United States General Accounting Office

GAO

Testimony

Before the Subcommittee on National Parks, Recreation and Public Lands, Committee on Resources, House of Representatives

For Release on Delivery
Expected at 10:00 a.m. EDT
Thursday, May 6, 2004

RECREATION FEES

Comments on the Federal Lands Recreation Enhancement Act, H.R. 3283

Statement of Barry T. Hill, Director
Natural Resources and Environment

G A O
Accountability * Integrity * Reliability

GAO-04-745T

May 6, 2004

GAO
Accountability • Integrity • Reliability

Highlights

Highlights of GAO-04-745T, a testimony before the Subcommittee on National Parks, Recreation and Public Lands, Committee on Resources, House of Representatives

RECREATION FEES

Comments on the Federal Lands Recreation Enhancement Act, H.R. 3283

Why GAO Did This Study

In 1996, the Congress authorized an experimental initiative called the Recreational Fee Demonstration Program that provides funds to increase the quality of visitor experience and enhance resource protection. Under the program, the Bureau of Land Management, Fish and Wildlife Service, and National Park Service—all within the Department of the Interior—and the Forest Service—within the U.S. Department of Agriculture—are authorized to establish, charge, collect, and use fees at a number of sites to, among other things, address a backlog of repair and maintenance needs. Also, sites may retain and use the fees they collect. The Congress is now considering, through H.R. 3283, whether to make the program permanent. Central to the debate is how effectively the agencies are using the revenues that they have collected.

This testimony focuses on the potential effect of H.R. 3283 on the issues GAO raised previously in its work on the Recreational Fee Demonstration Program. Specifically, it examines the extent to which H.R. 3283 would affect (1) federal agencies' deferred maintenance programs, (2) the management and distribution of the revenue collected, and (3) interagency coordination on fee collection and use.

www.gao.gov/cgi-bin/getrpt?GAO-04-745T.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Barry T. Hill at (202) 512-3841 or hillbt@gao.gov.

What GAO Found

H.R. 3283 would provide agencies with a permanent source of funds to better address their maintenance backlog, and by making the program permanent, the act would provide agencies incentive to develop a system to track their deferred maintenance backlogs. According to the Department of the Interior's latest estimates, the deferred maintenance backlog for the Interior agencies participating in the fee demonstration program ranges from $5.1 billion to $8.3 billion, with the Park Service alone accounting for an estimated $4 to $7 billion. Likewise, the Forest Service, the other participating agency, estimates its total deferred maintenance backlog to be about $8 billion. GAO's prior work on the Park Service's and Forest Service's backlog has demonstrated that neither agency has accurate and reliable information on its deferred maintenance needs and cannot determine how much of the fee demonstration revenues it spends on reducing its deferred maintenance needs. Furthermore, some agency officials have hesitated to divert resources to develop a process for tracking deferred maintenance because the fee demonstration program is temporary.

H.R. 3283 would allow agencies to reduce the percentage of fee revenue used on-site down to 60 percent, thus providing the agencies with greater flexibility in how they use the revenues. Currently, the demonstration program requires federal land management agencies to maintain at least 80 percent of the collected fee revenues for use on-site. This requirement has helped some demonstration sites generate revenue in excess of their high-priority needs, but the high-priority needs at other sites, which did not collect as much in fee revenues, remained unmet. GAO has suggested that the Congress consider modifying the current 80-percent on-site spending requirement to provide agencies greater flexibility in using fee revenues.

H.R. 3283 would standardize the types of fees federal land management agencies may use and creates a single national pass that provides visitors general access to a variety of recreation sites managed by different agencies and allows for the regional coordination of fees to access multiple nearby sites. GAO's prior reports have demonstrated the need for more effective coordination and cooperation among the agencies to better serve visitors by making the payment of fees more convenient and equitable while reducing visitor confusion about similar or multiple fees being charged at nearby or adjacent federal recreation sites.

