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The Honorable James V. Hansen
Chairman, Subcommittee on National
Parks, Forests, and Lands
Committee on Resources
House of Representatives

Dear Mr. Chairman:

In light of our past work on a variety of issues involving federal recreational activities, your office asked us to provide you with our views on H.R. 2107–a bill to improve the quality of visitors' services provided by recreational sites managed by the National Park Service (NPS), the Forest Service (FS), and three other federal land management agencies.[1] The bill would fund these improvements by amending current legislation to allow the agencies to initiate or increase fees for the use of parks and other recreational facilities. The bill provides incentives for the increased collection of fees by permitting the agencies to keep the revenue that would be generated by the provisions of the proposed legislation rather than return the fees to the general fund of the Treasury.

While H.R. 2107 pertains to five of the major federal land management agencies, our comments focus on NPS and FS–the two that have the most visitors and generate most of the fee revenue. We have reported extensively on NPS' and FS' recreational programs and activities. Many of these reports address issues pertinent to the matters discussed in the bill.

In summary, our work has shown the following:

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[1]Five federal agencies are addressed in the bill. They are the National Park Service, the Bureau of Land Management, the Bureau of Reclamation, and the Fish and Wildlife Service, within the Department of the Interior; and the Forest Service, within the Department of Agriculture.

- NPS and FS have a multibillion-dollar backlog of maintenance, infrastructure, and development needs.

- The quality and scope of visitors' services at NPS' and FS' recreational sites have been declining.

- Many key natural and cultural resources in the national park system are deteriorating, and the condition of many others is not known.

- Despite annual increases in federal appropriations, the financial resources available to the agencies have not been sufficient to stem the deterioration of the resources, services, and recreational opportunities provided by the national parks and forests.

Our work has also shown that a number of options implemented individually or in combination could help alleviate some of the conditions that we have reported on over the years. Increased fees, especially entrance fees, stand out as one option that could provide the agencies with a needed infusion of funds to help deal with these conditions. This option is consistent with the "benefit principle" of public finance. This principle dictates that when the direct beneficiaries of government services can be readily identified, they should pay a substantial share of the cost of those services. However, to be effective, the increased revenue that would result from the implementation of this option must be allowed to stay with the agencies and must supplement, not supplant, the agencies' annual appropriations.

If enacted, H.R. 2107 would help address many of the problems that we have reported on by making more financial resources available to the national parks and forests via increased entrance and user fees while reinforcing the benefit principle. We have supported the need for higher fees since 1982. In addition, the bill would allow the agencies to keep these increased financial resources for certain on-site recreation-related needs--something that our past work also supports. However, while the bill provides for some very significant and positive changes, we believe that several provisions of the bill could be clarified or refined.

Before we present our specific comments on H.R. 2107, a recap of our past work on the condition and funding needs of the national parks and forests follows.

CONDITIONS IN THE NATIONAL PARKS AND FORESTS ARE DETERIORATING

Visitation figures from NPS and FS indicate that the recreational sites that they manage are becoming more and more popular each year. NPS estimated that in 1995, its units received about 280 million recreational visits. In 1994, FS estimated that the number of annual recreational visits to the national forests is also in the hundreds of millions. Our work has shown that neither NPS nor FS has been able to keep up with the maintenance, operational, or resource management needs generated by these levels of use.

Problems Are Growing in the National Park System

In 1988, we reported that the cumulative maintenance backlog facing the national park system was about $1.9 billion.[2] This backlog included activities that ranged from day-to-day trash collection and periodic road resealing to the major rehabilitation of historic structures. The backlog grew to an estimated $2.1 billion in 1992. In August 1995, we reported that NPS estimated that the maintenance backlog had grown to about $4 billion.[3]

To help deal with these conditions, NPS has cut back on the quality and scope of its visitors' services and has not collected much of the information that it needs to track the condition and trends of many of the resources under its stewardship. For example, on the basis of case studies at 12 park units in 1995, we found that all but 1 of the units had recently cut back on visitors' services.[4] Our work showed numerous examples of reduced services at 11 of the 12 park units that we studied. These cutbacks included the following, among other things: The hours of operation were reduced by 20 percent at the main visitor center at Denali National Park in Alaska, two campgrounds were closed for the season at Glacier National Park in Montana, a featured museum at Bandelier National Monument in New Mexico was closed for a year, and interpretive programs for visitors were reduced by over 80 percent at Shenandoah National Park in Virginia. Overall, at the 11 units, there were 19 instances of significant cutbacks in visitors' services.

