



OFFICE OF
INSPECTOR GENERAL
U.S. DEPARTMENT OF THE INTERIOR



REVIEW OF BUREAU OF LAND MANAGEMENT'S RECREATION FEE PROGRAM



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Memorandum

FEB 18 2015

To: Neil Kornze
Director, Bureau of Land Management

From: Mary L. Kendall
Deputy Inspector General

A handwritten signature in black ink, appearing to read "Mary L. Kendall", written over the printed name.

Subject: Final Audit Report – Review of Bureau of Land Management’s Recreation Fee Program
Report No. C-IN-MOA-0002-2013

This report, part of a larger portfolio of our work to identify opportunities for the U.S. Department of the Interior to maximize income from its revenue-generating programs, presents the results of our audit of the Bureau of Land Management’s (BLM) Recreation Fee Program.

Our audit objective was to identify opportunities for BLM to increase program revenues by ensuring that its recreation fees are set at fair market value and to determine whether BLM is making effective use of its authority to designate special areas and collect recreation permit fees at those areas. We found several areas in which BLM is missing opportunities to enhance its potential fee revenue:

1. BLM is not effectively using its authority to charge recreation fees at several heavily used non-fee camping areas on BLM land in Arizona, Colorado, and Nevada. As a result of heavy visitation, these areas need additional amenities, such as toilets, to qualify for fee implementation and to better protect public health and safety and land resources. BLM could add amenities with minimal investment.
2. BLM does not collect market-value fees from campers at its developed long-term visitor areas as is required under its recreation fee authority, and has been missing opportunities to collect significant revenue at these areas because its prices are set well under market value.

In our report, we make five recommendations intended to help BLM enhance its fee revenue. After reviewing our draft report, BLM generally concurred with our recommendations. We requested additional information from BLM on one recommendation, and we are referring all five to the Assistant Secretary for Policy, Management and Budget to track their implementation.

The legislation creating the Office of Inspector General requires that we report to Congress semiannually on all audit, inspection, and evaluation reports issued; actions taken to implement our recommendations; and recommendations that have not been implemented. If you have any questions regarding this report, please contact me at 202-208-5745.

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Results in Brief

We conducted this audit to identify opportunities for the Bureau of Land Management (BLM) to increase its program revenues. We examined the recreation fees that BLM charges for public use of its lands to determine whether they are set at fair market value.¹ We also tried to determine whether BLM is effectively using its authority to designate areas for camping and other forms of recreation and to collect recreation fees at those areas. We found that BLM does not maximize its opportunities to charge fees in a way that will generate revenue and protect resources.

At a time when Federal agencies face continually decreasing appropriations, taking advantage of this program demonstrates BLM understands the need for additional funding. By charging comparable fees, BLM helps the situation and provides the paying public with what they need in terms of recreation services without looking to Congress to fund all of its recreation activity requirements. Collection of these modest fees is one method to assist in meeting the growing operation and maintenance needs for these programs.

We reviewed two types of recreation fees and BLM's administration of these fees on its lands. The first fee, the standard amenity recreation fee, is intended for day-use areas on BLM-managed lands. The second fee, the expanded amenity fee, is meant to charge visitors for stays at developed campgrounds.

We found that BLM is not charging fees in some of its camping and day-use areas, even at sites where it could do so if a few basic amenities were added. Instead, it allows the public to use some sites at no cost even when doing so creates health and safety issues or when the added revenue from the fees would pay for the initial costs of adding amenities and increase the funds for the regional offices that manage the sites. We also found that at the long-term visitor areas we visited, fees were considerably lower than those of comparable local businesses.

BLM states that the intent of its recreation fee program is to provide needed public services while protecting and enhancing public lands and recreation opportunities, and that fees should support protection of natural resources, provide for public health and safety, and facilitate access to public lands. To do so, it needs to examine opportunities for enhancing its amenities through visitor fees. We make five recommendations to BLM to fund the amenities at the heavily used non-fee campgrounds that were part of our review, direct its field offices to periodically conduct analyses to establish which sites may be suitable for

¹ The authority to establish, modify, charge, and collect recreation fees at Federal recreational lands and waters is provided in 16 U.S.C. § 6802(b). This authority stipulates that the amount of a recreation fee "shall consider comparable fees charged elsewhere" by similar operations nearby. While determining "fair market value" includes consideration of "comparable fees," we consider these terms to be interchangeable for the purposes of this report.

charging recreation fees, implement fees where appropriate based on these analyses, and ensure that fees are set at market value now and in the future.