Mr. Chairman and Members of the Subcommittee:

I am pleased to be here today to discuss H.R. 3283, the Federal Lands Recreation Enhancement Act, which proposes, among other things, to establish a permanent recreation fee program for certain federal land management agencies and standardize certain visitor fees. For many years, the Congress has sought to identify programs that would help federal land management agencies provide high-quality recreational opportunities for visitors while at the same time protecting their resources. Accordingly, in 1996, the Congress authorized an experimental initiative, called the Recreational Fee Demonstration Program. Under this program, four land management agencies—the Bureau of Land Management, Fish and Wildlife Service, and National Park Service within the Department of the Interior, and the Forest Service within the U.S. Department of Agriculture—are authorized to establish, charge, collect, and use fees at a number of sites to, among other things, enhance visitor services, address a backlog of needs for repair and maintenance, and manage and protect resources. We have issued a number of reports and testimonies on the program since its inception, identifying issues that need to be addressed to improve the program's effectiveness. (Appendix I lists our related reports and testimonies.)

The Congress is now considering, through H.R. 3283, whether it should make the program permanent. Central to the debate is how effectively the land management agencies use the funds generated from recreation fee collection. My testimony today focuses on H.R. 3283's potential effect on the issues that we raised in our prior work on the Recreational Fee Demonstration Program, specifically the extent to which the act would affect (1) federal agencies' deferred maintenance programs, (2) the management and distribution of the revenue collected, and (3) interagency coordination on fee collection and use.

We did not conduct any follow-up audit work in conjunction with this testimony. All of our prior work was conducted in accordance with generally accepted government auditing standards.

Results in Brief

In summary, H.R. 3283 would provide federal land management agencies with a permanent source of funds to help reduce their maintenance backlogs—one of the authorized uses of the revenues collected under the fee demonstration program. According to the Department of the Interior's latest estimates, the combined deferred maintenance backlogs for the participating agencies ranged from $5.1 billion to $8.3 billion of which the

Park Service accounted for an estimated $4 to $7 billion. Likewise, the Forest Service estimated its total deferred maintenance backlog to be about $8 billion, the bulk of which was needed for forest roads and bridges. However, as we have previously reported, neither the Park Service or Forest Service have accurate and reliable information on their deferred maintenance needs and, as a result, they cannot determine how much of the fee demonstration revenues is being spent on deferred maintenance or the fee program's overall impact on reducing their deferred maintenance needs. Some agency officials have hesitated to divert resources to develop a process for tracking deferred maintenance because the fee demonstration program is temporary. H.R. 3283 would provide agencies with a permanent source of funds to better address their maintenance backlog, and by making the program permanent, the act would provide agencies incentive to develop a system to track their deferred maintenance backlogs.

H.R. 3283 provides the participating agencies greater flexibility in how and where they may apply fee revenues. Currently, the fee demonstration program requires federal land management agencies to retain at least 80 percent of the collected fee revenues for use on-site. While this requirement has helped some demonstration sites generate revenue in excess of their high-priority needs, the high-priority needs at other sites, which do not collect as much in fee revenues, remained unmet. We have suggested that the Congress consider modifying the current 80-percent on-site spending requirement to provide agencies greater flexibility in using fee revenues to better meet their overall priority needs. However, we noted that agencies needed to balance the need for flexibility in transferring revenue against the need of keeping sufficient funds on-site to maintain incentives at fee-collecting units and to maintain visitor support. H.R. 3283 would allow agencies to reduce the percentage of fee revenue retained for use on-site down to 60 percent, if the respective Secretary determined that the revenues collected at the unit or area exceed the reasonable needs of the site. H.R. 3283 would also provide agencies with the flexibility to balance the need to provide incentives at fee-collecting sites and support of visitors against transferring revenues to other sites.

H.R. 3283 contains provisions to improve interagency coordination in the collection and use of recreation fees. Previously, we demonstrated the need for more effective coordination and cooperation among the agencies to better serve visitors by making the payment of fees more convenient and equitable while at the same time, reducing visitor confusion about similar or multiple fees being charged at nearby or adjacent federal recreation sites. For example, visitors entering Olympic National Park or

the adjacent Olympic National Forest previously paid different fees to hike on the same trail. H.R. 3283 would standardize the types of fees federal land management agencies may use, create a single national pass that provides visitors general access to a variety of recreation sites managed by different agencies, and allow for the regional coordination of fees to access multiple nearby sites.

