying and technical comments that we incorporated into the report as appropriate. Comments from the Department of the Interior are included in appendix II and comments from the Department of Agriculture are included in appendix III.

As arranged with your office, unless you publicly announce its contents earlier, we plan no further distribution of this report until 30 days after the date of this letter. At that time, we will send copies to the Chairman of the Subcommittee on National Parks, Historic Preservation, and Recreation of the Senate Committee on Energy and Natural Resources; the Secretary of the Interior; the Secretary of Agriculture; the Director, National Park Service; the Director, Bureau of Land Management; the Director, Fish and Wildlife Service; the Chief of the Forest Service; the Director, Office of Management and Budget; and other interested parties. We will make copies available to others upon request. This report will also be available on GAO's home page at http://www.gao.gov.

If you or your staff have any questions about this report, please contact me at (202) 512-3841. Key contributors to this report were Lew Adams, Brian Estes, Cliff Fowler, Frank Kovalak, Luann Moy, and Paul Staley.

Sincerely yours,



Barry T. Hill
Director, Natural Resources
and Environment

Appendix I: Scope and Methodology

To determine the extent to which the National Park Service, Forest Service, Bureau of Land Management, and Fish and Wildlife Service used innovative fees and fee collection practices and coordinated their approaches in managing the Recreational Fee Demonstration Program, we developed an automated survey instrument that we posted on GAO's Web site. We sent email messages to the managers at all 365 fee-demonstration program sites which were collecting fees as of September 30, 2000, asking them to fill out the survey to provide us with information about how they were implementing the program at their site.[1] Table 3 shows the total number of demonstration sites contacted and the rate of response.

Table 3: Response Rate for Fee Demonstration Program Survey

Agency	Total sites in the program	Completed responses	Percentage of total sites responding to questionnaire
National Park Service	100	96	96
Bureau of Land Management	98	91	93
Fish and Wildlife Service	86	84	98
Forest Service	81	75	93
Total	**365**	**346**	**95**

See http://www.gao.gov/cgi-bin/getrpt?gao-02-88SP for the entire questionnaire and the responses from the four agencies.

During our design of the survey, we conducted two pretests with officials from each of the four agencies, for a total of eight pretests, to ensure that the officials understood the questions and could easily access and complete the questionnaire via GAO's Web site. After each pretest, we made the necessary revisions to the questionnaire. Once completed, the electronic questionnaire was made available from March 9 to April 18, 2001, to all site managers via GAO's Web site on the Internet.

To ensure security and data integrity, we provided each manager with a password that would allow him or her to access and complete a questionnaire. To ensure the consistency and accuracy of our data, we conducted edits to verify that the appropriate questions on the

[1]The fee demonstration program legislation allows each of the four participating agencies to include up to 100 sites/projects in the program. A site may be made up of more than one field unit. For example, the Park Service has 100 sites in the demonstration program that are located at 137 different recreational units.

questionnaire had been answered. Because of the time and cost involved in doing so, we did not independently verify the data that the site managers provided. However, we did review the questionnaire responses from six of the sites we visited (at least one in each agency) to ensure they were consistent with the information we obtained on the fee demonstration program at the time of our visit.

To determine what, if any, management improvements can be made to enhance program performance and results, we analyzed the questionnaire survey results relating to the implementation and management of the fee demonstration program and discussed these issues with officials at the four agencies' headquarters offices, and regional or state offices, as well as individual demonstration site managers.

Table 4 identifies the demonstration sites that we visited. We selected individual sites because they were (1) in a previous fee demonstration review and warranted follow-up, (2) identified by agency officials as potential sites to visit, (3) experimenting with new fees or fee collection practices, and/or (4) geographically dispersed.

Table 4: Demonstration Sites GAO Visited

Agency and site	State
National Park Service:	
Assateague Island National Seashore	Maryland
Colonial National Historical Park	Virginia
Lassen Volcanic National Park	California
Mt. Rainier National Park	Washington
Whiskeytown-Shasta-Trinity National Recreation Area	California
Forest Service:	
George Washington and Jefferson National Forests	Virginia
Mt. St. Helens National Volcanic Monument	Washington
San Bernardino National Forest	California
Shasta-Trinity National Forests	California
Bureau of Land Management:	
Imperial Sand Dunes Recreation Area	California
Redding Field Office	California
Yaquina Head Outstanding Natural Area	Oregon
Fish and Wildlife Service:	
Chincoteague National Wildlife Refuge	Virginia
J. N. "Ding" Darling National Wildlife Refuge	Florida

At each location we obtained, reviewed, and analyzed supporting documentation, such as laws, regulations, and reports, on the fee demonstration sites. We also discussed recreation fee pricing and related issues with officials of state park agencies in Colorado, Idaho, Ohio, and Washington state and the National Association of State Park Directors. Furthermore, to gain a better understanding of their perspectives on the fee demonstration program, we contacted the following natural resource/recreation interest groups: America Outdoors, American Recreation Coalition, The Mountaineers, the National Parks Conservation Association, the National Park Foundation, and the Natural Resources Defense Council.