Introduction

Objective

Our audit objective was to identify opportunities for BLM to increase program revenues by ensuring its recreation fees are set at fair market value,² and to determine whether BLM is making effective use of its authority to designate special areas and collect recreation permit fees at those areas.

See Appendix 1 for our scope and methodology for this audit as well as our prior audit coverage. Appendix 2 contains a list of the BLM-managed recreation sites we visited during our audit.

Background

Ten of the 12 Western States with significant proportions of BLM-managed lands have among the fastest rates of population growth in the United States. BLM staff told us that visitors have inundated recreational areas, including environmentally sensitive areas, on their public lands. Visitors camp and drive off-highway vehicles on sensitive desert terrain and among cultural resources such as petroglyphs and other artifacts.

BLM manages and maintains day-use and camping areas, some of which charge fees and some of which do not. According to BLM's Recreation Permit and Fee Administration Handbook, BLM does not charge fees for camping in dispersed areas with low or no expenditures in facilities or services; BLM explains that "dispersed" lands are "open to recreational use but . . . do not contain developed or 'managerially significant' recreation sites."

Public lands impacted by heavy non-fee camping include a site that BLM's Las Vegas Field Office (LVFO) manages as an Area of Critical Environmental Habitat. In another area managed by LVFO, hiking trails follow along cliffs covered with petroglyphs. According to BLM staff, recreation-related environmental impacts are ultimately much more severe in desert areas than in other BLM-managed areas because disturbed areas in the desert take much longer to rehabilitate than more-fertile forested areas.

The increased demand on BLM-managed lands creates challenges for BLM to deliver recreational opportunities while protecting resources and providing needed public services. According to BLM's Recreation Permit and Fee Administration Handbook, BLM has multiple ways to meet these challenges, including appropriated funding, volunteer assistance, interagency cooperation, grants,

² The authority to establish, modify, charge, and collect recreation fees at Federal recreational lands and waters is provided in 16 U.S.C. § 6802(b). This authority stipulates that the amount of a recreation fee "shall consider comparable fees charged elsewhere" by similar operations nearby. While determining "fair market value" includes consideration of "comparable fees," we consider these terms to be interchangeable for the purposes of this report.

partnerships with the private sector, and fees authorized under the Federal Lands Recreation Enhancement Act (FLREA). We will discuss FLREA-authorized fees in the following section.

Regulatory History

In 1965, the Land and Water Conservation Fund Act (LWCFA) authorized the U.S. Department of the Interior (DOI) to charge and to withhold up to 15 percent of receipts to cover costs from collecting recreation fees (16 U.S.C. § 4601-6a). The fees were to be comparable to fees charged by nearby public- and private-sector operators that provided similar services.

In fiscal year (FY) 1996, Congress authorized the Recreation Fee Demonstration Program (Fee-Demo),³ which gave BLM the authority to establish a demonstration program to test the collection, retention, and reinvestment of new user fees at up to 50 recreation sites. BLM selected 17 sites at which to implement fees.

Fee-Demo provided an incentive for BLM to collect fees, since 80 percent of the fees collected at a site could be used at the same site and the remaining 20 percent could be used for other BLM expenditures. A 1996 Senate Committee report stated about Fee-Demo:

Taking advantage of this program demonstrates the agencies are taking serious [sic] their need for more funding resources, understanding the seriousness of the budget situation, and demonstrating their desire to help the situation through increased fees. Congress is not able to fund all of the recreation activities requirements. Future overall budget funding levels are expected to decrease. Collection of these modest fees is one method to assist in meeting the growing operations and maintenance needs for these programs.⁴

With the enactment of FLREA in 2004, certain LWCFA provisions were repealed and Fee-Demo was replaced with longer-term authority. Among other things, FLREA gives BLM authority to establish, modify, charge, collect, and retain recreation user fees at Federal recreational lands and waters.⁵ These user fees are supposed to reflect the level of service received and to be based on comparable local fee values.

Two types of recreation fees that BLM may charge under FLREA are the standard amenity fee and the expanded amenity fee. BLM may charge a standard amenity fee to users of a National Conservation Area; a National Volcanic Monument; a

³ Pub. L. No. 104-134 (1996).

⁴ S. Rep. No. 104-319 (1996).

