Revenue Management

EXCELLENCE IN NPS SERIES

This servicewide handbook was prepared by the
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DIVISION OF PARK AND RECREATION TECHNICAL SERVICES

NATIONAL PARK SERVICE

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INTRODUCTION

Throughout the history of the National Park Service (NPS), there have been differences of opinion as to how the national park system should be financed. These differences continue to influence the scope and success of revenue initiatives, particularly fee collection. The differences basically lie between those who feel that park experiences should be available to everyone free of charge and those who believe that some portion of the costs of providing services should be borne by users.

In more recent years, fewer contend that all services and facilities should be free. The concern has narrowed to what types of services and facilities should fees be levied for and how much can be fairly charged. The guiding philosophy emerging in the arena of public services is that users should pay more than nonusers for the services or facilities they enjoy.

Tradition and emotion have had as much or more influence as economics in deciding how park and recreation services are to be financed. Park managers have also had limited information on how to: (1) decide the services for which fees should be charged; (2) define and apply the six criteria set by Congress in 1965 for setting fees; and (3) determine acceptable methods of collection.

Chapter Profiles

This handbook provides information on why and when user fees and other revenues are appropriate for most national park units, defines the factors on which equitable fees should be based, and presents strategies to optimize net revenue and minimize adverse impacts.

For the National Park Service, revenue management is one of our continuing responsibilities as managers. As such, we must bring the same measure of professionalism to enhancing revenue that we bring to other basic functions such as resource protection, interpretation, and law enforcement. Examining how and when revenues can be generated and making sure that each strategy works for the park as well as the people served is what revenue management is all about. Chapter 1 looks at the progress of revenue management in NPS today.

Chapter 2 outlines the benefits of revenue management. Also covered, are some of the philosophical and practical concerns which usually surface in any discussion of revenue management. For many of these concerns, there are no easy answers. However, there is a growing body of evidence that shows many demographic groups nationwide have accepted user fees as a reasonable and fair method of helping to pay for park and recreation opportunities.

Chapters 3, 4, and 5 explore the variety of revenue strategies available and provide the process of approval once strategies are selected by park managers. Both recreation and non-recreation fee opportunities are covered. All fee revenues are paid either into special Treasury accounts from which the NPS receives direct allocations such as the Land and Water Conservation Fund (L&WCF) or into the General Treasury from which the NPS operating budget is appropriated. In addition, several forms of revenue which may be retained by NPS or credited to its appropriation are presented.

Fees are one of the most politically sensitive and technically difficult areas in which Park Service managers must make fair and objective decisions. Chapter 6 examines the six legislative criteria that can help determine if recreation fees are appropriate and how much to charge.

In 1983, NPS moved to strengthen its revenue management efforts. Managers were asked to review a wide range of services that might qualify for user fees and to consider any changes to existing fee schedules. Strategies for reducing the cost of collection were to be considered as well. Chapter 7 profiles many of these individual revenue strategies.

Finally, Chapter 8 outlines why good public relations is essential to any revenue program. By carefully explaining the need for fees, staff can nurture a level of understanding and public acceptance so crucial to a program's success.

1. REVENUE MANAGEMENT IN NPS

Revenue management in the national park system is not new. Fee collection actually predates the 1916 establishment of the National Park Service. Mount Rainier, the first park at which the government levied visitor fees (for auto permits), was collecting as early as 1908. By 1915, General Grant, Sequoia, Crater Lake, Glacier, Yosemite, Mesa Verde, and Yellowstone parks had followed suit. In 1916, seasonal auto permits ranged from $2 at Glacier to $10 at Yellowstone, with lower rates for single trips. As a result, fee revenues in 1916 exceeded operation and maintenance costs at 5 of the 16 newly established national parks.

When the Park Service was established, Director Stephen Mather testified before Congress that park entrance fees and other revenues would eventually be sufficient to cover all National Park Service operation and maintenance costs. He envisioned Congress would only have to appropriate funds for new land purchases and development projects.

At that time, the Park Service was highly motivated to collect auto fees because the receipts were deposited in a special account and could be spent for park purposes without Congressional appropriation. But Congress viewed this arrangement as circumventing its prerogatives and beginning in 1918 required that fee receipts go to the General Treasury. Lost was a strong incentive to collect fees.

During Franklin D. Roosevelt's administration, fee collection became general executive policy. From 1939 to 1942, the Service designated 40 parks where fees could be collected. In his 1939 announcement of new fees for more parks and services, Secretary Ickes stated that "those who actually visit the national parks and monuments should make small contributions to their upkeep for the services those visitors receive which are not received by other citizens who do not visit the parks that are available to them, but who contribute to the support of these parks."

Legislative support came with Title V of the Independent Offices Appropriations Act of 1952 which authorized that any federal service, benefit, or privilege rendered to special beneficiaries be "self-sustaining to the full extent possible."

Chart 1 summarizes the more recent events, primarily legislative actions, affecting the Service's recreation fee program.

Chart 1

RECREATION FEE PROGRAM: LEGISLATIVE HISTORY

1962 THE OUTDOOR RECREATION RESOURCES REVIEW COMMISSION (ORRRC) PROVIDES THE PRESIDENT AND CONGRESS WITH THE FOLLOWING RECOMMENDATION:

> 'Public agencies should adopt a system of user fees designed to recapture at least a significant portion of the operation and maintenance costs of providing outdoor recreation activities that involve the exclusive use of a facility, or require special facilities.'

1965 THE ORRRC REPORT LEADS TO PASSAGE OF THE LAND AND WATER CONSERVATION FUND ACT OF 1965.

> The Secretary of the Interior is given the legislative authority to designate outdoor recreation areas at which entrance and user fees could be charged. The act authorized a $7 annual permit, the Golden Eagle Passport, good for all areas with entrance fees, lesser charges for visits to single areas, and a variety of user fees for developed facilities such as campgrounds. All proceeds from visitor fees collected by the bureaus would go into the Land and Water Conservation Fund account for recreational land acquisition.

1972 ONE OF SEVERAL AMENDMENTS TO THE LAND AND WATER CONSERVATION FUND ACT IS ENACTED.

> Recreation fee revenues no longer went to the Land and Water Conservation Fund but to a special Treasury account 'for appropriation, without prejudice to appropriations from other sources for the same purposes, for any authorized outdoor recreation function of the agency by which the fees were collected.' The price of the Golden Eagle Passport was also raised to $10.
>
> In practice, Congress could not easily ignore the existence of fee receipts in making appropriations. Rather than treating the fee income as a bonus, it was viewed as a way to offset NPS budget requests. For this reason, the Office of Management and Budget urged even higher fees.

1979 CONGRESS PLACES MORATORIUM ON PARK ENTRANCE FEES.

> In early 1979, the Service proposed increases in entrance fees, averaging 74 percent over 1978 levels, to offset cuts of $12 million in its operating budget. In October 1979, Congress, concerned about the basis for the proposed increases, froze existing entrance fees at their January 1, 1979 levels and prohibited the Service from initiating any new entrance fees at other units. The freeze was to be a temporary measure to ensure that Congress' concerns were properly addressed.

Chart 1
(CONTINUED)

1980 CONGRESS ONCE AGAIN DESIGNATES THAT FEDERAL RECREATION FEES BE PAID INTO THE LAND AND WATER CONSERVATION FUND.

This action abolished the special Treasury account established in 1972 and virtually eliminated whatever financial incentive provided park managers.

1982 TO REPEAL THE CONGRESSIONAL MORATORIUM, NPS SENDS 'THE RECREATION FEES AND IMPROVEMENTS ACT OF 1982' TO CONGRESS.

This draft bill would have authorized all federal recreation providers to collect entrance fees, repeal most legal restriction on collection, eliminate the $10 ceiling on the Golden Eagle Passport, and enable each agency's revenues to be returned to a special account for its use.

This bill was quickly withdrawn after it was interpreted to involve federal hunting and fishing license fees.

'THE NATIONAL PARK SYSTEM FEE DEDICATION AND PARK IMPROVEMENT ACT OF 1982' IS SUBMITTED TO CONGRESS.

This bill, a more modest fee legislative proposal, affecting only NPS, proposed that the Service's fee receipts would be placed in a special appropriations account for 'the repair, maintenance, and improvement of facilities, the provision of safety and services, and the restoration, protection, and preservation of natural and cultural resources, for the benefit and enjoyment of visitors to the National Park System.' It would also lift the freeze on entrance fees.

Congress did not act on the bill before adjournment. A similar bill was transmitted to the next Congress in March 1983 but it, too, was not acted upon.

1984/85 THE SECRETARY REAFFIRMS THE DEPARTMENT'S COMMITMENT TO PURSUE LEGISLATION PROVIDING INCENTIVES FOR FEE COLLECTION.

Where NPS Stands Today

Mather's vision of a self-supporting park system was eclipsed, in part, because of the rapid and costly expansion of the system. By fiscal year 1984, the cost of operating and maintaining the national park system totaled $594.4 million. Recreation fees collected in 1984 (approximately $21.1 million) represented only 3.5 percent of the operating budget. Use of recreation areas and facilities and the costs of providing them have grown at a far greater rate than the funding available for maintaining, refurbishing, and improving those areas and facilities.

A close look at visitor fee receipts in relation to tax appropriations shows that the taxpayer-at-large has had to pay an increasingly greater share, while the park visitor has paid an increasingly smaller share of park visitor costs. Between 1971 and 1981, operation and maintenance costs rose 149 percent from $0.61 to $1.52 per visitor, while entrance fee receipts per visitor declined 30 percent.

Revenue Management Planning Begins

To adjust for some of these inequities and to let fees rise to a fair level, the National Park Service, in 1983, initiated a revenue management planning program. The goal of revenue management planning is to optimize the income from users and donors, consistent with the recreational resource protection mission of individual NPS units. Each park unit was asked to thoroughly assess and upgrade its revenue programs. The intent was to explore the range of services that might qualify for user fees, and to consider any changes in fees for existing services and any options for private sector support.

Many parks submitted revenue management plans containing proposed strategies. Some of the revenue enhancement strategies preferred by Park Service managers included:

- collect fees for secondary, more specialized, and costly interpretive programs such as special guided tours
- increase the cost effectiveness of fee collection by using an honor system, particularly for campsites
- increase commercial use license fees to reflect the costs to administer and monitor the commercial activity
- increase entrance and camping fee revenue by extending collection hours, collecting during the off-season, etc.
- centralize fee collection, for example, collect camping fees at the entrance station or collect entrance fees at the visitor center during the off-season

Use of recreation areas and facilities and the costs of providing them have grown much faster than the funding available to support them.

- identify new areas for appropriate user fees (e.g., parking fees at special events, reservation fees for backcountry permits, charges for sanitary disposal, pet impoundment fees, etc.)
- keep camping fees comparable to prices charged at nearby private campgrounds
- extend campground stay limits when desirable
- price individual campsites to reflect their true value (i.e., it would cost more for an attractive river front site than a hillside location)
- sell park brochures
- increase park entrance fees, and the price of the Golden Eagle Passport, through Congressional legislation
- bill for medical evacuations
- initiate special use fees for various facility uses such as weddings held on-site or organized events such as festivals, charity runs, etc.

In some cases, park managers proposed strategies such as raising entrance fees or charging for backcountry use/camping, which would require new legislation to remove existing restrictions.

In addition to fee activities, the park revenue management plans also considered private sector contributions (e.g., donation boxes in the parks, gifts catalogs, or fundraising campaigns) as well as options for shifting costs from the federal government to user groups, nonprofit organizations, or concessioners/permittees through cooperative agreements (see Chapter 5).

Some Immediate Results

The plans submitted in 1983 reveal there are a number of revenue opportunities as well as cost effective ways to collect revenues that can be readily implemented by park units (see Chapter 7). A comparison of FY 1982 and FY 1983 recreation fees indicates a 19 percent increase in fee revenue. Much of this was attributed to the newly established fees, fees raised to levels comparable to other service providers, and cost effective collection methods.

Chapter 7 also contains basic tips on developing effective revenue management plans.

2. THE CASE FOR FEES

Charging fees is not a means to total self-sufficiency. Nor is the goal to recover all the costs associated with special activities, programs, or services at each and every park. The compelling reason for more entrance and user fees is equity, to shift some of the burden of financing park benefits from the general taxpayers to park users.

Today, public park and recreation agencies and the people they serve increasingly favor entrance and user fees as a fair means to help pay at least a portion of these expenses. Users and taxpayers alike agree that people fortunate enough to use the parks ought to be willing, to some reasonable degree, to pay a larger share of the cost of providing these recreation opportunities.

Public vs. User Benefits

The issue of "equity," that is users paying a larger share of related costs, can perhaps be better understood with an explanation of public versus user benefits.

Parks as "public goods" are appropriately supported by tax revenues. Public goods are those materials or services that benefit all citizens whether all the citizens use the public goods or not. Public tax support of parks guarantees the acquisition and preservation of natural, cultural, and recreational areas from which all Americans benefit indirectly. In the case of the national park system, these public benefits include:

- preservation of natural areas and wildlife; cultural properties; unique recreation areas and opportunities
- resource protection and its benefits, including oxygen generation, watershed management, habitat preservation, maintenance of plant and animal species diversity, and an uncompromised national heritage
- educational and research opportunities for present and future Americans
- scientific advances based on research conducted in the national park system

On the other hand, "user benefits," as distinguished from public benefits, are enjoyed only by those who visit the parks. Therefore, it seems appropriate for park users, rather than the taxpayer-at-large, to pay a proportionately greater share of operation and maintenance costs for special user benefits, such as

overnight accommodations or recreational activities and facilities, so long as they are reasonable.

User Acceptance

According to a nationwide study of 800 households, Evaluation of Public Willingness to Pay User Charges, conducted by Economics Research Associates (ERA), respondents felt that an equitable fee system more justly places the burden of payment on the user while offering all citizens the opportunity to choose, through payment of a fee, those services they wish to use.

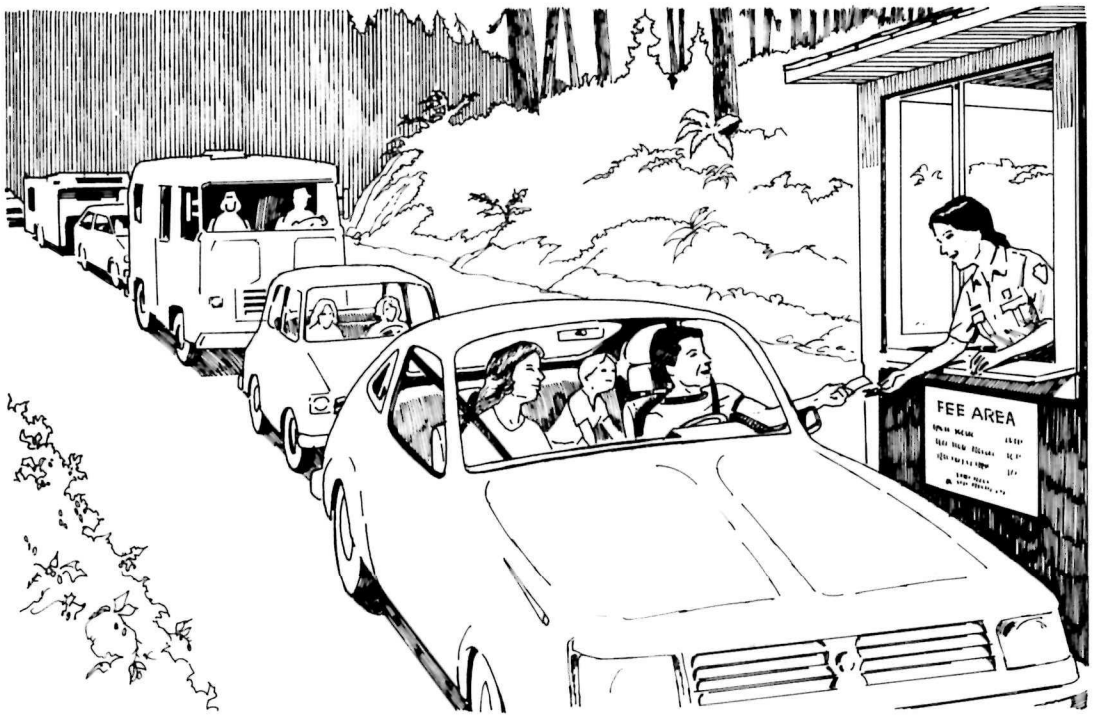
Equity concerns, such as making recreation available to low income users, are often cited as justification for free public facilities. But this fear ignores the fact that the costs of traveling to many of the national park units usually are much greater than the entrance or user fees at the park. In fact, the ERA study showed that there was support from disadvantaged groups for more user pricing:

> The greatest support for user fees came from the elderly, the low income, and rural residents. Often these characteristics corresponded to persons with low rates of participation (nonusers). Lesser support for user fees (although supporters are still a majority in all cases) came from the young, high income, and college-educated groups. Often, these characteristics corresponded to persons with high rates of participation (users).

The ERA study also pointed out that respondents typically accepted user fees as a reasonable way to pay for outdoor recreation activities such as swimming, camping, boating, and picnicking. In fact, most of those interviewed felt that more recreation services should be on a fee basis. These citizens believed that fee revenues should contribute heavily towards special facilities and general operation and maintenance costs.

Congress had the above principles in mind when it established policy that:

> each service or thing of value provided by an agency (except a mixed-ownership Government corporation) to a person (except a person on official business of the United States Government) is to be self-sustaining to the extent possible. (See 31 U.S.C. 9701, Fees and Charges for Government Services and Things of Value)



The view that users should pay a larger share than taxpayers has been reinforced in public surveys.

In addition to creating an equitable fee structure which helps offset general tax revenues needed for appropriation, charging fees has other benefits. Table 1 summarizes these benefits.

A LOOK AT THE CONCERNS

Benefits to be gained from revenue management must be carefully examined and weighed in terms of each park's own set of unique circumstances. And, each revenue proposal must be deliberated within the context of the dual mission to protect resources and serve visitor needs.

Invariably, many philosophical and practical concerns will arise. Some of these concerns are addressed below.

Do Fees Decrease Visitation?

Fee programs can have a wide range of impacts depending upon such factors as market conditions, price changes, competition, methods of implementation, and the extent of public awareness. The most obvious indicator of impact is visitation. Many

Table 1

THE CASE FOR COLLECTING FEES

- USERS HELP PAY for the added physical impacts their visits create
- COSTS ARE RECOVERED for new or specialized uses beyond the basic scope of services (the users who directly benefit offset all or some of the cost of providing the use)
- IMPROVED SECURITY due to controlled access results in fewer illegal or undesirable activities
- VISITATION PATTERNS CAN BE DIRECTED geographically or over time to balance usage and protect the resource
- REINFORCES VISITOR PERCEPTION that they receive value and quality -- most people equate quality with price
- POSITIVE USER ATTITUDES can result in better care of park resources and facilities -- people respect what they pay for
- PUBLIC CONTACT during fee collection can help to make information on park attractions and hazards more available, provide opportunities for visitor orientation, and establish a source of speedy emergency assistance
- PROGRAM PLANNING can be guided by the willingness to pay factor
- PRIVATE SECTOR INTERESTS ARE PROTECTED when NPS charges comparable rates for recreation opportunities and facilities

recreation agencies have a bias in favor of free or low fee public facilities. This bias is based on the assumption that higher fees will reduce attendance.

While the relationship between fees and use levels is not fully understood, evidence suggests that use levels are not much affected by small increases in fees. This is especially true if the fee is reasonable (i.e., non-prohibitive) and the service valued. Also, public acceptance of higher fees or new fees is boosted if the agency informs users of the reasons for the increase, the services being provided, and those services which would be lost if no fee increase were made.

An analysis by Economics Research Associates found that when new fees are instituted, there may be some initial decline in usage with full recovery in one to three years.

Dr. Marion Clawson, a recognized authority on recreation demand, has stated that reasonable entrance fee increases would probably not have a measurable impact on visitation levels at those national park units which have few close substitutes and for which the fee is a small portion of the total recreation expense. Parks like Yellowstone, Grand Canyon, and Yosemite are so unique that there are virtually no close substitutes. On the other hand, where transportation is a minor cost of the experience and where many nearby recreation areas or choices exist, new or higher fees may have a more noticeable short-term impact on visitation levels.

General Accounting Office

In responding to field questions as part of the General Accounting Office's (GAO) 1982 study on the potential for increasing park entrance fee revenues, superintendents at 21 fee parks stated that raising existing entrance fees by about 150 percent would have little or no impact on park visitation. GAO concluded that fee increases averaging 150 percent would not price people out of national parks. And most of the managers at the 23 units where GAO thought new entrance fees would be cost effective, stated that charging reasonable fees at these units would not have a major impact on visitation levels. The GAO report found that visitors would be willing to pay $7 or more just to enter a national park.

Fee changes, depending on the circumstances, can cause an increase or decrease, or have no effect on total attendance. Table 2 lists a number of factors that park managers should consider in anticipating the effects of fee increases on park visitation.

Table 2

ANTICIPATING THE EFFECTS OF FEE INCREASES ON PARK VISITATION

FACTORS WHICH CORRESPOND TO INCREASES IN VISITATION:

- Strong demand for facility or program
- Improved visitor control/security due to fees
- Facility, maintenance, or program improvements resulting from fees
- Users with ability to pay
- Unique services with little or no competition
- Fee programs already well established
- Well organized political or citizen support/coordination for fee programs
- Fees allow/result in expanded operating hours

FACTORS ASSOCIATED WITH NO CHANGE IN VISITATION:

- Fees small compared to total participation costs (transportation, equipment, etc.)
- One-time, non-repeat visitation pattern is prevalent (as in tourist market)
- Good public relations programs for fee increases
- Regularly scheduled fee increases (annual vs. sporadic)
- Relatively small fee increases

FACTORS WHICH CORRESPOND TO DECREASES IN VISITATION:

- Users with limited ability to pay
- Repeat use is high
- Relatively large fee increase
- Group use is high
- Stable or declining demand
- Competitive public and/or private facilities
- Traditionally tax-supported or low-fee facility or activity
- Poor political or citizen coordination/support
- High number of casual "drop-in" visits

Can Fee Collection Be Cost Effective?

Entrance fee revenue usually outweighs the costs of administering a fee program by at least a four to one ratio. A June 1977 analysis of the NPS recreation fee system, conducted by the Office of Programming and Budget Policy Division (NPS), found that collection costs varied considerably between different NPS units. But, the report stated that, in general, for every $1 spent collecting entrance fees, an average of $4 was returned in revenue.

User fees generally returned less revenue than did entrance fees when collection costs were considered. Every $1 spent collecting user fees returned an average of $2.65 in revenue.

According to GAO's 1982 field survey, 14 superintendents indicated that from a revenue viewpoint, it would be cost effective to extend fee collection hours. However, when forced to compensate for budget cuts and weigh competing management needs for available personnel and dollars, park managers have often reduced fee collection hours and assigned staff to other needed areas in an effort to save money.