Background

For the past several years, concerns about the cost of operating and maintaining federal recreation sites within the federal land management agencies have led the Congress to provide a significant new source of funds. This additional source of funding—the Recreational Fee Demonstration Program—was authorized in 1996. The fee demonstration program authorized the Bureau of Land Management, Fish and Wildlife Service, National Park Service, and the Forest Service to experiment with new ways to administer existing fee revenues and to establish new recreation entrance and user fees. The current authorization for the program expires December 31, 2005.

Previously, all sites collecting entrance and user fees deposited the revenue into a special U.S. Treasury account to be used for certain purposes, including resource protection and maintenance activities, and funds in this account only became available through congressional appropriations. The fee demonstration program currently allows agencies to maintain fee revenues in special U.S. Treasury accounts for use without further appropriation: 80 percent of the fees are maintained in an account for use at the site and the remaining 20 percent are maintained in another account for use on an agency-wide basis. As a result, these revenues have yielded substantial benefits for local recreation sites by funding significant on-the-ground improvements.

From the inception of the Recreational Fee Demonstration Program, the four participating agencies have collected over $1 billion in recreation fees from the public. The Department of the Interior and the Department of Agriculture's most recent budget requests indicate that the agencies expect to collect $138 million and $46 million, respectively, from the fee demonstration program in fiscal year 2005.

H.R. 3283 Provides a Permanent Source of Revenue That Could Be Used to Address Participating Agencies' Maintenance Backlogs

H.R. 3283, as proposed, would provide a permanent source of revenue for federal land management agencies to use to, among other things, help address the backlog in repair and maintenance of federal facilities and infrastructure. One of the principal uses of the revenues generated under the existing Recreational Fee Demonstration Program is for participating agencies to reduce their respective maintenance backlogs.

The Department of the Interior owns, builds, purchases, and contracts services for such assets as visitor centers, roads, bridges, dams, and reservoirs, many of which are deteriorating and in need of repair or maintenance. We have identified Interior's land management agencies inability to reduce their maintenance backlogs as a major management challenge.[1] According to the Department of the Interior's latest estimates, the deferred maintenance backlog for its participating agencies ranged from about $5.1 billion to $8.3 billion. Table 1 shows the Department's estimate of deferred maintenance for its agencies participating in the Recreational Fee Demonstration Program.

Table 1: Estimated Deferred Maintenance for Participating Interior Agencies, as of February 2002 (dollars in billions)

Bureau	Low estimate	High estimate
National Park Service	$4.08	$6.80
Fish and Wildlife Service	0.84	1.14
Bureau of Land Management	0.19	0.33
Bureau of Reclamation[a]	0.03	0.03
Total	**$5.14**	**$8.30**

Source: Department of the Interior

[a]Agency will be allowed to participate in the program under H.R. 3283.

Of the current participating agencies within Interior, the National Park Service has the largest estimated maintenance backlog—ranging from $4 to nearly $7 billion. As we have previously reported, the Park Service's problems with maintaining its facilities have steadily worsened in part because the agency lacks accurate data on the facilities that need to be maintained or on their condition. As a result, the Park Service cannot effectively determine its maintenance needs, the amount of funding

[1]U.S. General Accounting Office, *Major Management Challenges and Program Risks: Department of the Interior*, GAO-03-104 (Washington, D.C.: January 2003); U.S. General Accounting Office, *Major Management Challenges and Program Risks: Department of the Interior*, GAO-01-249 (Washington, D.C.: January 2001).

needed to address them, or what progress, if any, it has made in closing the maintenance gap. Although the Park Service has used some of the revenues generated from the fee demonstration program to address its high-priority maintenance needs, without accurate and reliable data, it cannot demonstrate the effect of fee demonstration revenues in improving the maintenance of its facilities.