⁵ FLREA includes a provision that terminates its authority on September 30, 2016.

facility that provides a broad range of interpretive services, programs, and media; and an area, such as a day-use site—

1. that provides significant opportunities for outdoor recreation;
2. that has substantial Federal investments;
3. where fees can be efficiently collected; and
4. that contains all of the following amenities:
 - a. designated developed parking;
 - b. a permanent toilet facility;
 - c. a permanent trash receptacle;
 - d. interpretive sign, exhibit, or kiosk;
 - e. picnic tables; and
 - f. security services.⁶

For BLM (or another agency) to charge an expanded amenity fee at a campground, the site must have a majority of these amenities:

1. tent or trailer spaces;
2. picnic tables;
3. drinking water;
4. access roads;
5. fee collection by an employee or agent of the Federal agency managing the land;
6. reasonable visitor protection;
7. refuse containers;
8. toilet facilities; and
9. simple devices for containing a campfire.⁷

BLM reported 331 sites charging standard or expanded amenity fees, or both, during FY 2012. During the same year, BLM collected revenue of \$2,498,664 in standard amenity fees and \$3,988,231 in expanded amenity fees.

⁶ 16 U.S.C. § 6802(f).

⁷ *Id.* at § 6802(g).

Findings

BLM Is Not Effectively Using Its Authority To Charge Recreation Fees at Camping and Day-Use Areas

BLM has stated that its fee programs “should support protection of natural resources, provide for public health and safety, and facilitate access to public lands. . . . Those who actively utilize recreation opportunities should make a greater but reasonable contribution to protect and enhance those opportunities than those who do not make use of such opportunities.” BLM is not fully using its FLREA fee-charging authority, however, even though many of its camping and day-use areas would benefit.

Non-Fee Camping Areas

We found several heavily used non-fee camping areas on BLM land in Arizona, Colorado, and Nevada that would benefit from the implementation of a fee. As a result of heavy visitation, these areas need additional amenities, such as toilets, to qualify for fee implementation and to better protect public health and safety and land resources. At the sites we visited, BLM could add amenities with minimal investment.

Sites in Arizona

We visited five heavily used, non-fee camping sites in the popular winter camping area surrounding Quartzsite, AZ, and found that overuse, human waste, and large piles of trash were creating health and safety issues (see Figure 1 on p. 7). During our site visit, we were warned about human waste and advised to watch our step around campsites and in seasonal rainwater wash areas.

The steadily increasing use of non-fee sites is discussed in BLM’s last published business plan in 2007. According to the plan, a major impact of this increased use is “the growing number of [BLM staff] duties in non-fee areas [that] has accompanied flat staff levels since the late 1990s.” The plan notes that retired individuals are the primary visitors to these sites: “[T]he Baby Boomer generation will continue retiring over the next 15 years. . . . The potential for such substantial increases in visitor use also provides an unparalleled long-term challenge for the YFO [BLM’s Yuma Field Office] recreation program.” According to the plan, most YFO recreational facilities were constructed during the 1970s, “at a time when visitor use was moderate. The increased numbers of visitors to YFO-managed sites have placed unprecedented strains” on its recreational facilities. During our visit with the YFO recreation program staff, we were told that these issues, including the flat budget and staffing levels, still exist.



Figure 1. Trash and assorted objects left by campers at BLM’s Scaddan Wash free-use camping area in Quartzsite, AZ. Source: OIG.

During our visit, we also identified and visited comparable private recreational vehicle (RV) campgrounds and spoke with the operators, who stated that they are always busy during the camping season. YFO field staff also stated that some of these sites have waiting lists due to their popularity. We found the following:

- Rose RV Park in Quartzsite charges \$7 per night for RV camping. This site is located across the street from BLM’s Scaddan Wash camping area, and is similar to BLM’s other sites in both its limited amenities and its location.
- Vito’s RV Park in Quartzsite charges \$7 per night for RV camping. This site is also located across the street from Scaddan Wash, and is similar to BLM’s sites in both amenities and location. It abuts a busy highway and provides amenities, including water and trash facilities, for an additional fee.

We found that YFO staff supported providing the minimum amenities under FLREA in these five camping areas and implementing fees of \$40 for 2-week stays, stating that the fee would be “a huge potential source of revenue and a better way to protect the desert.” According to BLM, the five campgrounds receive, on average, 58,000 visits from campers each year, who spend approximately 800,000 visitor days annually.⁸ At that level of visitation, if BLM provided basic amenities, such as toilets, sewage and trash removal, it would

⁸ BLM defines a visit to a recreation site as “the entry of any person for recreational purposes onto lands and related waters administered by the BLM, regardless of duration.” According to BLM, a visitor day “represents an aggregate of 12 visitor hours to a site or area.”

greatly increase revenues since it could collect an expanded amenity fee from those visitors, allowing it to better protect the environment and campers' health and safety.

