

**Statement of Warren Meyer**

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**United States House of Representatives**

**For the Hearing on the Draft of  
*“Federal Lands Recreation Enhancement Modernization Act”***

**October 28, 2015**

Chairman McClintock and members of the subcommittee, I thank you for the opportunity to provide a statement regarding the Federal Lands Recreation Enhancement Modernization Act (FLREMA). I am Warren Meyer, Vice President of the National Forest Recreation Association and President and Owner of Recreation Resource Management.

This statement has two sections. I begin with background on the concession program and then proceed to specific issues surrounding FLREMA.

**Background**

**The National Forest Recreation Association**

The National Forest Recreation Association (NFRA) was formed in 1948, and represents recreation businesses located on or near federal lands throughout the United States. Most of our members hold authorizations, permits or contracts for providing services and facilities directly on federal lands. A partial list of authorizing agencies includes the: Forest Service, National Park Service, Army Corps of Engineers, Bureau of Land Management, Tennessee Valley Authority, and Bureau of Reclamation. They also operate facilities under contracts with state and local agencies, public utility companies, and conservation districts. All told, our members operate over 1000 public recreation areas and serve over 10 million visitors a year.

NFRA members are vital ‘recreation service partners’ of the federal land management agencies in providing recreational opportunities to the public. NFRA members have a wealth of experience providing front line service to the public, along with maintaining safe and desirable facilities. Members have served generations of national and international users, and continue to provide lifelong memories to over ten million visitors each year. NFRA members work directly with the governing agencies and strive to maintain a cooperative and communicative relationship. We are the ‘go-to’ Association for issues pertaining to campground concessions, and we have the longest history with the concession program of any other group or organization.

Examples of facilities and services offered by NFRA members on public lands include:

- Campground concessionaires operating federal campgrounds, day use areas, boat launches, swimming areas, snow play areas, and cabins under jurisdiction of the USDA Forest Service, National Park Service, and the Army Corps of Engineers.
- Resorts, Pack Stations and Marinas offering a wide range of facilities and services to the general public. Examples include: lodging, guided horseback trips, historical and interpretive programs, boat rentals, boat slip rentals, tour boat rides, stores, cafes, shuttle services, guided snowmobile trips, winter snow play areas, and many others.
- Organized youth and family camps.

NFRA members are integrally involved in the local communities in which they operate, and contribute significantly to natural resource education and conservation programs.

### **Recreation Resource Management**

My company Recreation Resource Management (RRM) has been a public recreation concessionaire for over twenty years. We run over 125 recreation areas, and over the last 10 years have been a concessionaire for the USDA Forest Service (USFS), the National Park Service (NPS), the Tennessee Valley Authority (TVA), California State Parks, Texas State Parks, Arizona State Parks and numerous other local agencies. Each year, we employ over 350 workers in ten states, serve about 2.5 million visitors and pay \$1.2 million in concession fees to various government agencies. Unlike the agencies we partner with, we collect and pay local sales and lodging taxes -- last year we provided over a half million dollars in tax revenues to local communities that would not have been collected had the agencies operated the recreation areas themselves.

### **Granger-Thye Campground Concession Program**

The campground concession program was initiated by the Forest Service in the early 1980’s in response to declining budgets for recreation. Under this program, private companies competitively bid for the right to operate government-owned improvements including campgrounds, swimming beaches, picnic areas, boat launch ramps, etc. Concessionaires are responsible for all operating costs of running these sites. In exchange, they pay a percentage of their gross income to the government as a concession fee. In almost all cases, NFRA members receive no funding whatsoever from tax money, and instead pay for their operations entirely out of visitor fees at the recreation areas they operate. NFRA members have a long history of providing facilities and services where there is a well-defined value for the price, with both

visible and tangible assets. The public is accustomed to, and willing to pay because they appreciate the improvements and they directly benefit from both the physical facilities and the personnel providing the services. The program is highly successful and the concessionaires are to be credited for attracting more visitors and increasing the utilization of the sites.

The Granger-Thye campground concession program is a step forward from traditional concessions, like those in the National Park Service where private concessionaires offer targeted visitor services (such as a resort) within the publicly-operate park. In the USFS concession program, private companies operate an entire recreation area, from the gatehouse in, from revenue collection to maintenance to cleaning to paying utilities and insurance. This gives the concessionaire much more scope not only to increase revenues but also to substantially reduce the government's operating costs for these facilities.