The Park Service has acknowledged the problems associated with not having an accurate and reliable estimate of its maintenance needs and promised to develop an asset management process that, when operable, should provide a systematic method for documenting deferred maintenance needs and tracking progress in reducing the amount of deferred maintenance. Furthermore, the new process should enable the agency to develop (1) a reliable inventory of its assets, (2) a process for reporting on the condition of each asset, and (3) a system-wide methodology for estimating its deferred maintenance costs. In 2002, we identified some areas that the agency needed to address in order to improve the performance of the process, including the need to develop cost and schedules for completing the implementation of the process, better coordinating the tracking of the process among Park Service headquarters units to avoid duplication of effort within the agency, and better definition of its approach to determine the condition of its assets and how much the assessments will cost.[2] In our last testimony on this issue before this Subcommittee in September 2003, we stated that the complete implementation of the new process would not occur until fiscal year 2006, but that the agency had completed, or nearly completed, a number of substantial and important steps to improve the process.[3]

The two other Interior agencies participating in the program—the Fish and Wildlife Service and the Bureau of Land Management also report deferred maintenance backlogs of about $1 billion and $330,000, respectively. We do not have any information at this time on the effectiveness of the program in reducing these backlogs.

The Forest Service also has an estimated $8 billion maintenance backlog most of which is needed to maintain forest roads and bridges. In

[2]U.S. General Accounting Office, *National Park Service: Status of Efforts to Develop Better Deferred Maintenance Data*, GAO-02-568R (Washington, D.C.: Apr.12, 2002).

[3]U.S. General Accounting Office, *National Park Service: Efforts Underway to Address Its Maintenance Backlog*, GAO-03-1177T (Washington, D.C.: Sept. 27, 2003).

September 2003, we reported that the Forest Service (like the Park Service) had no effective means for measuring how much of the fee demonstration revenues it had spent on deferred maintenance or the impact that the fee program had had on reducing its deferred maintenance needs.[4] Although the Forest Service has recognized the significance of its deferred maintenance problem, it does not have a systematic method for compiling the information needed to provide a reliable estimate of its deferred maintenance needs. Furthermore, the agency has not developed a process to track deferred maintenance expenditures from fee demonstration revenues. As a result, even if the agency knew how much fee revenue it spent on deferred maintenance, it could not determine the extent to which these revenues had reduced its overall deferred maintenance needs. Forest Service officials provided several reasons why the agency had not developed a process to track deferred maintenance expenditures from the demonstration revenues. First, they said that the agency chose to use its fee demonstration revenue to improve and enhance on-site visitor services rather than to develop and implement a system for tracking deferred maintenance spending. Second, the agency was not required to measure the impact of fee revenues on deferred maintenance. Finally, because the fee demonstration program was temporary, agency officials had concerns about developing a process for tracking deferred maintenance, not knowing if the program would subsequently be made permanent.

H.R. 3283 would provide participating agencies with a permanent source of funds to supplement existing appropriations and to better address maintenance backlogs. Furthermore, by making the program permanent, H.R. 3283 could provide participating agencies like the Forest Service with an incentive to develop a system to track their deferred maintenance backlogs.

[4]U.S. General Accounting Office, *Recreation Fees: Information on Forest Service Management of Revenue from the Fee Demonstration Program*, GAO-03-1161T (Washington, D.C.: September 17, 2003).

H.R. 3283 Provides Agencies Additional Flexibility in Distributing Collected Fee Revenues

The existing fee demonstration program requires federal land management agencies to maintain at least 80 percent of the fee revenues for use on-site. In a 1998 report, we suggested that, in order to provide greater opportunities to address high priority needs of the agencies, the Congress consider modifying the current requirement to grant agencies greater flexibility in using fee revenues.[5] H.R. 3283 provides the agencies with flexibility to reduce the percentage of revenues spent on-site down to 60 percent.