According to a BLM official, if the sites were developed enough for BLM to charge an expanded amenity fee, the fee revenue could cover the costs of the added amenities. This official estimated that the initial cost of providing needed improvements at any one site would be less—in some cases much less—than \$100,000 per camping area, with annual maintenance of about \$12,000.

Sites in Nevada

We found that two heavily used dispersed camping areas managed by the Las Vegas Field Office (LVFO) and the Gold Butte Field Office (GBFO) would be better served by the implementation of an expanded amenity fee system:

- Logandale Trails, managed by LVFO, hosts a significant number of campers—up to 40 RVs, including Class A motorhomes, every weekend during the October-to-May season.⁹ BLM staff support implementing a \$10 camping fee, which would bring in an estimated \$67,000 per season. BLM staff stated that this fee is comparable to nearby operators and effect on recreation users would be nominal.

Logandale Trails already has three of the five amenities required to charge an expanded amenity fee, but some of its amenities would require repair or improvement first. For example, the two vault toilets at the site are sinking and will be unusable within 5 years; BLM staff determined that the toilets are tilting by 10 or more degrees, the frames are twisting and bending, and the doors are jamming and trapping people inside. Trash removal is also a problem; one staff member said that he transports truckloads of trash to the dump every weekend (see Figure 2 on p. 9).

⁹ RVs range from practical to luxurious, with price tags ranging from \$60,000 to millions of dollars, with Class A being the most luxurious of the motorized RVs available.



Figure 2. Restroom at Logandale Trails, with a weekend's worth of trash in front of the building. Source: BLM.

- Whitney Pocket, located just north of Lake Mead, was named by GBFO staff members as another desirable site for a campground. Staff estimated that they see around 20 to 30 cars of campers per weekend and approximately 10 RVs. On holiday weekends, they have seen close to 100 people on the site despite the limited amenities. Whitney Pocket has a kiosk and a parking area, two of the five amenities needed to charge an expanded amenity fee.

Site in Colorado

Staff at the Gunnison Field Office (GFO) have already drafted a business plan to implement a fee at the currently non-fee Oh Be Joyful Campground. According to the plan, campers used to set up campsites all over the campground, but after human waste and riparian damage reached unacceptable levels, GFO had to implement measures, such as vehicle barriers, to keep campers out of certain areas. Regular use by squatters who work in nearby towns is also a continuing problem.

The campground currently has three of the five amenities needed to charge an expanded fee: a restroom, picnic tables, and fire rings. GFO staff wants to implement fees to recover most of the money spent to maintain the area and to discourage squatting. They estimate, based on the campground's visitation during the 3-month camping season, that a \$5 fee would generate \$4,250 per year. After 3 years, they propose to raise the fee to \$7.

Day-Use Area

In addition to camping, Logandale Trails includes a heavily used, non-fee day-use area. The site has all of the amenities required to charge users a standard amenity fee: picnic tables, interpretive kiosks, toilets, designated parking, permanent trash receptacles, and security services. One BLM staff member nominated this site for the Leave No Trace program because of the impact heavy use has had on the area's cultural and natural resources.¹⁰ Staff said that the fees would help them restore vegetation, put in a fence, designate trails, and offset law enforcement costs.

The area had 168,248 visitors in FY 2012. At the same level of visitation, charging a \$5 entrance fee would generate \$841,240 for LVFO.

Recommendations

We recommend that BLM:

1. Fund, through fees or other means, the basic amenities needed to protect the public's health and safety at the non-fee campgrounds that we discuss in this report;
2. Direct field offices to periodically analyze their recreational lands to determine where it would be feasible and beneficial to charge fees; and
3. Based on this analysis, develop and implement a plan to convert these identified sites to fee collection sites.

BLM Does Not Collect Market-Value Fees From Campers at Its Developed Recreation Sites

We visited two BLM-managed long-term visitor areas (LTVAs) in Arizona with services comparable to nearby private-sector operators. We found that BLM has been missing opportunities to collect significant revenue for recreation activities at its LTVAs because its prices are not based on market value. We believe that the current LTVA recreation fees charged by BLM are not commensurate with the benefits and services provided to visitors, nor are they comparable to the fees charged elsewhere by nearby private-sector operators.¹¹

YFO manages two LTVAs in Arizona: the La Posa LTVA in Quartzsite and the Imperial Dam LTVA near Yuma (see Figure 3 on p. 11). Together these sites cover almost 15,000 acres. YFO charges visitors to its LTVAs \$40 for short-term

¹⁰ Leave No Trace is a nonprofit program whose mission is to teach people techniques for responsible, ethical, minimal-impact outdoor enjoyment.

