

**STATEMENT OF P. LYNN SCARLETT,
ASSISTANT SECRETARY FOR POLICY, MANAGEMENT AND BUDGET,
DEPARTMENT OF THE INTERIOR,
BEFORE THE SENATE COMMITTEE ON ENERGY AND NATURAL RESOURCES,
SUBCOMMITTEE ON PUBLIC LANDS AND FORESTS,
CONCERNING
IMPLEMENTATION OF THE FEDERAL LANDS RECREATION ENHANCEMENT
ACT**

October 26, 2005

Mr. Chairman, thank you for the opportunity to discuss the Department of the Interior's implementation of the Federal Lands Recreation Enhancement Act (Public Law 108-447) (REA). Implementation of a well-run and streamlined recreation fee program that maximizes benefits to the visiting public is a top priority for the Department of the Interior, the U.S. Department of Agriculture, and the participating agencies — the National Park Service (NPS), the Bureau of Land Management (BLM), the U.S. Fish and Wildlife Service (FWS), the Bureau of Reclamation (BOR), and the Forest Service. Throughout the implementation process, the participating agencies are working cooperatively to ensure outstanding recreation opportunities for public lands visitors and are engaging the public to ensure the establishment of a transparent and effective recreation fee program. Today, we will discuss implementation issues that impact all the participating agencies, with a greater focus on BLM due to the Subcommittee's interest and jurisdiction.

Our federal lands provide Americans and visitors from around the world special places for recreation, education, reflection, and solace. Public lands managed by the Department of the Interior hosted over 370 million recreation visits in 2005. Ensuring that the federal lands continue to play this important role in American life and culture requires that we maintain visitor facilities and services and enhance visitor opportunities. Such efforts require a source of funding with which we can quickly respond to increases in visitor demand. Recreation fee revenues are a critical source of such supplemental funding that significantly enhance our efforts to address the deferred maintenance backlog at our National Parks and better manage other federal lands.

In FY 2004, total Recreation Fee Demonstration (Fee Demo) revenue was \$192 million, compared to total revenue of \$177 million in FY 2003. In 2005, revenues for the Interior agencies reached over \$166 million (including NPS Passport sales revenue). The cost of collection for the agencies over the FY 2000 – FY 2004 period has remained relatively constant at about 20 percent of gross fee revenue. In FY 2004, the Departments obligated a total of \$202.2 million for a variety of projects to address maintenance needs, visitor services, and resource protection and preservation.

In FY 2004 and FY 2005, recreation fee revenues were used to enhance facilities and services for visitors to BLM, NPS, and FWS lands. For example, in FY 2005, in New Mexico, BLM used recreation fees to improve visitor services by completing a new rest-room and shower complex and expanding the Visitor Information Center at the Valley of Fires Recreation Area. These were improvements that visitors requested most frequently from feedback cards. In Washington, on

the Yakima River and Canyon, BLM used recreation fee revenues to remove tree hazards at the campground and install Visitor Information Kiosks. In FY 2004, BLM used recreation fee revenues in Colorado to construct accessible restrooms, rehabilitate an access road, and install soil erosion prevention measures along the Upper Colorado River.

NPS also funded many high-priority projects in FY 2005, obligating \$141.03 million in recreation fee revenues (including National Park Pass revenues). At Rocky Mountain National Park in Colorado, NPS continued work on the \$425,000 project to rehabilitate Glacier Basin Campground, including the reconstruction of tent pads, replacement of fire rings, replacement of picnic tables, improvements to parking areas, erosion control work, and improvements to access trails. NPS allocated \$209,000 in recreation fees to rehabilitate approximately 45 miles of Southeast Utah Group Trails at Arches National Park.

In FY 2004, at Mid-Columbia River National Wildlife Refuge Complex, FWS partnered with members of a local hunting and fishing club to build a waterfowl hunting blind with materials purchased with recreation fee funds. In FY 2005, at Chincoteague National Wildlife Refuge in Virginia, FWS used approximately \$250,000 of recreation fee revenues for new interpretive signs along trails, and \$72,000 to replace old fee collection booths--a backlog maintenance project.

