

Research Implications of the Theme Issues
“Recreation Fees and Pricing Issues in the Public Sector”
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Introduction

The articles contained in the 3rd Quarter 1999 companion theme issues of the *Journal of Park and Recreation Administration* and the *Journal of Leisure Research* represent hundreds of thousands of dollars of investment by our society in developing and sharing knowledge to contribute to public recreation fee policy. These articles represent the best research available on the topic at this point in time. Through literature reviews and creative efforts, these authors have built well upon the limited research available previously. There are some minor inconsistencies in findings, but for the most part, the articles are very complementary, increasing our understanding of response to fees in a greater variety of recreation contexts and with a greater variety of public segments. All authors and their sponsoring institutions are to be commended for responding to the immediate need for knowledge on this important topic.

The purpose of this final article is not merely to summarize the findings of each article or to point out inconsistencies or agreement. Rather, we now have the ability to stop and think about the usefulness of the information contained in these two special issues, and use the information gathered here to guide us in future research and application of that research. It is neither a simple task nor one beyond controversy.

The most controversial issue was evident in comments by many reviewers and within several articles. There has been a pervasive impulse to depend upon a strictly economic paradigm to answer public lands fee and pricing questions though there are huge social science issues of equity, public trust, government subsidies for public goods, and fair pricing that extend beyond

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traditional economic models. For that reason, an invitation was extended to Gamini Herath to spend four months in residence at the Leopold Institute, on sabbatical from the Business Department of LaTrobe University in Victoria (Australia), to contribute to this final analysis. Herath (an economist) and Watson (a social scientist) reviewed all papers submitted, all review comments, and all author responses. In some cases, we learned as much from papers that were rejected or ideas that were not accepted by reviewers of accepted papers as we learned from the final papers themselves. Our approach has been to summarize our response to this intellectual exercise of submittal, review and publication of these papers into a set of high priority research and application questions. While this is not an exhaustive list of research issues, these questions should be addressed before final decisions are made about the future of fees and pricing approaches in the public sector.

1. How can recreation fee research methodology address the controversial tradeoffs between considering fees from the public or collective perspective versus a purely consumer point of view?

Today, there is a call for government to be more like private business in the way it describes and meets public needs. Public recreation agencies at all levels are responding with slogans and policies that place the recreation visitor in the light of a valued customer. It sometimes seems that pricing approaches which are based purely upon "marginal utility" demand curves may be taking this "customer" ideal too far. Trainor and Norgaard (JPRA) reference Schroeder's (1995) differentiation between a community metaphor and a customer metaphor in describing values associated with public land. Is use of public lands simply an act of individual utility maximization, as economic theory describes, or an activity in which one interacts with the land in a way that creates a relationship with the land to the benefit of the land, society, and the individual? An answer to that question will lead us closer to decisions about appropriate pricing methods.

Additional conceptual reasoning is needed to help us all understand the original function of public lands and how subsequent legislation, policy actions and societal changes may have influenced this function. The original functions could be even more important than ever, or they could be so incompatible with modern societal demands or advances in ecological or social sciences as to be worthless in determining direction. More (JLR) insists that the dominant function of public lands is first to serve the public purpose. Has that purpose changed? If so, will it continue to evolve in the future? What are the implications of changing values associated with public lands on decisions about privatization, commodification, commercialization and fees? If economic efficiency is a desired outcome, is there any difference between privatization and commercialization in terms of the effect on recreationists? Is the effect a desired one, in either case?

Additional research is needed to understand the positive and negative effects of addressing public needs through a customer metaphor. Is a business-based approach, aimed at efficiency and customer satisfaction compatible with public land stewardship? Or is our governmental system with judicial review of executive action within legislative authority specifically aimed at restricting business-like tactics in management of our common holdings? Can public agencies be in business for efficiency? If so, why have we legislated fair labor laws, requirements to obtain approval from the Office of Management and Budget for government-sponsored surveys of the public, and civil rights? There must be a higher order function of government that is specifically protected from decisions based upon efficiency. Does this lack of efficiency (or the highly criticized, slow bureaucracy) assure us of this higher order collective value?

Richer and Christensen (JLR) and Martin (JPRA) force us to stop and think about the purpose or objectives of a recreation fee program. In many cases, emphasis is on generating revenue. If that is truly our purpose, the existing economic paradigm is probably the most useful approach; efficiency should drive pricing policy. If, however, we acknowledge any of the many public concerns described in these papers, such as social and geographical equity, fairness based on costs and who receives value, congestion issues, and public trust, we may be compelled to develop methods which help us arrive at prices and policies more reflective of collective sentiment and in line with the agreed upon purpose of the place or service.