At over a thousand concession-operated sites in the Forest Service, operating costs under concession management are significantly less than what they would be if the agency were to operate the same facilities. In any number of direct comparisons, concession operation of USFS campgrounds have proven to be 30-70% less expensive than agency operations of the same campgrounds, often converting recreation areas that consume general funds to ones that pay their own way and actually create concession fees for the government.

These lower costs also tend to reduce fees to visitors. In California, the publicly-operated state parks agency charges \$35 a night for campsites without utilities that it operates, and even this high rate does not fully cover the agency's operations costs. USFS concessionaires run Forest Service campgrounds in California right next door for no more than \$18-\$23 a night, and return part of that fee to the agency. In Arizona, the state agency charges up to \$30 a vehicle for park entry, while adjacent Forest Service concessionaires charge no more than \$10 for the same services.

Nearly all of the fees paid by the concessionaires for their use of the facilities go directly back into physical improvements at the sites, including the infrastructure of water systems, sewer systems, ADA improvements, restrooms, showers, picnic tables, fire rings, paving, signing, fish cleaning stations, RV dump sites, and more. The sites that are in the concession program have a program of both tenant and landlord maintenance items that are identified each year between the concessionaire and the Forest Service. As a result, few USFS concession-run campgrounds have the deferred maintenance issues that exist in many other recreation agencies. It is through the concession program that many campgrounds have been maintained and improved over the last 25 years. It is safe to say that without the concession program, there would be many more campgrounds in disrepair and on the 'to be closed' list. In the sequester, not one concession-operated recreation facility or campground had any sort of closure or service reduction

In addition, the concessionaires provide a high level of customer service and compliance with all associated laws and regulations. The private sector is able to provide much greater field presence in the recreation sites as they are not subject to any hiring limitations, freezes, or other complications that exist in the federal agencies, nor are they subject to budget sweeps, such as the almost inevitable annual sweep of USFS operating funds for fire-fighting.

As an example of the service level provided, the national reservations contractor that handles all of the Federal government's campground reservations publishes a list each year of the "Top 100 Family Campgrounds" in America. Looking at these lists, one will see dozens of campgrounds operated by NFRA members. In Arizona, there is a poll taken every year ranking public campgrounds in the state – my company has never had fewer than 3 of the top 10 on the list, and in recent years have operated three of the top five campgrounds. When Sunset Magazine lists the top campgrounds of the west, the public campgrounds we operate lead the list in Arizona, New Mexico, and California. The USFS campground we operate in Texas was ranked as the highest rated in the state.

Private concessionaires also have much more flexibility to adopt new technologies than do Federal agencies. Last year, for example, our company began a program of adding cell phone payments (like Apple and Android pay) capability to the campgrounds and day use areas we operate on Federal lands. In less than 6 months, we have already added this capability to 20 sites and plan many more in the next year. After starting a social media strategy several years ago, about a third of all the sites we operate have their own dedicated Facebook page maintained by the local managers, posting news and customer stories and pictures.

The concession operation of campgrounds, picnic areas, swimming beaches, cabins, and other recreation sites with facilities and improvements needs to be retained and encouraged. It is no accident that the Forest Service, which has by far the greatest number of recreation areas under their 'recreation service partner' concession program, is facing the least pressure to close recreation areas among federal and state authorities. It is a credit to the Forest Service's concession program, that all of the sites operated by concessionaires continued to be open to the public during past government shut-downs, and throughout the sequestration of 2013. Sites operated by concessionaires opened on time, and the public was rewarded by being able to continue with their recreation plans. Many people make their reservations nearly a year in advance, and our members were able to continue to host them without any disruptions in service. This is what the public has come to expect, and with quiet resolve, our members work very hard to make sure the public has access to clean, safe and enjoyable facilities.

### **FLREMA Key Issues**

NFRA supports the renewal of FLREMA. The fee authority embodied in past versions of FLREA has been a critical tool in making public recreation financially sustainable. Our expertise, of course, is with the concession program. We believe there are several issues in the details of its implementation that affect the viability of the very successful US Forest Service concession program that we would like addressed below.

#### **Issue #1: Keeping concession-operated facilities as concessions.**

In the past year, we have observed examples of the US Forest Service taking back concession-run campgrounds to be operated with agency personnel. Even if there was some dissatisfaction with the current private operator (which was not my company), the US Forest Service did not

attempt to offer the concession in a competitive bid process to other qualified providers, of which there are at least a half dozen that operate in the area. In taking over these campgrounds, the US Forest Service was forced to appropriate over \$2 million additional funds over five years to cover their higher operating costs, and even so are able to deploy fewer than half the paid employees to the campgrounds as provided by the concessionaire. Further, this take-back puts the sites at risk when there are government shut-downs, reductions in hiring and other factors that affect operations such as budget sweeps into fire-fighting.