While fee revenues are exceedingly important to the agencies' ability to provide quality visitor services and facilities, we recognize that choices on fee levels and at what sites and locations fees are appropriate also are elements of our relationship with the visiting public. For this reason, we invite the public and members of Congress to engage in a continual dialogue as we move forward on overall policy guidance and as we implement REA on the ground. We view the recreation fee program as dynamic and open to new ideas, changes, and suggestions. In this light, we have held periodic briefings for Congressional staff on key implementation issues and incorporated the ideas provided into our process, including suggestions to hold additional listening sessions and conduct marketing surveys on pricing. We are fully committed to meeting congressional expectations in managing the fee program to ensure that fees are applied only in appropriate locations, revenues are used for purposes intended by the Congress, and that decisions are open and transparent.

History of Recreation Fees and Implementation of REA

Recreation fees are not a new concept established under REA. All of the participating agencies have had broad recreation fee authority for forty years under the Land and Water Conservation Fund (LWCF) Act of 1965 as well as under the Fee Demo program launched in 1996, with the exception of BOR which was not an authorized participant of the Fee Demo program. REA differs from LWCF in that it allows fees to be reinvested at the collecting site to benefit the visitor through enhanced facilities and services. REA differs from the Fee Demo program in that it provides narrower and more prescribed authority, limiting fees to locations with specific kinds of infrastructure and services. For example, under REA, BLM, Forest Service, and BOR may only charge fees at sites and for activities that meet certain specified criteria. For these agencies, certain fees may not be charged for general access, dispersed areas with low or no investment, undesignated parking, or picnicking along roadsides or trails. REA also requires that the

Departments create a Recreation Resource Advisory Committee (Recreation RACs) in every State or region or use similar existing entities so that the public, including local communities, can provide input into fees established by BLM and Forest Service.

The Recreation Fee Leadership Council (Fee Council), whose members include key officials of both Departments, and on which I serve as co-chair along with Mark Rey, USDA's Under Secretary for Natural Resources and Environment, has provided overall guidance on the implementation of the fee program, convening on a quarterly basis since REA was enacted. An interagency Steering Committee and several technical working groups, made up of agency experts, are leading day-to-day implementation efforts. We will provide implementation updates for the key technical working groups: the Fee Collection and Fee Expenditure Working Group, the Recreation RACs/Public Participation Working Group, and the Pass Working Group.

Fee Collections and Expenditures

The Fee Collection and Fee Expenditure Committee (Collection and Expenditure Committee) began meeting in January 2005 and focused on organizational concerns, short-term and long-term implementation issues, and coordination among the various agencies as they relate to fee collections and expenditures. All participating agencies took immediate steps to assess which existing recreation fee sites established under the Fee Demo program complied with REA and which would drop out. The exception is BOR, which was not authorized to participate in the Fee Demo program and, thus, is focusing its efforts to determine at which sites recreation fees under REA may be appropriate.

While Congress had encouraged agencies to experiment with recreation fees under the Fee Demo program, BLM took a more conservative implementation approach, establishing a total of approximately 390 recreation fee sites and leaving a vast majority of BLM-managed recreation areas, over 85 percent, fee-free to the visiting public. For this reason, most of BLM's existing Fee Demo sites meet the new criteria. The sites where BLM made changes to comply with REA include: the elimination of fees for overlooks at the Imperial Sand Dunes in California; the elimination of fees at undeveloped sites at Orilla Verde Recreation Area in New Mexico; an increase of the number of sites that accept national passes from 12 to 28; the elimination of the youth fee at Piedras Blancas visitor center in California; and the elimination of the youth fee at Cape Blanco Lighthouse in Oregon. During the review of all its recreation sites, BLM also is taking the opportunity to align like fees into like categories. This may result in an increase in the total number of fees in certain categories, but these changes do not represent new fees and are not a result of REA. BLM does not expect substantial change in the overall amount of fee-free recreation opportunities provided to our visitors.