For every $1 spent collecting entrance fees, an average of $4 is returned in revenue.

Aside from the costs and the revenue generated, secondary benefits of fee collection should be considered. The financial control and reporting systems needed for a soundly managed fee system can help managers with:

- planning and internal park budgeting
- providing visitor and revenue data
- documenting public demand for various services

In addition, the park may actually experience reduced maintenance requirements. Fees tend to instill a greater sense of responsibility -- people associate quality with price and respect what they pay for. Fees may also make it easier for managers to reduce adverse impacts of peak or negative use patterns.

Fee opportunities and the ability to collect revenues sufficiently to offset collection costs vary from park to park. Park managers must decide if fee collection is worth the effort and resolve how to minimize collection costs. Chapter 7 contains some cost-saving ideas that can be adapted to a variety of fee collection activities.

How About Competition With the Private Sector?

Public recreation areas and facilities can create opportunities for the private sector to provide recreation-related facilities and services, such as refreshment stands, overnight accommodations, and concession rentals, that complement or enhance the public recreation experience. To stay in business, the private operator must charge reasonable sums to finance development and operation.

Free or low cost public facilities undermine the ability of the private sector to compete. Agency fees should be set at a level where public facilities would not impose unfair competition with the private sector. Comparable fees charged by the government could do nothing but stimulate the development of private recreation facilities and enhance their competitive position. If user prices are lower due to heavy subsidies, in effect, the agency is following a policy of excluding the commercial sector from offering a similar recreation service.

The Profit Motive In Public Decision-Making?

One concern is that revenue activities might over-commercialize parks and may project a business enterprise orientation. In some ways, government needs to be more businesslike which doesn't necessarily mean remaking government in the corporate image.

Rather public agencies can adopt and modify certain business practices to fit the special responsibilities and public accountability that go with public service. Tested and sound business practices can make some positive contributions to the Park Service as long as we do not lose sight of our responsibility to provide basic park and recreation services to all citizens regardless of ability to pay.

Unlike private enterprise, which must produce a profit in order to survive, public agency programs and facilities receive tax support subsidies. Like other public agencies, the National Park Service is under pressure to seek alternative sources of support and to generate a fair return on the resources entrusted to us.

In doing so, consideration of the broader public good must outweigh purely economic motives in deciding the actions of an agency. Integrity is all important. Integrity means that we not warp or twist policies, plans or priorities simply to generate increased revenues.

It's because of taxpayer support that the public agency's job is to assure:

- equity -- see that public funds are spent fairly and all groups are adequately served
- accountability -- see that public funds are not wasted or misappropriated
- service continuity -- see that the public receives real, dependable service over time

In sum, revenue management has always been part of our job. There are many different reasons for having an effective revenue program, chief among them is the sense of equity. As such, the Park Service should be committed to developing a revenue management program that is fair to the user and non-user alike.

The following chapters present basic guidance on opportunities for new or increased fees, donations and nonprofit support, and efficiency and reduced costs achievable in fee collection.

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3. RECREATION FEES

The Land and Water Conservation Fund (L&WCF) Act of 1965 was the first federal legislation to authorize specific fees for outdoor recreation. The L&WCF Act gave the Secretary of the Interior specific authority to designate outdoor recreation areas, including units of the national park system, at which entrance and user fees could be charged. The act also established six criteria to be used in setting fees (see Chapter 6). The L&WCF Act of 1965 and ensuing recreation fee legislation are summarized in Appendix 1.

In 1984, the Park Service collected $21.1 million in recreation fees (see Chart 2). The three types of recreation fees are:

- Entrance fees - charged either on an annual or single-visit basis, for admission to any Designated Entrance Fee Area

- Daily recreation use fees - for the use of specialized sites, facilities, equipment, or services furnished at federal expense

- Special recreation permit fees - for specialized recreation uses, such as group activities, recreation events, and the use of motorized recreation vehicles

All federal recreation fees, including those of NPS are paid into a separate Treasury account, the Land and Water Conservation Fund. Monies derived from this fund are available to NPS, U.S. Forest Service, Fish and Wildlife Service, and Bureau of Land Management for land acquisition; and for the planning, acquisition, and development of outdoor recreation areas by state and local park and recreation agencies. In fiscal year 1984, the Park Service received $92.5 million from the L&WCF for land acquisition.

ENTRANCE FEES

Entrance fees are charged for gaining access to designated national parks, monuments, recreation areas, seashores, and historic and memorial parks and sites. Entrance fees have remained virtually unchanged since 1972 when the price of the Golden Eagle Passport was raised from $7 to $10. Only 18 percent of NPS units currently charge entrance fees. Among the 65 units with entrance fees, two charge $3 per vehicle, fifteen charge $2 per vehicle, and the rest charge even less. In 1984, entrance fees and passport revenues totaled $9.4 million, or about 4 cents per visitor.

Chart 2

RECREATION FEE REVENUES

TYPE OF FEE	LEGISLATIVE AUTHORITY	CURRENT CHARGE	CRITERIA & RESTRICTIONS	FEE LEVEL APPROVED BY	DEPOSITORY	REVENUE COLLECTED IN FY 84
ENTRANCE SINGLE VISIT	Land and Water Conservation Fund (L&WCF) Act (P.L. 88 - 578) September 3, 1964 (see Appendix 1)	Varies from fifty cents to three dollars.	Congress froze entrance fees in 1979. Some parks legislatively prohibited from charging entrance fees (see Table 3).	Congress	Land and Water Conservation Fund (L&WCF)	$ 8.2 Million
GOLDEN EAGLE PASSPORT	L&WCF (P.L. 88 - 578) September 3, 1964	$ 10 annually	Price of Passport frozen by Congress in 1979.	Congress	L&WCF	$ 1.2 Million
GOLDEN AGE PASSPORT	Amendment to the L&WCF Act (P.L. 92 - 347) July 11, 1972	Free	Must be 62 years of age. Provides free entry plus 50 percent discount on recreation use fees.			
GOLDEN ACCESS PASSPORT	P.L. 96 - 344 September 8, 1980	Free	Must be blind or permanently disabled. Provides free entry and 50 percent discount on recreation use fees.			
RECREATION USE FEES	L&WCF Act (P.L. 88 - 578) September 3, 1964 and Amendment to L&WCF Act (P.L. 92 - 347) July 11, 1972	Varies according to type of use *		Director	L&WCF	$ 11.5 Million
SPECIAL RECREATION PERMIT FEES	L&WCF Act (P.L. 88 - 578) September 3, 1964	Varies according to type of use **		Director	L&WCF	$ 232,000

* Recreation use fees apply to a range of use types from the daily use of campground by an individual or small family group to the daily storage of a boat to participation in various activities.

** Special recreation permit fees apply to a range of activities -- from off-road vehicle use to special recreation events.

A "Designated Entrance Fee Area" must meet all of the following conditions:

1. The area is a unit of the national park system administered by the Department of the Interior.

2. The area is administered primarily for scenic, scientific, historical, cultural, or recreational purposes.

3. The area has recreation facilities or services provided at federal expense.

4. The nature of the area is such that entrance fee collection is administratively and economically practical.

Types of Entrance Fees

Single visit entrance fees are charged for the entry of a single, private noncommercial vehicle and its passengers into a park area, or for the entry of a single person, age sixteen or over, into a park on foot, by bus, or by other means.

> A "single visit" means a more or less continuous stay within a designated area. Payment of a single visit admission fee shall authorize exits from and reentries to a single designated area for a period of from one to fifteen days, such period to be defined for each designated area by the administering Secretary based upon a determination of the period of time reasonably and ordinarily necessary for such a single visit. (P.L. 96-344)

Superintendents of parks which charge entrance fees recommend for Washington approval the single visit time periods appropriate for their areas.

Congress has authorized three different entrance fee passes: the Golden Eagle Passport, the Golden Age Passport, and the Golden Access Passport.

The Golden Eagle Passport, an annual permit, sells for $10 at designated recreation fee areas. It admits the permittee and any persons who accompany the permittee in a single, private noncommercial vehicle, or alternatively, the permittee and his or her spouse, children, and parents when entry is made by any other means than by a private noncommercial vehicle. The Golden Eagle Passport does not cover camping or other recreation use fees.

Congress has authorized three types of entrance fee passes: the Golden Eagle, Golden Age, and Golden Access passports.

The Golden Age Passport is a free permit for citizens of the United States or persons residing in this country who are at least 62 years of age. The Golden Age Passport carries the same entrance privileges as the Golden Eagle Passport. It also provides permittees with a 50 percent discount on all recreation use fees in parks and other federal recreation areas.

The Golden Access Passport, a free lifetime entrance permit, is issued to citizens or permanent residents of the United States who have been medically determined to be blind or permanently disabled and as a result, are eligible for receiving benefits under federal law. The passport also provides a 50 percent discount on recreation use fees such as camping, boat launching, etc. The Golden Access Passport admits the permit holder and passengers of his or her car.

Expansion of the entrance fee program is currently restricted by the following:

- a 1979 Congressional freeze
- regulatory restrictions
- park specific legislative prohibitions (see Table 3)

Table 3

PARKS LEGISLATIVELY PROHIBITED FROM CHARGING ENTRANCE FEES

THE FOLLOWING AREAS ARE LEGISLATIVELY PROHIBITED FROM CHARGING ENTRANCE FEES:

1. American Memorial Park, Saipan (92 Stat. 492)
2. Alaska Units of the Park System (94 Stat. 2384)
3. Biscayne National Park, Florida (94 Stat. 600)
4. Boston African American National Historic Site, Massachusetts (94 Stat. 2846)
5. Channel Islands National Park, California (94 Stat. 77)
6. Fort Jefferson National Monument, Florida (94 Stat. 601)
7. Golden Gate National Recreation Area, California (86 Stat. 1299)
8. Martin Luther King, Jr. National Historic Site, Georgia (94 Stat. 694)
9. Mount Rushmore National Memorial, South Dakota (52 Stat. 694)
10. Point Reyes National Seashore, California (76 Stat. 538)
11. Virgin Islands National Park, Virgin Islands (76 Stat. 747)
12. War in the Pacific National Historical Park, Guam (92 Stat. 493)

Temporary Freeze

In early 1979, the National Park Service proposed increases in entrance fees, averaging 74 percent over the 1978 level, to offset cuts of $12 million in its operation budget. However, Congress was concerned about the basis for the proposed increases, specifically stating that:

- the National Park Service might be proposing fees based on "what the traffic will bear" and the ease of collection rather than on the value of the experience
- the link between national park entrance fees and the costs of operating and maintaining those parks needed to be more carefully examined

Subsequently, in October 1979, Congress enacted Public Law 96-87 which froze existing entrance fees at their January 1, 1979 levels and prohibited the NPS from initiating any new entrance fees at other units. The language in Senate Report Number 96-180 indicated the freeze was to be a temporary measure to ensure that Congress' concerns were properly addressed by the National Park Service. The report states, "the language adopted by the committee in section 5 will permit a more careful examination of this link between maintenance costs and park fees..." (Sen. Report No. 96-180 at 7 (1979).

In August 1982, the General Accounting Office submitted to Congress its report on additional park entrance fees the National Park Service could collect. The GAO report recommends that the National Park Service:

1. establish guidelines for applying the six legislative criteria for setting park entrance fees

2. use these guidelines to set entrance fee levels at park system units

3. set the price of the Golden Eagle Passport based on the levels of fees set at individual parks

4. extend entrance fee collection hours at parks where it is cost effective to do so

The GAO report further recommends Congressional repeal of P.L. 96-87 which froze NPS entrance fees and amendment of "the Land and Water Conservation Fund Act to remove the ten dollar limit on the price of the Golden Eagle Passport."

Until new legislation is passed which lifts this ban, NPS's ability to significantly increase entrance fee revenue is limited to extending the period of collection, adding collection stations, and, whenever possible, cutting fee collection costs. The restriction on charging new or increased entrance fees does not, however, prohibit parks from charging recreation use or special recreation permit fees.

RECREATION USE FEES

Recreation use fees are charged for the use of specialized sites, facilities, equipment, or services related to outdoor recreation. Recreation use fees are paid in addition to entrance fees at park units where entrance fees are charged. In 1984, the Service collected $21.1 million in recreation fees. Campground fees alone accounted for almost 50 percent of this total.

The Code of Federal Regulations 36, Part 71 states a recreation use fee shall be charged if:

1. At least one of the following criteria is satisfied.

   A. A substantial federal investment has been made in the facility.

   B. The facility requires regular maintenance.

   C. The facility is characterized by the presence of personnel.

   D. The facility is utilized for the personal benefit of the user for a fixed period of time.

2. All of the following criteria are satisfied.

   A. The facility is developed, administered, or provided by any bureau of the Department of the Interior.

   B. The facility is provided at federal expense.

In 1984, the Service collected $21.1 million in recreation fees. Campground fees alone accounted for almost 50 percent of this total.

Chart 3

THE FEES PROCESS

Park staff identify potential fee strategies within the framework of NPS and the park unit's revenue management philosophy.

↓

Park staff develop suggested fee schedules by applying the six legislative criteria.

↓

Select and develop fee strategies to maximize revenues and minimize adverse impacts.

↓

Staff and management review and evaluate each strategy.

↓

Park managers recommend recreation fees for areas under their jurisdiction to regional director. *

↓

Regional director reviews and forwards fee recommendations to WASO.

↓

NPS director reviews regional fee recommendations and approves those that are determined appropriate.

↓

Parks are notified and can then implement approved fee schedules (see NPS - 22 Recreation Fee Collection Guideline for money handling and accounting procedures).

* The WASO Division of Visitor Services provides, upon request, staff assistance to parks preparing proposals.

C. The nature of the facility is such that fee collection is administratively and economically practical.

The last criteria, administratively and economically practical fee collection, is the determining factor for most park units (see Chapter 6).

Chart 3 describes the process for obtaining approval for recreation use fees.

SPECIAL RECREATION PERMIT FEES

Section 4(c) of the Land and Water Conservation Fund Act of 1965, (as amended) authorizes special recreation permits for uses such as group activities, recreation events, motorized recreation vehicle activities, and other specialized recreation uses.

The act further states that special recreation permits will be "issued in accordance with procedures and at fees established by the agency involved." In issuing a special recreation permit, the National Park Service must satisfy the following conditions:

1. The use complies with pertinent state and federal laws and regulations on public health, safety, air quality, and water quality.

2. The use will not adversely impact archeological, historic, or primitive values and is not in conflict with existing resource management programs and objectives.

3. The necessary clean-up and restoration is made for any damage to resources or facilities.

4. The use is restricted, to the extent practical, to an area where minimal impact is imposed on the environmental, cultural or natural resource values.

Table 4 lists examples of approved 1985 entrance, recreation use, and special recreation permit fees.

Table 4

EXAMPLES OF RECREATION FEES

ENTRANCE FEES

Unit	Fee
Badlands National Monument	$ 1.00 per car for 7 day period
Yosemite National Park	$ 3.00 per car
Fort Davis National Historic Site	$ 1.00 per car or $ .50 per person
John F. Kennedy National Historic Site	$ .50 per person for those 16 and under 62

RECREATION USE FEES

Canaveral National Seashore	$ 1.00 for Turtle Watch Program
Gateway National Recreation Area	$ 1.00 for bathhouse use
Andersonville National Historic Site	$ 1.00 for secondary interpretation
Buffalo National Riverways	$ 7.00 for recreational vehicle campsite
Statue of Liberty National Monument	$ .25 for elevator ride
Joshua Tree National Monument	$ 5.00 campground fee per site
Indiana Dunes National Lakeshore	$ 2.00 for day use parking
Capitol Reef National Park	$ 5.00 camping fee per vehicle
Chattahoochee River National Recreation Area	$10.00 pet impoundment fee
Cumberland Island National Seashore	$10.00 for deer permit
Gettysburg National Military Park	$ 1.00 admission to Cyclorama
Wupatki National Monument	$ 2.00 per person for overnight, ranger-guided hikes
Apostle Islands National Seashore	$ 7.50 for overnight dock use
Jewel Cave National Monument	$ 6.00 scenic tour fee
Rocky Mountain National Park	$ 5.00 for backcountry reservations ($6.00 for mail-in requests)
Lehman Caves National Monument	$ 1.00 for sanitary disposal
Cuyahoga Valley National Recreation Area	$30.00 for reservation of group picnic area

SPECIAL RECREATION PERMIT FEES

Prince William Forest Park	$75.00 per day for weekend use of group picnic area
Cape Cod National Seashore	$30.00 for annual off-road vehicle permit
Grand Teton National Park	$ 5.00 (non-motorized) and $10.00 (motorized) boat permits
Assateague Island National Seashore	$30.00 for annual oversand vehicle permit ($10.00 for 7 day permit)

Regulatory Restrictions On Charging Recreation Fees

The Code of Federal Regulations (CFR 36, Part 71) prohibits any federal recreation fee (entrance, recreation use, or special recreation permit fee) in the following two instances:

1. Educational Groups. Organized tours or outings conducted for educational or scientific purposes qualify for a waiver of fees if:

   a. The educational or scientific purpose is related to the resources of the area being visited.

   b. The group is from a bona fide institution established for these purposes.

   c. The group applies for and receives a waiver of fees by submitting documentation of their official recognition as an educational or scientific institution; and a statement as to the purpose of their proposed visit.

   d. The use for which the waiver is proposed is not primarily for recreational purposes.

2. Hospital Activities. No federal recreation fee shall be charged any hospital inmate actively involved in medical treatment or therapy in the area visited.

In addition to the above, entrance fees are also prohibited in the following instances:

1. Park Thoroughfares. No entrance fee shall be charged for travel by private noncommercial vehicle over any national parkway, or any road or highway established as part of the National Federal-Aid System, which is commonly used by the public as a means of travel between two places, either or both of which are outside the Designated Entrance Fee Area.

2. In Holding Access. No entrance fee shall be charged for travel by private noncommercial vehicle over any road or highway to any land in which such person has any property right if such land is within any Designated Entrance Fee Area.

3. Official Government Business. No entrance fee shall be charged any person conducting state, local, or federal government business.

4. Great Smoky Mountains National Park. No entrance fee shall be charged at any entrance to Great Smoky Mountains National Park unless such fees are charged at main highway and thoroughfare entrances.

5. Under Sixteen. No entrance fees shall be charged for persons who have not reached their sixteenth birthday.

6. Hunting or Fishing. No entrance fees shall be charged persons having right of access to lands or waters within a Designated Entrance Fee Area for hunting or fishing privileges under a specific provision of law or treaty.

Recreation use fees are prohibited for bona fide educational and scientific groups and individuals involved in medical treatment in the area visited as well as for the following:

1. Free Facilities. In no event shall any of the following, whether used singularly or in any combination, be designated as facilities for which recreation use fees shall be charged:

   - Drinking water
   - Wayside exhibits
   - Roads
   - Overlook sites
   - Visitors' centers
   - Scenic drives
   - Toilet facilities
   - Picnic tables
   - Boat ramps

2. Campgrounds. In no event shall there be a charge for the use of any campsite and adjacent related facilities unless the campground in which the site is located has all of the following:

   - Tent or trailer spaces
   - Drinking water
   - Access road
   - Refuse containers
   - Toilet facilities
   - Personal collection of the fee by an employee or agent of the National Park Service [This has been interpreted to allow designated employees to collect fees from "iron ranger" lock boxes.]
   - Reasonable visitor protection, and simple devices for containing a campfire (where campfires are permitted)

Special park uses must be individually considered and should be in keeping with park values.

3. Boat Ramps. Use fees for boat ramps are prohibited. However, in the case of boat launching facilities with specialized facilities or services, such as mechanical or hydraulic lifts or facilities, reasonaable fees may be charged.

4. Hunting and Fishing. Federal hunting or fishing licenses or fees are not authorized.

References

Comptroller General of the United States, Increasing Entrance Fees -- National Park Service, Report to the Congress, U.S. General Accounting Office, August 4, 1982, 51 pp.

The Land and Water Conservation Fund Act of 1965, as amended, Public Law 88-578, September 3, 1964.

U.S. Department of the Interior, National Park Service, Federal Recreation Fee Report 1983, Report To Congress, May 18, 1984, 71 pp.

U.S. Government, Code of Federal Regulations, Title 36, Part 71, "Recreation Fees," July 1, 1983, pp. 351 - 361.

4. NON-RECREATION FEES

The National Park Service may charge fees for services or facilities used by private entities, particularly if they benefit economically from the use. Fees can be charged for:

- special use permits
- other use permits
  (e.g., agricultural use and right-of-way permits)
- concession contracts and permits
- commercial use licenses

Chart 4 describes the basic applications of special use permits, commercial use licenses, and concession contracts and permits and compares each as a revenue source. The fees that NPS collects for these activities are paid into the U.S. Treasury as miscellaneous receipts. For the time being, there is one exception to this rule. Franchise fees from concession contracts and permits are utilized pursuant to the Visitor Facilities Fund (see Chapter 5).

SPECIAL USE PERMITS

Requests from various persons, organizations, and agencies for permission to engage in activities within the park that are not equally available to all park visitors are common. Such requests for special park uses can involve both rights and privileges, and may or may not relate to the purposes for which the park was established.

A special park use (as defined in NPS-53, Special Park Use Guideline) is an activity either proposed or existing within a national park area that requires some type of permission from a NPS official. Special park uses cover a broad spectrum of activities -- with some involving or being of value to only a few individuals.

Others may affect many visitors and, like the provision of boat service or overnight accommodations, be essential to the success ful operation of a park. Where individuals, organizations, or businesses use NPS property to provide a service or facility to visitors on a commercial basis, a concession permit or contract should be used instead of a special use permit.