NFRA particularly finds it frustrating that many of our members who hold term special use permits have found it impossible to get the US Forest Service to renew their permits in a timely manner, a situation closely related to the issues with Nestle's expired water permits in California that created so much bad press. The US Forest Service needs to be focusing resources on these sorts of contract management tasks only it can perform, and stop shifting resources to activities like cleaning bathrooms in campgrounds which can be performed perfectly well by the private sector.

NFRA supports the current draft language that expresses a legislative preference for concessions remaining in concession hands as long as there are qualified private companies willing to submit conforming bids for the concession opportunity. NFRA would suggest that Congress go a step further, however, and require that OMB circular A-76, which provides detailed guidelines for analyzing when it makes sense for the Federal Government to take on private activities with government staff, be followed in these cases. Had this analytical rigor been applied in the case of recent US Forest Service concession take-backs, it is unlikely the agency would have made the needlessly expensive decision to take campground operations back in-house.

## **Issue #2: Streamlining Approval of Concession Fee Changes**

In past versions of the Federal Lands Recreation Enhancement Act (FLREA), fees charged by concessionaires and private companies operating on public lands have always been exempted from FLREA's fee-setting mechanisms (such as the current Recreation Advisory Committees, or RAC's). Currently, our fees are regulated under the Granger-Thye act and are subject to substantial local scrutiny by agency personnel, including comparison of those fees to local public and private competitors. For this reason, we are in support of the draft language under the heading "Certain Fees Accepted" that appears to exempt fees from concession-run day use and amenity fee sites from the Congressional fee approval process in this draft bill.

Let me take a step back and explain why such an exemption is important. Under the fee-approval process in this draft bill, we fear that, when one includes time spent by the agency gathering, justifying, and collating its annual fee increase requests – and then when one adds in the 180 day Congressional review time – that it might take 12-18 months to get approval of fee change requests. This could easily lead to private companies being bankrupted waiting for critical fee changes if our fee changes were to be subject to this process.

The problem we have as concessionaires is that we are often faced with external mandates beyond our control that might increase our costs in one year far faster than inflation. Sometimes these come from our private suppliers (e.g. skyrocketing workers compensation insurance costs

or rising electricity costs) but more often these cost increases are driven by government mandates, such as a higher local lodging tax or a higher minimum wage.

As an example, President Obama's Executive order 13658 mandating what is now a \$10.15 Federal contractor minimum wage, combined with the subsequent (and unprecedented) Department of Labor ruling that this wage should apply to concessionaires, is raising our labor costs in a single year by as much as 40%, which in turn raises our total costs by about 20% since labor and labor-related expenses and taxes make up about half our costs. Since most of our profit margins hover around 5% of revenues, it is impossible to absorb this sort of cost increase in a single year without a fee increase. Without timely approval of our fee changes, we would have to operate a year or more at substantial and unsustainable losses, or else go out of business.

Congress should also recognize the complexity of the task it is taking on. A single campground might have as many as a dozen rates – rates for RV vs. tent sites, for sites with various different kinds of utilities, sites with premium locations on the water, etc. Just in my company, at the 100+ public campgrounds we operate, we have over 500 individual fees (combination of a unique rate at a certain campground) subject to approval by the agency.

As an aside, I believe it is important to think about the process separately for adding new fees (ie charging a use fee for access to a piece of public land that was previously free), versus the process for updating existing fees. In my experience, even prominent advocacy groups opposing use fees on Federal lands seldom express any issues with camping fees and other amenity fees and how these fees are set. Almost all of the most contentious issues I have seen surrounding fees have involved adding new fees where none existed before. My recommendation to Congress is that it consider these two types of actions separately, allowing agencies substantial leeway to modify existing fees when justified but exercising a higher level of scrutiny over adding new fees.