We also reported that the requirement that at least 80 percent of the revenues be maintained for use at the collection site may inadvertently create funding imbalances between sites and that some heavily visited sites may reach a point where they have more revenues than they need for their projects, while other sites would still fall short.[6] In 1999, we testified that some demonstration sites were generating so much revenue as to raise questions about their long-term ability to spend these revenues on high-priority items.[7] In contrast, we warned that sites outside the demonstration program, as well as demonstration sites that did not collect as much in fee revenues, may have high-priority needs that remained unmet. As a result, some of the agencies' highest-priority needs might not be addressed. Our testimony indicated that, at many sites in the demonstration program, the increased fee revenues amounted to 20 percent or more of the sites' annual operating budgets, allowing such sites to address past unmet needs in maintenance, resource protection, and visitor services. While these sites could address their needs within a few years, the 80-percent requirement could, over time, preclude the agencies from redistributing fee revenues to meet more pressing needs at other sites. Our November 2001 report confirmed that such imbalances had begun to occur.[8] Officials from the land management agencies acknowledged that some heavily visited sites with large fee revenues may

[5]U.S. General Accounting Office, *Recreation Fees: Demonstration Fee Program Successful in Raising Revenues but Could Be Improved*, GAO/RCED-99-7 (Washington, D.C.: Nov. 20, 1998).

[6]U.S. General Accounting Office, *Recreation Fees: Management Improvements Can Help the Demonstration Program Enhance Visitor Services*, GAO-02-10 (Washington, D.C.: Nov. 26, 2001).

[7]U.S. General Accounting Office, *Recreation Fees: Demonstration Program Successful in Raising Revenues but Could Be Improved*, GAO/T-RCED-99-77 (Washington, D.C.: Feb. 4, 1999).

[8]GAO-02-10.

eventually collect more revenue than they need to address their priorities, while other lower-revenue generating sites may have limited or no fee revenues to meet their needs.

To address this imbalance, we suggested that the Congress consider modifying the current requirement that 80 percent of fee revenue be maintained for use by the sites generating the revenues to allow for greater flexibility in using fee revenues. H.R. 3283 would still generally require agencies to maintain at least 80 percent of fee revenues for use on-site. However, if the Secretary of the Interior determined that the revenues collected at a site exceeded the reasonable needs of the unit for which expenditures may be made for that fiscal year, under H.R. 3283 the Secretary could then reduce the percentage of on-site expenditures to 60 percent and transfer the remainder to meet other priority needs across the agency.

The need for flexibility in transferring revenue must also be balanced against the necessity of keeping sufficient funds on-site to maintain incentives at fee-collecting units and to maintain the support of the visitors. Such a balance is of particular concern to the Forest Service, which has identified that visitors generally support the program so long as the fees are used on-site and they can see improvements to the site where they pay fees. Accordingly, under the existing fee demonstration program, the Forest Service has committed to retaining 90 to 100 percent of the fees on-site. As such, H.R. 3283 would not likely change the Forest Service's use of collected fees. However, it would provide the Forest Service, as well as the other agencies, with the flexibility to balance the need to provide incentives at fee collecting sites and support of visitors against transferring revenues to other sites.

H.R. 3283 Should Help Reduce Visitor Confusion by Creating a National Pass and Requiring Participating Agencies to Coordinate Fee Collection on a Regional Level

The legislative history of the fee demonstration program places an emphasis on participating agency collaboration to minimize or eliminate confusion for visitors where multiple fees could be charged to visit recreation sites in the same area. Our prior work has pointed to the need for more effective coordination and cooperation among the agencies to better serve visitors by making the payment of fees more convenient and equitable while at the same time, reducing visitor confusion about similar or multiple fees being charged at nearby or adjacent federal recreation sites.[9] For example, sites do not consistently accept agency and interagency passes, resulting in visitor confusion and, in some cases, overlapping or duplicative fees for the same or similar activities. H.R. 3283 would allow for improved service to visitors by coordinating federal agency fee-collection activities. First, the act would standardize the types of fees that the federal land management agencies use. Second, it would create a single national pass that would provide visitors access to recreation sites managed by different agencies. Third, it would allow for the coordination of fees on a regional level for access to multiple nearby sites.

H.R. 3283 Standardizes Recreation Fees

In November 2001, we reported that agencies had not pursued opportunities to coordinate their fees better among their own sites, with other agencies, or with other nearby, nonfederal recreational sites.[10] As a result, visitors often had to pay fees that were sometimes overlapping, duplicative, or confusing. Limited fee coordination by the four agencies has permitted confusing fee situations to persist. 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, visitors who entered either Olympic National Park or the Olympic National Forest in Washington state for day hiking are engaged in the same recreational activity—obtaining general access to federal lands—but were charged distinct entrance and user fees. For a 1-day hike in Olympic National Park, users paid a $10 per-vehicle entry fee (good for 1 week), whereas hikers using trailheads in Olympic National Forest were 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—could use the pass to enter Olympic National Park, but had to pay the Forest

[9] GAO-02-10.