Special park uses that are appropriate within one park might be unacceptable in another because of the differences in purpose, needs, or legislative constraints of the respective areas. Further, special park uses that are appropriate in one management zone might not be acceptable in designated wilderness areas or other management zones within the same park. Indeed, certain park uses might be appropriate and acceptable in only one season

Chart 4

NON-RECREATION FEE REVENUES

TYPE OF FEE	LEGISLATIVE AUTHORITY	PURPOSE OF ACTIVITY	CURRENT CHANGE	CRITERIA & RESTRICTIONS	FEE LEVEL APPROVED BY	FORM USED	DEPOSITORY	REVENUE COLLECTED IN FY 1983
SPECIAL USE PERMIT FEES	Act of August 15, 1916 (39 Stat. 535, 16 USC Sections 1 thru 4) and Title V of the Independent Appropriations Act (10AA) of 1952 (31 USC 9701).	Temporary privilege permitting compatible use of government-owned land or facilities.	Varies with type of activity	Permittee's are not allowed to transact business with park visitors. Permits are revocable.	Superintendent	Form 10 - 114	General Treasury	
COMMERCIAL USE LICENSE FEES	Policy directive issued on Jan. 9, 1981. Reaffirmed by Director's memo of June 7, 1983.	Monitor selective commercial uses in parks.	Minimum fee of $50. May charge for identifiable administrative or management costs.	Licensee's activities must originate and terminate outside the park boundary.	Superintendent	CUL (form not numbered)	General Treasury	$21,730 in fees was collected for 490 licenses servicewide
CONCESSION FEES INCLUDING FRANCHISE FEES AND BUILDING USER FEES	Concessions Policy Act of 1965 (P.L. 89-249)	Requires commercial businesses that provide visitor facilities and services in NPS area to first enter into appropriate contract or permit.	A percentage of gross receipts for concession contract. A fixed amount for concession permit.	See Chart 5 for specific details			Visitor Facilities Fund.*	$7.3 million

* The Visitor Facilities Fund was authorized by the National Park System Visitor Facilities Fund Act of January 8, 1983 (P.L. 97 - 433). Franchise fees and building user fees are deposited in the fund and are available to reconstruct, rehabilitate, replace, relocate, or remove government - owned, concession - occupied buildings. Projects are selected by the National Park Foundation with concurrence of the National Park Service. The Visitor Facilities Fund expires on September 30, 1989.

of the year, on one or more days of the week, or during certain hours of the day.

Each request for a special park use, or for the renewal of an existing use must be individually considered by the park manager for its relevance and value to the park. Special park uses must not be granted unless the authority for each action can be clearly cited, its need and value is confirmed, and its occurrence is judged to cause no derogation of park values.

Some special park uses are clearly provided for in enabling legislation and are either mandatory as is hunting in Buffalo National River ("The Secretary shall permit hunting...") or discretionary as is shellfishing in Cape Cod National Seashore ("The Secretary may permit fishing including shellfishing..."). In either instance, such activities are considered to be both authorized and appropriate as long as adequate safeguards are established for other park resources and programs. In the first instance, however, the activity must be permitted; in the second, permitting the activity is discretionary depending upon the park manager's assessment of its impact on other park uses and values.

A park manager should be prepared, when responding to a request for a special park use to have the decision challenged by the requestor or by other park interest groups, and therefore should develop an administrative record to support the decision. The level of formality of the written record is dependent upon the individual complexity or potential controversy of the issue. Difficult situations should be referred to the regional director or to the solicitor for guidance and advice. Table 5 lists questions which should be satisfactorily answered in writing prior to issuing a special use permit.

General Criteria and Procedures

Approved special park uses must be consistent with the criteria established in 36 CFR, Part 1.6. The special park use shall be consistent with applicable legislation, federal regulations and administrative policies and based upon a determination that public health and safety, environmental or scenic values, natural or cultural resources, scientific research, implementation of management responsibilities, proper allocation and use of facilities or the avoidance of conflict among visitor use activities, will not be adversely affected.

Special park uses do not have to be permitted simply because a request has been made and authority for such use exists. If a proposed activity conflicts with any of the criteria it should be denied.

Table 5

QUESTIONS TO ASK BEFORE ISSUING A SPECIAL USE PERMIT

1. What is the real purpose of the proposed use?

2. How does this proposed activity relate to the primary purposes for which the area was established?

3. What is the relation of the proposed activity to the park's General Management Plan and to other relevant park planning documents?

4. What is the park's need for the proposed activity?

5. Does the proposed activity depend upon the park-specific resources and enhance the desired 'park experience,' or would it simply make use of the park because it is a public place?

6. What are the possibilities of accommodating this proposed activity outside the park?

7. Would the proposed activity conflict with established appropriate uses, and how would the use affect the balance between established appropriate uses?

8. Would this proposed activity require a commitment of public resources and facilities for the exclusive benefit or use of a few persons, and how would this commitment be viewed by other park users?

9. How does the proposed activity fit in with the 'desired park visitor experience?'

10. What are the long and short term irreversible effects that this special park use would cause to park resources, facilities, and programs?

11. Is it possible to mitigate or to repair the adverse effects upon park resources caused by the special park use?

12. Do circumstances exist where the applicant would need special consideration? If so, what would be the criteria for permitting this request and denying others of a similar nature?

13. Is it possible that in permitting a proposed special park use that an unacceptable precedent would be set for your park or other park units?

14. What would be the difficulties of terminating this special use once begun?

15. What would be the total cost to the park of monitoring the proposed special park use?

Once a determination is made that a requested use is appropriate or acceptable the following procedures apply:

1. Special use permits shall be issued for a term not to exceed 30 days.

2. On special use permit forms, additional terms and conditions may be added if needed (e.g., access routes and times, specific areas assigned, mitigation requirements, cleanup, overall performance standards).

3. Record the authorizing legislation for the type of use to be allowed. If not covered by 36 CFR or specific legislation, and the use is appropriate to park purposes, indicate the Organic Act of August 25, 1916.

4. Determine whether a performance bond will be necessary and if so, set the amount.

5. Establish an appropriate fee for the use that will properly compensate the federal government both for the administration of the permit and the value of the activity.

6. Special use permits will be approved by the superintendent with copies to the regional director.

7. Provisions for terminating or revoking a permit should be included in those permits which have the potential to negatively impact resources or visitors.

Common Uses

A number of common and frequently engaged in visitor uses and activities are covered in 36 CFR, Parts 1-7. Some of these uses require permits others do not. Table 5A lists those activities requiring permits with their appropriate CFR section referenced. The criteria for issuance of special use permits is found in 36 CFR, Part 1.6, unless otherwise noted in the table.

Table 5A

COMMON USES REQUIRING A SPECIAL USE PERMIT

VISITOR USE

Public use limits (i.e., setting maximum or minimum numbers for use of campgrounds, backcountry use, river running, mountain climbing) -- 36 CFR, Part 1.5

Firearms (carrying/possessing) -- 36 CFR, Part 2.4

Collection of specimens -- 36 CFR, Part 2.5 (contains its own permitting criteria)

Camping -- 36 CFR, Part 2.10

Operation of power saw or motor -- 36 CFR, Part 2.12

Air delivery -- 36 CFR, Part 2.17

Explosives, fireworks -- 36 CFR, Part 2.38

Special events -- 36 CFR, Part 2.50 (contains its own permitting criteria)

Public assemblies -- 36 CFR, Part 2.51 (contains its own permitting criteria)

Sale or distribution of printed matter -- 36 CFR, Part 2.52 (contains its own permitting criteria)

Grazing or agricultural use -- 36 CFR, Part 2.60

Residing on park lands -- 36 CFR, Part 2.61

Scattering of human ashes -- 36 CFR, Part 2.62

Boating -- 36 CFR, Part 3.3

OTHER ACTIVITIES

Commercial photography -- 36 CFR, Part 5.5

Aircraft use -- 36 CFR, Part 2.17

Off-road vehicle use -- 36 CFR, Part 4.19 and Executive Orders 11644 and 11989

Snowmobile use -- 36 CFR, Part 2.18

Use of dead and down wood -- 36 CFR, Part 2.1 and Special Directive 82-6

Filming Permits

In general, no filming or sound track production can take place in an NPS unit without a filming permit. News photography, photos taken by visitors, filming activities covered under cooperative agreements or contracts, and any commercial still photography (unless it involves product or service advertisement or the use of models, sets, or props), are exempt from this permit requirement (see CFR 43, Part 5 and NPS-21, Filming Guideline).

The Code of Federal Regulations prohibits fees for filming permits (CFR 43, Part 5.1(b)). Other applicable fees (e.g., entrance fees) still apply for those entering a park unit with the intention of filming. A bond, cash deposit, or certified check, in an amount set by the area superintendent, should be posted to insure the site's clean-up and restoration to its pre-filming condition.

Superintendents can also require, as a condition of the permit, reimbursement for the cost of all overtime supervisory services provided. Reimbursements, though, must be paid into the U.S. Treasury as miscellaneous receipts.

Since location costs are usually included in a film company's budget, companies often offer a donation to the park.

- The Finnigan Associates film company pays $50 per day for filming preparation and $200 per day for filming on-site as standard policy. After filming shots of the "Doll Maker" in Great Smoky Mountains National Park, Finnigan Associates donated $250 to the park.

- Golden Gate National Recreation Area received donations of $2,500 from the new wave band Crocus for an MTV fillm shooting and $100 a session from Macy's department store for still fashion shots.

Donations can be encouraged from filming companies and retained by the park as long as standard donation procedures are followed (see Appendix 2). Like all donations, those accepted must be truly voluntary. Issuance of a filming permit should not hinge on a donation. Some parks have determined what it costs them to allow filming and are prepared to suggest an appropriate donation should they be asked.

Special Event Permits

Special events are differentiated from public assesmblies and public meetings in that the latter activities are rights protected by the First Amendment to the Constitution. Special events are activities, such as sporting events, pageants,

regattas, public spectator attractions, ceremonies, etc. which fall under the category of privileges. In the case of privileges, a park manager has the discretion to either permit or deny a specific special park use.

Before issuing a special event permit, the following should be considered and required as appropriate:

1. Bonding -- to cover costs, restoration, rehabilitation, and cleanup of the area and other costs resulting from the special event.

2. Sufficient liability insurance in which the United States is named as co-insured.

3. Such conditions as are reasonably consistent with protection and use of the park, and specific (reasonable) limitations on equipment used and time and area in which event is allowed.

4. Notification that violation of the terms and conditions of a permit is prohibited and may result in suspension or revocation of the permit.

Agricultural Use Permits

Short-term revocable permits for conforming agricultural uses for the maintenance of certain portions of historical, and in some instances, other areas where there is a need to continue or restore pastoral conditions are called Agricultural Use Permits. The first consideration in issuing an agricultural use permit is the natural and/or cultural resource management objectives for the area in question. The proposed use must relate to the primary purpose for which the area was established. In permitting agricultural uses, the intent is to foster practices which improve soil, control unwanted plants, and prevent uses which tend to impoverish the soil, thus encouraging undesirable vegetation and other pests.

Agricultural use permits are often issued with the reasoning that they are a cost effective way of land management. Often, this might be true, but they are no panacea, involving responsibilities inherent unto themselves. In no case should management responsibilities be abdicated to a permittee.

Advantages to the park include potential for a permittee to manage park land, as specified by the Service, while paying for the privilege. The payments normally go to the U.S. Treasury, however, under some circumstances they can supplement park accounts. In this case, specific park legislation authorizing fee retention by the park is required. There is also general

legislation authorizing fee retention when the land is on the National Register of Historic Landmarks and the special use helps in the preservation of the area. (See Chapter 5 and NPS-38 Historic Property Leasing Guideline for more detailed information.)

A fee comparability study must be made prior to issuing or renewing an agricultural use permit. A fee at least equal to that normally charged for similar facilities in the local community, under conditions comparable to those set forth in the permit should be charged.

Right-of-Way Permits

A right-of-way (ROW) is an authorized use of park lands for a specified period of time. A right-of-way does not convey interest in land and is therefore not an easement. Approval of a ROW requires the issuance of a permit which contains the terms and conditions under which the park lands may be used. ROW permits are issued for such uses as electric power lines, telephone and telegraph lines; radio and television structures; pipelines for water, oil, gas, and sewage; canals and ditches; and railroads. They are also issued to those who must use NPS roads rather than state or local roads for trucking or hauling tasks.

There are four fee charges applicable to rights-of-way: the application fee, permit fee, fair market value charge for the use and occupancy of NPS lands, and cost reimbursement charges. Refer to 36 CFR, Part 14 for more detailed information.

Scientific Collecting Permits

Scientific collecting permits are issued for use of parks by qualified investigators for scientific studies when such use is consistent with service policies and contributes to the attainment of park objectives (see NPS Management Policies, IV-2). Form 10-741 is the standard permit form for scientific collections. Some regions have developed more complete and up-to-date forms to use in place of the 10-741 (e.g., Western Region uses form WRO-107 and the Southwest Region uses form PSN-101). Although a fee for scientific collection permits could be charged, none have been collected. Scientific collections often benefit park resource management objectives. It is generally not considered to be in the best interest of NPS to impose a fee if it would discourage such activities.

Table 6 provides a few examples of non-recreation fee activities.

Table 6

EXAMPLES OF NON-RECREATION FEES

SPECIAL USE PERMITS

Unit	Fee
Hopewell Village National Historic Site	$ 50.00 for wedding ceremonies
Lake Mead National Recreation Area	$ 25.00 for 3 weeks of drydock privileges
Boston National Historical Park	$ 76.00 for 4 hours of facility use
Death Valley National Monument	$ .375 per ton mile for use of paved roads by mining companies

COMMERCIAL USE LICENSES
(Fees Paid By Commercial Operators)

Grand Teton National Park	$ 50.00 to provide scenic dog sled tours
Everglades National Park	$ 50.00 to provide guided canoe tours
Death Valley National Monument	$ 150.00 to provide four-wheel drive tours
Fort Jefferson National Monument	$ 100.00 to provide seaplane taxi service and charter boat taxi
Haleakala National Park	$ 50.00 to provide guided horse trips
Lassen Volcanic National Park	$ 50.00 to provide nordic ski tours
Amistad National Recreation Area	$ 50.00 to provide scuba diving instruction

CONCESSION CONTRACTS & PERMITS

The Concessions Act of 1965 authorizes the negotiation of concession contracts and permits. NPS policy allows concessions in park areas under carefully controlled safeguards. Permissible activities are limited to those that are necessary and appropriate for public use and enjoyment of the park areas in which they are located and that are fully consistent with the preservation and conservation of the park areas.

The Concessions Act also provides for the collection of franchise fees, which are to be based upon the value of the privileges granted to the concessioners and the opportunity for a net profit, when both gross receipts and capital investments are considered. Under present NPS policy, franchise fees are based on a percentage of gross receipts. Revenues to the United States should be secondary to protection and preservation of the area and the provision of visitor services at reasonable rates.

For detailed information on concession contracts and permits, contact the regional or Washington concessions specialist, or consult the Concessions Guideline, NPS-48, and the Concessions Act (Public Law 89-249).

COMMERCIAL USE LICENSES

The commercial use license is intended to be a mechanism by which superintendents can monitor selected commercial uses occurring in the park for which concession contracts or permits are not appropriate. In 1984, the Service had in effect over 490 commercial use licenses which accounted for $21,730 in revenue.

Activities generally requiring a commercial use license include instructional activities, guide services (cross-country skiing, float trips), and tour operations. For example, Lake Mead National Recreation Area issues commercial use licenses for the following activities:

- scuba diving instruction
- marine salvage
- fishing guide services
- windsurfing instruction
- raft towing services
- hobie cat instruction

The distinctions between concession and commercial use activities may seem subtle but are very important.

Concession contracts <u>require</u> concessioners to provide and operate specified facilities and services in the parks. Commercial use licenses <u>authorize</u> certain commercial activities in park areas not subject to environmental, management, or other limitations and must be initiated <u>outside</u> the park area.

Commercial use operations <u>must</u> originate and terminate outside the park. All aspects of business, (i.e., advertisement, exchange of money, etc.), take place outside the park. And all authorized activities must be appropriate to the preservation of park resources, visitor protection, and interpretation. The express purpose of concession activities is to accommodate visitors <u>in the park</u> with needed visitor services and facilities.

All commercial activities must be appropriate to the preservation of park resources, visitor protection, and interpretation.

The authority for commercial use licenses can be found in the Code of Federal Regulations. CFR 36, Part 5.3 states:

> Engaging in or soliciting any business in park areas, except in accordance with the provision of a permit, contract, or other written agreement with the United States, except as such may be specifically authorized under special regulations applicable to a park area, is prohibited.

NPS established the requirement for commercial use licenses by a policy directive in January 1981 for a two year trial period. The director's memorandum stated in part, "...we [Washington] will review the benefits, etc., and need for any revisions within the first 2 years of implementation."

In 1983, comments and suggestions were solicited and as a result of the Washington review, it was determined that no changes in the criteria for use of the commercial use license were necessary. However, the annual payment, construction, insurance, and annual report portions of the license requirements were revised.

General Criteria

In effect, commercial use licenses can be issued if the following criteria are met:

1. The activity is appropriate to protection of the park and does not have substantial impact on visitors or park resources.

2. There is no limit on the number of licenses which can be issued for the activity.

3. The operations originate and terminate outside park boundaries.

4. NPS exercises no business regulatory authority and grants no rights or privileges under the Concessions Act (P.L. 89-249).

5. The activity is not one appropriately authorized under a special use permit (e.g., agricultural uses).

6. The commercial user does not construct or receive use of structures in the park, except those available for use by the general public.

7. The services do not conflict with preferential rights issued under a concessions contract.

8. The commercial operator is duly licensed by state or local authorities, when necessary.

Current Guidelines

The 1983 guidelines specify the following requirements for commercial use licenses:

1. The minimum fee is raised from $25 to $50 or the cost of administering the license. A commercial use license now requires a payment of $50 in advance whether the term of the license is for one day or two years.

2. If the superintendent finds that other identifiable administrative and/or management costs applicable to the issuance of the license would be incurred beyond the $50 fee, an additional charge can be imposed on the licensee to recover, to the extent possible, the full cost.

3. Management costs would include the cost incurred by park staff in monitoring the operations to assure compliance with operational and safety requirements identified in an attachment to the license.

4. The total fee must be paid at the time the commercial use license is issued.

5. If a fee of less than $50 is used, it must be justified in writing based on administrative costs incurred.

Chart 5 sums up the main differences between concession contracts, concession permits, and commercial use licenses.

Chart 5

CONCESSION ARRANGEMENTS AND COMMERCIAL LICENSES

CONCESSION CONTRACT	CONCESSION PERMIT	COMMERCIAL USE LICENSE
The Concessions Policy Act of 1965 (P.L. 89-249) mandates that commercial businesses which "provide and operate facilities and services. . . for the accommodation of visitors in areas administered by the National Park Service" shall be authorized pursuant to concession permits and contracts and under the particular statutory requirements of the Concessions Policy Act.		Does not come under the purview of P.L. 89-249. Simply a device whereby the superintendent has documentation of the use of park lands. Comes under the authority of C.F.R. Title 36, Chapter 1, Section 5.3.
Requires concessioner to provide specified services.	Authorizes but does not require concessioner to provide services.	Authorizes commercial activities in park areas. All activities must originate and terminate outside of park boundaries.
Term may be up to 30 years. Director must approve terms over 15 years.	By statute, term may be up to 30 years. By NPS policy, term may be up to 5 years.	Term not to exceed 2 years.
Annual gross receipts of $100,000 or more.	Normally less than $100,000 in gross receipts.	N/A
May grant possessory interest.	No possessory interest granted.	N/A
May grant a preferential right to provide additional services.	No preferential rights granted.	N/A
Concessioner may be required to acquire and/or construct permanent facilities.	Concessioner may construct or install such improvements as are necessary or desirable subject to prior approval of the director. (Section 6)	N/A
Concessioner may be required to make substantial investment in personal property.	Substantial investment in personal property not required.	N/A
Must give public notice in advance of intent to negotiate.	Must give public notice in advance of intent to negotiate.	N/A
Satisfactory concessioner has preference in renewal.	Satisfactory concessioner has preference in renewal.	N/A
Must be sent to appropriate committees of Congress when term is 5 years or more or annual gross receipts are, or anticipated to be, $100,000 or more.	Executed by superintendent. *	Executed by superintendent.
Bond may be required.	No bond required.	N/A
Subconcession may be granted with regional director approval.	N/A	N/A
Reserve first lien on assets.	Reserve first lien on assets.	N/A
Franchise fee is normally a percentage of gross receipts plus an annual lease fee based on fair rental value for government-owned buildings, structures, or facilities assigned.	Franchise fee is normally a fixed amount plus an annual lease fee based on fair rental value for government-owned buildings, structures, or facilities assigned.	Minimum fee of $50. May charge for identifiable administrative and/or management costs.
Land assignment normally provided by separate exhibit.	Normally included in permit. (Section 5)	May be specified.

* Permit must be executed and/or revoked by regional director if term is for 5 years or more or annual gross receipts are anticipated to be $100,000 or more. Superintendent executes and/or revokes permits with terms of less than 5 years and anticipated annual gross receipts of less than $100,000.

Chart 5

(continued)

CONCESSION CONTRACT	CONCESSION PERMIT	COMMERCIAL USE LICENSE
May be terminated for default by the regional director pursuant to Section 11 of the Standard Concession Contract Language.	May be revoked at any time by superintendent. **	May be revoked at any time by superintendent.
May be suspended at discretion of regional director to protect health and safety of visitors and employees or to protect area resources.	May be suspended at discretion of superintendent. ***	May be suspended at any time at discretion of superintendent.
May be amended, assigned, or extended.	Same with approval of regional director or superintendent as the case may be (See * Execution)	N/A
May require compensation if services are discontinued.	N/A	N/A
Insurance required pursuant to Section 15 of the Standard Concession Contract Language.	Yes (Section 8 of permit)	Yes (Section 5 of license)
Nondiscrimination language required (Exhibit "B").	Yes (Section 11)	Yes (Section 6)
Periodic evaluation required.	Periodic evaluation required.	N/A
Rate approval required.	Rate approval required.	N/A
Annual financial report required.	Annual financial report required.	May be required (superintendent's discretion).
N/A	N/A	No limitation intended on the number of commercial activities of a particular type. If limitation is imposed, concession contract or permit would be required.

** Superintendent executes and/or revokes permits with terms of less than 5 years and anticipated annual gross receipts of less than $100,000.

*** May be suspended at discretion of regional director if term is for 5 years or more or annual gross receipts are anticipated to be $100,000 or more. May be suspended at discretion of superintendent if term is less than 5 years and anticipated annual gross receipts are less than $100,000.

References

Concessions Policy Act of 1965, Public Law 89-249.

U.S. Department of the Interior, National Park Service, Concessions Guideline, NPS - 48, November, 1984.

U.S. Department of the Interior, National Park Service, Filming Guideline, NPS - 21, September, 1979.

U.S. Department of the Interior, National Park Service, memorandum from Director Dickenson, dated June 7, 1983, "Commercial Use License."

U.S. Government, Code of Federal Regulations, Title 36, Part 5.3, Business Operations, July 1, 1983, p. 62.

U.S. Government, Code of Federal Regulations, Title 43, Part 5, Making Pictures, Television Productions, or Sound Tracks on Certain Areas Under the Jurisdiction of the Department of the Interior, October 1, 1983, pp. 136-137.

5. REVENUE RETENTION ALTERNATIVES

All fee revenues are paid either into special Treasury accounts from which NPS receives direct allocations such as the Land and Water Conservation Fund or into the General Treasury from which its operating budget is appropriated.