### **Issue #3: The Recreation Fee Pass Program Has Never Been Reconciled with the Concession Program**

Despite the high percentage of Forest Service recreation sites that are operated by private companies, past legislation affecting use fees at recreation sites has not dealt with the fact that most of the Forest Service sites are concessionaire-operated. A clear example is the 'America the Beautiful' (ATB) pass program, which has grown and expanded since FLREA was enacted. The original passes were the Senior and Access passes, granted virtually for free to qualified groups, and the Annual and Volunteer passes, which have a cost in dollars or labor hours provided. In just the last year or so, two new passes have been added: the military pass and the 4<sup>th</sup> grade pass. Hardly a month goes by when I don't hear a proposal for yet another pass.

Historically, two approaches have been taken to integrating the pass program into the concession program, though neither has been entirely satisfactory

- One approach has been to exempt concessionaires from accepting certain passes, such as the annual pass or the military pass. This approach makes sense, in that concessionaires do not get any share of the proceeds of selling these passes, so it would be unreasonable

to ask them to bear the cost of providing free services to passholders. The problem with this approach is the confusion it creates among customers. Ordinary visitors to the public lands are unlikely to understand the distinction between agency- and concession-run facilities, so they get angry and confused when their pass is not accepted. If you were to ask my gatehouse hosts what their greatest problem is, they would likely point to this confusion among customers over passes.

- The second approach has been to require concessionaires to provide discounts to certain pass holders without compensation. For example, most Granger-Thye campground concessionaires are required to give 50% discounts for America the Beautiful Senior and Access passes (as well as legacy Golden Age and Golden Access passes). While it is not uncommon for private campgrounds to give 10% senior discounts, a 50% senior discount is unprecedented and, with shifting American demographics, as many as 30-50% of our company's camping customers are getting this 50% discount. Without compensation, the only way to accommodate this discount is to raise fees to younger customers to fund the senior discounts. As a simple example, take a campground we operate that charges a \$20 camping fee and has about 40% seniors, such that 40% of the visitors are paying \$10 and the younger 60% are paying \$20. Without the senior discount, everyone would be paying \$16 in this campground – the uncompensated senior discounts are adding \$4 or 25% to the price younger families have to pay. Requiring concessionaires to take yet more passes without compensation will just make these economics worse for the remaining customers who don't qualify for a pass.

This poor integration of the pass and concession programs has also led to some inefficiencies for the US Forest Service. When the USFS creates a concession, it is in their interest to bundle all the recreation sites in one geographic area into the concession, thus removing the requirement that it retain its own local operational staff and maintenance facilities. However, under the pass program, certain smaller recreation sites simply would not be viable for private operators with uncompensated pass use, so the USFS must take these small sites back. These sites would be much more efficiently operated by the concessionaire if some method for compensating concessionaires for pass use could be found.

When the federal agencies issues passes that provide discounts in concession operated sites, the agencies need to compensate the concessionaires who are bearing the costs of operating the facility and providing the services to the public. We therefore support the current FLREMA draft which requires compensation to concessionaires when they are required to accept various inter-agency passes. This should include discounts in the Standard Amenity Areas *and* the Expanded Amenity Areas. It is simply too confusing to the public to discern the difference between the level of development, and terminology used to describe where the discounts are valid. It is equally confusing for them to know and understand which sites are under federal operation and which are concessionaires. We should have a seamless system of program delivery.

Our only comment on the specific language is that making concession fee reductions the sole avenue for compensation is unnecessarily limiting and may well not work in certain situations, for example where pass use is high and concession fee percentages are already low. In some circumstances, revenue sharing from the proceeds of pass sales may be a more useful option for

the agency. We recommend that the language be made more general, requiring compensation but leaving the exact method open to the Agency.

#### **Issue #4: Cost Recovery Expenses Put Small Companies Out of Business.**

Under the current system of Cost Recovery, the Forest Service is reticent to use authorities already available to renew, amend, and/or reissue recreation special use permits in a cost effective manner. The result is they undertake an extensive, costly, and time-consuming NEPA process for simple changes to facilities, services, and permit renewals.

Currently, Cost Recovery is an open checkbook as there are no limits on the fees to be charged; no schedule of fees that are required for a specific service; no accountability of how the fees are used; and no limit on the number of employees – or the amount of hours that can be charged to the project. Agencies are using Cost Recovery as a means to supplement what they perceive as lack of appropriated dollars, and it becomes a source to finance their under-funded personnel. Excessive agency costs and inefficiencies mean that cost recovery can exceed the value or potential gain possible given the term and specifications of a permit, effectively negating a business from operation. NEPA costs can easily outpace the gross income of the business.