¹¹ 16 U.S.C. § 6802(b) requires the Secretary to consider the benefits and services provided to visitors, as well as comparable fees charged by nearby private sector operators, when setting recreation fees.

permits, allowing them to camp for up to 14 days, which can mean visitors spend less than \$3 per night. YFO also charges an LTVA fee of \$180 for the period from September 15 to April 15, which amounts to less than \$1 per day; beyond this period, the LTVAs are managed as expanded amenity fee campgrounds.



Figure 3. One of the Class A motorhomes at an LTVA we visited. Source: OIG.

BLM last updated its LTVA fee to \$180 in its 2007 business plan. According to the plan, YFO set the fee based on cost recovery, and the revenue collected from the fee serves as the primary source of funding to operate the LTVAs.

In the business plan, BLM identified several priority projects for the YFO LTVAs to undertake to comply with regulations and protect visitors and resources. These projects included improvements at Imperial Dam and La Posa. BLM needs to replace the waterline system (a cost of \$200,000) at Imperial Dam to ensure long-term compliance with California water quality standards; at both Imperial Dam and La Posa, BLM needs to maintain or improve signs for fee collection and universal accessibility to facilities.

According to BLM's business plan, LTVA revenues would serve as the primary source of funding for the \$250,000 needed to complete the priority projects listed in the plan. The plan stated that by increasing the LTVA fee to \$180, YFO would be able to cover both the operational costs of the LTVAs and the implementation of the projects. The plan also warned that if the LTVA fee was not increased, then BLM would most likely no longer be able to afford many of the LTVAs' fundamental services.

We found that both LTVAs could recover significantly more revenue if their fees were based on the fees from nearby comparable private-sector operators. Based on comparable rates we identified at similar operations nearby, the LTVAs could generate an additional \$1 million or more in annual fee revenue. One of these comparable sites, the B10 RV Park & Campground in Quartzsite, charges \$175 per month for camping, which would equal \$1,225 for the 7-month season. Although the B10 Campground is in a more desirable location than La Posa, the campground itself is less desirable than BLM's LTVAs due to its limited size.

The difference between the B10 Campground's fees and BLM's indicates that BLM's fees are significantly below market value. According to BLM staff, several higher-priced private RV areas nearby "do excellent business" and sometimes have waiting lists.

YFO stated in the 2007 plan that the increased fee would "most likely" affect individuals and couples with fixed incomes who depend on the LTVAs as their primary place of residence during part of the year. YFO concluded, however, that since the proposed fee only raises the cost of staying in the LTVAs by \$0.18 per day and provides water, trash disposal, grey water disposal, numerous volunteer hosts, and restrooms, the proposed fee schedule would still provide a very affordable opportunity to recreate on public lands. BLM's primary responsibility is not to provide sites for people to live for 7 months of the year at below market value, but to operate safe, fairly priced campgrounds that all visitors can enjoy.

Recommendations

We recommend that BLM:

4. Identify LTVAs that are not collecting market-value fees, and, for those LTVAs, develop and implement a plan to increase fees to market-value rates; and
5. Periodically analyze LTVA fees to ensure that BLM continues to collect them at market-value rates.

Conclusion and Recommendations

Conclusion

We found a number of instances in which BLM is not effectively using its FLREA authority to set fees and use revenue at its public campgrounds and day-use areas. Although the sites we visited do not represent conditions across the vast system of public lands administered by BLM, fees from sites such as these could provide a much-needed funding source for maintaining these recreation areas, providing repairs when needed, improving public health and safety, and preventing criminal activity such as littering and vandalism.

Our recommendations, if fully implemented, will result in additional revenues and thus enhance BLM's ability to protect and maintain its recreation areas and improve public health and safety. At the sites we visited, our recommendations can be implemented without significant additional costs. Others may require some investment to improve the recreation sites, but these improvements will likely enable DOI to generate fees that will exceed the expected costs.

Recommendations Summary

We issued a draft version of this report to BLM and received responses to our recommendations. Summaries of BLM's responses, as well as our analysis, are below. See Appendix 3 for the full text of the response; Appendix 4 lists the status of each of our recommendations.

While BLM "generally agrees with the findings and concurs with the recommendations," its response to our draft report emphasized that the scheduled expiration of FLREA authority complicates BLM's ability to forecast fee revenues and estimate the maintenance costs associated with new investments. We agree that some form of long-term authorization would reduce uncertainty.