Although existing legislative and policy constraints prohibit the retention of fees by park units collecting them, NPS can retain revenue that results from:

- the sale of products and services produced in connection with living exhibits and interpretive demonstrations (16 U.S.C. 1(a) 2(g))
- historic properties leased or exchanged to preserve property on the National Register of Historic Places (Section 111 of the National Historic Preservation Act of 1966, as amended)
- concession franchise fees may be returned to the park pursuant to the Visitor Facilities Fund (P.L. 97-433)
- cooperative agreements with nonprofit organizations whereby they provide visitor services which involve sales or fees
- donations (see Appendix 2)
- reimbursements

Chart 6 summarizes these alternatives.

SALE OF PRODUCTS & SERVICES

Legislation (16 U.S.C. 1(a) 2(g)) permits the National Park Service to offer at fair market value products and services produced in connection with living exhibits and interpretive demonstrations. The authority provides that the proceeds be credited to the appropriation bearing the cost of the exhibit or demonstration; the revenue need not be returned to miscellaneous receipts. The Solicitor's Office, National Capital Region, summarized some of the opportunities for fee retention that use this authority.

- The Chesapeake and Ohio Canal Barge, a full size replica barge built by the NPS with funds donated for that purpose, gives regular daily tours at the Chesapeake and Ohio Canal National Historical Park in Washington, D.C. NPS employees operate the barge; NPS mules pull

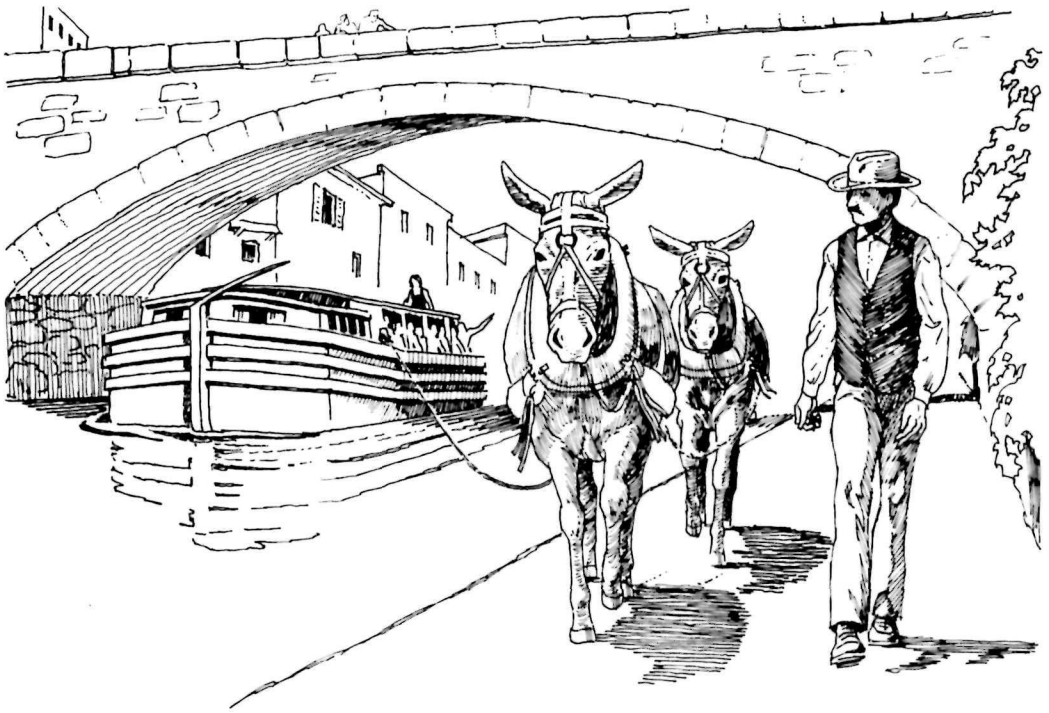
Chart 6

RETAINED REVENUE

TYPE OF REVENUE	LEGISLATIVE AUTHORITY	PURPOSE OF ACTIVITY	CRITERIA & RESTRICTIONS	APPROVED BY	FORM USED	DEPOSITORY	REVENUE COLLECTED IN FY 1984
SALE OF PRODUCTS AND SERVICES	National Park System Administration (P.L. 91 - 383 Section 3) August 18, 1970 (84 Stat. 826, 16 USC 1 (a) (2) (g).	Permits NPS to offer at fair market value products and services produced in connection with living exhibits and interpretive demonstrations.				Proceeds credited to appropriation bearing the cost of the exhibit or demonstration.	
PROCEEDS FROM LEASING OF HISTORIC PROPERTIES	Amendment to the National Historic Preservation Act of 1966, Section 111 (P.L. 96 - 515) December 12, 1980.	Protect and preserve historic properties.		Regional Director or Director		Proceeds treated as reimbursable funds for NPS properties on National Register of Historic Places.	$22,000
PROCEEDS FROM CONCESSION CONTRACTS AND PERMITS	National Park System Visitor Facilities Fund Act of January 8, 1983 (P.L. 97 - 433).	Reconstruct, rehabilitate, replace, relocate, or remove government - owned, concession - occupied buildings.	Must be compatible use. No leasing if property is of primary significance to the unit or more appropriate use exists.	National Park Foundation with concurrence of NPS		Visitor Facilities Fund.	$7.3 million
MONIES COLLECTED BY NONPROFIT ORGANIZATIONS		Assistance, monetary or non - monetary, to support or stimulate a public objective.	Cooperative agree - ments must contain statement as to the substantive involve - ment of NPS.	Superinten - dent		Nonprofits can deposit into interest bearing accounts.	
DONATIONS (See Appendix 2)	Donation of lands within national parks and monuments and moneys 16 USC Section 6.	NPS can accept donations of moneys to fund portions of any authorized program that are funded by appropriations, or donated lands, property, or services.	Donations must be voluntarily offered.	Superinten - dent *	Letter of tender from donor and letter of acceptance from NPS.	Donation account established by allotment advice or program authorization.	$134.5 million ** in money, services, real and personal property.
REIMBURSEMENTS OR REFUNDS	16 USC Chapter 1	Recover costs.	Can only be used for commodities or services authori - zed by law.			Proceeds credited to account which incurred the original expense.	

* The accepting official may deem it necessary to include the director's acknowledgement for a significant donation.

** Of this total, $115 million was raised specifically for the Statue of Liberty restoration campaign.



Fees collected for barge tours along the C & O Canal are reinvested in park operations.

the vessel along the canal. The public pays several dollars per person for the tour. Groups can charter the barge in the evening. All proceeds from these barge tours are reinvested in park operations under the authority of 16 U.S.C. 1(a) 2(g).

- Glen Echo Park in Maryland offers a variety of classes and programs that private cooperators teach. These classes range from ceramics, photography, sculpturing, and woodworking to children's theatre. The cooperators charge tuition fees, and also sell art work and other products produced in the classes. The National Park Service maintains written agreements with the cooperators and assigns Park Service space. Cooperators reimburse NPS for utilities. The NPS receives both a set fee from each tuition charged and a percentage of each sale made.

- Claude Moore Colonial Farm at Turkey Run, part of the George Washington Memorial Parkway, is a living history farm that portrays 18th century low-income Virginia family life. NPS operated the farm until budget constraints forced its closure. Under the authority of 16 U.S.C. 1(a) 2(g), NPS turned the operation of the farm over to a private organization called Friends of Turkey Run Farm, Inc. This organization now operates the farm using part paid and part volunteer staff. Under the agreement, the cooperator can charge fees and sell

items produced in connection with its interpretive programs. The cooperator also conducts fundraising activities.

- NPS agricultural lands located on a national battlefield site were farmed by private operators under special use permits until recently converted into 16 U.S.C. 1(a) 2(g) agreements. Under these agreements the cooperators must plant certain crops, and restrict the storage of machinery and the use of pesticides. In return for the use of land, the National Park Service receives a percentage of either the crop produced or its dollar value. Unlike the special use permit fees which were deposited into the General Treasury, funds received under the agreement are now credited to the appropriation bearing the cost of the park programs.

- Lyndon B. Johnson National Historic Site packages and sells its pecan crop as a product of its living history demonstration, earning $238 in 1982. Each year Texas longhorn from this living history program bring in over $25,000. Revenues kept at Lyndon B. Johnson National Historic Site help cover costs of agricultural production and raising the heifers.

There are many other opportunities to charge for interpretive products and services. For example, fees might be charged for specialized interpretive tours, with proceeds credited to the park appropriation. The tours could be conducted by NPS employees, cooperators, or volunteers.

When there is an opportunity to sell products produced by living exhibits or to charge a fee for specialized interpretive services or entertainment, there is an opportunity to put money back into these park programs.

LEASED OR EXCHANGED HISTORIC PROPERTIES

The Service, under authorities contained in Section 111 of the National Historic Preservation Act of 1966, as amended, may lease or exchange historic properties and use the proceeds to administer, maintain, repair, and otherwise preserve that property or any NPS property on the National Register of Historic Places. Historic property leases must be consistent with the general management or master plan of each park. (See NPS-38, Historic Property Leasing Guideline).

- For instance, under terms of a 56-year lease, Heritage House Inns, Inc., plans to restore the 128-year old Piper Farm House at Antietam National Battlefield for use as a

bed-and-breakfast inn. The two-story house is situated within the park boundaries close to where Confederate and Union soldiers clashed in one of the deadliest battles of the Civil War. Plans call for preservation work that will retain the essence of rural farm life as it existed at the beginning of the Civil War. Four original bedrooms will be restored and decorated with period furnishings.

- Proposals to lease the historic Kennedy-Supplee Mansion within Valley Forge National Historical Park are being considered. The mansion represents the period of U.S. industrial expansion in the early 19th century, therefore, it does not fit into the primary theme of the park which is "to preserve and maintain the historic setting and remnants of the period when General George Washington and the Continental Army encamped at Valley Forge during the Revolutionary War in the winter of 1777-78."

  While the exterior and principal decorative interiors must be retained, the lessee will be permitted to adaptively restore the building to suit its purposes. Possible uses will be considered on the basis of their effect on the historic scene at Valley Forge and NPS encourages proposals that offer some link with the park's historic theme.

- Fire Island National Seashore plans to lease a historic lighthouse to a radio station. Pending FCC approval, an antenna will be mounted atop the lighthouse. The visual intrusion is expected to be minor. The terms of the lease agreement require the radio station to provide, up front, $300,000 in payment for a 15 year term. The lease funds, supplemented with donations, will be used to provide badly needed repairs on the building.

When Can Properties Be Leased?

Historic structures, districts, sites, and archeological sites may be leased to a person or organization if the proposed use is:

1. compatible with the NPS mission for the unit
2. consistent with the master or general management plan
3. compatible with visitors' use and enjoyment
4. appropriate to the quality and significance of the resource
5. formulated through active participation by professionals from such disciplines as history, archaeology, and historic preservation

Historic properties will not be leased if the property:

1. possesses individual significance which is clearly essential to the established national significance of the park

2. is needed for on-site interpretation and a lease would interfere with interpretive activities

3. has more appropriate or cost-effective uses (i.e., administration, operations and maintenance, employee housing, etc.)

4. can be used more appropriately under a concession contract

The process of leasing historic properties involves four general steps:

1. selecting and evaluating the property
2. developing lease documents
3. leasing the property
4. managing the lease

Superintendents are encouraged to seek the advice and help of appropriate regional staff in completing these steps.

General Requirements

1. Leasing is defined in a strict legal sense; this program would not encompass special use permits, cooperative agreements, properties used pursuant to a concessions contract, etc.

2. Leases can be for any term up to 99 years. It is NPS policy to keep leases as short as needed for the particular undertaking.

3. Objects and prehistoric structures will not be leased.

4. The lease may or may not require the lessee to repair, maintain, restore and otherwise treat the property. No interest in the property, nor improvements to it, will vest in the lessee.

5. All leases must be competitively offered for at least "fair market rental value," based on an appraisal of

the property. The appraisal should consider amortized costs of treating the property, the value of prescribed special maintenance by the tenant, and any limits on use of the property. Rental rates can be based on a percentage of gross receipts. Both profit and nonprofit entities are eligible lessees.

6. Proceeds can only be used to defray the costs of administration, maintenance, and repair for the leased property and/or any other NPS properties on the National Register. (Proceeds from leasing historic properties are treated as reimbursable programs. Unobligated balances can be carried forward into a new fiscal year in an amount which is not more than income received in the last two years.)

7. Lease proposals may specify acceptable uses or be open-ended with provision for NPS approval. Uses must be lawful, non-polluting, compatible with visitor use, and historically preservative in nature.

8. In general, proceeds from leases should be used first to benefit projects approved by the regional director within the NPS unit that generated them and then for approved projects in other units within the region. However, the director may reallocate lease revenues to benefit other historic properties on the National Register of Historic Places of a higher priority within the national park system.

Preservation and protection of historic properties is the primary purpose of Section 111 of the National Historic Preservation Act of 1966; however, the act does offer a cost effective way to deal with problem buildings not used under concession, special use, or cooperative agreements, and not being used for employee quarters. Revenues generated under the conditions of this act can be used to halt deterioration of historic properties while providing new options for their productive use.

VISITOR FACILITIES FUND

Congress recently established the National Park System Visitor Facilities Fund (P.L. 97-433) to improve the safety and quality of visitor accommodations in national parks.

The Secretary of the Interior administers the Visitor Facilities Fund (VFF) through grants to the National Park Foundation, which is responsible for overseeing construction projects carried out with assistance from the fund. The VFF allows reconstruction, rehabilitation, replacement, relocation or removal of buildings

in which concessioners have no possessory interest, and which are used to provide food, lodging, or other services to visitors (including concessioner employee dormitories). Designed to upgrade existing visitor facilities, not to increase or decrease a park's visitor-serving capacity, Congress intended that the fund provide an appropriate range in the prices and types of lodging accommodations available to national park visitors.

As of October 1983, concession fees, including franchise fees and building lease fees, paid or due after October 1, 1982, are credited to the VFF account. Not included are fees collected under the National Historic Preservation Act. The provisions of the VFF Act do not justify increasing franchise or building lease fees.

Beginning in fiscal year 1984, funds (in the amounts credited to the VFF) may be appropriated to NPS from the Visitor Facilities Fund to be made available to the National Park Foundation for construction projects. In addition to franchise fees, up to $1 million in general revenues may be appropriated to NPS for VFF use by the foundation. These general revenue funds, however, can be expended only to the extent that they are matched by private contributions to the foundation for the Visitor Facilities Fund. The intent of this provision is to encourage contributions from the private sector, although such donations should not influence the design or execution of any project funded from the VFF.

The Visitor Facilities Fund expires on September 30, 1989. Funds credited to the VFF account but not appropriated, or not obligated and expended, at that time will be deposited in miscellaneous receipts to the U.S. Treasury.

While the Visitor Facilities Fund program does not necessarily guarantee that concession fee revenues collected in a park will be used in that same park, it does allow revenues to be retained and used within the national park system as a whole. The VFF Act provides that NPS, with input from park units, will develop a detailed priority listing of park visitor facility projects recommended for funding. The National Park Foundation, with the concurrence of NPS, will decide which projects to fund out of the annual appropriation. Each park, having generated fee revenues from its concessioner facilities, would presumably have an equal opportunity to compete for available funding through the VFF for park visitor facility construction projects.

NONPROFIT SUPPORT/Cooperating Assns.

Much of National Park Service's experience with nonprofit organizations comes from working with cooperating associations. Associations aid and promote the interpretive, scientific, and

educational activities of the NPS. They also support research and conservation programs of the Service. Basic authority for Service contribution of staff and logistical support for cooperating associations is contained in P.L. 633 of August 7, 1946.

Cooperating associations are all corporate, legal bodies governed by the laws of the state(s) in which they are incorporated and operate. While they serve the NPS, by virtue of their stated constitutional purposes and conduct business on Service property, the Service cannot manage the associations. Superintendents and park coordinators, however, shall advise and counsel associations and monitor their activities as they relate to NPS policies, standards, and guidelines, and affect interpretive operations.

Service personnel may participate in association activities, provided that such work does not unduly infringe on their official responsibilities. In addition, associations may use facilities within the park for the sale of educational and interpretive items.

More specific, detailed information is available in NPS-32, Cooperating Associations Guideline.

Friends Organizations

Other organizations, typically nonprofit corporations, are also organized and operated for the benefit of the general public. Many "friends" organizations can and have worked cooperatively with the Service to provide an added measure of visitor services and resource protection. The role of these nonprofit organizations takes on added significance as budget cuts are being felt.

The advantages or benefits provided by nonprofit corporations include:

- Under the concept of nonprofit corporations, all profits are dedicated to public use. This revenue can be reinvested back into the park operations (e.g., equipment purchases, funding special park programs or services, development of a campground or trail, printing information materials, etc.).

- In some cases, private entrepreneurs may be reluctant to take on a service if the profit margin is limited. On the other hand, many nonprofits will take on a service on a "break even" basis. Under these circumstances a badly needed service is provided.

- Community representatives that combine leadership skills and business expertise on the boards of

directors will help ensure good management practices in the operation of the nonprofit.

- Profits do not necessarily have to be expended on an annual basis. Some can be earmarked for future projects. In the meanwhile, the money can be placed in sound investment programs.

The Nonprofit's Role

The role of nonprofits can take on many dimensions. For example:

- Raising Capital/Operating Funds - Nonprofits can aggressively solicit funds from external sources. Some donors prefer to give to nonprofits rather than public agencies.

- Operating and Maintaining Facilities/Programs - Nonprofits can be delegated responsibility for operation and maintenance of specific facilities and/or programs.

- Acquiring Land - Nonprofits can sometimes purchase land or acquire threatened parcels more expeditiously because their negotiating, funding, and purchasing procedures are more flexible than those of the federal government.

- Acquiring Historic Objects and Collections - Nonprofits can locate and acquire historic objects and collections to enhance interpretation.

- Developing Facilities/Grounds - Nonprofits can sometimes get the job done faster and at lower cost.

- Procuring Equipment/Services - Since nonprofits are not constrained by federal procurement regulations, they can often acquire equipment and services more quickly and efficiently. Nonprofits could also accept donations of equipment and services where a federal agency could not.

- Buying Insurance - Nonprofits can buy insurance coverage whereas the federal government cannot. Without insurance, some large events such as a valuable art exhibit could not take place.

- Matching Grants - Nonprofits can use their funds as matching money for National Endowment for the Arts (NEA) grants or other federally funded grants whereas federal agencies are prohibited from doing so.

- Recruiting and Managing Volunteers - Nonprofits can be a source of trained and motivated volunteers. The advantages are considerable whether the nonprofits are recruiting and managing their own volunteers or helping the park manage its volunteer program.

- Public Relations/Advocacy - Nonprofits can focus public interest on NPS issues and needs, and provide a forum for citizen involvement. Doors can also be opened to influential members of the community, as well as media contacts.

- Troubleshooting Management Issues - Nonprofits can bring their own staff time and expertise and a fresh perspective to management issues. As a separate entity, their findings and recommendations may have more objectivity, credibility, and impact.

Subject to the conditions of their agreement with the park, nonprofits can charge fees for visitor services they provide. These fees can be collected for a full range of services and facilities. Most of the revenue is usually reinvested by the nonprofit organization back into the operation for staff, supplies, equipment, utilities, and improvements thus freeing up NPS staff and dollars. The nonprofits can also make donations to the park. The cost savings to NPS can be considerable. For example:

- Several years ago, the Jefferson National Expansion Memorial National Historic Site considered closing the Old Courthouse to the public because of staff limitations. As an alternative, the park decided to transfer operation of the park's Arch Theatre to the Jefferson National Expansion Historical Association in the hope that the association would be able to operate the theatre profitably enough to not only finance the theatre operation but also help fund staff positions at the Old Courthouse as well.

  To finance this operation, the association, with the park's approval, began collecting a fifty-cent admission fee to the Arch Theatre. Under NPS operation, theatre admission fees had not been charged. During 1983, their first year of operation, the association collected $170,000 in fee revenue.

  Under the terms of the agreement, the association is responsible for hiring and paying employees to operate the motion picture theatre (cashiers, ticket takers, ushers, and part-time projectionists). The association is also required to pay for all film copies needed, audiovisual equipment, projection bulbs, tickets, and supplies as

needed. NPS pays for janitorial and guard services associated with the theatre operation.

The agreement between the park and the association is structured so that after operating expenses are covered, any profits the association makes are used to fund all interpretation at the Old Courthouse including the salaries of association employees providing interpretive services at NPS's Old Courthouse.

When working with nonprofit organizations, a formal agreement that clearly identifies responsibilities and authorities should be drawn. Parks can issue permits and commercial licenses to nonprofit organizations, or enter into cooperative agreements, contracts, and even concessioner agreements.

DONATIONS

The National Park Service has the authority to accept donations of money for uses that are consistent with NPS goals and objectives. Donations can be accepted to fund portions of any program authorized by law. Donations have made possible the acquisition of parkland, rehabilitation and improvement of park facilities, and provision of protection, information, interpretive and related services and programs which could not have been accomplished with available appropriated funds.

Who Can Donate?

Anyone (individual, group, corporation, association, etc.) can make a contribution for NPS purposes. The donations can be in the form of supplies, equipment, cash, and securities (common stocks, preferred stocks, bonds), real property (land and improvements), and personal property (artifacts, collections, furnishings).

The Service's authority to accept donations has been delegated by the Secretary of the Interior to the director. The director shares this delegation with the regional directors, managers of the service centers, and park superintendents.

How Can Cash Donations Be Spent?

Cash donations can be credited to the park receiving them and do not have to be posted as miscellaneous receipts to the General Treasury. Unless specified by the donor, there are no restrictions on how the donations may be spent other than that

the funds be used for "the purpose of the national park and monument system" (see Appendix 2 for NPS Donations Policy). Donations can even be used to pay salaries provided temporary staff are hired only for the period covered by the amount of the donation. Of course, the monies collected cannot be paid directly to individual employees but must first be reported through the required accounting processes.

There is one current exception to the use of donated funds for salary purposes. Under the present Cooperating Associations Guideline (NPS-32), "NPS shall not accept association donations for any Service position normally provided by appropriated funds."

Restricted vs. Unrestricted Donations

A "floor" has been established to distinguish restricted purpose donations from general donations. Donations of $100 or more may be accepted for both restricted and general purposes. Donations of less than $100, however, may only be accepted for general purposes (either Servicewide or park specific general purposes). NPS has adopted this policy because maintaining separate "small dollar" donation accounts is not cost effective. Regardless of these amounts, NPS employees should encourage unrestricted donations whenever possible.

Donations are not fees. A fee is a payment made for a consideration. Something is received in exchange for the fee. A donation is a strictly voluntary contribution on the part of the donor. It is <u>not</u> permissible for a park to waive an existing fee on the condition that the person or organization will make a donation instead of paying a fee. Under these circumstances, money received is not voluntarily given, and it is therefore a fee rather than a donation.