Requiring business owners to bear the cost of the complexity of NEPA documents is an impractical method of funding agency responsibilities. Cost recovery has become a major barrier to improvements to better serve the public - resulting in greater risks, reduced service, and decay of private investment on public land. This affects quality recreation service to the public as well as inhibiting job opportunities. The complexity and onerous regulatory environment created by management plans and laws (e.g.: Endangered Species Act) adds to burden of permit reissuance or renewal. These burdens become subject to NEPA and cost recovery.

There is currently no accountability with Cost Recovery dollars. As currently proposed Cost Recovery applies broadly to programmatic issues, while permittees are the only source of financial recovery.

- Waive cost recovery fees for permits with expected annual revenue less than \$1 million
- Allow the first 50 hours of NEPA documentation at no cost to permittee.
- Exempt from fee retention the cost of any studies or environmental reviews that benefit anyone directly or indirectly *other* than the permittee. It is the agency's responsibility to perform work for the public benefit

#### **Issue #5: Attracting Private Capital to US Forest Service Recreation Areas.**

While the USFS has been a leader in using concessionaires to reduce the costs of a broad array of operating tasks, it has fallen behind other agencies in attracting private capital to help modernize its recreation facilities.

There has been much written about the shifting preferences of recreators and the facilities they are demanding of public recreation sites, so I won't go into too much depth. Suffice it to say that if we want to continue to attract the public to natural settings and public lands, we are going to need to offer different amenities. For example, potential visitors who are intimidated by tent camping and can't afford an RV love cabins, and in the private camping world operators can't build them fast enough to satisfy the demand. Even when the public uses public lands in more traditional ways, such as tent camping, they still want to see new amenities, such as electrical outlets even on tent sites to charge their phones.

My company, like many of the other members of the NFRA, has been investing our own money into improving public campgrounds and other parks. Two agencies that have done a good job attracting private capital to public recreation are California State Parks and the Tennessee Valley Authority. Working with both these agencies, our company has invested millions of dollars in cabins, stores, laundry facilities, showers, interpretive facilities, new swim beaches, new boat docks, campground wifi, adding new campsites, adding utilities to primitive campsites, and catching up on deferred maintenance that occurred before we took over operations.

All this work was done without the sort of ownership interest allowed in National Park Service contracts by the leasehold surrender interest (LSI) provisions. Most agencies do not have the authority to make the open-ended financial commitment that is entailed with LSI. Instead, these other agencies are offering 20-30 year campground and recreation area operating contracts to concessionaires in exchange for such investments. In these contracts, the investments become property of the agency at the end of the contract, while the concessionaire gets a contract that is long enough to get a positive return on the investment.

While the USFS has been successful in attracting investment through term special use permits, these tend to be used mainly for resorts and lodges. Most campgrounds and complex recreation areas are operated under relatively short term Granger-Thye special use permits, whose term is typically 5 years with a second 5 year option. In most cases, it is simply impossible to justify an investment that one can only operate for five years.

For this reason, we are pleased that the current draft of FLREMA includes provisions that allow for longer USFS recreation operations permits. This has the potential to be a win-win-win. For the public, which will get refreshed and modernized recreation facilities. For the agency, whose resources can be used to pursue other priorities. And for private businesses, many of whom are eager to invest on our public lands.

#### **Issue #6: US Forest Service Needs To Get Current on Contract and Permit Renewals**

Our members who hold term special use permits – for resorts, pack stations, shuttle operations, youth camps, marinas, and other recreation facilities – are facing real hardship because the USFS is unable to renew their term special use permits in a timely manner. A large number of our members with such permits had their long-term permits expire years ago, and are only able to get short term renewals.

These permit holders have in many cases invested millions of dollars of their own money into their operations. When a permit fails to renew for another 20 or 30 year term in a timely manner, and gets put on a year to year basis, it becomes impossible for the owners to invest, or even do the capital maintenance that needs to be performed. Visitors are hurt because the operation can no longer continuously modernize and improve visitor services.

There are numerous permits that have expired. In some cases, there is no amendment or other temporary permit issued to authorize the operations. In other situations, the forests have issued temporary 1-year permits until they can complete the work necessary to re-issue the full permit. Some permit holders have had these 1-year extensions for as many as 10-15 years. This makes it very difficult for permittees to make business decisions as they are reluctant to make major investments until they have secured their permits. Many lending institutions will not issue loans or lines of credit if the owners do not have proof of a long-term permit.

The timeliness of permit re-issuance is particularly critical when there is a change of ownership of the business. We have numerous examples of sales that have fallen through because a new permit could not be issued by the agency. To have sales fall through to willing buyers because a new permit could not be issued has caused considerable frustration on the part of the owners who want to sell their business.