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[2]Parks and Recreation: Park Service Managers Report Shortfalls in Maintenance Funding (GAO/RCED-88-91BR, Mar. 21, 1988).

[3]National Parks: Difficult Choices Need to Be Made About the Future of the Parks (GAO/RCED-95-238, Aug. 30, 1995).

[4]See footnote 3.

Furthermore, as our 1995 report showed, officials at large natural parks such as Yosemite and Glacier National Parks did not collect the scientific data needed to identify and track the condition of many of the natural resources that they were responsible for preserving and protecting. At Yosemite, for example, officials knew little about the condition of birds, fish, and mammals like badgers, river otters, and wolverines. This occurred because the park managers did not systematically collect the data needed to inventory Yosemite's natural resources or monitor changes in their condition over time. We found similar situations at most of the park units we visited.[5] As a result, the agency cannot determine whether the overall condition of many key resources is improving, deteriorating, or remaining constant.

In addition, at the park units that primarily focused on historical or cultural resources, like Ellis Island in New York and Hopewell Furnace National Historic Site in Pennsylvania, the condition of many resources was declining. For example, at Ellis Island, 32 of 36 historic buildings are seriously deteriorated, and many of them could be completely lost in 5 years if they are not stabilized.[6]

Problems Are Growing at FS' Recreational Sites and Areas

Our most recent work has shown that FS also has a large backlog of maintenance, repair, and development needs at its recreational sites and areas. In 1992, the last time that we reported on conditions at these locations, it was estimated that the amount of the backlog was more than $600 million.[7] We reported that this amount was needed to eliminate the maintenance and reconstruction backlog primarily for trails and developed recreational sites. We also found that millions more were required to develop and maintain special recreational and wilderness areas to then-current standards. FS currently estimates that the backlog of deferred maintenance for trails and developed recreational sites has grown to over $1 billion.

Our work has shown that for FS, as for NPS, these conditions led to cutbacks in visitors' services and deteriorating conditions at many of FS' recreational

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[5]See footnote 3.

[6]See footnote 3.

[7]Natural Resource Management Issues (GAO/OCG-93-17TR, Dec. 1992).

sites and areas.[8] These circumstances have resulted in health and safety hazards, damage to resources, and in some cases, diminished recreational experiences for millions of annual visitors. For example, our work has shown that maintenance backlogs have affected about 59,000 miles of trails. When such backlogs occur, trails can become difficult to traverse, impassable, or even completely lost. Many wilderness areas showed signs of adverse impacts, especially on trails and bridges and around popular camping areas; furthermore, the presence of outfitter and guide camps and litter detracted from visitors' sense of solitude and a primitive recreational experience. Deferred maintenance and reconstruction work at developed recreational sites has permitted weather, visitors' use, and vandalism to degrade the condition of the facilities at these locations.[9]

INCREASED FEDERAL APPROPRIATIONS HAVE NOT STOPPED DETERIORATION

Overall, our work has shown that the cutbacks in services and deteriorating conditions in the nation's parks and forests are occurring largely because the financial resources that have been made available to the national park system through federal appropriations have not kept pace with the system's needs. In the case of NPS, the continued growth in the number of park units, developmental needs of existing parks, increased visitation, and increased operating costs (largely driven by personnel-related costs) have more than offset the increases in appropriations that the agency has enjoyed over the past several years.