The Park Service throughout its history greatly benefitted from private philanthropy -- generous citizens have donated money, scenic lands, and even entire visitor centers. Now everyday visitors have the opportunity to show their appreciation, enjoyment, and support of a park unit by contributing small amounts of money to park donation boxes or by donating needed items described in "gift catalogs."

Donation Boxes

Donation boxes have been well received by both the public and park staff. As of early 1985, at least 110 parks have donation boxes and many others indicate plans for them in the near future. The advantage to donation boxes is that money collected can be

Through donation boxes, visitors can directly support favorite parks and park programs.

earmarked for specific park programs unlike other park-generated revenues which must be deposited into the General Treasury. Cash donations have been used to benefit the park directly, for instance general operation and maintenance needs, needed equipment purchases, special event programs, or restoration projects.

All donation boxes should be well designed and constructed and should display a sign with an appropriate message. They should be carefully located in a way that does not suggest that payment is needed or is in any way required for entrance to visitor centers or other facilities. The message should clearly advise the public as to who is collecting the money and how it will be used to support the national park system. The sign serves as a general letter of tender and without it monies collected in a donation box must be considered as miscellaneous receipts and not as donations.

Gifts Catalogs

Park gifts catalogs have also been successful in attracting private donations. At least 56 park units have published gifts catalogs with at least 31 other park units in the process of preparing catalogs.

When gifts catalogs are effectively distributed and promoted, they can generate thousands of dollars in contributions for park needs. Gift catalogs provide citizens with the opportunity to

contribute towards specific park enhancement items or projects beyond what the park is able to finance from basic appropriations.

Individual parks have developed different gift catalog designs to fit their specific needs. They range from a short one-page brochure outlining gift possibilities to a 20 page "portfolio" to a poster format. The key feature of any gifts catalog is a listing of needs from which a prospective donor may select a giving opportunity with which they can identify.

WASO has specified that all gifts catalog donations should be placed in one gift catalog donation account per park rather than in separate restricted purpose accounts. Since all catalog donations go into one park account, cost effectiveness is not an issue (see page 2 of Appendix 2: NPS Donations Policy).

Easy to follow information kits have been developed for both donation boxes and gifts catalogs. Refer to the reference page of this chapter for more information.

REIMBURSEMENTS

As a general rule, fees and other charges go into the general fund of the U.S. Treasury as miscellaneous receipts. Budget Circular No. A - 25, User Fees, notes exceptions to this rule. These exceptions are generally known as reimbursable operations. Parks are allowed to recover costs and credit the account which incurred the original expense.

According to the NPS Accounting Handbook, Part 7, Chapter 5:

> Reimbursements to appropriations represent amounts collected from outside sources for commodities or services furnished, or to be furnished, and which <u>by law</u> may be credited directly to the appropriation. The Service is permitted by specific legislation to reimburse applicable appropriations for commodities and services furnished to federal and nonfederal users under certain circumstances and, in some instances, only in those parks designated in the applicable law.

The Accounting Handbook goes on to say that in order to adhere to Budget Circular No. A - 25, "the furnishing of services and commodities to nonfederal users shall be on a <u>full cost recovery basis</u> except in certain situations where statute or regulations permit otherwise."

Services or Supplies That Qualify

The National Park Service can collect reimbursements for the following services or supplies:

- Utility Service For Concessioners - The Service can furnish, on a reimbursement to appropriation basis, all types of utility services to concessioners, contractors, permittees, or other users of such services within the national park system. These reimbursements for utility costs must be credited to the appropriation current at the time the reimbursements are received.

- Quarters Operations - Cash collections and payroll deductions can be made for meals and quarters furnished by the Service to government employees in the field and to cooperating agencies. Reimbursements can be credited to the current appropriation for the administration of the park or monument in which the accommodations are furnished.

- Sales To Employees - The Secretary of the Interior is authorized to purchase personal equipment and supplies for employees of the Park Service and to make deductions from salary payments.

In addition to the above principal reimbursable operations, the following reimbursable operations are of a minor nature:

- Supplies And Services To Other Federal Agencies - Section 601 of the Economy Act provides authority for federal agencies to furnish supplies and services to other federal agencies on a reimbursable basis.

- Supplies And Rental Of Equipment - The Service can furnish supplies and the rental of equipment to persons and agencies that facilitate or supplement the activities necessary to administer the national park system.

- Operations And Maintenance Of Motor And Other Equipment - Reimbursements can be requested on the operation, repair, maintenance, and replacement of motor and other equipment when it is used on federal projects of the national park system, chargeable to other appropriations, or on work of other federal agencies when requested by such agencies.

- Medical Attention For Employees - The Secretary of the Interior in his administration of the National Park Service is authorized to contract for medical attention and service for employees and to make necessary payroll deductions agreed to by the employee.

- Aid To Visitors In Emergencies - The Secretary of the Interior is authorized to aid and assist visitors within the national parks or monuments in emergencies, and when no other source is available for the procurement of food or supplies, by the sale, at cost, of food or supplies in quantities sufficient to enable them to reach safely a point where such food or supplies can be purchased. The receipts from such sales must be deposited as a refund to the appropriation or appropriations current at the date of covering in of such deposit and shall be available for the purchase of similar food or supplies.

- Aid To Permittees And Licensees In Emergencies - The Secretary of the Interior is authorized in emergencies, when no other source is available for the immediate procurement of supplies, materials, or special services, to aid and assist grantees, permittees, or licensees conducting operations for the benefit of the public in the national parks and monuments by the sale at cost, including transportation and handling of such supplies, materials, or special services as may be necessary to relieve the emergency and insure uninterrupted service to the public. The receipts from such sales shall be deposited as a refund to the appropriation or appropriations current at the date of covering in of such deposit, and shall be available for expenditure for national park purposes.

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6. WHAT TO CONSIDER IN SETTING FEES

In the private sector, the main motivation for setting fees is to generate a satisfactory return on investment. This is measured by return on investment, equity, or cash flow on equity or investment. Private operators generally look at the competitor's price, their own operating costs, and what the public is willing to pay in determining their own price structure.

For the Park Service, determining the amount to charge is more complex. Profit, per se, is not a motive for setting fees. A strictly economic approach to fee setting is inappropriate. The Service must weigh its concerns and priorities within the framework of departmental policy and legislative requirements which often do not reflect economics.

The Six Criteria

The six legislative criteria provided in the Land and Water Conservation Act of 1965, as amended, and listed in CFR, Title 36, Part 71, provide the basic framework for determining (1) if fees are appropriate, and (2) what conditions should be considered in setting the fee amount. The criteria are:

1. direct and indirect cost to the government
2. benefit to the recipient
3. comparable recreation fees charged by other federal and nonfederal public agencies within the service area of the NPS management unit
4. economic and administrative feasibility of fee collection
5. public policy or interest served
6. other pertinent factors

There are several factors that should be considered when using these six criteria. First, not all of these criteria need to be met when considering the possibility of charging a fee. For example, there may not be comparables within the service area of the management unit at which the fee is charged. This may be the case when off-road vehicle permits are issued for an activity within the park but the activity is prohibited or uncontrolled outside the park unit. In this case, the park should concentrate on the other factors.

As a rule of thumb, if a park unit is providing recreation services at a cost to the government and is not specifically prohibited from charging a fee as listed in 36 CFR, Part 71, fees should be considered unless otherwise justified.

CRITERIA 1: DIRECT & INDIRECT COST TO THE GOVERNMENT

Most public agencies commonly accept "cost" information as a factor in setting fees. The Government Accounting Office in its 1982 report, reaffirmed that the government's costs to establish and maintain NPS areas are relevant in setting fees. The GAO report does not, however, suggest that program or facility costs should dictate fee levels, or that any services should be made completely self-supporting.

Parks that track the costs (both direct and indirect) of providing programs and facilities are in a far better position to justify fee changes. Cost information permits managers to present to the public a clear statement of the diverse and perhaps substantial financial resources necessary to support each service delivered.

Direct costs include those costs that would not exist if the program were not offered. User fees are almost always set to cover direct costs, which include:

- salaries and benefits of fee collectors
- equipment
- supplies and materials
- maintenance
- transportation
- utilities
- printed materials

For example, direct costs for a campground program would include:

- salaries and benefits for time actually involved in fee collection, patrol, maintenance, and resource management of the site and/or activity. (For the purposes of reporting costs of collection for the Annual Recreation Fee Report, the salary of an entrance or campground station employee should be broken down into an estimate of how much time is actually spent collecting fees as opposed to providing information, interpretation, law enforcement support, etc.)

- transportation (vehicle mileage charges for personnel and equipment traveling to and from the collection sites)

- printing and supplies (e.g., tickets, forms, collection boxes, and cash register tapes used)

- maintenance and utilities for the site, including collection stations

Indirect costs are sometimes referred to as overhead. These costs, normally much less than direct costs, are not directly incurred by the program or facility but may be charged to it. Indirect costs usually benefit a number of programs or services in the park and a portion may be charged to each program. Indirect costs include an estimated percentage of expendable materials and administrative staff time needed for supervising, accounting, reporting, and auditing functions, and for simply employing additional personnel.

In general, the cost of overhead for NPS units should average about 10 percent of the direct costs of fee collection. WASO advises that any indirect costs which exceeds 10 percent should be explained in writing at the time the annual recreation fee figures are submitted.

CRITERIA 2: BENEFIT TO THE RECIPIENT

If the user benefits from a park activity, then it is often appropriate to charge fees. Many methodologies exist for quantifying user benefits with varying degrees of accuracy, practicality, and usefulness for setting fees. Most methods were developed for other specific purposes, for example, calculating net contribution of a particular resource to the economy or comparing the recreational values of competing water projects. Most often these methods determine what the user is willing to pay (as measured in time spent in the activity, travel costs, or out-of-pocket expenses, or as reported during user interviews), and multiplying this dollar value by some measure of recreation use.

The concept of recipient benefits is a good one. Parks contribute to the economy, citizen well-being, national vitality and diversity, environmental quality, and human growth. These are all ways parks benefit the general public. Parks have additional benefits for the park visitor or recipient of services. The value of these recipient benefits varies depending upon the park visited, activities engaged in, services received, length of stay, and perceived satisfaction of the recipient. The practicality of recipient benefits suffers because the benefits can be difficult to describe and even more difficult to measure.

As Robert L. Wilder states in his report, "Parks and Recreation: An Economic Justification,"

> The benefits of recreation are exceedingly hard to calculate... Its primary benefits are intangible, and do not lend themselves to

User benefits can often be identified, but are exceedingly hard to measure.

> measurement. The benefits of tenor of mind and body, the increased knowledge and awareness through intimate contact with nature, the enhancement of the appreciation of beauty or of our own historic past, the quickening of the spirit. Few of these can be recorded on any part of any yardstick yet devised.

The concept of recipient benefits as it relates to recreation user fees in the NPS should simply be a "Yes" or "No" proposition. Certainly, if a visitor is camping, the benefit is tangible. If the visitor is receiving a guided tour, a shuttle bus or elevator ride, or a special recreation permit to drive a vehicle on the beach, again the benefit is obvious. If the recipient is benefitting from the recreation activity, facility, etc., then this criteria is satisfied. The other criteria should be used to help set the fee.

CRITERIA 3: COMPARABILITY

Since the establishment of the L&WCF Act, comparability has been the primary criteria in setting recreation use fees. Entrance fees have never been based on this criteria. While presently frozen, it is more likely that direct and indirect cost to the

government will continue to be the primary factor in setting entrance fees if and when the Congressional restrictions are lifted.

Prior to 1981, recreation use fees and special recreation permit fees were set according to comparability with other federal agencies, and non-federal public agencies. Because the majority of public park and recreation services, at all levels of government, were underwritten with tax dollars, fees were set very low.

Since 1981, this criteria requires comparison of the "comparable recreation fees charged by other federal agencies, non-federal public agencies and the private sector located within the service area of the management unit at which the fee is charged."

Private campgrounds provide two primary benefits to the NPS and the park user: (1) more camping space near a park, reducing the pressure to expand within the park and thereby minimizing resource damage, and (2) more elaborate facilities such as electrical and water hook-ups, sewer disposal, etc. for those users who travel with these needs.

While the private sector has been encouraged to provide accommodations over the last 15 to 20 years, they have been operating at a great disadvantage. They competed against:

- low tax subsidized federal camping
- free facilities in federal campgrounds between Labor Day and Memorial Day due to suspension of fee collection
- the Golden Age Passport which provides a 50 percent reduction in user fees
- campgrounds located within the park, which minimizes travel costs and time, and that offer interpretive services such as campfire programs

Annual comparability studies comparing like facilities and activities are now required. This criterion alone should provide the private sector with the opportunity to compete, the user with a reasonable fee, and a reduced subsidy for the taxpayer to bear.

The Comparability Study

A comparability study is the basis for a fee change or implementation of new fees. In conducting a comparability study, the basic objective is to determine whether or not fee differences exist in your park's fee schedule when compared to those of similar facilities and programs.

A comparability study need not be complicated or time-consuming. The Branch of Ranger Activities in Washington advises that the comparison of programs and facilities be kept as simple as possible. A few phone calls to nearby areas should provide the information needed. While the information needs to be carefully documented, managers have latitude in designing a suitable comparability form. Appendix 3 contains a sample form.

If a change is being considered in a camping fee or any other recreation use fee, staff should conduct a comparability study during the summer months. Recommendations for fees in the coming year must be made through the regional office to WASO by September, so approvals can be made and fee brochures are sure to reflect up-to-date information by January 1. (Refer back to Chart 3 for the process of approving recreation fees.)

In selecting comparable facilities, programs, or activities, it is important that they resemble the one under consideration for a fee change. To ensure a reasonable degree of comparability, consistent criteria should be applied.

A comparable service should have similar:

1. areas, facilities, programs, or services
2. geographic proximity to population centers and site accessibility
3. numbers of visitors or participants
4. visitor and service area profiles, including economic status
5. average lengths of stay or participation

A minimum of three comparable services should be considered. When a fee is controversial, credibility may require a look at additional comparable services.

CRITERIA 4: THE ECONOMIC & ADMINISTRATIVE FEASIBILITY OF FEE COLLECTION

Fee collection is administratively feasible if the collection method is workable and cost effective. At a minimum, it is economically feasible if the anticipated revenue is greater than the cost of collection. Revenues in excess of the cost of collection would basically underwrite the cost to the government.

The question of feasibility should only be decided after all possible methods of collection are considered. It should be pointed out again that the full salary of a park employee working in a visitor center providing other services besides fee collection should not be charged to the cost of collection. And, it's best to explore the feasibility of more than one method of collection, for instance, closing entrance stations during the off-season and directing visitors to pay at the visitor center, or a campground honor system.

An issue which has clouded this criterion is the question of collecting from everyone or not collecting from anyone. We must accept the fact that no collection method is 100 percent effective or can be used uniformly throughout the park system. Keep in mind, it's possible to charge admission fees to parts of parks, not just the whole park. For a major attraction contained in a designated facility (e.g., Cyclorama at Gettysburg National Military Park) or having a single entrance road, fees could be easily collected.

Similarly, honor systems can be effective in many situations. Compliance is never 100 percent. But, for the most part, the national parks attract what is perceived to be a largely honest group of visitors who are willing to pay reasonable fees for services rendered.

Parks and recreation agencies use a variety of fee collection methods. Common collection methods include:

- staffed fee stations
- various honor systems
- reservation systems
- permit systems
- automated devices such as toll gates or coin operated ticketing machines

Personnel, equipment, supply requirements, and set-up costs significantly vary depending upon the type of fee and method of collection used. For instance, reservations allow for efficient planning and control of use where excess demand exists particularly for facilities such as camp sites and group picnic areas. However, this method often entails high personnel costs.

Less personnel intensive methods include campground honor systems or purchase of tickets from a mechanical vendor as for entry into a day use parking lot. The disadvantage is that public contact is limited.

Determining the feasibility and cost effectiveness of initiating or raising fees requires that at least the following variables be considered:

- visitation levels, both existing and anticipated
- effect of fees on visitation or use levels
- number of access points
- ease of collection and enforcement
- availability of staff to carry out the added work
- overall revenue potential

Most of these variables can be quantified to indicate whether fee collection would be prohibitive or favorable.

The collection method chosen should be closely tied to the type of fee being collected. Individual activity fees or use fees are seen as fairer since actual users support the special facilities or activities they enjoy. Managers often cite the following factors in support of use fees:

- Physical characteristics at some facilities or parks do not lend themselves to entrance fees.

- A unit with low visitation may have difficulty generating sufficient revenue to exceed collection costs.

- Individual activity fees enable more efficient accounting procedures.

- Use fees make it easier to control participation.

On the other hand, entrance fees are often favored because they are easier and usually cheaper to collect than individual activity fees. Chart 7 compares some common fee collection methods.

In addition to the actual collection costs, administrative costs of implementing a fee system will include the cost of collecting data on the individual's use of a service, calculating the costs of serving that visitor, and accurately reporting revenues. Taken together, if these costs are high enough, they could offset the efficiency advantages of the charge.

It's important that the cost accounting system track all revenues earned, and identifies both indirect and direct costs of administering the program. Managers can then set fees and project revenues based on sound cost projections.

CRITERIA 5: THE PUBLIC POLICY OR INTEREST SERVED

An assessment of the public policy or interest served by fees should at the very least consider:

Chart 7
COMPARISON OF SOME FEE COLLECTION METHODS

METHOD	WHEN USED	ADVANTAGES	DISADVANTAGES
ENTRANCE STATION OR CAMPGROUND KIOSK	• For entry to a well-defined but not necessarily enclosed area • Entrance is usually the visitor's first contact with the area • Area may contain facilities or services where an additional fee could be charged • Access points are limited	• Ease of collection and administration • Fee collectors have personal contact with visitors -- they distribute information, inform visitors of resource values and availability of accommodations, and warn them of hazards • Can easily collect the correct fee amount, make change, or check for a variety of discount passes • Traffic flow and volume are more easily monitored • Improved security • For large parks with a variety of facilities and services, visitors could gain entry to all, or most available services after paying only one entrance fee	• High personnel costs • May be difficult to control all access points • Stations require on-going upkeep
HONOR SYSTEM **(Pipesafes and Lockboxes)**	• Well-suited at facilities or parks where the flow of visitors is low or fluctuates considerably or in isolated locations • During periods when staff collection is not cost effective (i.e., night time collection or when staff numbers are low) • Can be used year-round • Successfully used in many campgrounds especially in conjunction with campground hosts	• Frees staff from kiosk operations to pursue other tasks which provide visitor contact • Salary savings • Can result in better cost/benefit ratio with very little investment of money or time • Can be used temporarily during periods when fee collection personnel are unavailable • Maintenance costs can be low • Meets the L & WCF criterion for "personalized fee collection"	• System itself allows little public contact • Equipment may be subject to vandalism and fees may be stolen • Some users may need to be reminded about the fee (compliance checks) • Requires an added measure of security and auditing procedures

Chart 7
(CONTINUED)

METHOD	WHEN USED	ADVANTAGES	DISADVANTAGES
CENTRALIZED COLLECTION	• During periods when kiosk operations are not cost effective (e.g., off-season or other times of low visitation or when personnel are stretched thin)	• Can reduce equipment, staffing, and capital improvement costs • Administration of fee program can be simplified and better coordinated • Frees some staff to pursue other tasks • Visitor contact is still maintained • Park and safety information can be handed out • Since some staff are still involved in the fee collection, more flexibility to apply differential rates	• In some cases, visitors may try to avoid paying fees • Compliance may be difficult to enforce
RESERVATION SYSTEMS	• Frequently used for facilities or activities with high demand (e.g., campgrounds, group picnic areas, cave tours, or river trips) • When necessary to gather user data or to closely monitor users	• Allows for efficient planning and control of use particularly where there is excess demand for facilities • Provides accurate count of use • Improves accountablity • Can reduce cash handling by park employees as in the case of Ticketron • Less congestion in the park and reduces user conflicts • Better control over the number of persons per site • Virtually eliminates long lines of persons waiting for a site	• Down time on terminals due to poor telephone lines or power outages • More personnel may be required to monitor and secure facilities

Chart 7
(CONTINUED)

METHOD	WHEN USED	ADVANTAGES	DISADVANTAGES
AUTOMATED DEVICES	• Toll gates control entry to a well-defined area such as a day use parking lot • Turnstiles are a common mechanical device used to collect admission fees in controlled pedestrian entrance ways • Coin-operated vending machines can dispense maps, brochures, etc.	• When combined with railings, proper site location, and signs, can direct, count, and control the passage of people efficiently • Most devices manufactured in a variety of styles and sizes and can be designed to solve specific needs • Eliminates the need for staff person on hand constantly • Can operate around the clock and year round • Salary savings	• Investment in capital costs • Equipment may require specialized maintenance • Impersonal approach -- detracts from the "friendly" image of NPS • Visitor questions may have to be saved for another time or go unanswered • Need for exact change may require a ready source of change nearby (e.g., cashier or mechanical change maker) or need for change may deter use or visits. • Equipment may be subject to vandalism • May discriminate against holders of special passes, inholders, delivery services, etc.

- who the recipients of the current and proposed services are, and what their share of the costs should be

- what the existing service level is and if it should be maintained

The Land and Water Conservation Fund Act established the policy that persons taking advantage of federal facilities and services should pay a greater share of the associated costs than the public as a whole (see Appendix 4). The National Park Service is committed to carrying out this policy. At the same time, NPS is committed to insuring that the full spectrum of park visitors have access to basic park experiences.

CRITERIA 6: OTHER PERTINENT FACTORS

Apart from cost recovery, fee collection may achieve other management objectives such as:

- improving security for all visitors by controlling access

- reducing crime, vandalism, poaching, and other illegal or undesirable activities

- spreading usage more evenly over time and place so the resource is better protected

- increasing public contact with visitors at staffed fee stations

Fee collection can actually prevent problems before they occur. Experience shows that the presence of uniformed fee collectors at entrance gates discourages visits for unlawful purposes. A number of superintendents have observed that people think twice before committing illegal or undesirable acts, if they think they may be spotted or caught. Collection stations are also convenient places to check visitor adherence to certain park rules.

- Shenandoah National Park has been able to minimize poaching by staffing the entrance station during the hunting season, even if fees aren't being collected.

- At Sequoia and Kings Canyon National Parks, the presence of fee collectors at the park entrance has reduced illegal woodcutting and poaching.

Table 7

FACTORS TO CONSIDER WHEN DETERMINING CAMPGROUND FEES

In many cases, comparability will form the basis for fee recommendations. But, as we have tried to show, there are other factors to consider when trying to set fair fee levels and enhance revenues besides comparing fees with those of other service providers. For instance:

1. Camping fees should reflect the direct and indirect costs of operation. The costs of operating a campground are not static. They vary among parks and may fluctuate during the year. Optimally, camping fees should reflect these seasonal differences, though for administrative simplicity, it may be preferable to charge an average cost with peak season increases.