Finally, to determine whether revenues from the fee demonstration program were being used to meet the agencies' highest-priority needs, we obtained documentation on the fee revenue collected by the demonstration sites and the types of projects funded with fee revenues. We also discussed with headquarters, regional, and site officials the extent to which fee revenues were being used to meet the highest-priority needs of the sites and agencies. We reviewed Park Service documents to identify sites where fiscal year 1999 retained fee revenues had increased operating budgets by 50 percent or more. We compared these high-revenue sites with other sites within the Park Service that either were not in the fee demonstration program or had retained revenues representing less than 20 percent of their operating budgets (lower-revenue sites). For the Forest Service, we reviewed the 17 fee demonstration sites that generated the most fee revenue. We limited our review of this objective to these two agencies because they generate most of the fee demonstration revenue.

We conducted our work from November 2000 through September 2001 in accordance with generally accepted government auditing standards.

Appendix II: Comments From the Department of the Interior

United States Department of the Interior

OFFICE OF THE SECRETARY
Washington, D.C. 20240

NOV - 6 2001

Mr. Barry Hill
Director, Natural Resources and Environment
U.S. General Accounting Office
441 G Street, NW
Washington, DC 20548

Dear Mr. Hill:

The Department of the Interior has reviewed the General Accounting Office (GAO) draft report entitled, "Recreation Fees: Management Improvements Can Help the Demonstration Program Enhance Visitor Services" (GAO-02-10). The Department generally agrees with the findings of the draft report.

The Department of the Interior supports the Recreational Fee Program and believes that Recreational Fee authority allows local managers to respond to visitor needs more effectively and to protect resources under their management.

In the draft report, a recommendation was made to improve program management by setting clear performance expectations and criteria. The Department agrees with this recommendation.

The Department also agrees with the recommendation to improve program evaluation. To ensure continuous and systematic program evaluation, the Department will establish a process to evaluate ongoing and potential future Fee Demonstration projects. Congress will be provided with a full update on evaluation and management initiatives in the interim evaluation report that will be submitted within the next several months.

The Department agrees that the Department of Agriculture and the Department of the Interior need to work together to address interagency management issues such as interagency collaborations, the distinction between "use" and "entrance" fees, and national passes. The Department has implemented a number of successful regional interagency collaborations since 1998 and will continue to look for additional opportunities.

While the Department agrees that management improvements in the program are necessary, the agencies have performed admirably during the demonstration phase. The Department of the Interior believes that the Recreational Fee Demonstration Program, with its positive incentives and demonstrated ability to augment resource protection and visitor services, is an important innovation and looks forward to implementing improvements.

Additional comments and technical corrections made by individual bureaus are enclosed.

Sincerely,

P. Lynn Scarlett
Assistant Secretary
Policy, Management, and Budget

Enclosure

Appendix III: Comments From the U.S. Department of Agriculture

United States Department of Agriculture | Forest Service | Washington Office | 14th & Independence SW
P.O. Box 96090
Washington, DC 20090-6090

File Code: 1420
Date: NOV 15 2001

Barry T. Hill
Director, Natural Resources and Environment
U. S. General Accounting Office
441 G Street N.W.
Washington, DC 20548

Dear Mr. Hill:

Thank you for the opportunity to provide a response to General Accounting Office's (GAO) Draft Report *Recreation Fees: Management Improvements Can Help the Demonstration Program Enhance Visitor Services*, GAO-02-10.

The Forest Service generally agrees with the report's content and concurs with its recommendations. We appreciate the time and effort on the part of GAO staff to examine this complex program, as well as the changes made to the first draft based on our exit conference interview. The data from the field survey are of particular interest, and it is unclear why more analysis of the data did not occur in the report. For example, the complexities of national pass system development (as reported by site managers) are not fully detailed. We are also puzzled by the two primary concepts forwarded: that agencies must be more innovative in establishing fees, yet develop more consistency with nearby federal, state, and local outdoor recreation sites. The two goals are often mutually exclusive. Nevertheless, the report findings and the data from field managers are valuable resources for the Forest Service as it continues to refine implementation of the recreation fee demonstration program.

If you have additional questions or concerns, please contact our Agency's External Audit Liaison, Linda Washington, at 202-205-1560.

Sincerely,

Donna Carmical

for CATHRINE L. BEATY
Acting Chief Financial Officer
Deputy Chief, Office of Finance

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