While the methods used by Richer and Christensen (JLR) may not be standard economic pricing procedures, they have challenged us to further develop methodologies which blend the classical economic model with the need to acknowledge purposes which do not entail efficiency. Their mention of obtaining "appropriate price" estimates from the general public would be a very enlightening exercise, particularly if this appropriate price estimate can be obtained with true consideration of the trade-offs between supporting recreation from taxes or fees.

Schroeder and Louviere (JLR) demonstrate the possibility of maintaining a focus on customers with a stated choice model based on purchase decision processes, though they present an approach farthest from a strictly economic model. But how can this approach be extended to consider non-compensatory, emotional influences on human response to fees? It is exactly these influences that limit the economic approach as well. A considerable number of research opportunities exist in this area, including, as Schroeder and Louviere advocate, to focus more specifically on the effects of fee levels on decisions and even on pricing structures to understand public will about discounts and differential pricing.

At a time when demand appears to be increasing for public land recreation opportunities, it is time to see the neoclassical economics model superseded by approaches that balance the sustainability of the resources and human purposes with efficiency.

2. Do fees alter the roles of visitor and agency to that of buyer and seller?

Beyond the question of a collective or customer perspective, how does the act of charging money, or the magnitude of the amount charged, change the relationship between public lands and the American people? If we collectively decide that we have to charge fees to accomplish the function of public lands, what will the cost be in terms of lost opportunities?

Schneider and Budruk's (JPRA) study of displacement gives us the greatest insight yet on the actual effects of fees on recreation choices. Fees are a larger part of the decision about where to recreate than commonly believed, at least for this group of recreationists on a National Forest in the western U.S. The kinds of coping responses reported by Schneider need to be investigated in other settings and in other parts of the country. We need to know if fees are displacing people of particular income levels or social groups, past association levels with the fee area, or participants in particular activities. We must find out if reasonable substitutes are available and how this displacement is affecting crowding and resource conditions at other places. Could the fees at one place impede accomplishment of public purpose at another place? Martin (JPRA) suggests this concern about displacement has not been addressed by managing agencies.

While Trainor and Norgaard (JPRA) suggest to us a certain incompatibility between fees and the values placed on protected outdoor places, what are the effects of forcing this relationship on visitors and nonvisitors? In the public sector, we have worked for decades to foster the development of a land ethic among the public. Stewardship implies personal acceptance of responsibility. Public land stewardship denotes a commitment to the resource, a commitment to other users who share that commitment, and to future generations who will benefit from our actions. How does charging a fee alter that relationship? Can we accept that change, or what do we need to do to avoid altering that relationship? An often quoted editorial by Katherine Barrett and Richard Greene (Governing magazine, reprinted in *The Missoulian*, Thursday, April 16, 1998) asks, "When was the last time the manager of the Wal-Mart asked you to help out a bit by sweeping the floors?" The relationship we have with most commercial locations, employing full price mechanisms, is different from the one we have promoted with public lands. Are we willing to accept the risk of losing good stewards through achievement of good customers?

An evident part of stewardship is volunteerism. Who volunteers at Wal-Mart? No one does because the commercial business is expected to pass the costs of providing the service to the customer. How will fees and commercialization of public land opportunities influence volunteer commitments? How will changes in volunteer commitments affect the cost of providing services and expressed political support for programs?

Vogt and Williams (JPRA), in finding that wilderness visitors tended to support the use of fees to maintain current conditions, at least as much if not more than improving them, suggest to us a public concern about fees

leading to overdevelopment of our public lands. There is often an assumption by public land management agencies that it is important for visitors to be able to see the results of their fees. This seems most easily accomplished by painting, cleaning, or repairing bathrooms, upgrading parking lots, or replacing old signs. What if we find that the things visitors want supported by fees are not so easily visible or so material oriented? Vogt and Williams (JPRA) reported that Desolation visitors wanted fees spent on restoration of human damaged sites, litter removal, and information about ways to reduce impacts. These are not easy things for visitors to see when visiting the area. Bowker et al. (JPRA) found that a national sample indicated the least support for use of fees was to provide bathrooms. While many recreation customer service studies have shown that clean restrooms are important to people, using fees to provide that most basic service doesn't seem to be a popular idea. A clean, well stocked, safe bathroom is desirable by most visitors, but that is no different from expectations for a visit to Wal-Mart. It has little to do with the function of public lands. Do fees really change the expectation for something so basic as restrooms, or does it raise expectations more in line with unique purposes of the place?