As recently as a couple of months ago, one of our term special use permit holders was told by the USFS that the agency did not have the resources to get the permit renewed, so the business owner should just “continue to operate and pay their fees on the expired permit.” I would observe that while this is a different sort of permit, this is exactly what happened in California with the Nestle Company, where to everyone’s great embarrassment it was discovered that Nestle had been paying fees and drawing water with a long-expired permit (27 years). It is unfair to the public and our concessionaires, and potentially embarrassing to the agency, to allow this to continue.

A significant barrier to issuing permits to existing permittees (at the time of expiration of their existing permit), or for a change of ownership, is the timely completion of the National Environmental Policy Act (NEPA) requirements. Even in cases where the permittees have entered into a Collection Agreement to help pay for the NEPA process, the work is not completed. The expanded use of Categorical Exclusions should have been of great benefit to help resolving this NEPA gridlock, and to help expedite the re-issuance of permits to existing owners, and for transfers and sales to new owners. However, many forests and districts are unfamiliar with this option and insist on going through a full analysis. This adds to the backlog.

With the complexity of the NEPA situation identified above, a challenging economic environment, aging facilities, and changing visitor demands – there is a greater need than ever for recreation service providers to be able to focus their attention on providing top quality recreation services and providing safe and well-maintained facilities. When permits have a short life span – less than 10 years, it necessitates a frequent renewal process, which is a considerable drain on time, personnel and finances for both the agency and the operators. Much of what is done does not result in any improvements to the resources or the recreation opportunities, it is

merely meeting process requirements. Recognizing that some of the requirements will not likely change, the next best option is to reduce the number of times the process has to be repeated, and this can easily be done by lengthening the term of the permits.

Congress needs to direct the Forest Service to provide for priority permit renewals to permit holders in good standing. This would include permits issued for: resorts, marinas, stores, restaurants, campgrounds, youth camps, shuttle services, pack stations, outfitter-guides, and other recreation related permits. Permits that have been successfully operating for 10 years should have their permits renewed for the maximum term that the authorizing law allows. If no action is taken by the agency by the date of expiration, the permit would automatically be re-issued for the maximum term allowable. Congress should also direct the Forest Service to fully utilize Categorical Exclusions to the maximum extent possible.

### **Issue #7: Recent Changes to the Regulatory Status of Concession Labor is Substantially Increasing the Cost of Public Recreation**

While I understand that this may be a bit outside of the scope of FLREMA, I would be remiss if I didn't mention one other regulatory issue our members are facing that is causing enormous increases in recreation fees.

Executive Order 13658 imposed a \$10.10 (now \$10.15) minimum wage on Federal contractors. Unfortunately, and against all precedent, the Department of Labor in its rule-making on this order has categorized recreation concessionaires on public lands as "contractors" subject to the order – despite the fact that concessionaires receive no money from the Federal government and the fact that concessionaires have always been considered exempt from similar contractor wage rules such as the Service Contractor Act and the Davis-Bacon Act. Even in this draft of FLREMA, we see that the Congress is again being careful (in the pass reimbursement section) not to trigger the Service Contract Act for concessionaires.

As an example of the impact of this rule, I will refer to an example we are working through in Texas with the US Forest Service, where this rule will be triggered for our Special Use Permit to operate the Double Lake Recreation Area. This new executive order will raise our labor costs by 40% in one year, and since labor and labor-indexed costs are about half our expenses, this executive order will raise our operating cost at this permit by 20% next year. This is a staggeringly high number, particularly at a campground where we have lost a modest amount of money over the last several years. In short, the only solution we have is to raise rates by 20% to offset this mandate -- which means a huge \$4 increase on a \$20 camping fee.

Whether via FLREMA or some other legislative vehicle, we would like to see Congress restore its historic legislative intent and reverse the Department of Labor's classification of recreation concessionaires as "Federal contractors" for the purpose of labor regulation.

## **Summary**

We support FLREMA and its goals, but are concerned that past versions of FLREA have not fully taken into account the existence of ‘Recreation Service Providers’ -- private companies on public lands providing many of the same services as the public agencies. The changes we are recommending will serve to provide greater clarity and consistency to the public, and provide for an equitable and sound business environment for the companies operating federal sites.

Thank you very much.

Warren Meyer  
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Owner and President, Recreation Resource Management, inc.