[10] GAO-02-10.

Service's trailhead parking fee because the fee for the pass covers only entrance fees and not a user fees. However, the two agencies now allow holders of the Golden Eagle Passport to use it for trailhead parking at Olympic National Forest.

Similarly, confusing and inconsistent fee situations also occur at similar types of 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 a user 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 user fees, but tours of the primary residences require the payment of entrance fees. Visitors in possession of an annual pass that cover entrance fees, such as the National Parks Pass, may be further confused that their annual entrance pass is sufficient for admission to a user fee site, such as the San Juan National Historic Site, but not sufficient to allow them to enter certain buildings on the Roosevelt/Vanderbilt Complex, which charge entrance fees.

H.R. 3283 would streamline the recreational fee program by providing a standard fee structure across federal land management agencies using a 3-tiered fee structure: a basic recreation fee, an expanded recreation fee, and a special recreation permit fee. H.R. 3283 establishes several areas where a basic recreation fee may be charged.[11] For example, the basic recreation fee offers access to, among other areas, National Park System units, National Conservation Areas, and National Recreation Areas. Expanded recreation fees are charged either in addition to the basic recreation fee or by itself when the visitor uses additional facilities or services, such as a developed campground or an equipment rental. A special recreation permit is charged when the visitor participates in an activity such as a commercial tour, competitive event, or an outfitting or guiding activity.

[11]The listed areas are National Park System Units, National Conservation Areas, National Recreation Areas, National Monuments, National Volcanic Monuments, National Scenic Areas and areas of substantial investment by a federal land management agency that are managed for recreation purposes or that contain at least one major visitor attraction and have had substantial investments made in their facilities or services in restoring resource degradation in areas of concentrated public use including a visitor or interpretive center, a trailhead facility or a developed parking lot, or in requiring the presence of personnel of a federal land management agency.

H.R. 3283 Would Create a National Pass

In November 2001 we reported another example of an interagency issue that needed to be addressed—the inconsistency and confusion surrounding the acceptance and use of the $65 Golden Eagle Passport.[12] The annual pass provides visitors with unlimited access to federal recreation sites that charge an entrance fee. However, many sites do not charge entrance fees to gain access to a site and instead 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 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.

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 $50 pass admits the holder, spouse, children, and parents to all National Park Service sites that charge an entrance fee for a full year. However, the Parks Pass does not admit the cardholder to the 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 the Fish and Wildlife Service sites.

H.R. 3283 would eliminate the current national passes and replace them with one federal lands pass—called the "America the Beautiful—the National Parks and Federal Recreation Lands Pass"—for use at any site of a federal land management agency that charges a basic recreation fee. The act also calls for the Secretaries of Agriculture and the Interior to jointly establish the National Parks and Federal Recreation Lands Pass and to jointly issue guidelines on the administration of the pass. In addition, it requires that the Secretaries develop guidelines for establishing or changing fees and that these guidelines, among other things, would require federal land management agencies to coordinate with each other to the extent practicable when establishing or changing fees.

H.R. 3283 Would Provide Interagency Coordination on the Regional Level

H.R. 3283 would also provide local site managers the opportunity to coordinate and develop regional passes to reduce visitor confusion over access to adjacent sites managed by different agencies. When authorizing the demonstration program, the Congress called upon the agencies to

[12] GAO-02-10.