Kyle et al. (JPRA) and Williams et al. (JLR) both emphasized the importance of reference price, or the price someone expects to pay for recreation in the public sector. For those things that used to be free (a reference price of zero), how do attitudes toward fees change with greater knowledge about costs, opportunities afforded by fees to meet public purposes, and increasing presence of fees?

3. When should we charge fees and what should revenues be used to accomplish?

Martin (JPRA) suggests that the federal recreation agencies haven't addressed the public concern over charging fees when there are no facilities provided. Bowker et al. (JPRA) found boat ramps, campgrounds, special exhibits and parking areas were the recreation facilities that received highest support among the general public for financing from user fees. However, restrooms received less support than most other uses of fees. Unfortunately, the list of recreation services examined in this national study did not include the more primitive (lack of facilities) settings like wild and scenic rivers, wilderness, or backcountry ski trails. However, the complexity is evident and raises additional research questions to understand why restrooms, a very visible facility, received such low support for financing from fees. The public could be misinterpreting the question, imagining everything else free on public lands and a meter on the restroom. However, Vogt and Williams (JPRA) also found that support of using fees to maintain or improve trail-head restroom facilities was well below several nonfacility-related expenditures. These studies further support the premise that while bathrooms are important, we need to keep them in perspective. They are important everywhere, not just on public lands. This most basic convenience is expected everywhere and is not something people expect to pay to receive. The public

land agency should provide clean, safe bathrooms from taxes, just as commercial vendors are expected to provide them as a basic service in the private sector.

Williams et al. (JLR) obtained reaction to a diverse list of potential fees, which showed a clear tendency toward greater acceptance of fees at sites with facilities, except for parking at wilderness trailheads, which was among the lowest supported use of fees. Greater understanding is needed to determine whether it is actually the provision of facilities that the public supports from fees, or whether it is supportive of fees to accomplish the more general public purpose. Sometimes that public purpose requires facilities and sometimes it does not.

4. Does the public really support fees?

We have heard many federal agency officials claim, and critical voices admit, that the majority of the American public generally support recreation fees on public lands. Most studies that have been published and presented previously, and some in this collection of articles, certainly support that generality. The concern has been in understanding the minority who oppose the fee and how greater understanding of their opposition might affect future policy decisions. However, a majority of fee evaluation efforts have tried to resolve this issue by asking only those who have paid a fee. Here we have research that raises some doubts about the accuracy of that generality because it assesses other populations besides those who have paid a fee.

First of all, with a variety of communities of interest and place, Winter et al. (JLR) found a vast majority to express disapproval of fees and an additional minority who expressed only conditional acceptance. For the types of recreation fees Bowker et al. (JPRA) studied with a national sample of the general public, the support for using taxes to provide the recreation service outweighed the support for using fees only on 6 of 10 types of fees. In addition, six out of 10 of the items received more support for using taxes than a combination of taxes and user fees. We think this kind of information reopens the public debate over whether the American people "generally support" the use of fees for public recreation access. Only special exhibits (possibly of interest to a subpopulation of visitors), campgrounds and boat ramps received more support for using fees to provide that service than using taxes only or a combination of taxes and fees. While "other facilities" received slightly more support (though not shown to be statistically significant) to be provided for by fees than by taxes only, a combination of taxes and fees was clearly the most popular option for the public.

Schneider and Budruk's (JPRA) targeting of non-fee paying visitors also fuels reconsideration of the assumption that people generally support fees. More than one-half of the visitors they interviewed intentionally chose free sites when options existed. Less frequent visits to fee sites was the dominant behavioral response to fees reported. Additional research is certainly suggested in order to truly understand how the public and subpopulations of the public are responding to this test on public lands. The picture is not a

clear one at this time, despite recent reports from less rigorous research that suggest otherwise. Indications of satisfaction with the overall experience by those who paid the fee do not provide adequate feedback on charging potential users fees for that experience.

Equity issues have been given overriding consideration in decisions made by land management agencies in the past, as evidenced by the history of public subsidies. The switch to fees within the political arena begs the question of whether this switch is based upon political expediency or rational analysis. Are subsidies to provide access to public land accomplishing ends that are different from those accomplished from other public subsidies?