These circumstances, combined with increasingly tight federal budgets, make it very unlikely that the deteriorating conditions in the park system will turn around any time soon. Substantial increases in appropriations for FS' recreational programs are equally unlikely. Addressing the needs of both agencies will necessitate some difficult choices. The choices that are available center on a few basic options. Either new sources of financial resources will have to be found so that the agencies can get back to operating at the levels of service to which visitors have become accustomed or it will be necessary to ask the agencies to do less by (1) limiting or reducing the number of units in the system or (2) reducing the expectations and level of services provided for visitors or both.

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[8]Forest Service: Difficult Choices Face the Future of the Recreation Program (GAO/RCED-91-115, Apr. 15, 1991).

[9]See footnote 8.

Of these choices, one that we believe needs careful consideration is increasing the fees for recreational uses of federal lands. Our work has shown that it seems reasonable to expect that in these times of severe budget constraints, the federal government should pursue opportunities to (1) get a better return on the use of its resources, (2) cover the costs of programs to the extent reasonable, and (3) provide for a revenue base that can be used to better manage and improve federal lands.[10] A large share of the costs that NPS and FS incur are for services that directly benefit park and forest visitors. Charging higher fees to these visitors would be consistent with the "benefit principle" of public finance. This principle dictates that readily identified beneficiaries of government services should pay a substantial share of the costs of those services. Furthermore, this principle is included in legislation and is embodied in the section of OMB Circular A-25 dealing with user fees.[11] Increased entrance and user fees at federal recreational sites in NPS and FS would help defray direct costs to the government and shift more of the cost burden from the taxpayers in general to the beneficiaries of the services.

Overall, studies of park visitors suggest that most visitors are not opposed to increases in fees if the fees remain in the parks. For example, in a 1995 study of park visitors done by the National Park and Conservation Association–a park advocacy group–80 percent of the visitors surveyed indicated that they would support increased entrance fees at parks if the fees remained in the parks.[12] In addition, after higher fees were recently introduced in Canadian parks, an analysis at one of the parks concluded that most visitors approved of the new fee system.[13] Specifically, after a $5 fee was introduced at the Pacific Rim National Park Reserve, 80 percent of the visitors believed that they received "fair value" for their visit. In addition, over 80 percent of these visitors said that the new fee would not reduce the number of times that they would visit the park in the future.

While entrance and user fees are now charged at many sites, the fees generally cover only a small portion of the costs for the services provided for visitors. For example, in 1995, NPS' budget was about $1.4 billion, and the agency

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[10]Natural Resources Management Issues (GAO/OCG-93-17TR, Dec. 1992).

[11]The legislation recognizing the benefits principle is 31 U.S.C. 9701.

[12]National Opinion Survey on the National Park System, National Parks and Conservation Association (Feb. 1995).

[13]Parks Canada Revenue Strategy, Parks Canada (Nov. 1994).

generated about $80 million in fees–about 6 percent of its budget. In addition, the Department of the Interior's Office of Inspector General (OIG) reported in 1993 that NPS was not maximizing opportunities to collect entrance fees because (1) the parks lacked adequate staff to effectively operate fee collection stations and (2) NPS was not provided with funds to initiate collection programs at parks that did not charge fees but were authorized to do so. The OIG report noted that if the parks had collected all legally authorized entrance fees and visitation had remained the same, they could have generated more than $100 million in additional fee revenue in 1991.[14]

Furthermore, our work has shown that to the extent fees are initiated or increased, the full benefits of this approach in addressing the needs of NPS or FS will be realized only if the revenue is permitted to stay within the agencies so that it supplements, rather than supplants, yearly appropriations.

COMMENTS ON H.R. 2107

Overall, we support many of the key provisions of this legislation because they address a number of issues identified in our previous work on land management issues. However, we believe that several provisions of the bill could be clarified or refined.