BLM also stated that its ability to sustain facility maintenance at recreation sites is affected by reductions in deferred maintenance funding and recreation projects' status as "lowest priority." We agree that long-term operations and maintenance requirements should be considered along with up-front investment in amenities and site improvements. Generally, this only strengthens the argument for a strong recreation fee program.

Finally, BLM noted that conditions we report from selected sites do not necessarily reflect the status of all BLM recreation areas.

We recommend that BLM:

1. Fund, through fees or other means, the basic amenities needed to protect the public's health and safety at the non-fee campgrounds that we discuss in this report.

BLM response: BLM stated that it will “inventory, assess, and provide funding scenarios” to provide the basic amenities needed at the non-fee campground sites we identified in the report.

OIG analysis: Based on the information provided, we consider this recommendation resolved, but not implemented. We will refer this recommendation to DOI’s Office of Policy, Management and Budget (PMB) to track its implementation.

2. Direct field offices to periodically analyze their recreational lands to determine where it would be feasible and beneficial to charge fees.

BLM response: BLM stated that when the revision of its Recreation Permit and Fee Administration Handbook is released, it will direct field offices to assess recreation areas to identify those that can be designated as fee sites and to analyze the potential for permits or fees, or both, at those sites.

OIG analysis: Based on the information provided, we do not consider this recommendation resolved. BLM did not state that its field offices will be directed to periodically assess recreation areas’ potential for fees as we recommended. We request that BLM provide us with additional information on how it will periodically review the recreation areas. We will refer this recommendation to PMB to track its resolution and implementation.

3. Based on this analysis, develop and implement a plan to convert these identified sites to fee collection sites.

BLM response: BLM stated that the revised Recreation Permit and Fee Administration Handbook will contain extensive direction on the process for establishing new fee sites and modifying existing fees, which the State offices will use to create plans that convert appropriate sites.

OIG analysis: Based on the information provided, we consider this recommendation resolved, but not implemented. We are confident that the guidance provided in the revised Recreation Permit and Fee Administration Handbook will affirm that the sites identified in our report are appropriate for fee collection. We will refer this recommendation to PMB to track its implementation.

4. Identify LTVAs that are not collecting market-value fees, and, for those LTVAs, develop and implement a plan to increase fees to market-value rates.

BLM response: BLM stated that it will direct the States that manage LTVAs to “consider updates to their business plans that would bring those sites in line with locally similar options.”

OIG analysis: Based on the information provided, we consider this recommendation resolved, but not implemented. We will refer this recommendation to PMB to track its implementation.

5. Periodically analyze LTVA fees to ensure that BLM continues to collect them at market-value rates.

BLM response: BLM stated that its revised Recreation Permit and Fee Administration Handbook will require State directors to review the fees at each recreation site, including the LTVAs, twice a year to ensure that they are based on fair market value.

OIG analysis: Based on the information provided, we consider this recommendation resolved, but not implemented. We will refer this recommendation to PMB to track its implementation.

Appendix I: Scope, Methodology, and Prior Audit Coverage

Scope

This audit is part of a larger portfolio of Office of Inspector General work focused on identifying opportunities for the U.S. Department of the Interior (DOI) to maximize income from its revenue-generating programs. Our audit covered the administration and valuation of standard and enhanced amenity fee sites as authorized under the Federal Lands Recreation Enhancement Act (FLREA). We conducted fieldwork from September 2011 through April 2014.

The audit survey included DOI's Bureau of Land Management (BLM) and National Park Service (NPS). Because NPS uses additional legal authorities for its recreation programs, we decided to create a separate audit and eliminate NPS from this audit's fieldwork. We focused on BLM's recreation activities for fiscal years 2011 through 2013 but expanded our review to include other fiscal years as necessary.

Methodology

We conducted this audit in accordance with Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

To accomplish the audit's objective, we—

- gathered general, administrative, and background information to provide a working knowledge of the recreation programs at DOI and BLM;
- identified and reviewed policies and procedures related to recreation programs;
- visited BLM field offices that manage areas with high recreation use;
- conducted site visits to interview recreation personnel about their work managing the program; and
- contacted other Government and non-Government organizations to identify their fees for similar services and compared these fees with BLM's fees on similar recreation sites. We provided these examples and comparable rates in this report.

Since the primary focus of our audit was to identify revenue opportunities as they pertain to standard and expanded amenity fees, we did not rely on or obtain computer-generated data. We did, however, rely on BLM for estimates of potential revenues.