5. Who will be affected most by recreation fees on public lands?

Historically, there has been concern that low income members of the population will be heavily influenced by access fees to public lands. Counter arguments suggest that there are much greater financial obstacles to participation by the impoverished than the relatively small fees being charged. More (JLR) challenges us to expand our concern beyond the poor to those on the income margins within our current societal structure. Those most affected by recreation fees on public lands may be within the dominant user group, not the minority group with low incomes. Specific research is needed to truly determine if stratification of responses using categories of the public such as middle income, working class, working poor and the impoverished will make the relationship between income and response to fees clearer. There remains, however, mixed findings about the effects of income on attitudes toward fees. Some urban-proximate public lands are receiving increasing visitation from urban, low income users. While the very low income are currently underrepresented on public lands, a policy which further reduces their access seems irresponsible. Do current economic approaches to pricing weight policy towards the affluent in our society?

Lindberg and Aylward (JLR) illustrate the value of developing demand curves from actual response to changes in access fees in Costa Rica. If we truly wanted to know the price sensitivity of particular social groups, a long term project with predetermined fluctuations in price and the ability to understand behavioral response by subpopulations should be feasible. Questions about the effect of fluctuating prices on public trust and the effects of changing reference prices would surely surface, however. There could be substantial value in comparing, as Lindberg and Aylward (JLR) did, actual behavioral response to stated preferences commonly used to predict response.

6. Are managers able to make accurate assessments of effects of policy on visitors without research?

The lack of systematic assessment of public, or even visitor, response to recreation fees found by Absher et al. (JPRA) is cause for alarm. It helps us understand why findings by Schneider and Budruk (JPRA) are in such con-

trast with the manager perceptions reported by Krannich et al. (JPRA). About three-fourths of National Park Service managers believe that fees have caused no effect on patterns of visitation. We are left with the question of applicability to other agencies, when there is substantial evidence indicating otherwise. Does the long history of National Park fees, even though historically the fees were returned to the treasury and not associated with the public purpose of National Parks directly, make new or higher fees more acceptable?

Bowker et al. (JPRA) found that blacks and hispanics support fees less, even though their participation is less than their representation in the general population would suggest. How would managers realize if this lack of support leads to further reduction in visitation? They have very little ability to monitor this important effect. Assistance is greatly needed to establish monitoring tools, sampling guidance, and interpretation of results.

7. How can we make science an integral part of policy formulation?

Absher et al. (JPRA) report that Forest Service managers rated research as the lowest item in the list of beneficial skills they need to plan for implementation of federal fee policy. They also reported a lack of information collected to either plan for fee implementation or to evaluate public response. It appears there is a large hurdle to overcome in order to make science an integral part of fee policy implementation. The volume of fee research has increased dramatically since the U.S. Congress authorized experimentation with recreation user fees. In many areas, municipal and state authorities have well established recreation fee programs and in some cases are very aware of the impacts the fees have had on visitation in general and on specific populations (see for instance Crompton 1998).

As in most social science issues surrounding natural resource management, there is the possibility of increasing use of research in decision making by helping managers understand that social science is an integral part of resource management. If our public land management agencies are committed to managing ecosystems, they must come to understand that just as they are taking a holistic viewpoint of the environment now, after several decades of focus on a much smaller scale, they now need to look at their public in a similar manner. From the research by Winter et al. (JLR), we should realize that how the public responds to public land management actions is largely a function of how they perceive the agency has done in other stewardship responsibilities. Public trust cannot be developed through concentration on a single forest management program any more than ecosystems can become sustainable by focus on a single element of the environment. By proceeding with implementation of access fee policies without the ability to anticipate how various public segments will respond or the ability to actually monitor effects illustrates a lack of concern for the intended function of public lands in the lives of the American people.

In a workshop sponsored by the Arctic Centre of the University of Lapland in 1996, managers of the Finnish Forest and Park Service met with scientists from universities and the Finnish Forest Research Institute to try to develop mutual understanding of how to integrate scientific knowledge into management. There were several suggestions about how to get managers to apply research knowledge developed by scientists, and how to get scientists to develop knowledge about the topics that managers need to do their jobs. But perhaps the most important action item developed was based upon the suggestion that managers actively engage scientists in setting objectives, obtaining public input and making decisions. While many scientists enter their field specifically to avoid those kinds of responsibilities, it was recognized by all present that not only do researchers need to "push" the knowledge they have developed, but managers need to actively "pull" that knowledge by assuring it is relevant to the decisions they make, by working with scientists to assure it is applied correctly, and by providing the scientists feedback on accomplishment of objectives. What better way to initiate this interaction than by "inviting a scientist to lunch (or sauna)"?

Fee program managers need to invite a scientist to participate in defining program objectives, examining the role of fees in accomplishing public purpose, and establishing a method of recording public response to fees and specific prices. Without closer relationships between science and management, science will remain reactive to policy shifts, resultant negative public opinion, and pleas for help in solving problems after they have been created.

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