H.R. 2107 Would Provide Federal Recreational Areas With Additional Financial Resources

The proposed bill amends current legislation to permit NPS, FS, and other land management agencies to initiate and increase entrance and user fees at federal recreational sites. The bill also calls for the agencies to develop a fee program that is innovative and incentive-based and recovers a portion of the costs to operate visitor programs in recreational areas managed by the Departments of the Interior and Agriculture. Through initiating and increasing fees, H.R. 2107 would provide national parks, forests, and other federal recreational areas with additional financial resources. The bill further states that fees shall be flexible, fair, and equitable and shall maximize the number of visitors charged so that fees could remain as low as possible. We agree with each of these objectives and would emphasize that with flexibility, innovation, and incentives, much can

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[14] Recreation Fee Charges and Collections, National Park Service, Dept. of the Interior/OIG (Report No. 93-I-793, Mar. 29, 1993).

be done at these areas to both increase financial resources and meet mission-related objectives.

Among the mission-related objectives, H.R. 2107 calls for the agencies to use fees to (1) provide an economic incentive for visitors to use alternative forms of transportation and mass transit and (2) implement fee practices that vary by the day of the week or season. We support these provisions because they would allow the agencies to use fees to encourage greater use during the week or off-season and reduce congestion at some of the more popular recreational areas during weekends and peak seasons.

One of the most significant benefits of the bill is that it amends the Land and Water Conservation Fund Act by removing the current caps on fees at most federal recreational areas. Since 1982, our work on entrance fees at national parks has shown that the current caps prescribed by the Land and Water Conservation Fund Act, as amended--$3 per person or $5 per vehicle for up to a week for most parks--are too low and should be removed. Furthermore, it is important to note that if caps were continued on fees at many of the more popular parks, they could work against the goals contained in this bill and limit many potential benefits of the bill. This could occur, for example, if fee caps were set at relatively small increments above current fees so that the increase in fees would have little or no impact on visitors' behavior in terms of reducing congestion at some of the more popular recreational areas during weekends and peak seasons.

Another benefit of initiating and increasing entrance and user fees is that they would more equitably fund federal recreational areas. Today, by paying increased fees, the users of these areas would contribute more to these areas so that they could be better maintained and improved. This is important, since evidence suggests that substantial numbers of foreign citizens visit federal recreational areas. A 1991 study by the National Parks and Conservation Association reported that at some parks, foreign visitors outnumber domestic visitors at times.[15] For example, the study indicated that during the summer months, 73 percent of the visitors to Death Valley National Monument were from other countries. While U.S. citizens contribute to funding these areas through federal taxes, tourists from outside the United States do not. Thus, providing recreational areas with increased financial resources by charging higher fees to all visitors, as opposed to increasing federal appropriations,

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[15]A Race Against Time, National Parks and Conservation Association (1991).

would be a more equitable way of increasing the resources available to operate, maintain, and improve federal recreational areas.

Concerns With Several Provisions of H.R. 2107

While we support the overall goals of H.R. 2107, we have concerns with several aspects of the bill that the Congress may want to consider.

Potentially, this bill could provide the agencies with a substantial infusion of additional financial resources. However, the bill does not require the agencies to report to the Congress on what they accomplished with the additional resources. Given the range of needs documented in our past work, the increased appropriations that the agencies--particularly, NPS--has enjoyed over the past few years, and the unlikely possibility that federal appropriations to these agencies will substantially increase in the near term, the Congress needs some assurance that the highest-priority needs are being addressed. Consequently, you may want to add language to the bill to better ensure that the agencies are using the increased fee revenue to address the greatest needs. To do this, you may want to include language that requires the agencies to clearly document what is being accomplished with the increased financial resources that would result from this bill. Without this accountability, the Congress will have little assurance that the greatest needs are being addressed and the extent to which they are being addressed.

In section 3 (e)(4), the bill specifies that the additional funding from fees will be used on facilities and services that support visitors' recreation. NPS and FS both have missions that include serving visitors' recreational needs as well as managing the resources on the lands that the agencies administer. While this bill attempts to address the operations and maintenance needs of the parks and forests in support of visitors' services, it generally does not provide for the resource management needs in these areas. Our work has also shown that there are significant needs in resource management among the land management agencies. For example, our past work has shown that NPS lacks some of the basic data needed to track the condition and trend of many natural and cultural resources under its stewardship. Without this information, which could be time-consuming and costly to collect, the agency cannot make informed decisions in managing these resources and may not be able to meet its mission of preserving and protecting our nation's natural and cultural resources. Hence, the Congress may wish to consider permitting the agencies to use the additional resources provided by this bill to address the resource management needs of federal recreational lands.