2. Individual sites can be priced to reflect their true value. For example, a river site may be more attractive than a hillside location and therefore priced higher. In all likelihood, administrative feasibility will be the determining factor in implementing this type of fee schedule.

3. Camping in the national parks is a unique and desirable experience offering additional benefits to visitors (interpretive services, reduced transportation costs, access to park features and facilities, etc.). The value of these additional benefits can be factored into camping fees.

4. Many privately-operated campgrounds have add-on charges for pets, oversized vehicles, and extra people. Likewise, NPS can apply extra charges to cover the additional facility maintenance or monitoring costs.

5. The fee for group camping should reflect the actual cost to maintain such a facility. Most parks prefer to charge a "per person" fee in conjunction with a minimum charge.

6. An honor system meets the L & WCF criterion for "personalized fee collection."

7. Superintendents can extend the length of stay limit at underutilized campgrounds and thus generate additional revenues through increased occupancy rates.

8. If visitors are required to make a prior reservation for a camping site, staff may charge an additional fee for the reservation service.

9. Charging for backcountry camping is not permitted since the required facilities and amenities are normally not provided. Nevertheless, charging backcountry users a fee for the administrative costs of reservation services is permissible.

Public contact during fee collection increases visitor orientation and helps to deter problems of vandalism, safety and security before they occur.

- The U.S. Forest Service has reported that the elderly and families with children increasingly use fee campgrounds because of their better security.
- In 1981, the Oregon State parks agency began charging a $1 per car entry fee on weekends and holidays during the summer months at nine parks. One park manager reported that during that summer season, staff in the fee collection booth stopped 105 vehicles containing alcoholic beverages and 224 cars carrying dogs, both of which are prohibited in the park.
- The Cordova Recreation and Park District in California initiated a vehicular entrance fee to curtail parking problems, drug/alcohol abuse, drive-throughs, and speeding problems. As a result, vandalism decreased significantly and clean-up work was reduced by as much as 50 percent during summer months.

The Pricing Decision

What part of total costs should individual visitors pay? This is as much a question of public policy as simple economics. For example, the simplest approach of having all users pay an equal share of total program costs presumes that (1) the activity should break even, and (2) all users, regardless of time, place, or other considerations of use should be charged the same amount.

Basing fee schedules on cost information is common. Alternative pricing strategies used by public agencies include:

- The Nominal Charge - setting a fee to foster responsibility on the part of participants, not a fee intended to cover any significant portion of costs.

- Competitive Pricing - basing a fee on what others charge for similar services, with little or no relation to actual costs.

- Variable Pricing - the established price is equal to the average variable cost of providing a service; fixed costs are not considered in the following formula: variable cost recovery price = total variable costs/number of participants (if total variable cost = $500 and projected number of participants = 100, then variable cost recovery price = $5)

- Full Cost Recovery - setting a fee to cover all the fixed and variable costs associated with the service and enabling the break-even point to be reached; appropriate for those services perceived to exhibit the characteristics of private services which benefit only users and offer no external benefits to the general public

- Contingency/Service Fee - setting a fee to cover all costs associated with a particular program, plus an additional amount to make up losses in other programs, subsidize certain groups or users, or defray other costs.

- Two-Tiered Pricing - setting a fee with two components to cover all program costs, a uniform "base fee" and an additional charge that varies based on the actual costs of serving different user groups.

Table 8 presents a series of questions, the answers to which, should help predict and soften the impact of fees.

Table 8

QUESTIONS TO HELP DETERMINE FEE DYNAMICS

EFFECT ON DEMAND

- How does the pricing strategy rank in likelihood of changing the demand for services when compared to alternative strategies?
- Will demand most likely increase or decrease?
- Is decreasing demand undesirable over the short term? or long term?
- Will increased visitation bring newcomers who may differ in composition from traditional visitors and change recreational demand patterns?
- Could the strategy help smooth out peak demands more evenly?
- What overall effects on visitation would the fee create?
- How would commercial recreation providers be affected?

EFFECT ON EQUITY

- Will desired participant groups be excluded?
- Will the fee create hardships for certain population groups?
- Can these impacts be minimized or eliminated?

EFFECT ON PUBLIC INVESTMENTS

- How much money has already been invested?
- Would services be discontinued if additional fee revenues are not available to help continue the activity?
- Would monies be wasted if this pricing alternative were selected over the others?

Table 8

(continued)

EFFECT ON RECREATION EXPERIENCES

- Will the value of the recreation experience be diminished or enhanced if a fee is charged?
- How will the users' attitudes be affected?. . .their willingness to pay?
- Would a better allocation of demand or more controlled use enhance the recreation experience?
- Will a fee in one program have any effects on other non-fee programs?

EFFECT ON FEE COLLECTION

- Have all feasible methods of fee collection be considered?
- Have all the direct and indirect costs of the fee collection program been determined?
- Is the projected cost/benefit ratio favorable?
- Are there cost differences between the different pricing alternatives?

EFFECT ON SELF-SUPPORT

- Have the basic scope of services to be tax-supported been clearly defined?
- What are the minimum and maximum fee levels?
- What are the minimum and maximum number of participants required to recover all or a designated portion of the costs?
- How does the pricing alternative fit within these limitations?

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7. STRATEGIES TO MAXIMIZE REVENUES & MINIMIZE IMPACTS

Much can be done to improve fee collection efforts, so that the end result is a cost effective and equitable program. The two obvious ways to increase net fee revenues is to 1) collect more money or 2) reduce collection costs. Both of these strategies will be covered in more detail in later sections. The following discussion introduces some ideas on how to soften the impact of fees on users.

NONEXCLUSIVE FEE STRUCTURES

Charging fees will affect users directly. Predicting the impact of fees on various user groups and then balancing this impact with the amount of revenue produced is important. To design a balanced system of fees, park units need to examine their entire operation with these questions in mind:

- Can the park avoid excluding visitors on the basis of fees?
- Can the park explain the need for fees to the public?
- Can the park maximize net revenues from existing fees?
- Should the park initiate new fees for services and facilities now provided free of charge?
- Should the park provide new services and facilities for a fee?

The National Park Service does not want to price anyone out or unduly burden those who frequently visit our parks. Accomplishing these goals means NPS must be flexible when designing fee schedules, taking into account individual user profiles for each park unit. Parks serving large numbers of low income users will need to evaluate fee changes carefully to minimize discriminatory impacts. The following table suggests some of the ways NPS managers can ensure that user fee impacts are minimized.

Table 9

WAYS TO REDUCE USER FEE IMPACTS

- Promote annual Golden Age and Golden Access passports that offer special rates
- Publicize fee changes in advance and explain why they are needed (see 'Public Relations' section)
- Insure gradual increases clearly tied to rising costs
- Define differences in the fee structure (i.e., adults versus children)
- Provide free days or free hours
- Provide off-season rates
- Offer group rates
- Provide different prices at different times
- Have 'friends' organizations, cooperating associations, or local citizens, businesses, or service clubs subsidize programs
- Set aside donated funds to provide transportation for those in need

Approaches tried at the state and local levels to insure nonexclusion include:

- The Metropolitan Museum of Art in New York City employs a "pay what you wish, but you must pay something" admission fee. This voluntary policy is particularly helpful in allowing families to visit without imposing undue costs for each family member.
- After initiating a park vehicular entrance fee, the Cordova Recreation and Park District in California provided ample parking outside the kiosk area so visitors could walk into the park free of charge.

- Oregon state parks offer off-peak or seasonal rates which have been effective in attracting a wide distribution of user groups. Seniors and youth are two groups most frequently attracted by the reduced rates.

FEE WAIVERS

The Code of Federal Regulations currently allows superintendents to waive fees for organized tours or outings conducted for educational or scientific purposes and for those actively engaged in medical treatment or therapy in the area visited (see Chapter 3 for more information). Visits for strictly recreational purposes are not exempt.

As it now stands, superintendents do not have the authority to arbitrarily waive existing, approved recreation fees except in the case of education or medical treatment, as noted above.

However, as part of the annual revenue review process, superintendents do have the flexibility of recommending a fee program that provides measures such as discounted rates or waiver of fees during certain hours or days. Typically, this kind of exception would be appropriate for specific events such as festivals, charity runs, fishing derbies etc.

INCREASING FEES OR CHARGING NEW FEES

While there is a Congressional moratorium on raising or initiating new entrance fees, there are no such restrictions on recreation use or recreation permit fees.

Here are several suggestions on ways to increase existing fees or initiate entirely new ones.

- Begin charging for previously free services. Start charging for equipment rental, facility use, lockers and other storage facilities, visitor transportation services, emergency medical transportation, etc.

- Attract new uses to existing facilities. Attract new recreational and even occasional non-recreational uses to available facilities. For example, conferences and meetings in unused halls and arenas; film and television production; or storage in unused or out-of-season facilities.

- Selectively increase fees and charges. Adjust existing charges so that additional revenue is produced with the least impact on use. Fees can also be raised to reduce demand at certain times or at particular facilities. Users can switch to other facilities, programs, or seasons if they wish to avoid increases.

- Increase non-prime time use. Use pricing and programming to make off-hour and off-season activities more attractive. Make use of the unused capacity of existing facilities before considering the development of new facilities. New programs can be developed for facilities that presently have seasonal use only.

Recreation Use Fees

In 1984, NPS collected $11.7 million in recreation use fees, the majority from camping fees. Camping fees, however, are just one of many user fees which may be charged. The Code of Federal Regulations (CFR 36, Part 71) identifies 18 specific facilities or services which are eligible for recreation use fees. They include:

Tent, trailer, and recreation vehicle sites
Specialized boat launching facilities and services
Lockers
Boat storage and handling facilities
Elevators
Ferries and other means of transportation
Bathhouses
Swimming pools
Overnight shelters
Guided tours
Electrical hook-ups
Vehicle and trailer storage facilities
Rental of nonmotorized boats
Rental of motorized boats
Rental of hunting blinds
Reservation services
Specialized sites (highly developed)
Group camping sites *

* The administering agency may establish a group use rate in lieu of the "group camping sites" recreation use fee in accordance with the criteria set out in CFR 36, Part 71, provided such rate is not less than three dollars per day per group. Such a group rate may constitute either a special recreation permit fee or a recreation use fee as determined by the administering agency.

The Code of Federal Regulations also states, "With the approval of the Secretary of the Interior, recreation use fees may be established for other types of facilities in addition to those which are listed."

The following is a list of facilities and services commonly provided by Park Service units, often at no cost to the participant. Some type of user fee might be appropriate for:

- off-site interpretive activities

- secondary interpretive activities such as seminars and special ranger conducted tours or nature hikes. At Tumacacori National Monument, each participant in the Papago basket making seminar pays $25. The spring 1984 enrollment at Santa Monica Mountains National Recreation Area included 200 participants making the program self-sufficient. The fee schedule is:

  Basic Backpacking Weekends.....$18 adults/$12 children
  Orienteering.....$12 adults/$ 8 children
  Basic Rock Climbing and
    Rappeling.....$16 adults
  Outdoor Leadership Training....$23 adults

- reservation services. Rocky Mountain National Park charges for backcountry reservations. The walk-in fee is $5 and the mail-in cost is $6.

- recreational equipment. Cape Hatteras National Seashore has written guidelines for the rental of equipment used by visitors participating in interpretive activities.

- sanitary disposal station. Lehman Caves National Monument charges $1 for each use of this facility.

- parking fees in conjunction with special organized events.

- visitor transportation fees including in-park "people movers" (e.g., shuttle buses, trams, vans, boats, and ferries). Visitor transportation fees could be incorporated into other charges. In 1983, Yosemite National Park entered into a four year contract with the Yosemite Park and Curry Company (YPCC) to operate the Yosemite Valley shuttle buses. The YPCC will raise $745,000 a year to operate the system through a surcharge on the cost of accommodations, which will range from $1 to $4.50, and through minor cost increases on some items sold in the park, including a five percent increase on packaged liquor and a one-cent per can increase in soft drink prices.

Recreation Permit Fees

Many parks already require special recreation permits for group picnics, craft fairs and music festivals, or other specialized activities. When a permit or reservation system already exists, the additional cost to collect a permit fee or a fee for the reservation service can be minimal, for example:

- group picnics. Whiskeytown Unit of the Whiskeytown-Shasta-Trinity National Recreation Area has always required a reservation for free use of their Whiskey Creek group picnic area or Dry Creek Campground. But now they charge $25 a day for their largest group picnic site, and $20 per day for the other two picnic sites. The two sites at Dry Creek Campground can be reserved for $30 per site per day for twenty to forty campers or $50 per site per day for forty to eighty campers.

- off-road vehicle permits for appropriate and authorized off-road vehicle use, including snowmobiles

- special event permits for concerts, folk festivals, crafts fairs, art exhibits, group picnics, and fun runs. These events usually require a considerable investment of staff time and are generally quite costly to stage and monitor. The Santa Monica Mountains National Recreation Area requires a special use permit for large company picnics and has recently proposed a fee. Delaware Water Gap National Recreation Area charges sponsors for raft races. Whiskeytown Unit, Whiskeytown-Shasta-Trinity National Recreation Area charges the following special event fees which are based on the extent of wear and tear an area will possibly experience as a result of the special event:

    - Whiskeytown Sailing Club Regatta...$ 5 per boat
    - Whiskeytown Lake Relay.....$ 4 per team
    - Whiskeytown Lake Swim.....$ 1 per swimmer
    - Whiskeytown Mountain Bike Ride.....$ 2 per bike
    - YMCA Whiskey Creek Run.....$ 1 per runner
    - Hobie Cat Fleet Regatta.....$ 1 per boat
    - Organized Equestrian Events.....$ 2 per rider
    - New Year's Water Skiing Event.....$ 1 per skier
    - Easter Water Skiing Event.....$ 1 per skier
    - Antique Automobile Events.....$ 2 per car

Special event organizers are often willing to provide capital improvements needed for their event which can be put to subsequent use in ongoing park activities. For example, sponsors

of the Renaissance Pleasure Faire at Santa Monica Mountains National Recreation Area pay $1,000 annually for a special recreation use permit. The sponsors have also made sizable cash donations ($26,500 in 1982). In 1983, the sponsors provided a small access bridge and grading for parking and trail construction valued at $20,000 in addition to the permit fee and donation.

CUTTING THE COSTS OF FEE COLLECTION

The 1984 Federal Recreation Fee Report estimated that it cost NPS about $5.5 million to collect $21.1 million in fee revenue, resulting in net revenues of $15.6 million. For the Park Service, one of the most basic concerns is how to hold down fee collection costs while getting the best net return in terms of dollars and other benefits.

The following strategies aim at cutting collection costs. They require that staff examine day-to-day procedures and review existing policies to determine how service can be maintained or improved so that overall costs are less. Often simple changes in routine administrative procedures can produce worthwhile savings. When used either individually or in combination with each other, these alternatives can improve the cost-effectiveness of the fee collection process. Refer back to Chart 7 for a comparison of some of these fee collection methods.

Table 10

WAYS TO REDUCE COLLECTION COSTS

- Use An Honor System
- Centralize Fee Collection Activities
- Seek Volunteer Assistance
- Assign Collection As A Collateral Duty
- Assign Collection To Lower Grade Employees
- Extend Periods of Collection
- Automate Collection
- Increase Participation Or Use

Honor Systems

Honor systems meet the Land and Water Conservation Fund Act criterion for "personalized fee collection." They have proven to increase fee revenues at very little cost. Iron rangers, pipe safes, collection boards, or other collection devices may be well-suited in isolated locations, small campgrounds, or during periods when staff collection is not cost-effective. With these systems, visitors are instructed to deposit their fee into a designated collection box provided nearby.

Honor systems rely heavily on visitor cooperation for success and should, therefore, be as convenient as possible, in terms of both location and procedures, for park visitors. Random checks daily, by staff, are recommended to insure a high rate of compliance. Honor systems will also require an added measure of security and tight auditing procedures to insure fiscal accountability.

- In 1983, Ozark National Scenic Riverways implemented a year-round, self-service fee collection system patterned after the one at Lake Mead National Recreation Area (pipe safes and envelopes). Revenues increased at Ozark 25.5 percent, despite a 20 percent drop in campground use over the previous year. Staff favor the system, particularly since it freed six ranger positions for law enforcement activities.

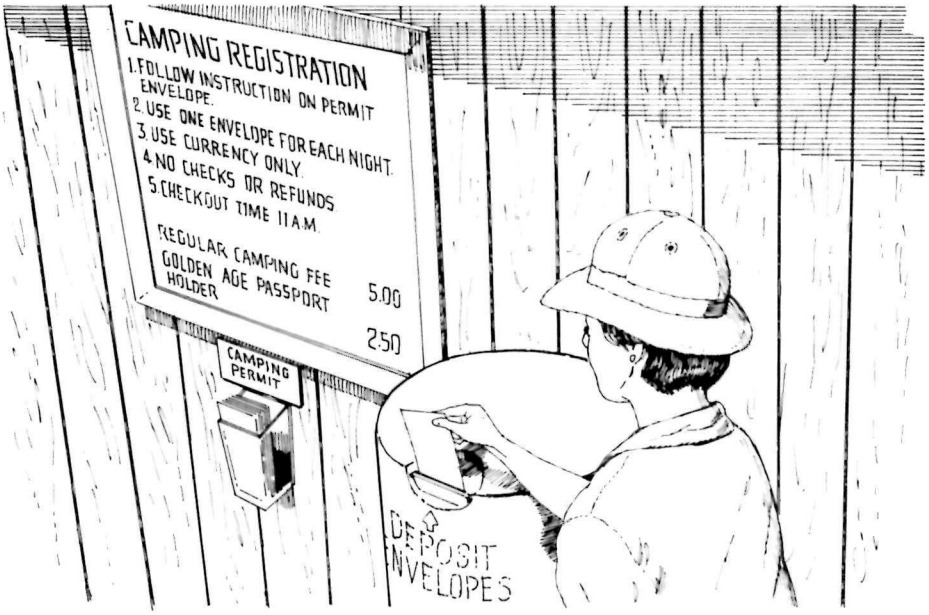
- Olympic National Park first started using a campground honor system in 1982. Staff reports that compliance checks are key to the program's success and probably accounts for the 23 percent increase in 1984 revenues over 1983.

- Mount Rainier National Park designed a pipesafe with an inner locked "sleeved box" that can be removed by one key but unlocked only by a second key back at headquarters where the money is counted. Thus one individual, rather than two, can make the rounds picking up deposited receipts.

- The Forest Service reports that compliance with campground honor systems increases substantially if a USFS vehicle drives through the area at least once a day.

- When Pinnacles National Monument switched to a campground honor system, they not only reduced staff time for fee collection by 30 percent, but enjoyed a 10 percent increase in fees.

- In 1984, Zion National Park set up a self-registration system for its campground. Not only was fee revenue increased, but park staff reported a number of spin-off benefits including:



For many parks, honor systems have proven to be a cost effective fee collection alternative.

rangers freed from kiosk operations have opportunity to rove through campgrounds making visitor contact and maintaining staff visibility -- staff feel that this has improved their public image

while on roving patrol, rangers help with trash pick-up, fire ring maintenance, reporting of minor infractions, etc. -- freeing workers to do more than one assigned task has led to increased productivity

- Coulee Dam National Recreation Area reports that its self-registration system provides more efficient use of staff time and a convenience to visitors who could register anytime upon arrival. Fee collection rounds are combined with required patrols of the campground so no additional transportation expenses are incurred.

Centralized Collection

Centralized fee collection can increase net revenues by reducing equipment, staffing, and capital improvement costs, while fee administration is simplified. For example:

- If feasible, campground permits could be sold at entrance stations or visitor centers rather than at a campground station. Big Bend National Park shifted campground fee collection to the Division of Interpretation and Visitor Services, resulting in several benefits to both the public and park staff:

1) Visitor services personnel now handle the fee collection at the visitor center enabling field personnel to carry out more law enforcement and resource management activities.
2) New fee collection guidelines and procedures have substantially reduced the amount of time required for remittances.
3) Fee accountability has been increased.
4) Visitors now receive park and safety information at the same time they pay their fees.

- During periods of low visitation, visitors could be directed to one central location (e.g., a visitor center) to pay entrance fees. Appomattox Court House National Historical Park uses this method during their off-season. A sign at the entrance station directs people to the visitor center.

Volunteer Assistance

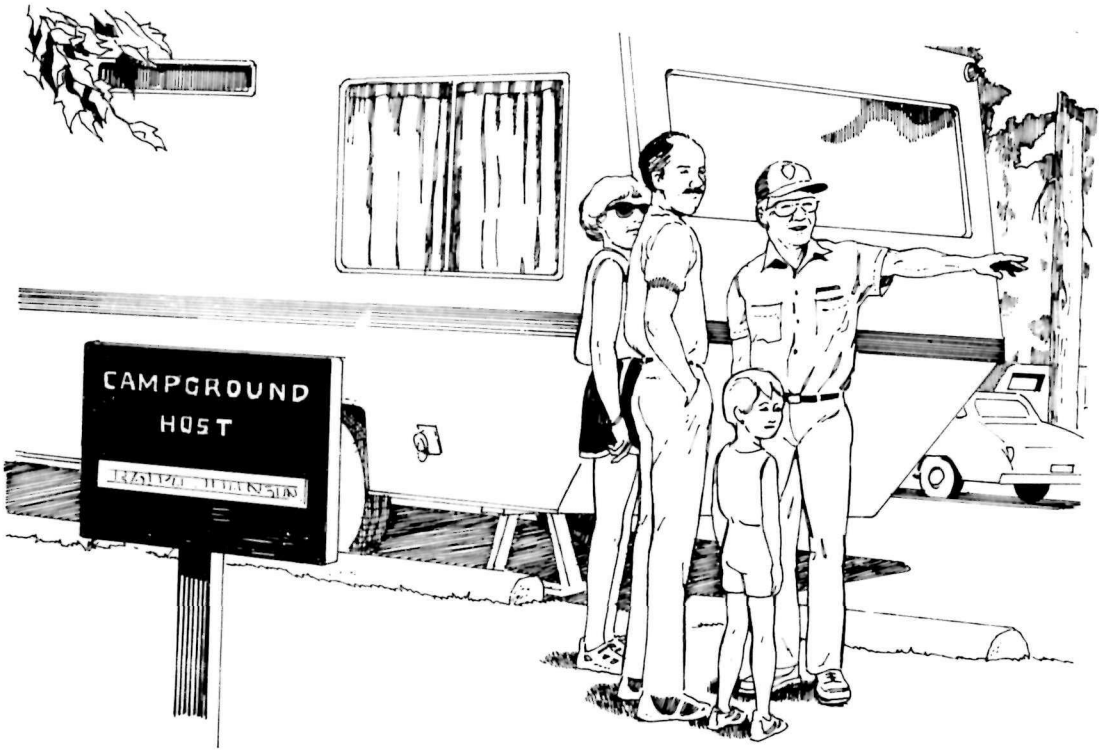
A recent ruling by the Comptroller General, in response to a U.S. Forest Service inquiry, declared that volunteers in all federal agencies can no longer collect moneys or fees owed to the U.S. government. This is a landmark decision and the NPS is bound by it. (Decision #B-207731, April 22, 1983).