At the Exit Glacier site in Kenai Fjords National Park, NPS eliminated a day-use fee because it might be perceived to be an entrance fee, prohibited under the Alaska National Interest Lands Conservation Act, and thus, under REA. FWS eliminated entrance fees at Gavin's Point National Fish Hatchery. The Forest Service, which used a much more experimental approach under the Fee Demo program than BLM, had large-scale changes as a result of REA, removing fees from approximately 435 sites.

The Collection and Expenditure Committee worked on reaching consensus with all agencies to establish a policy concerning appropriate fee collections and expenditures. The Collection and Expenditure Committee also is developing an Inter-Department Handbook to provide for consistency in implementation of REA. Among other things, the Inter-Department Handbook defines terms of the Act relating to collections and expenditures of revenues and clarifies the definitions of “Standard” and “Expanded” amenity recreation fees. We view the Handbook as a dynamic document that will require adjustments and clarification as new issues and questions arise. In addition to general policies, each agency also has developed more specific field guidance, where necessary. For example, BLM issued guidance on January 26, 2005 to set forth interim procedures to implement REA, and another guidance on June 14, 2005 to provide direction on new fee areas, new fees, and special recreation permits.

We would like provide some additional information to address recent inquiries concerning our Special Recreation Permits (SRPs) program. REA authorizes the agencies to issue SRPs and charge associated fees. However, this authority is not new. The language is very similar to the authority provided under LWCF (1965) and under the Federal Land Policy Management Act (FLPMA) (1976). To determine how BLM will implement this provision, we look to BLM’s 35-year history of assessing, through a public process, the appropriateness of SRPs for a particular activity or at a particular site.

The authority for SRPs is not used merely in cases where the agency would like to charge a fee. It is used in situations where the agency has determined through a land use planning process that a permit system is necessary to ensure a quality recreation experience for all visitors. Historically, BLM has issued SRPs for commercial, vendor, competitive, and organized group events and activities, and for individual use of Special Areas (private or non-commercial use). SRPs are issued in an effort to satisfy recreational demand within allowable use levels in an equitable, safe and enjoyable manner, while minimizing adverse user conflicts and resource impacts.

In FY 2004, BLM issued nearly 4,000 commercial, competitive and organized group permits and 105,700 non-commercial individual SRPs. Of the individual SRPs, approximately 105,200 SRPs were issued in 21 recreation areas, located in 5 States (AZ, CA, NV, UT, NM), and approximately 500 SRPs were issued, without associated fees, for the lower Salmon River in Idaho. Of the 22 areas, ten areas are river segments, four are canyon trails, and eight are off highway vehicle (OHV) areas. At some of these sites, BLM uses SRPs to provide timed entry into popular whitewater rafting areas and for narrow canyon trails; this not only prevents overcrowding and creates an enjoyable visitor experience, but also enhances safety and minimizes the impact to the resources that the visitors come to enjoy. We should reiterate that BLM also has countless numbers of other recreational rivers, trails and OHV areas that make up the vast majority of BLM-managed lands and that are and will remain fee-free.

The fees associated with SRPs are used to administer the permit program, so that the direct beneficiaries of the permit bear the cost rather than the general taxpayers. Fees also are used to provide the benefited visitors with enhanced facilities and services, such as emergency response services, safety compliance and education, litter cleanup, basic road, parking, trail and facility maintenance, interpretative brochures, information centers, trip planning services, and maps.

Given the long history BLM has had in issuing SRPs, we do not expect substantial changes in the program under REA. Three years ago, BLM re-issued regulations (43 CFR 2930 and Manual/Handbook H-2930-1, October 1, 2002) that updated and provided clarification of the permitting system under LWCF and FLPMA. The regulations went through an extensive public process and received input from the recreation community. BLM will be issuing a revised edition of the Handbook that incorporates Inter-Departmental clarification and policy for implementing REA requirements.