In addition to these general points, there are some specific points in the bill which, in our view, you may want to clarify.

- In section 3(c)(2), the bill states that fees shall take into consideration the direct and indirect costs to the federal government. However, this appears to contradict section 3(b)(8) of the bill, which states that visitors' services do not include the costs of regional and headquarters offices or any administrative services. Administrative costs are considered indirect costs to the government. For clarity, the Subcommittee may want to either delete the reference to indirect costs or specify which indirect costs are appropriate to be considered when developing fees.

- Section 3(e)(5) of the bill describes how fees will be returned to recreational areas. In general, the bill returns 75 percent of the fees collected at each recreational area to the individual park or recreational unit that generated the revenue. This has merit, since our work has shown that when parks are not able to retain fees, less priority is placed on fee-collection activities. The bill also requires the agencies to establish fee collection goals, or "targets." Basically, individual park or forest units would retain 75 percent of the fee revenue generated up to the targeted levels. If an individual unit collects fees above the targeted level, the bill permits the respective unit to retain one-third of the revenue that exceeds the target. However, our concern is that this provision of the bill may discourage recreational areas from achieving their full fee potential because once a unit meets its revenue target, it receives a considerably smaller percentage of its fee revenue. This provision would likely serve as a disincentive to the collection of fees above the targeted level. Also, this formula would provide the incentive for individual park or forest managers to inflate their respective revenue targets so that they would increase the likelihood of getting 75 percent of the fee revenue. Instead of establishing targets, the bill could be simplified and still maintain incentives by eliminating targets and permitting the parks to receive 75 percent of the fees they generate. Furthermore, eliminating targets would ease some of the administrative activities that would otherwise be necessary to establish targets and monitor progress against them.

- Section 3(d)(1) says that fees shall be established on the basis of a single visit to any designated area. This section is vague and could be viewed as limiting a designated area's flexibility in charging escalating fees commensurate with the length of stay. For example, a park may want to charge one fee for a visit of up to 3 days and a higher fee for a visit of up to 7 days. One of the strengths of H.R. 2107 is that it encourages an innovative, incentive-based, and flexible fee policy. Thus, this section should be clarified, since any language that limits these goals also limits the potential benefits that fees can bring to federal recreational areas.

- The bill contains a requirement in section 3(f) that the Comptroller General conduct periodic audits to ensure that the amounts received under the bill are fully accounted for and not diverted to administrative overhead or other programs not directly related to visitors' services. The Chief Financial Officers Act and the Government Management Reform Act require that the Departments of Agriculture and the Interior perform annual audits of their financial statements. Both Departments' OIGs currently audit and plan to continue auditing financial statements of their component agencies, including NPS and FS. These audits address compliance with laws and regulations and would therefore cover the implementation of H.R. 2107. As a result, the requirement in the bill that the Comptroller General conduct periodic audits to ensure that amounts received under the bill are fully accounted for would duplicate audits performed by the Inspectors General. In order to eliminate a duplication of financial audits already performed, we suggest that the bill be revised to state that the collection and uses of the fees may be audited by the Comptroller General, at his discretion, or at the request of a Committee of the Congress.

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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 of this report to the Secretaries of Agriculture and the Interior, as well as the Chief of the Forest Service and the Director of the National Park Service. We will make copies available to others upon request.

The major contributors to this report are Cliff Fowler and Ned Woodward in our Washington, D.C., office; Paul Staley in our Seattle Regional Office; and A. Richard Kasdan in our Office of the General Counsel. Please contact me at (202) 512-3841 if you or your staff have any questions.

Sincerely yours,

Victor S. Rezendes
Director, Energy, Resources,
and Science Issues

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