Prior Audit Coverage

In September 1997, we issued a report titled “Recreation Management, Bureau of Land Management” (Report No. 97-I-1299). The objective of the audit was to determine whether BLM was administering the Recreation Management Program in an economical and effective manner. Specifically, we determined whether BLM collected user fees and used them properly. We concluded that BLM did not make effective use of the Land and Water Conservation Fund Act or its authority under the Recreation Fee Demonstration Program to designate special areas and collect special recreation permit fees at those areas. We also found that BLM did not collect recreation use permit fees at all sites eligible for fee collection. We identified 39 sites as potential fee sites, and estimated that BLM could have collected an additional \$14.6 million for fiscal year 1996 at those areas. Of these 39 sites, BLM has only implemented fees in 14, or 36 percent.

Appendix 2: Bureau of Land Management Offices Visited or Contacted

Washington Office

Washington, DC

Yuma Field Office

Yuma, AZ

Las Vegas Field Office

Las Vegas, NV

Red Rock/Sloan Field Office

Las Vegas, NV

Pahrump Field Office

Las Vegas, NV

Gunnison Field Office

Gunnison, CO

Colorado State Office

Lakewood, CO

Appendix 3: Response to Draft Report

The Bureau of Land Management's response to our draft report follows on page 20.



United States Department of the Interior
BUREAU OF LAND MANAGEMENT
Washington, D.C. 20240
<http://www.blm.gov>



DEC 10 2014

In Reply Refer To:
1245/2930 (830/250)

Memorandum

To: Kimberly Elmore
Assistant Inspector General for Audit, Inspections, and Evaluations

Through: *JK* Janice M. Schneider *JK*
Assistant Secretary - Land and Minerals Management

From: Neil G. Kornze *Neil Kornze*
Director

Subject: Office of Inspector General Draft Audit Report "Review of Bureau of Land Management's Recreation Fee Program" (C-IN-MOA-0002-2013)

Thank you for the opportunity to review and comment on the Office of Inspector General (OIG) Draft Audit Report, "Review of Bureau of Land Management's Recreation Fee Program" (C-IN-MOA-0002-2013). The Bureau of Land Management (BLM) appreciates the continued interest of the OIG in BLM's Recreation Fee Program.

The BLM generally agrees with the findings and concurs with the recommendations to ensure that recreation fees are set at fair market value, where appropriate. The BLM also notes that in certain circumstances, the bureau may have compelling reasons to not charge fees, including to encourage visitor use and to preserve maximum access to the public. The benefits of fees identified in the report must be considered along with the BLM's goals for public access and visitor use.

The BLM's Recreation Fee Program collects fees at certain recreation sites under the requirements of the Federal Lands Recreation Enhancement Act (REA). Under REA, the BLM has the authority to establish, modify, collect and retain recreation fees consistent with several criteria. The intent of BLM's Recreation Fee Program is to support the protection of natural resources, provide for public health and safety, and facilitate access to public lands and related waters. The BLM acknowledges fees should reflect the level of service provided and consider comparable local fee rates. The fees should also be balanced and affordable for all members of the public and should not be an impediment to visiting public lands. In identifying potential fee

sites and proposing recreation fees, the BLM considers the desired outcomes of local communities, businesses, and other service providers (as consistent with Federal law and policy) to ensure that the facilities and services made possible by proposed fees can deliver as many benefits as possible to the recreating public.

The BLM will issue its revised Recreation Permit Administration Handbook (H-2930-1), which will address conducting periodic analysis of recreational lands and the re-evaluation of current business plans. The BLM Field Offices will also be trained on the implementation of H-2930-1.

Attachment 1 provides general comments on the draft audit report. Attachment 2 provides a summary of the actions taken or planned by the BLM to comply with the recommendations as well as the name of the responsible management official and the target dates of implementation.

If you have any questions concerning the response to this report, please contact Andy Tenney, Chief, Division of Recreation and Visitor Services, at 202-912-7094 or LaVanna Stevenson, BLM Audit Liaison Officer, at 202-912-7077.

Attachments

Attachment 1

General Comments on the Office of the Inspector General Draft Audit Report “Review of Bureau of Land Management’s Recreation Fee Program” (C-IN-MOA-0002-2013)

Pages 1 and 4, last full paragraph: The report makes reference to the current law that is set to expire in December, 2015. The uncertainty of future fee retention complicates the BLM’s ability to account for possible future fee revenues when estimating the future maintenance costs associated with new investments. Therefore, we suggest these clarifying points be incorporated in the report.

