

**Statement of
Leslie A. C. Weldon
Deputy Chief, National Forest System
U.S. Forest Service
U.S. Department of Agriculture
Before the
United States Senate
Committee on Energy and Natural Resources
Subcommittee on Public Lands, Forests and Mining
November 20, 2013
on
S. 1341 Cabin Fee Act of 2013**

Chairman Manchin, Ranking Member Barrasso and members of the Subcommittee, thank you for the opportunity to appear before you today to provide the Department of Agriculture's views on S. 1341, the Cabin Fee Act of 2013.

The Department supports S. 1341.

In the early part of the twentieth century, the Forest Service began introducing Americans to the beauty and grandeur of their National Forests. One way to accomplish this objective was to permit individuals to build cabins for summertime occupancy and use within the National Forests. Cabin owners were permitted to occupy and use National Forest System (NFS) lands during the summer months in exchange for a fee. In 1915, the agency began to issue permits of up to twenty years for occupancy and use of NFS land. At that time, there was relatively little recreational use of the National Forests. Today, the National Forests host over 175 million visitors per year. When this recreational cabin program began, there was limited interest in building and owning a remote cabin on NFS land. In the early years, fees were nominal, but since the 1950's, the Forest Service has been mandated to obtain fees approximating market value for the occupancy and use of NFS land. Increasing fees have led to controversy and have resulted in enactment of

multiple fee moratoriums and caps over the years. The current law (Public Law 106-291, the Cabin Use Fee Fairness Act of 2000 (CUFFA)) was the last attempt to achieve an equitable fee for the use of National Forest System land.

CUFFA prescribes parameters for the appraisal process and the fees are based on five percent of the appraised market value of the lot under permit adjusted annually for inflation. The agency began the appraisal process pursuant to CUFFA in 2007, and is continuing that effort presently. As cabin lot permittees received notice of the new fees, some have experienced substantial increases because the old fees were based on appraisals completed ten to thirty years ago. In response, Congress included appropriations language for calendar year (CY) 2010 which limited fee increases to no more than 25% of the fee paid in calendar year 2009. For CY 2011 Recreation Residences fees were held at the fee paid the previous year (CY 2010) however, the 2011 fee was adjusted for inflation. For CY 2012 Recreation Residence fees that were subject to a new base fee resulting from an appraisal in either CY 2011 or CY 2012 were implemented and limited to a 25% increase over the amount billed in CY 2011. If the new base fee to be implemented did not exceed 125% of the fee paid in CY 2011, the fee was fully implemented. Recreation residence fees that were not subject to first year implementation of a new base fee were subject to the annual index. For CY 2013, the Agency issued bills pursuant to the annual fee determined under CUFFA for those recreation residence lots that had current appraisals implemented after an administrative appeal review. If the appraisal for a recreation residence lot was not completed or the subject of an administrative appeal for CY 2013, then the CY 13 annual fee was based upon the previous year's fee adjusted for inflation.

S. 1341 the Cabin Fee Act of 2013 would replace CUFFA on National Forest System lands and revise the procedures for determining the amount the holder of a Special Use Permit for a private cabin on the National Forests must pay to occupy and use the underlying public property. The bill would require the agency to place cabin lot values in eleven categories based on an appraisal and complete remaining appraisals within two years of enactment. It would create eleven tiers or categories ranging from \$500.00 to

\$5,500.00 annually and provide for an additional payment on the sale or transfer of the cabin. The Department appreciates the addition of the tenth and eleventh tiers which helps to close the gap between annual fees and market value. However, to further close the gap between annual fees and market value, the Department would like to discuss with the Committee a graduated transfer fee that better reflects the value of the fee tiers.

During the transition from CUFFA to the Cabin Fee Act the Secretary would be required to assess an interim annual fee for recreational residences on National Forest System lands. The interim fee amount must be equal to the lesser of the fee determined under CUFFA, subject to the requirement that any increase over the fee assessed during the previous year shall be limited to not more than 25% or \$5,500.00, which is the scheduled amount for tier 11. This provision of the Cabin Fee Act would ensure that Recreational Residence permit holders would have some protection from steeply escalating annual permit fees.

The Bill would require an annually adjustable transfer fee of \$1,200.00 for the issuance of a new recreational residence lot permit due to a change of ownership of the recreational residence. The Bill requires the Secretary to annually increase or decrease the transfer fee, based on the Implicit Price Deflator of the Gross Domestic Product, applied on a rolling 5-year average. This provision would ensure that the United States would be able to collect a flat fee for transferring a Recreational Residence lot permit.

The cost of administration for the Recreational Residence Program pursuant to CUFFA is a significant financial burden for the agency. Based on a recent study in California (US Forest Service, Region 5), the Agency estimates the cost of administration is from \$500 to \$700 per cabin lot, along with recurring appraisal costs that can approach \$1 million per year. The study showed that the administration of this program accounts for some fifteen percent of this Region's total recreation budget. While there are some 14,000 cabin lot permittees, there are 175 million visitors to the National Forests each year. S. 1341 would reduce the administrative burden by eliminating the requirements for reappraisals not less than every 10 years while applying the savings to provide for a

quality recreational experience with continued protection of the environment for all who use the National Forests.

The Department wishes to clarify the purpose of the bill which refers to lands “derived from the public domain,” and the bill text refers to National Forest System lands. We would request that the bill purpose be changed to reflect the bill text so that it is clear that this legislation applies to all National Forest System land; that is acquired lands and lands reserved from the public domain.

The Forest Service recognizes that there are helpful reforms in this bill over the current Public Law (106-291). From an administrative perspective, this bill would reduce the agency’s re-appraisal costs while providing resources to manage the program in the long term. For the Recreational Residence permit holders, it would provide certainty for cabin fees.

In closing, the Department supports S. 1341 and appreciates the opportunity to work with the bill’s sponsor and the Committee’s staff to develop legislation that will benefit taxpayers, cabin owners, and other users of the National Forests and Grasslands, and which can be administered without undue burden on the agency.

This concludes my statement and I would be happy to answer any questions you may have.