coordinate multiple or overlapping fees. We reported in 1999 that the agencies were not taking advantage of this flexibility.[13] For example, the Park Service and the Fish and Wildlife Service manage sites that share a common border on the same island in Maryland and Virginia—Assateague Island National Seashore and Chincoteague National Wildlife Refuge. When the agencies selected the two sites for the demonstration program, they decided to charge separate entrance fees. However, as we reported in 2001, the managers at these sites developed a reciprocal fee arrangement whereby each site accepted the fee paid at the other site to better accommodate the visitors.[14] Resolving situations in which inconsistent and overlapping fees are charged for similar recreation activities would offer visitors a rational and consistent fee program. We stated that further coordination among the agencies participating in the fee demonstration program could reduce the confusion for visitors. We reported that demonstration sites may be reluctant to coordinate on fees partly because the program's incentives are geared towards increasing their revenues. Because joint fee arrangements may potentially reduce revenues to specific sites, there may be a disincentive among these sites to coordinate. Nonetheless, we believe that the increase in service to the public might be worth a small reduction in revenues.

Accordingly, we recommended that the Secretaries of Agriculture and the Interior direct the heads of the participating agencies to improve their service to visitors by better coordinating their fee collection activities under the Recreational Fee Demonstration Program. In response, in 2002, the Departments of the Interior and Agriculture formed the Interagency Recreational Fee Leadership Council to facilitate coordination and consistency among the agencies on recreation fee policies. We also recommended that the agencies approach such an analysis systematically, first by identifying other federal recreation areas close to each other and then, for each situation, determining whether a coordinated approach, such as a reciprocal fee arrangement, would better serve the visiting public. The agencies implemented this recommendation to a limited extent as evidenced by the reciprocal fee arrangement between Assateague Island National Seashore and Chincoteague National Wildlife Refuge.

H.R. 3283 offers federal agencies the opportunity to develop regional passes to offer access to sites managed by different federal, state and local

[13] GAO/T-RCED-99-77.

[14] GAO-02-10.

agencies. As we have reported in the past, for all four agencies to make improvements in interagency communication, coordination, and consistency for the program to become user-friendly, an effective mechanism is needed to ensure that interagency coordination occurs or to resolve interagency issues or disputes when they arise.[15]

Conclusions

Essentially, the fee demonstration program raises revenue for the participating sites to use for maintaining and improving the quality of visitor services and protecting the resources at federal recreation sites. The program has been successful in raising a significant amount of revenue. However, the agencies could enhance the quality of visitor services more by providing better overall management of the program. Several of the provisions in H.R. 3283 address many of the quality of service issues we have identified through our prior work and if the provisions are properly implemented these services should improve.

While the fee demonstration program provides funds to increase the quality of the visitor experience and enhance the protection of resources by, among other things, addressing a backlog of needs for repair and maintenance, and to manage and protect resources, the program's short and long-term success lies in the flexibility it provides agencies to spend revenues and the removal of any undesirable inequities that occur to ensure that the agencies' highest priority needs are met. However, any changes to the program's requirements should be balanced in such a way that fee-collecting sites would continue to have an incentive to collect fees and visitors who pay them will continue to support the program.

Mr. Chairman, this concludes my prepared statement. I would be happy to respond to any questions that you or Members of the Subcommittee may have.

[15] GAO-02-10.

GAO Contacts and Staff Acknowledgments

For further information about this testimony, please contact me at (202) 512-3841. Doreen Feldman, Roy Judy, Jonathan McMurray, Patrick Sigl, Paul Staley, Amy Webbink, and Arvin Wu made key contributions to this statement.

Related GAO Products

The following is a listing of related GAO products on recreation fees, deferred maintenance, and other related issues.

Recreation Fees

Recreation Fees: Information on Forest Service Management of Revenue from the Fee Demonstration Program. GAO-03-1161T. Washington, D.C.: September 17, 2003.

Recreation Fees: Information on Forest Service Management of Revenue from the Fee Demonstration Program. GAO-03-470. Washington, D.C.: April 25, 2003.

Recreation Fees: Management Improvements Can Help the Demonstration Program Enhance Visitor Services. GAO-02-10. Washington, D.C.: November 26, 2001.

Recreational Fee Demonstration Program Survey. GAO-02-88SP. Washington, D.C.: November 1, 2001.

National Park Service: Recreational Fee Demonstration Program Spending Priorities. GAO/RCED-00-37R. Washington, D.C.: November 18, 1999.