Recreation Resource Advisory Committees, Public Participation, and Community Involvement

We view the visiting public as our partners and implementation of the recreation fee program as a continuing dialogue. The Recreation Resource Advisory Committees, the public participation provisions, and the fee management agreement provisions established under REA provide important opportunities to engage the public, interested stakeholders, and local communities in discussions on a wide variety of fee-related issues and to think creatively about the program.

In this spirit, the Fee Council recently clarified the Departments' view of the duties of the Recreation RACs. The Council agreed that the Recreation RACs should be encouraged to discuss, in an advisory capacity, all aspects of BLM and the Forest Service's recreation fee programs, including establishing new fee areas, abolishing fees, fee levels or rates, and expenditure of revenues.

For BLM and the Forest Service, REA requires the creation of Recreation RACs in every State or region and authorizes the use of similar existing entities in lieu of establishing new Recreation RACs. In an effort to thoughtfully implement this provision, the Forest Service and BLM held 11 listening sessions in locations across the country to gather public input on the formation and configuration of the Recreation RACs. Based on the input we received at these listening sessions, on September 22, 2005, the Fee Council approved a basic framework to implement the provision in REA.

Under the basic framework, BLM and the Forest Service would use existing Resource Advisory Councils established under FLPMA and, for areas that do not have existing Resource Advisory Councils, such as the state of Wyoming and the eastern United States, new Recreation RACs would be established under REA. BLM, for many years, has used Resource Advisory Councils to receive public input on a wide range of resource and land management issues, including recreation. These existing Resource Advisory Councils work effectively and efficiently and are well-received by the public. The basic framework would take advantage of these existing Resource Advisory Councils by expanding them to engage in more specific and additional recreation fee review duties for both BLM and Forest Service. To allow for local representation, more focused subgroups may be created where necessary.

We can build on successful models already in use such as BLM Boise District Resource Advisory Council in Idaho, which reviews and makes recommendations on recreation fees for the Payette River recreation area. Because the area is jointly managed by BLM and the Forest Service, an interagency agreement was developed to establish the general objectives and

respective responsibilities of each agency. The Resource Advisory Council developed a charter to establish an advisory subgroup to review and provide recommendations on fee issues for both agencies.

While we have established the basic framework to implement this provision of REA, we have many additional implementation issues to address over the next several months. We will be looking more carefully at each local situation to determine what subgroups may be appropriate using the existing Resource Advisory Councils, based on need and interest, at the relationship of the subgroups, funding sources, and other issues that may arise. We also will work with state and local officials and the public to determine the need and area of scope for the establishment of the new Recreation RACs under REA.

In addition to the Recreation RACs, the agencies are establishing other processes to better communicate with the public. On September 28, 2005, the Departments jointly issued a federal register notice that established guidelines on public participation and public notice as required in REA. The agencies also are working on additional agency-specific guidelines. The goals of the guidelines are to provide the public with opportunities to participate in the recreation fee program and also better inform the public about how fee revenues are being spent to enhance the visitor experience.

REA also provides general authority to establish fee management agreements with governmental or non-governmental entities. We believe tremendous potential exists to develop mutually beneficial partnerships through the recreation fee program. One example of such a partnership is at the Deschutes River between BLM and the State of Oregon. BLM and the State have worked cooperatively to build the Deschutes River reservation website, which will now be operated by the State. Another example is at Sand Flats, a highly popular 7,000-acre recreational area made up of BLM and Utah state lands. To manage the increase in visitation in the 1990s, BLM and Grand County entered into a cooperative agreement under which the county would collect recreation fees and use them to manage and patrol the highly popular recreational area. The county and its citizens have benefited from a more vigorous tourist trade; BLM now has a signature recreation area; and visitors can safely enjoy the Sand Flats area. Every agency has developed a number of successful partnerships like these, and we look forward to working with governmental and non-governmental entities to explore other opportunities to expand such mutually beneficial agreements.

The America the Beautiful – National Parks and Federal Recreational Lands Pass

REA establishes the new multi-agency America the Beautiful-National Parks and Federal Recreational Lands Pass (the new Pass) to cover entrance fees for NPS and FWS and standard amenity recreation fees for BLM, Forest Service, and BOR, generally for a period of 12 months. The target rollout of the new Pass is scheduled for January 2007, and the Pass Working Group has worked diligently to ensure we meet that goal through a transparent and thoughtful implementation process.

