THE PRIVATIZATION OF PUBLIC CAMPGROUNDS

When did the Forest Service hand over the keys to private companies – and why?

Let's go back to 1965, the year that the Land and Water Conservation Fund Act passed. The law gave the Forest Service the authority to charge people to use campgrounds, but allowed it keep just 15 percent of the fees it collected. The rest went to the U.S. Treasury and into the giant pot of money that all taxpayer-funded agencies and programs compete for. Most of the fees never returned to the agency to help it maintain campgrounds. The system strained the agency and irked users, who felt it was unfair that campgrounds didn't benefit from the fees they paid. So in the late 1980s, the Forest Service began to issue "special use permits" to private "concessionaires" to operate campgrounds. Unlike the Forest Service, the companies could keep the fees they collected. In exchange, the concessionaires staffed and paid for day-to-day campground maintenance.

The Forest Service did eventually gain the ability to keep user fees rather than pass them on to the Treasury, but not until 1996, when Congress established the Recreation Fee Demonstration Program. At that point, argues Scott Silver of Wilderness Watch in Oregon, a prominent critic of concessionaires, the decision to continue privatizing campground management was a political decision as well as a financial one. Fee Demo put the agency in a better position to manage its own campgrounds, though fees still wouldn't entirely cover its costs. And the political climate at the time favored privatization. In a 1997 memo instructing regional foresters not to displace concessionaires, and to continue to expand their role, Mike Dombeck, the agency's chief under President Clinton, wrote: "Both Congress and the administration have identified the need to reduce the size and scope of government. ... We must take advantage of locally retained fees and promote expanding private sector industry to service national forest visitors."

In the past decade, campground fees have increased more at concessionaire sites than at Forest Service run sites.

The hikes vary from forest to forest. In Colorado, the Arapaho and Roosevelt National Forests have seen the largest increases since 2003, percentage-wise, while fees in the Routt National Forest have increased the least. The Routt National Forest is also the only forest in the state without any concessionaire-run campgrounds. The graph below shows the percent increase in fees on Colorado national forests from 2003 to 2014.

Concessionaire campgrounds are more expensive than publicly run campgrounds.

$16.36
Average nightly rate for a basic concessionaire-run tent site in Colorado in 2014.

$10.48
Average nightly rate for a basic tent site in the Routt in 2014, the only national forest in Colorado without any concessionaires.

$5.08
Average nightly rate for a basic Forest Service-run tent site in the entire state of Colorado in 2014.

There are reasons for the disparities in pricing.

One is that the campgrounds the agency still manages often have fewer amenities. The larger reason, however, is that Forest Service-run campgrounds, such as those on the Routt, don't try to cover all of their costs – much less turn a profit – with user fees alone. Instead, they maintain campgrounds with fees and money from their recreation budget, which is taxpayer money allocated by Congress. This model is working for the Routt, says Aaron Voos, the forest's public information officer. There are also costs included in concessionaire fees that aren't in Forest Service fees, like lodging tax and liability insurance. However, labor costs are typically much lower for concessionaires than for the government.

The Routt did grant concessionaire permits in the 1990s, but the company returned them because the campgrounds weren't profitable. The forest's current staff isn't quite sure why, but Voos speculate's it was due to low visitation and the remote location of many of the campgrounds.

Concessionaires often turn a tidy profit.
Both the companies and the Forest Service say that overall, private operators are able to run campgrounds at a much lower cost, which helps them turn a profit. Revenues vary quite a bit from campground to campground. A 2009 Forest Service analysis reported that smaller concession permits might bring in from $50,000 to $105,000 in revenue, while larger permits might yield more than $1 million. (The Rocky Mountain Region points out that these are national averages that include campgrounds with year-round service and high-end amenities.) The following, more recent numbers were given to High Country News by one concessionaire.

$500,000 - $1,500,000
Amount of revenue a permit for 10 to 12 campgrounds and day use areas can generate annually for Recreation Resource Management, which has Forest Service concessions in Arizona, California, Washington, New Mexico, Texas and eastern states, according to company owner Warren Meyer.

$25,000 - $75,000
Amount, at the high end, of that revenue that Meyer says his company might take home in profit in a good year. (Equal to 5 percent.)

$1
The amount of a typical camping fee that Meyer says his company might take home in profit.

Concessionaires pass a portion of their revenue back to the government.

Companies are required to pay the government a percentage of their annual revenue. Think of it as rent. In the Rocky Mountain Region, the Forest Service’s cut ranges from 5 to 14 percent, according to the agency. However, the concessionaires don’t always cut the government a check. The Forest Service often allows them to offset their rent by doing maintenance or upgrades not required by the terms of their permit. This might include patching potholes, upgrading bathrooms or tent sites to be compliant with the American Disabilities Act, or any number of other things. Sometimes the government takes their cut and instead contracts this work out to other companies. Either way, the agency and the companies say the system reduces the amount of deferred campground maintenance.

Taxpayers aren’t entirely off the hook when concessionaires manage campgrounds.

Concessionaires pay for routine maintenance, such as electricity, painting and updating signs, cleaning toilets, trash removal, and keeping water systems clean and functional. They also employ hosts to staff campgrounds in the summer, collect fees and interact with visitors. As owner of the campgrounds, however, the Forest Service uses taxpayer money to pay for major maintenance and capital improvements not covered by the revenue concessionaires return to the government. The Lost Lake Campground in Colorado’s Gunnison National Forest, for instance, recently got a makeover, complete with rebuilt tent sites, new picnic tables, fire pits, toilets and a potable water system. The renovations were paid for with $675,175 in federal stimulus money. Fees at the concessionaire-run campground went up significantly after the renovations were completed.

$10
Cost of a tent-site at Lost Lake in 2009, before the taxpayer-funded renovation.

$18
Cost of a tent-site at Lost Lake in 2014, after the renovation.

The campground was operated by a concessionaire before and after the renovation. The fees went up after the permit was re-offered for competitive bid last year. The fees, says Gunnison National Forest public affairs officer Lee Ann Loupe, "are consistent with similar conditioned facilities on the forest and reflect the upgrades and facilities work that was done at the campground through reconstruction."

Concessionaires aren’t the only entities the Forest Service partners with to manage campgrounds.

Some developed campgrounds remain free through creative partnerships. Here are two in Colorado:

$0
Cost of camping at the McClure Campground in the Gunnison National Forest. The forest maintains the campground, but Gunnison Energy, a local natural gas producer, covers the cost as a community service.

$0
Cost of camping at the Lower Hermosa Campground in the San Juan National Forest, which is maintained in partnership with the Four Corners Back Country Horsemen, who volunteer time in order to keep the campground free.

Love ‘em or hate ‘em, concessionaires are here to stay.

Even the fiercest critics of the Forest Service’s concessionaire program hold out little hope that the agency will reclaim management of campgrounds, given how established the industry is and increasing constraints on agency budgets and staffing. In fact, a ruling in federal court this spring may have the unintended consequence of encouraging the agency to solicit concessionaires to manage more of its day use areas. In March, a federal judge ruled that while the law specifically prohibits the Forest Service from charging fees for certain things, like parking at a trailhead, concessionaires are not subject to the same restrictions and can charge. The judge also ruled that concessionaires don’t have to honor passes like the Northwest...
Forest Pass, which for $30 a year, allows pass holders to gain access to recreation areas run by the Forest Service that have day use fees. If the Forest Service finds that restrictions on its ability to charge fees hampers its capacity to maintain day use areas, finding concessionaires to do it for them is likely a solution they'll consider.