Recreation Fees: Demonstration Has Increased Revenues, but Impact on Park Service Backlog Is Uncertain. GAO/T-RCED-99-101. Washington, D.C.: March 3, 1999.

Recreation Fees: Demonstration Program Successful in Raising Revenues but Could Be Improved. GAO/T-RCED-99-77. Washington, D.C.: February 4, 1999.

Recreation Fees: Demonstration Fee Program Successful in Raising Revenues but Could Be Improved. GAO/RCED-99-7. Washington, D.C.: November 20, 1998.

Deferred Maintenance

National Park Service: Efforts Underway to Address Its Maintenance Backlog. GAO-03-1177T. Washington, D.C.: September 27, 2003.

National Park Service: Status of Agency Efforts to Address Its Maintenance Backlog. GAO-03-992T. Washington, D.C.: July 8, 2003.

National Park Service: Status of Efforts to Develop Better Deferred Maintenance Data. GAO-02-568R. Washington, D.C.: April 12, 2002.

National Park Service: Efforts to Identify and Manage the Maintenance Backlog. GAO/RCED-98-143. Washington, D.C.: May 14, 1998.

National Park Service: Maintenance Backlog Issues. GAO/T-RCED-98-61. Washington, D.C.: February 4, 1998.

Deferred Maintenance Reporting: Challenges to Implementation. GAO/AIMD-98-42. Washington, D.C.: January 30, 1998.

Other Related Products

Major Management Challenges and Program Risks, *Department of the Interior*. GAO-03-104. Washington, D.C.: January 2003.

Major Management Challenges and Program Risks, *Department of the Interior*. GAO-01-249. Washington, D.C.: January 2001.

Park Service: Managing for Results Could Strengthen Accountability. GAO/RCED-97-125. Washington, D.C.: April 10, 1997.

This is a work of the U.S. government and is not subject to copyright protection in the United States. It may be reproduced and distributed in its entirety without further permission from GAO. However, because this work may contain copyrighted images or other material, permission from the copyright holder may be necessary if you wish to reproduce this material separately.

GAO's Mission

The General Accounting Office, the audit, evaluation and investigative arm of Congress, exists to support Congress in meeting its constitutional responsibilities and to help improve the performance and accountability of the federal government for the American people. GAO examines the use of public funds; evaluates federal programs and policies; and provides analyses, recommendations, and other assistance to help Congress make informed oversight, policy, and funding decisions. GAO's commitment to good government is reflected in its core values of accountability, integrity, and reliability.

Obtaining Copies of GAO Reports and Testimony

The fastest and easiest way to obtain copies of GAO documents at no cost is through the Internet. GAO's Web site (www.gao.gov) contains abstracts and full-text files of current reports and testimony and an expanding archive of older products. The Web site features a search engine to help you locate documents using key words and phrases. You can print these documents in their entirety, including charts and other graphics.

Each day, GAO issues a list of newly released reports, testimony, and correspondence. GAO posts this list, known as "Today's Reports," on its Web site daily. The list contains links to the full-text document files. To have GAO e-mail this list to you every afternoon, go to www.gao.gov and select "Subscribe to e-mail alerts" under the "Order GAO Products" heading.

Order by Mail or Phone

The first copy of each printed report is free. Additional copies are $2 each. A check or money order should be made out to the Superintendent of Documents. GAO also accepts VISA and Mastercard. Orders for 100 or more copies mailed to a single address are discounted 25 percent. Orders should be sent to:

U.S. General Accounting Office
441 G Street NW, Room LM
Washington, D.C. 20548

To order by Phone:	Voice:	(202) 512-6000
	TDD:	(202) 512-2537
	Fax:	(202) 512-6061

To Report Fraud, Waste, and Abuse in Federal Programs

Contact:

Web site: www.gao.gov/fraudnet/fraudnet.htm
E-mail: fraudnet@gao.gov
Automated answering system: (800) 424-5454 or (202) 512-7470

Public Affairs

Jeff Nelligan, Managing Director, NelliganJ@gao.gov (202) 512-4800
U.S. General Accounting Office, 441 G Street NW, Room 7149
Washington, D.C. 20548

PRINTED ON RECYCLED PAPER