But volunteers can assist in other ways. For instance, volunteers serving as campground hosts can direct visitors to fee boxes or collection stations or back up paid staff who collect fees by answering questions or passing out literature.

- Stocking the self-pay campground station with envelopes and checking to see that visitors register for sites are important duties of the two campground hosts at Buffalo National River. In addition, the hosts are of tremendous help staffing the park's information counter four hours a day, five days a week, during the peak visitor season.

- For the 1984 summer season, Yosemite National Park expanded their Campground Host program to include 11 individuals (they had only one the previous year). Each host assists with visitor information, site assignments, and routine light maintenance.

If fee collection personnel are unavailable, volunteers can help implement an honor system at an entrance or campground station. Stationed in the kiosk, volunteers could explain the honor system to arriving visitors and help ensure user cooperation.



Volunteer campground hosts often give personalized service to campers around the clock.

Collection As A Collateral Duty

Traditionally, roving park rangers have collected campground fees as one of their many collateral duties. Other staff members might be able to take on this responsibility. For example, maintenance staff who routinely pick up trash at a put-in point for boaters could collect user fees at the same time. Or visitor center staff could collect fees for a variety of interpretive activities. All employees who receive, handle, or collect monies must first be designated, in writing, as collection officers.

Collection By Lower Grade Employees

Fee collection responsibilities assigned to lower grade employees can cut costs, significantly improving net revenues. For example:

- The Sacramento County Parks and Recreation Department now has Recreation Leaders and Recreation Aides collect fees. They receive $4.31 and $3.60 per hour, respectively. Previously, fees were collected by Park Ranger Assistants, who receive $6.70 per hour. During the fiscal year 1981-82, this change saved the county approximately $56,000 in direct costs and $38,000 in indirect costs for a total net savings of $94,000.

- Trail maps at Sequoia and Kings Canyon National Parks are available from coin-operated vending machines.

- Lehman Caves National Monument charges $1 for each use of their trailer dump station. Visitors deposit their money at a self-service pay station.

- The Marin County Park and Recreation Department in California developed a simple, inexpensive and removable metering system for off-season parking. Four quarters are needed to obtain a ticket from the Park-Ur-Self coin box. The ticket is then displayed on car dashboards and checked by rangers.

Extended Periods of Collection

Most superintendents agree that with sufficient staff to collect entrance and user fees, extending the hours, days, and seasons of collection would generate substantial fee revenues. Yosemite National Park collected entrance fees from nine to twelve hours a day in the summer of 1981. The superintendent believes that 15 to 30 percent of the park's July and August visitors entered when entrance stations were closed. In some instances, alternatives to the traditional method of collection (staffed kiosk) can produce significant results.

- Death Valley National Monument employed an honor system to collect an additional $13,000 in campground fees during their off-season of fiscal year 1984.

- Coulee Dam National Recreation Area extended their 1984 campground self-registration fee program to include the early spring and late fall season. As a result, revenues were collected from spring and fall fishermen, since fishing is year-round at Lake Roosevelt, and also covered the fall bird and deer hunters. Fee revenue increased by 14 percent over the previous year's operation.

For some, a careful reevaluation to determine the most cost-effective periods of collection can also improve the overall operation.

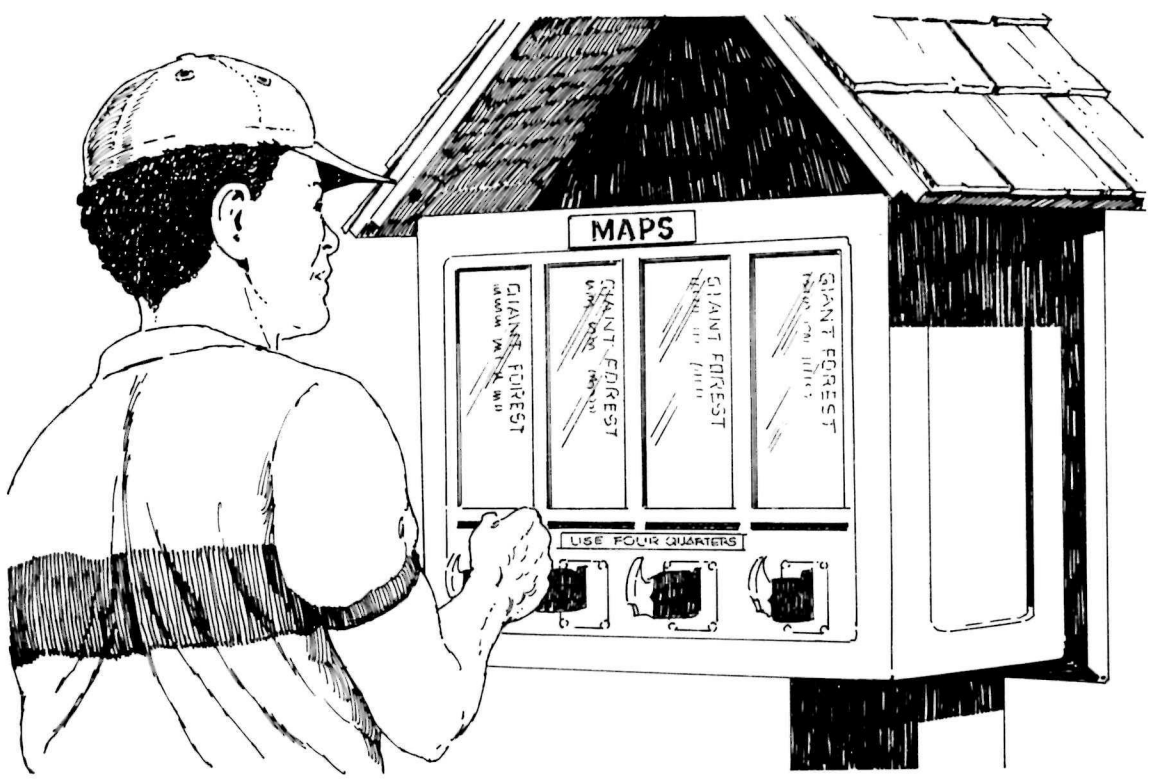
- To make the best use of their staff time, Glacier National Park rescheduled the hours of entrance fee collection to coincide with periods when the most number of visitors are apt to enter. Staff are assigned to other duties during slack periods.

- Yosemite National Park also undertook a survey to determine the times of heaviest and lightest entry into the park. During periods of light entry (e.g., noon to one), fee collection may be discontinued depending upon the workload.

Automated Collection

Where cost effective, automated collection can be used to extend collection hours or seasons, better control entrance or use, or support a staffed operation. Automated collection systems include gate devices, currency change machines, permit dispensers, credit card activated devices, cable or video gate keepers, coin-operated machines, etc. For instance, visitors could obtain a ticket or permit from an automatic vendor and display it prominently so that it is visible for occasional spot checks by staff.

In the future, these devices may be of significant assistance to the NPS by helping to reduce staffing costs. They also reduce the hazards of nighttime collection or collection from remote stations.



Where cost effective, automated collection can be used to extend collection hours or support a staffed position.

- During winter months, Sequoia and Kings Canyon National Parks eliminate the cost of staffing campground kiosks by collecting campground fees at the entrance station.

- An idea which large museums have employed with great success might work well for special events, programs, or tours in the parks. Visitors are directed to pay fees at the main counter where they are given a metal tab or paper tag to attach to their lapels. This tag allows the visitor to participate in designated activities and acts as a control device for staff.

- The Bureau of Land Management solved a problem of dispersed use and overuse in the southwest desert area by establishing Long Term Visitor Areas (LTVA). A yearly fee (good for eight months) is charged "snowbirds," usually retired seniors. Twenty-five dollar camping permits are issued at the regional ranger station or through the mail, but not at the site. Rangers ensure compliance by checking for windshield stickers, but do not handle money or issue permits.

Increased Participation or Use

Increased participation can be encouraged where sites and activities can accommodate additional use without detracting from the recreational experience or jeopardizing resource values. For example, a field seminar now limited to ten people per class could possibly be expanded to twelve or fifteen people. Sometimes, where demand exceeds current supply, services and facilities will need to be expanded if they are to accommodate increased use. For example, if visitors are now being turned away, additional ranger conducted hikes can be scheduled, or tent or trailer spaces developed.

In Summary

Each of these alternatives has proved successful when carefully tailored to the park where it's used. To benefit from these alternatives, park managers must assume proper financial control and accountability. This may mean an investment of time and effort as managers and staff alike learn new skills and perform additional tasks, but the payoff will be a fee collection system that generates more revenue at less cost.

REVENUE MANAGEMENT PLANS

A revenue management plan outlines the actions necessary to enable a park unit to meet its present and future revenue needs. In other words, the plan document spells out what must be accomplished to meet the revenue needs of the park in terms of "how," "where," "who," "when," and "why." Its intended that the plan ease administration and provide consistent and clear policy guidance and rationales for the park's proposed course of action. For starters, the plan can be organized into three basic elements: 1) Background, 2) Recommendations, and 3) Implementation Techniques.

The Background portion describes basic findings, observations, and rationales that form the basis of the plan. Clear policy guidance is essential in order to direct and focus the park's efforts. Needs, goals, and objectives should be summarized so staff will understand the basic thinking behind specific recommendations.

The Recommendations element represents the heart of the plan. The plan should present sensible recommendations that spell out what must be accomplished to meet the revenue needs of the park.

The Implementation Techniques portion of the plan should describe the "how" and "when" of providing an improved revenue program. Its purpose is to describe the techniques to be used to realize the plan's recommendations. Table 11 shows one way of tying implementation techniques to recommendations.

As part of the Implementation Techniques portion, priorities must be determined and clearly listed. When priorities are determined objectively on the basis of goals, the park is sure to make the best use of limited and costly resources -- namely staff. Practically speaking, priorities help place the plan's recommendations into a timeframe for implementation.

An implementation schedule should then be prepared with at least the following information: name or description of project, priority ranking, cost estimates for implementation and, if possible, on-going management, and names of individuals or divisions responsible for action.

Planning is not a one time activity and a revenue management plan is not intended to be a static document. On-going assessments and updating must be an integral step to determine the success in carrying the plan out, so that fresh and innovative ideas are given a chance, and mid-course changes can be easily made. But analysis alone should not impede action. A good planning process is a continuing process of action and evaluation.

Chart 8 summarizes the revenue management planning process which should take place at least annually. As with most processes, an understanding of the issues involved, the benefits at stake, and the need for careful preparation, continual evaluation, and employee involvement will go far toward ensuring a successful revenue program.

Table 11

SAMPLE RECOMMENDATIONS AND IMPLEMENTATION TECHNIQUES

RECOMMENDATIONS	IMPLEMENTATION TECHNIQUES
IMPROVE COST EFFECTIVENESS OF FEE COLLECTION PROGRAM	• Centralize entrance fee collection during off-season • Initiate an honor system for campground fee collection • Establish a campground host program • Collect camping fees during the off-season
MAINTAIN FEE SCHEDULES COMPARABLE TO THOSE OF NEARBY PROVIDERS	• Compare camping fees annually with those of nearby public and private sector providers and make reasonable adjustments as necessary
USERS SHOULD PAY FOR SPECIAL PRIVILEGES RECEIVED	• Charge for special use permits with fees based on direct and indirect costs of providing the service • Charge for secondary interpretive activities
INCREASE PRIVATE SECTOR SUPPORT	• Set up a donation box • Initiate a fundraising campaign • Prepare a gift catalog

Chart 8

REVENUE MANAGEMENT PLANNING PROCESS

assessment phase

Examine existing information and determine what data are necessary in making key decisions. Begin by reviewing general revenue policies and guidelines, budget reports, park visitation figures, information on user opinions, characteristics, and demands, existing and potential sources of revenue, etc.

Review specific authorities and guidelines (e.g., NPS Donations Policy, NPS-20 Cooperative Agreements Guideline, Land and Water Conservation Fund Act) to determine legal parameters, approval authority, collection, deposit, and accounting procedures, etc.

Define and address specific issues to be resolved. Consider choices and trade-offs and determine the best course towards resolution of issues.

Always explore staff motivations and provide real incentives - - build an attitude of support and teamwork.

action phase

Set reasonable goals and specific objectives for revenue management that reflect park priorities and are aligned with the organizational mission.

Identify potential revenue options and formulate recommendations (See Chapters 3, 4, and 5):

- fee strategies (both recreation and non-recreation fee options)
- concession contracts and permits
- commercial use licenses
- sale of products and services
- leased historic properties
- help from nonprofit organizations
- use of cooperative agreements
- reimbursements
- donations

Chart 8

(CONTINUED)

action phase
(continued)

Evaluate each recommendation in terms of appropriateness to the park, cost effectiveness, equity, impact on user groups, effect on demand and the recreation experience, revenue potential, and any secondary benefits. Determine capital start-up costs, cost of developing staff expertise, and on-going staffing costs (see Chapter 6).

Develop practical strategies or procedures to implement recommendations. Implementation strategies frequently combine traditional and innovative approaches (see Chapter 7).

Set priorities and outline schedule for implementation.

Identify management and administrative activities and specific areas of responsibility. Build in accountability -- uphold integrity.

program evaluation

Annual evaluation of revenue plan, policy, goals, and objectives (both long and short-term), fee schedules, etc. Make adjustments/improvements based on new information and from experience. Provide new program direction as necessary. Focus on new solutions.

8. PUBLIC RELATIONS

Always an important management function, effective public relations and citizen awareness programs become even more critical when considering and instituting fee changes. Users are more receptive to new or increased fees if the changes have been publicized well in advance, and the need for them has been carefully explained and is clearly understood by the public. For example:

- The state of Missouri, which conducted an extensive program of public education prior to initiating a fee program, found that users will accept fees if they understand that maintaining a high level of services or a special facility may not be possible without additional funds.

- The Forest Service is experimenting with a new method of campground fee collection. The program calls for the sale of campground stamps in varying denominations. The program is proving successful in large part due to an on-going information and education campaign that was launched prior to the experiment. Special signs about the program are displayed in offices and campgrounds to provide publicity. Handouts are also available and special training for staff was provided.

The goal of public relations is to gain public support and acceptance of the new fees schedule and overcome any objections or resistance the public may have about the scheduled changes. Establishing and maintaining good relations with the public requires effective communication about the fee program and the necessity of charging fees.

Fee changes can be communicated in a number of ways, including:

- newspapers and magazines
- television and radio
- signs at park entrances and in park facilities
- flyers, brochures, mailers or posters
- exhibits
- public meetings
- notices in publications of local chamber of commerce, AAA, and other tourism-related organizations

The established news media, or "the press," represents the most accessible and widely used avenue for getting the word out to the public about fees. Among these, newspapers are probably the most available. Local newspapers in rural areas generally provide good coverage of local issues, including notices of fee changes

at the park unit in the area. Large urban newspapers may be somewhat less accessible. The electronic media, radio and television, have great potential for reaching the public with information on fees, though air time may be somewhat difficult to obtain unless you can give them an interesting story or angle.

News Releases: The Basic Tool

All news begins with the written word. Even television news anchor people, who seem so poised and articulate on screen, are reading from copy carefully prepared by writers. The radio news announcer also reads from a written script. The information for newspaper, television and radio news copy comes from a press release containing all the important facts of the story.

The press release is the basic tool used to contact all media and inform them, in writing, of upcoming events and activities in your park, including a fee change. A press release resembles a news article; the difference is that a news article is written by a professional reporter, and a press release is written by a citizen or representative of a group or organization, then sent to a newspaper office or a radio or television station for consideration as a story.

There is nothing that guarantees that news will be printed or broadcast. It must compete with hundreds of other ideas, programs, and events for limited space and time. The average newspaper receives 200 press releases each day. Reporters or editors read no further than the second or third paragraph of the average press release, before deciding to use it or not.

News editors assign reporters to check the facts or rewrite press releases, known in the business as "handouts." The press release need not be written in the best news style, but it must present all the facts and the phone number of a contact person.

A well written news release saves the editor time and money. Most small newspapers and TV or radio stations can't afford to hire a wealth of news writers and may run press releases intact, without writing them over. Most people, armed with a knowledge of the basics of news writing and an understanding of the proper format to use, are able to write well enough to create good quality press releases that work well for small and large newspapers or stations alike.

Time invested in writing quality press releases may pay off in other ways as well. A well-written news release may be used as:

- a handout in staff briefings or discussions
- a flyer distributed to park visitors
- a handout at public meetings

Table 12

NEWS RELEASES: AN OUTLINE OF WHAT TO INCLUDE

News releases announcing new or increased fees should clearly describe the fee change (what the change is, where and when it will apply) and explain the rationale behind the fee action (why the fee is necessary). Here is what a well–written news release should address:

WHAT WILL THE FEE BE? Indicate what kind of fee will be charged, what areas, facilities, or services are covered, and how much will be charged. Outline the new fee schedule if several fee actions are being instituted at once.

WHERE DOES THE FEE APPLY AND WHEN WILL IT GO INTO EFFECT? Identify not only the park, but also the specific area, facility or service affected by the fee action.

> A news release announcing year-round collection of campground fees at one of Sequoia National Park's campgrounds pointed out that the affected campground was located at an elevation normally well below the snowline, thereby making it accessible and open all year.

WILL THE FEE BE COLLECTED ALL YEAR OR ONLY DURING CERTAIN SEASONS?

HOW WILL FEES BE COLLECTED? Designate where staff will collect fees (e.g., collection stations, visitor center, backcountry office) or whether an honor system (requiring visitor cooperation) will be used.

WILL THERE BE DISCOUNTS? Identify discounts. Explain if the Golden Age Passport for seniors or the Golden Access Passport for physically handicapped citizens (both of which offer 50 percent reductions in user fees) will be honored.

WHY IS A FEE NECESSARY? Explain why the fee is needed (e.g., increased costs, budget cuts, need to maintain existing service levels, etc.)

WILL THERE BE ANY DIRECT BENEFITS TO THE AREA/USERS AFFECTED? Indicate how fee revenues will be used to the benefit of NPS, the affected area, facility, or service, and the users paying the fee.

WILL ANYONE NOT HAVE TO PAY THE FEE? Identify those who are exempt, such as employees, walk-in or bicycling visitors, school groups, etc.

ARE OTHER FEES CHARGED AT THE PARK AFFECTED?

> In publicizing the move to year-round collection of camping fees at two of its campgrounds, Death Valley National Monument specified that fees at three other campgrounds in the park would not be affected by the policy change.
>
> A news release announcing increases in Yosemite Valley campground fees noted that entrance fees to the park remained unchanged.

The regional public affairs office can provide professional assistance in writing news releases that will capture the attention of those responsible for selecting newsworthy issues for media coverage. Here are the basic rules of format for press releases:

- Double space the text throughout.
- Leave wide margins and space at the top for editorial notations.
- Indent all paragraphs.
- Use only a single side of the paper.
- Limit paragraphs to three or four lines.
- Avoid misspellings, "typos," and strikeovers.
- Include the name and phone number of a contact person.
- Indicate time of release (usually "For Immediate Release").
- Title the news release with a suggested headline, written in CAPITALS (so the reader will know what the story is about).

Here are some suggestions for writing effective news releases:

- Keep sentences short. (Reading is difficult when sentences average more than twenty words. Sentences in Time magazine average 16 to 17 words.)
- Be clear, concise, and simple.
- Use familiar, easy to understand words.
- Avoid unnecessary words.
- Put action and power in your verbs ("We aim to write clearly" vs. "clarity in composition is our intention").
- Write the way you talk; avoid agency or technical jargon.
- Be concrete; use terms the reader can picture.
- Make full use of individual writing styles.
- Write to express, not impress.
- Make sure the first or lead paragraph covers, in summary form, the basic who, what, where and when (and if possible, the how and why) of the story. Editors will cut to make the story fit the available space or air time.

Good quality photographs that accompany a news release strengthen the chance of publication and add depth to the story.

Parks are visual places, and lend themselves well to pictures. A press release announcing and explaining a change in a park unit's fee schedule may be enhanced by an accompanying picture of the park or area affected by the fee change. Good quality (printable) photographs that accompany a news release definitely strengthen the chance of publication and add depth to the story.

Public Service Announcements

Radio and television stations are required to provide free air time for nonprofit organizations and government agencies to announce programs and activities of community or public interest. Stations usually air public service announcements or PSAs during non-peak hours.

Most stations prefer written PSAs that take their announcers ten or twenty seconds to read. Obviously, that allows only the most basic information about an upcoming fee change.

Each station is likely to have its own:

- preferred PSA format
- technical standards and deadlines
- preferred PSA length
- person at the station who receives PSAs
- method or procedure for submitting PSAs

An announcement should be written as it would be spoken. As a general guide in writing PSAs, the number of words that can be spoken is approximately:

25 words in 10 seconds	80 words in 30 seconds
40 words in 20 seconds	160 words in 60 seconds

The station's public service director should receive PSAs at least a month before it is to be broadcast. The station will decide when and if the announcement will be aired. Personal contact after mailing a PSA helps assure that the station will give the announcement serious consideration.

Media Relations

Blanket mailing of press releases may not be the most effective way of getting attention. Less traditional methods involve conducting interviews, participating in talk shows, writing editorials and articles, or conducting news conferences and park walks for media representatives. The best way to guarantee good media coverage is to establish and maintain ongoing personal contacts with local media people.

Each particular medium has its unique information needs, namely:

- People watch TV; therefore, TV contacts want pictures. Park units might encourage TV stations to videotape the park area or people using the area or service affected by the fee change.)

- People listen to the radio; therefore, radio contacts want voices. (Park units might encourage radio stations to interview someone -- an NPS employee or a visitor -- at the park talking about the fee.)

- People read newspapers; therefore, newspaper contacts want printed information. (Park units might give newspapers copies of feasibility studies or other reports on the fees program, along with a well-written press release.)

Editors of newsletters, brochures, visitor guides, event calendars, etc. (produced and distributed by other organizations and groups with an interest in events and activities in the park) may be interested in carrying information on park fee changes in addition to the most current fee schedules. For example:

- Gettysburg National Military Park increased the fee for its cyclorama, a circular painting depicting civil war battle

scenes, from 75 cents to $1. The park made sure that all travel brochures and catalogs included the new fee information.

Public Posting of Fee Schedules & Changes

The Code of Federal Regulations requires that areas, facilities, and activities for which entrance, daily recreation use, or special recreation permit fees are charged, must be clearly designated by the official fee area designation sign (36 CFR 71.4). One way of getting the word out to the visiting public about fee changes is to post the schedule of fees charged and any anticipated changes along with the required designation sign. In this way, the public will know what to expect in the way of increased or new fees the next time they visit the park.

