

*This report was originally provided to the OHMVR Commission at the November 4, 2009 meeting. \**

## **COST RECOVERY OVERVIEW**

### **INTRODUCTION**

The term "Cost Recovery" is the process whereby a public agency, when providing special services, recovers the costs of providing the services, resources, or goods.

The use of cost recovery by public land agencies is not a new concept. The California Department of Parks and Recreation, the Bureau of Land Management (BLM) and the United States Forest Service (USFS) have been authorized to, and do, recover costs associated with hosting special events. Fees are generally for such items as the processing of the permit, monitoring to ensure compliance with the terms and conditions of the permit and any necessary repairs or clean-up which may result from event activities.

With these difficult budgetary times, Off-Highway Vehicle (OHV) clubs and organizations are being asked by land management agencies to shoulder more of the financial burden associated with special events conducted under permit. This issue will continue to be at the forefront as organizations plan OHV recreational events within public lands while resources available to the public land managers continue to decrease.

One concern which has been raised by the public is whether or not it is appropriate for an agency to require cost-recovery from non-profit recreational groups requesting to conduct special events on lands for which the agency has received support from the OHV Trust Fund through a grant or cooperative agreement.

### **BACKGROUND**

In December 1996, the United States General Accounting Office (GAO) submitted a report to the United States Senate on Special-Use Permits issued by the United States Forest Service (USFS). The report was titled "U.S. Forest Service, Fees for Recreation Special-Use Permits Do Not Reflect Fair Market Value".

The report concluded in part "In many instances, the USFS is not getting fair market fees for commercial and noncommercial recreation special-use permits". Furthermore, the report recommended that the USFS 1) Operate its special uses program in a more cost-efficient manner, and 2) Promulgate regulations to allow the agency to exercise existing statutory authorities to recover from applicants

and holds the agency's costs to process special use applications and monitor compliance with special use authorizations.

The primary authority for the establishment of a cost recovery program for the USFS falls primarily under title V of the Independent Offices Appropriations Act of 1952. In short, IOAA requires that "When providing special services, an agency is to recover its costs of providing the service, resource, or good."

At the end of 1999, the USFS began a process of developing regulations that would govern the cost recovery process. Final regulations were approved in March of 2006 and can be found in Section 251.58, Title 36, of the Code of Federal Regulations. Fees for processing an application for a new special use authorization were to be applied to any application formally accepted by the USFS on or after March 23, 2006.

### **POLICIES FOR USFS & BLM**

Both the USFS and the BLM have regulations and/or policies that govern their cost recovery programs. The public can access the regulations for the USFS at the following internet address:

[http://edocket.access.gpo.gov/cfr\\_2008/julqtr/36cfr251.58.htm](http://edocket.access.gpo.gov/cfr_2008/julqtr/36cfr251.58.htm)

The BLM's fee and permit policy is outlined in their Recreation and Fees Manual, 2930, and can be accessed via the following internet address:

[http://www.blm.gov/pgdata/etc/medialib/blm/wo/Information\\_Resources\\_Management/policy/blm\\_handbook.Par.22509.File.dat/h2930-1.pdf](http://www.blm.gov/pgdata/etc/medialib/blm/wo/Information_Resources_Management/policy/blm_handbook.Par.22509.File.dat/h2930-1.pdf) \*

\*NOTE: The link to the BLM Regulations website has been updated.