Page 6, second paragraph: The report asserts how the BLM could create new fee sites by making relatively small capital investments and providing new amenities. However, the ability to sustain facility maintenance at recreation sites has been dramatically impacted due to a 55 percent reduction in deferred maintenance funding over the last 10 years. In addition to the reduced funding, the Departmental requirement to prioritize maintenance funding dependent on an asset’s mission critical status has further eroded the ability for recreation sites to receive funding. The BLM classifies recreation assets as mission dependent, not mission critical, which results in recreation projects receiving the lowest priority when funding is distributed. Therefore, we suggest the report include these funding limitations as they illustrate some of the challenges associated with administering recreation sites.

Page 6, Under the Subheader Non-Fee Camping Areas: We understand the Office of Inspector General (OIG) focused its audit on recreation sites and areas that would most likely produce additional revenue. We believe that this approach did not allow for review of the many BLM recreation sites and areas that operate efficiently, have fees based on market value, and provide fair value for both our public users and the American taxpayer. As currently written, the sentence may leave the reader thinking that this statement would cover all BLM recreation areas. We believe the concluding title sentence may read more accurately if it began with: “In some cases...”

Pages 7 and 9, Figures 1 and 2: The specific examples of trash and waste cited in the report at the two sites in Arizona and Nevada are not typical of conditions found at BLM recreation sites. The BLM is committed to the public’s health and safety at all of its recreational sites and a number of strategies are utilized to maintain non-fee sites, including employing volunteer camp hosts, enforcing supplemental regulations, contracting for trash pickup, and issuing permits for appropriate vendor services.

Attachment 2

Response to the Recommendations included in the Office of the Inspector General Draft Audit Report "Review of Bureau of Land Management's Recreation Fee Program" (C-IN-MOA-0002-2013)

Recommendation 1: Fund, through fees or other means, the basic amenities needed to protect the public's health and safety at the non-fee campgrounds that we discuss in this report.

Response: The BLM will inventory, assess, and provide funding scenarios for the basic amenities needed for the non-fee campground sites and where necessary, consult with Congress regarding potential funding scenarios, including reauthorization of the Federal Lands Recreation Enhancement Act (REA).

Target Date: June 30, 2015

Responsible Official: Edwin Roberson, Assistant Director, Resources and Planning

Recommendation 2: Direct field offices to periodically analyze their recreational lands to determine where it would be feasible and beneficial to charge fees.

Response: The BLM is revising its Recreation Permit and Fee Administration Handbook (H-2930-1). This handbook requires assessments of recreation areas to identify those that can be designated as fee sites and to analyze the potential for permits and/or fees at those sites, taking into consideration BLM goals for visitor use and public access. Issuing this policy and manual will provide that direction and associated procedures to the field.

Target Date: March 30, 2015

Responsible Official: Edwin Roberson, Assistant Director, Resources and Planning

Recommendation 3: Based on this analysis, develop and implement a plan to convert these identified sites to fee collection sites.

Response: The revised Handbook H-2930-1 will contain extensive direction on the process for establishing new fee sites and modifying existing fees, consistent with applicable law. Using the new manual, the BLM State Offices will submit business implementation plans to convert appropriate sites as well as re-evaluate existing business plans as needed.

Target Date: August 2015

Responsible Official: Edwin Roberson, Assistant Director, Resources and Planning

Recommendation 4: Identify LTVAs that are not collecting market-value fees, and, for those LTVAs, develop and implement a plan to increase fees to market-value rates.

Response: The BLM will direct those states (Arizona and California) that manage long-term visitor areas (LTVAs) to consider updates to their business plans that would bring those sites in line with locally similar options. These Field Offices will consider fees in the context of BLM's goals for visitor use and public access and will analyze not only a market-value approach but also socioeconomic and natural resource concerns.

Target Date: October 31, 2016

Responsible Officials: Edwin Roberson, Assistant Director, Resources and Planning, Raymond Sauzo, State Director, Arizona State Office, and Jim Kenna, State Director, California State Office

Recommendation 5: Periodically analyze LTVA fees to ensure that BLM continues to collect them at market-value rates.

Response: The revised Handbook H-2930-1 will require for State Directors to perform biennial reviews at recreational fee sites and services, including LTVAs for fee comparability and to ensure accountability for money collected based on fair market-value, where feasible and appropriate.

Target Date: December 31, 2016

Responsible Official: Edwin Roberson, Assistant Director, Resources and Planning

Appendix 4: Status of Recommendations

Recommendation	Status	Action Required
1, 3, 4, and 5	Resolved but not implemented	We will refer these recommendations to the Office of Policy, Management and Budget (PMB) to track their implementation.
2	Unresolved and not implemented	We request that BLM provide additional information about how it will direct field offices to periodically review recreation sites for potential fees. We will refer this recommendation to PMB to track its resolution and implementation.