Public Meetings

Public meetings are yet another way of notifying the public in advance of upcoming fee changes. While not specifically required, public meetings may be advisable, especially in cases where new fees or fee hikes may be highly controversial. They can afford an opportunity for public input on proposed fee changes, as well as an opportunity to explain why the fee may be necessary. The regional public affairs office should be consulted for advice and guidance on when a public meeting should be held and how it should be scheduled and conducted.

References

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U.S. Department of the Interior, National Park Service, Superintendent's Guide to Public Affairs: The PIO's How To Do It, Western Regional Office of Public Affairs, 1981.

U.S. Department of the Interior, National Park Service, Public Involvement Guideline, NPS - 3, June 1978.

APPENDIX 1
FEDERAL RECREATION FEE PROGRAM: LEGISLATIVE HISTORY

Collecting recreation fees at national parks and other federal recreation areas was policy even before the establishment of the National Park Service. Fee collection became general executive policy during Franklin D. Roosevelt's administration but no specific authorization to support the expansion of outdoor recreation fee collection existed. The Act of August 31, 1951, (65 Stat. 290) authorized that any federal "service," "benefit," or "privilege" should be "self-sustaining to the full extent possible."

The Land and Water Conservation Fund Act of 1964 was the first legislation to authorize specific fees for outdoor recreation. The following table is a chronological listing of the legislative actions that have affected the recreation fee collection program since 1964.

LEGISLATIVE ACTION & DATE ENACTED	PURPOSE
Land & Water Conservation Fund (L&WCF) Act P.L. 88-578 Sept. 3, 1964	Created a separate fund to preserve and develop public outdoor recreation resources; provided that entrance, admission, and other recreation user fees collected by federal agencies would be credited to this fund (entrance fees could only be charged at areas where recreation facilities are provided at federal expense); authorized President to designate land or water areas administered by federal agencies where fees would be charged; prohibited fee collection for use of any waters; established an annual entry fee of $7 for the purchaser and persons accompanying him/her in a private auto to fee areas.
Amendment To the L&WCF Act P.L. 90-401 July 15, 1968	Amended the L&WCF Act by: earmarking receipts from offshore oil leases as a new revenue source for the L&WCF; guaranteeing a minimum of $200 million per year in the fund, doubling its previous average; and repealing authority for a coordinated approach to federal recreation fee collection, effective March 31, 1970. Congress repealed the fee program because of disappointing fee revenues, difficulty in collecting daily user fees, overrepresentation in revenue from NPS, lack of public support, and high collection costs. Also, recreation fees collected were to be credited to a separate fund in the General Treasury, not the L&WCF.
Rivers and Harbors and Flood Control Act P.L. 90-483 Aug. 13, 1968	Section 210 of this act disallowed entrance or admission fees at public recreation areas located at lakes or reservoirs managed by the Corps of Engineers. User fees were to be collected only for "highly developed facilities" requiring personnel for continuous maintenance or supervision. The Corps suspended fee collection for

	almost 2 years until the Secretary of the Army published a list of fee areas consistent with Section 210.
Amendment to the L&WCF Act P.L. 91-308 July 7, 1970	Amended the L&WCF Act by: extending the original fee authorities of the act by 21 months; raising the annual Golden Eagle Passport to $10; and charging the Secretary of the Interior to submit a report on fee policies to Congress. The law did not mention Section 210 of the Rivers and Harbors and Flood Control Act, thus exempting the Corps from participating in the fee program.
Amendment to the L&WCF Act P.L. 92-347 July 11,1972	Outlined the structure of the current fee program with the following provisions: a) limited collection of entrance or admission fees limited to designated units of the national park system and national recreation areas administered by the Department of Agriculture. b) established a $10 annual admission permit (Golden Eagle Passport) for persons entering in "private, noncommercial vehicles" and fees for visitors who do not purchase the annual permit. c) created a free annual entrance permit (Golden Age Passport) to allow persons at least 62 years old access to fee areas with a 50% discount on daily user fees. d) required collection of daily use fees for specialized sites, facilities, equipment, or services related to outdoor recreation and furnished at federal expense. e) designated recreation fees to a special account in the Treasury to be administered in conjunction with, but separate from, the revenues of the L&WCF and authorized for outdoor recreation purposes. f) required an annual fee report to Congress. g) provided guidelines for use of the Golden Eagle insignia and royalties credited to L&WCF.
Amendment to the L&WCF Act P.L. 93-81 Aug. 1, 1973	Amendment prohibited fees for recreational use of facilities or areas used by most visitors. Examples cited included lightly developed or backcountry campsites, picnic areas, boat ramps with no mechanized equipment, drinking water, roads, trails, visitor centers, scenic drives, toilet facilities, and overlook sites. The law specified prerequisite services needed in campgrounds before user fees could be charged; clarified the definition of a "single visit" to allow visitors with entrance permits exit and reentry to a single designated area for a period of 1 to 15 days; and discontinued fee collection at federally-operated campgrounds.

Amendment to the L&WCF Act P.L. 93-303 June 7,1974	This amendment: a) allowed non-vehicle entrance to be covered by the Golden Eagle and Golden Age passports. b) designated the Golden Age Passport as a lifetime pass for US citizens and eligible aliens residing in the US. c) prohibited user fees for services such as drinking water, wayside exhibits, and visitors' centers. d) demanded less stringent prerequisites for charging fees in campgrounds, eliminating the requirements for flush restrooms and showers. e) allowed visitor reservation services to be contracted out. f) prohibited admission fees charged at areas operated and maintained by a federal agency and used for outdoor recreation purposes, other than those fee areas already designated. g) made Golden Eagle Passports available at any federal recreation fee area rather than at post offices. h) made at least one primitive campground, with no charge, available at Corps managed lakes and reservoirs where camping is permitted. Consequently, this amendment reinstated fee collection at federally-operated campgrounds.
Act of Oct. 12, 1979 P.L. 96-87	Section 402 of this act froze entrance fees at all units of the national park system as of January 1, 1979.
P.L. 96-344 Sept. 8, 1980	Created the Golden Access Passport, a lifetime entrance permit to federal fee areas for blind and permanently disabled people with a 50% discount in use fees. A "single visit" was redefined and limited to a 15-day stay.
FY 1981 Interior Appropriations Act P.L. 96-514 Dec. 12, 1980	This act designated that federal recreation fees would be paid into the L&WCF, thus no longer requiring the special account created by P.L. 90-401.
FY 1982 Energy and Water Development Appropriations Act P.L. 97-88 Dec 4, 1981	Exempted the Corps of Engineers from the provisions of P.L. 96-514 and specified user fees collected by the Corps still be deposited in a separate account.

APPENDIX 2

United States Department of the Interior

NATIONAL PARK SERVICE
P.O. BOX 37127
WASHINGTON, D.C. 20013-7127

IN REPLY REFER TO:
F5415(330)
May 10, 1984

STAFF DIRECTIVE 84-1 ANNUAL REVIEW

To: Directorate, Field Directorate, WASO Division Chiefs, and Park Superintendents

From: Assistant Director, Financial and Data Systems

Subject: Donations Policy and Procedures

Following is the revised Donations Policy and Procedures of the National Park Service. It clarifies the procedures for accepting and processing donations. This directive supersedes all previous statements of donation policy and procedural guidance. It should be disseminated to all appropriate personnel immediately.

NATIONAL PARK SERVICE

DONATIONS POLICY

Introduction

This policy is established to consolidate and clarify procedures for the acceptance and use of donations. They are intended to give Park Service managers guidance in accepting, processing, and accounting for donations. These donation guidelines reflect the usual procedure for processing donations. There are, however, exceptions to this procedure.

Statutory Authority

The Act of Congress approved June 5, 1920 (41 Stat. 917, 16 USC 6), provides that:

> ...The Secretary of the Interior in his administration of the National Park Service is authorized, in his discretion, to accept patented lands, rights-of-way over patented lands or other lands, buildings, or other property within the various national parks and national monuments, and moneys which may be donated for the purposes of the national park and monument system.

Donation Policy

In accordance with the above Act, the Service has the authority to accept donations that are consistent with NPS goals and objectives. Donations can be and are accepted to fund portions of any program authorized by law that are funded by appropriations. They have made possible the acquisition of land, rehabilitation and improvement of park facilities, provision for protection, informational, interpretive and related services and programs, etc., which could not have been accomplished within the limitations of available appropriated funds. Some donations must be declined if the conditions binding on the donation are inconsistent with park purposes and objectives. An example of an unacceptable donation is an honorarium to an employee for services rendered. The Comptroller General (37CG 30) has ruled that earnings of an employee of the United States in excess of his regular pay belong to the Government and are required to be covered into the Treasury. Accordingly, honorariums will be deposited in the miscellaneous receipts of the Treasury. Also, donations for activities that seek to circumvent government regulations cannot be accepted.

A "floor" has been established to distinguish restricted purpose donations from general donations. Donations in the amount of $100 or more may be accepted for both restricted and general purposes. Donations of less than $100, however, may only be accepted for general purposes (either Servicewide general purpose or park specific general purpose). These "small dollar" donations must be established in a general purpose account. This policy is being adopted because it has been determined that maintaining separate "small dollar" donation accounts is not cost effective. Regardless of these amounts, Service employees should encourage unrestricted donations whenever possible. An exception to this "small dollar" donation policy is a donation of any amount that is received via gifts catalogs. Whereas all other "restricted purpose" donations are established in individual accounts, all "gifts catalog" donations are put in one "gift catalog" donation account per park. Since all catalog donations go in one park account, cost effectiveness is not an issue regardless of the size of the individual donation. Of course, it is still the responsibility of the superintendent to expend the funds for the specific purpose donated.

Who Can Accept A Donation

The authority to accept donations has been delegated by the Secretary of the Interior to the director of the National Park Service. This delegation is shared by the director or his designee, the regional directors, manager, Denver Service Center; manager, Harpers Ferry Center; and, park superintendents. The accepting official may deem it necessary that for a significant donation the director's acknowledgement also be included. In such cases, the accepting official should draft a reply for the

director's signature and forward it to the Budget Division (WASO) for processing.

Who Can Make A Donation

Anyone (individual, group, corporation, association, etc.) can make a contribution for National Park Service purposes either by direct contribution or by bequest. The donations can be in the form of securities (common stocks, preferred stocks, bonds), real property (land and improvements), personal property, or cash. Donations to the National Park Service are donations to the United States under the Internal Revenue Code. As a rule, a letter of tender will accompany a donation. This letter should contain the following:

1) the amount of the donation;

2) the purpose for which the donation is to be used;

3) the donor's name and address (unless anonymous); and

4) what is to be done with any remaining funds when the purpose is completed (restricted purpose donation only).

Processing Cash Donations

The following are steps in the processing of a cash donation. Most cash donations will follow this procedure, although there are exceptions:

1. When a donation is received, the park superintendent or other Park Service official determines whether the donation is to be accepted or not.

(a) If the donation purpose is inconsistent with NPS objectives, it will be returned to the donor.

(b) If the donation is less than $100 and is restrictive in purpose, it will be returned to the donor with a letter explaining our "small dollar" donation policy, as previously stated. In this letter, the donor should be thanked and asked if he/she would resubmit the donation to be used for general purposes of the National Park Service. By their very nature, anonymous donations are exempt from this requirement. As stated earlier, small "restrictive" donations that result from solicitation via gifts catalogs may be accepted as received since they are placed in a "general" gifts catalog account in the appropriate park area.

(c) If the donation is general or restricted, but in the amount of $100 or more, it will be accepted.

2. If accepted, the park or office must prepare a Certificate of Deposit transmitting the funds to the Federal Depository for credit to the NPS Donation Fund (14X8037).

3. A letter of acceptance must be prepared acknowledging the donation. This letter should include a general description of what will be done, how it will be accomplished (unless general), and a statement to advise that the donation is gratefully received and will be conscientiously administered.

4. Contact should be maintained with any donor regarding the status of his/her donation if; a) the significance of the project, b) the dollar amount, or c) the donor's position, requires it. For restricted donations, the donor should be notified when the project is completed. Any unobligated balance should either be transferred to another specific project account or the general purpose account (with the donor's written permission) or returned to the donor, depending upon the restricted nature of the donation.

5. Relative to coins or paper dollars placed in donation boxes, wishing wells, etc., the following procedures apply:

(a) Cash, once donated by the visitor, becomes the property of the United States and must be controlled as such. Only designated collection officers can collect the money from the container (donation box, wishing well, etc.) where the visitor deposited the money.

(b) Deposits from all sources, including donated cash receipts, should be made daily whenever practical. In cases where daily deposits would prove to be time consuming, a burden on manpower available, or impossible because of weather conditions, collections can be accumulated for at least one week or until they reach $1,000 whichever comes first.

(c) When the cash donation box is opened, all money will be counted and verified by two people who will make a written report for the record to document the collection for audit purposes. The controls should be similar to the ones used at parks where campground fees are collected under an honor system.

(d) Adequate security in the form of safes, lock boxes, etc., should be on hand to store donated funds during off duty hours. (See Recreation Fee Collection Guideline, NPS-22, Chapter 1, page 2 for further comment on this matter.)

(e) See Chapter 6, Recreation Fee Collection Guideline, NPS-22 for forms and procedures to be used in depositing funds to Treasury.

All areas which receive cash donations from such containers should reevaluate their internal controls to assure that all funds are properly collected and accounted for and are promptly deposited into the Treasury.

6. A copy of the Certificate of Deposit and all pertinent correspondence (i.e., letters of tender and acceptance) should be forwarded to the Budget Division (WASO).

7. An allotment advice will be prepared by the Budget Divison (WASO) transmitting the funds to the appropriate allottee.

8. Upon receiving the allotment advice, the regional office or Washington Office establishes or amends a work order for the benefitting park or office. Note: The authorized amount of the Work Order should equal the total donations recorded in that account.

Accounting For Cash Donations

Donations, unlike most funds, are maintained and controlled at the cost account level. We have a responsibility to each donor for the proper use of his/her funds. Each donation account must be accounted for as an individual entity and no one account can be overobligated since these funds are not "interchangeable." NPS managers must not commit or expend funds in anticipation of a donation. This is a technical violation of 31 USC 665, the "Anti-Deficiency Act." The procedures for processing payments from the donation account are identical with those applicable to appropriated accounts. The obligation and disbursement of donated funds must be supported by proper requisitions and obligational documents (contract, purchase order, etc.). Note that procurement procedures as set forth in the Federal Acquisition Regulations, Department of Interior and National Park Service policy and procedures must be strictly observed. Vouchers must contain receiving reports and itemized invoices and must be certified by an authorized Certifying Officer and scheduled for payment by Treasury.

Processing Donations Other Than Cash

For property donations, a cash value should be assigned to the donation by NPS for purposes of establishing NPS property records for the donated item; however, the NPS evaluation cannot be used by the donor for federal income tax purposes. The fixing of a cash value for tax purposes must remain between the donor and the Internal Revenue Service. Property management officers will coordinate the receipt of donated property with appropriate NPS

staff officers, consistent with all federal, Interior, and

National Park Service Property Management Regulations. Property subject to physical or financial control, or both, will be duly recorded in the property ledgers and financial ledgers.

Securities are to be mailed by the donor or the park directly to the Finance Division (WASO) for disposition. These securities are converted to cash by sale through the Investment Banking Services of the Treasury Department. Net proceeds are credited to the NPS Donation Fund.

Cooperating Association Fund

The Cooperating Association Fund was established in 1960 and represents a generous expression of support from the many cooperating associations that assist the various interpretive programs of the parks. It has enabled the Service to appropriately recognize individuals and organizations that have made significant contributions to the national parks, to hold official ceremonies, to produce special publications, to support Servicewide association projects such as training seminars, and to respond to special opportunities for realizing Servicewide objectives which are not funded through regular appropriations. The associations may voluntarily contribute to this fund. A complete report of receipts and disbursements is made annually by the director to each cooperating association.

This fund is processed through a single separate account in the Washington Office. Each association's check and letter of tender must be sent directly to the Finance Division (WASO) for deposit; an acceptance letter will be written by the Budget Division (WASO). Procedures for requesting use of and obligating this Fund are as follows:

1. Project proposals will be submitted in duplicate to the Cooperating Association Fund Committee, Attention: Assistant Director, Financial and Data Systems. This Committee is composed of the Associate Director, Park Operations; Assistant Director, Financial and Data Systems; and Assistant Director, Personnel and Administrative Services. Projects $1,000 and under require the signature of one committee member; those over $1,000 require three signatures of committee members.

2. Upon approval, the Finance Division (WASO) will return the copy to the requesting office with instructions on how to properly document expenditures from the fund; the original will be retained in the Finance Division. If disapproved, the entire package will be returned to the requesting office so indicated.

3) Since the Finance Division must properly record and account for all Cooperating Association Fund receivables and obligations,

and to ensure payment of the approved project, it is imperative that proper documentation (one copy of the approved project proposal along with purchase orders, contracts, etc., and the original receiving reports and itemized invoices) be submitted directly to the Finance Division (WASO). The bill(s) tendered should be submitted as a package where possible, and certified under the signature of the requesting official. In those cases where the total cost exceeds the original estimate by more than 10 percent, the package must be resubmitted to the committee along with an appropriate explanation. Upon review and approval the package will be forwarded to the Finance Division (WASO) for payment.

4. Finance Division (WASO) will certify and schedule the bills for payment by Treasury check, payable to the vendor(s) or to the Service official incurring the expense based on the nature of the transaction.

Disbursements from this fund must be for projects directly related to National Park Service administration; support will not be provided for projects that are initiated outside of the Service and unrelated to the mission of the National Park Service. Approval of project requests will be considered only if one or more of the following apply:

(a) Training seminars for NPS employees; however, the travel expenses of non-NPS employees cannot be paid from the fund.

(b) Special Servicewide interpretive projects that arise on an opportunity basis for which funds have not been appropriated.

(c) General publications not programmed or not appropriate for printing by GPO (all such publications will be subject to the regular Departmental approvals required for all GPO publications), and which may be published outside of GPO under the rules of the Joint Committee on Government Publications.

(d) Expenses involved in the holding of appropriate ceremonies, or other gatherings when the National Park Service is an official host, including visits to the United States National Park System by park administrators from other countries, or when the director, regional director, or superintendent is required to serve as host to official groups or individuals.

In accordance with the Comptroller General's decision of February 8, 1961, entertainment expenditures for the above cases are restricted to those occasions when the entertainment will further the purposes of NPS and that such purposes could not be served as satisfactorily or as effectively without such expenditures. (One

use of the fund which is inconsistent with the Comptroller General Decision is the expenditure for coffee or other refreshments for meetings attended solely or mostly by Service or other government employees.)

(e) Other activities germane to the promotion of NPS objectives that could not be accomplished with appropriated funds, such as the suitable recognition of individuals outside the Service whose activities have benefitted the National Park Service.

Audit of the Donation Fund

The Donation Fund is subject to periodic audits scheduled by the Office of Inspector General, Office of the Secretary, and the U.S. General Accounting Office.

APPENDIX 3

Form B

COMPARABILITY ANALYSIS

NATURE OF COMPARABILITY	PARK	COMPARABLES				
Nature of Program or Facility (S=Superior, A=Average, B=Below Average)						
Geographic Proximity (Miles)						
Economic Status of Service Area (H=High, M=Moderate, L=Low Income)						
Average Length of Stay or Participation (Expressed in days or hours)						
TYPES OF FEES AND CHARGES (Check Appropriate Box)						
Parking Fee						
Entrance or Admission Fee						
Registration Fee (including pay in advance)						
Facility Use Fee						
License or Permit						
Other:						
METHOD OF COLLECTION (Check Appropriate Box)						
Reservation (including pay in advance)						
Lock Box System						

Form B (continued)

		PARK		COMPARABLES				
		Proposed Fee Amount 1984	Current Fee Amount					
Coin Meters								
Turnstiles								
Cashier or Attendant								
Other:								
Flat Fee								
Children (free age group)	Age: Fee:							
Children	Age: Fee:							
Adults	Age: Fee:							
Senior Citizens (Golden Age)	Age: Fee:							
Handicapped (Golden Access)								
Low Income								
Group Rates by Size of Group:	Size: Fee:							
	Size: Fee:							
Other:								

Conclusion and Recommendation (use back of Form if necessary)

APPENDIX 4

PUBLIC POLICY ON FEES

In 1971, the House Committee on Interior and Insular Affairs expressed its view about charging fees to enter and use federal recreation areas (H.R. Report No. 92-742):

> Most members of the Committee believe that those people who are fortunate enough to be able to take the time to use and enjoy these areas ought to be willing to help, to some reasonable degree, to defray the cost of providing them with these opportunities. No one wants to price anyone out of these outdoor areas, but neither do they want to unduly burden those who never visit such areas -- either for economic or other reasons -- with all of the costs of making these areas and their related facilities available.

The National Park Service's commitment and responsibility to upholding this view is supported by the following:

SOURCE	INTENT
Title V Independent Offices Appropriations Act 1952 31 USC Sec. 9701	Provides government-wide authority for cost recovery. This statute authorizes agency heads to prescribe by regulation fair and equitable fees for services or products provided to persons, taking into consideration: 1) direct and indirect costs to government; 2) value to the recipient; 3) public policy or interest served; and 4) other pertinent factors. "It is the sense of the Congress that each service or thing of value provided by an agency (except a mixed-ownership government corporation) to a person (except a person on official business of the United States government) is to be self-sustaining to the extent possible."

SOURCE	INTENT
Office of Management and Budget, Circular No. A-25	"A reasonable charge ... should be made to each identifiable recipient for a measurable unit or amount of Government service or property from which he derives a special benefit."
Land & Water Conservation Fund Act of 1965, as amended	"that those persons who take advantage of federal outdoor recreation facilities and services should pay a greater share of the cost of providing these opportunities than the population as a whole."
National Park Service Management Policies, Chapter VII Page 23	"Under guidelines and criteria established by law and regulation, the National Park Service will collect recreation fees of the appropriate type for parks, facilities, and programs operated by the service. No fees will be collected under circumstances where the costs of collection would be disproportionate to revenue or where prohibited by law or regulation. Fees charged shall be reasonable and shall be determined in accordance with criteria and schedules contained in departmental regulations."
NPS-22 Recreation Fee Collection Guideline (revised April 1978)	"The departmental regulations specify criteria which will be used in determining if an area, facility, or service will be designated for fees and the levels of these fees. It is the responsibility of park superintendents to apply these criteria and recommend fees for areas under their jurisdiction. These recommendations will be reviewed by the regional director and forwarded to the Director for approval. Neither changes in the amounts of fees nor changes in areas, facilities, or services designated for fees shall be made without the Director's approval."

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