Our vision for the new Pass is one of a pass that is convenient for visitors to purchase and use, is marketed in a sophisticated manner, incorporates policies and technologies that can facilitate

partnering, and can provide additional opportunities to educate and inform the American public about recreation opportunities on federal lands.

To ensure that the production, marketing, and provisions of the new Pass meets the expectations of the American public and key partners, the Pass Working Group has hosted a total of four listening sessions. Three listening sessions have been conducted to allow interested parties to share their ideas about partnership opportunities, benefits, pricing, technology and other related topics and an additional listening session was conducted with disability advocacy groups on documentation requirements for the Access version of the new Pass.

We recognize public and Congressional interest in the pricing of the new Pass. To better determine a price that is reasonable and fair, the agencies have entered into a cooperative agreement with the University of Wyoming to conduct pricing analysis. To date, University researchers have conducted six focus groups in different geographic locations, initiated the collection of price benchmarking information with State Parks, and begun developing a survey of recreationists for next spring. Additional analysis of the relationship between the prices of annual passes, site specific passes and daily fees entry fees also will be conducted. It is expected that a decision on pricing of the pass will be made in summer of 2006.

Providing a new Pass to the American public requires that the agencies contract for some specific goods and service, such as design, production, distribution, and fulfillment. We have moved forward on the contracting process and have selected a contracting office and appointed a COTR, Project Manager. A Request for Information (RFI) was issued in August and a number of capability statements were received by a variety of organizations. An Acquisition Strategy has been drafted and is being finalized. A Performance Work Statement (PWS), which includes design, production, fulfillment, marketing, data base management, sales through the internet, and 1-800 # channels, is being developed and will be put out for competitive bid this winter. Review of bids and the award of the contract are planned for early 2006.

A draft interagency agreement has been developed that identifies all the roles and responsibilities of the various agencies, cost share agreements, start up funding agreements, and short and long term revenue share agreements. In addition, we have completed a draft of the Secretaries' Guidelines. We expect to finalize and publish these documents later this fall.

Due to long lead times in pass production, we have entered into an agreement with Kodak and the National Park Foundation to provide the image for the first Pass, utilizing the winner of the 2005 Kodak National Parks Pass Photo Contest. Alternatives for acquiring images for subsequent years are still being investigated.

Certain decisions concerning the parameters of the new Pass have been made including the intent to develop a pass design that can accommodate unstaffed areas. We also have decided to make the new Pass widely available to the public via sales outlets at all public land management sites that collect fees and through 3rd party partnership and vendor agreements. We anticipate that we will have many partners in the sale of the new Pass and look forward to establishing these relationships. In addition, we plan to ensure that the new Pass, where appropriate, continues to

build on strong existing relationships with our public lands partners, such as the National Park Foundation.

We also appreciate the effort and dedication brought to our public lands by volunteers. Consistent with REA, we plan to issue passes to volunteers, but we still have some technical issues to resolve. We are hoping to personalize the passes issued to volunteers.

While the Departments plan to move as expeditiously as possible toward implementation, our primary goal is to create a high-quality, well-thought-out, visitor-friendly pass program that is enthusiastically embraced by partner organizations and the public. Creating a successful pass program will require us to address many complex issues. We plan to carefully consider our past experiences, the National Park Foundation's expertise in the development of the National Parks Pass, various studies conducted by the agencies on passes and the recreation fee program, and feedback from members of Congress, the recreation community, and the general public.

The recreation fee program is vital to our ability to meet visitor demands for enhanced facilities and services on our federal lands. The Departments view the passage of REA as the beginning of an important opportunity to create a sensible, visitor friendly, efficient recreation fee program. We view REA as a dynamic program that responds to lessons learned and builds on success stories. We welcome the opportunity to work with you toward this end.

Mr. Chairman, this concludes my statement. I would be pleased to answer any questions you or other members of the Subcommittee may have.