



Frequently Asked Questions

Upper Delaware Scenic and Recreational River (UPDE) Change in Fee Structure for Commercial Use Authorizations in 2017

Q: What is a Commercial Use Authorization?

A: A commercial use authorization is a permit that authorizes suitable commercial services to park area visitors in limited circumstances as stated in Public Law 105-391, Section 418 (54 USC 101925) and 36 CFR 5 Commercial Operations.

Q: What authority does the National Park Service have to issue authorizations to commercial entities operating on the river and to charge associated fees?

A: Public Law 105-391 Sec. 418 provides the authority for units of the National Park System to issue commercial use authorizations to a private person, corporation, or other entity to provide services to visitors. Under Public Law 105-391, the NPS shall:

- Require payment of a reasonable fee for issuance of an authorization under this section, such fees to remain available without further appropriation to be used, at a minimum, to recover associated management and administrative costs;
- Require that the provision of services under such an authorization be accomplished in a manner consistent to the highest practicable degree with the preservation and conservation of park resources and values;
- Take appropriate steps to limit the liability of the United States arising from the provision of services under such an authorization; and
- Have no authority under this section to issue more authorizations than are consistent with the preservation and proper management of park resources and values, and shall establish such other conditions for issuance of such an authorization as the Secretary determines appropriate for the protection of visitors, provision of adequate and appropriate visitor services, and protection and proper management of the resources and values of the park.

Q: How many commercial use authorizations does the National Park Service (NPS) issue at UPDE?

A: In FY16, 81 commercial entities were authorized to conduct business in the park including 61 fishing guides, 14 boat liveries, 4 camps, 1 dive school, and 1 river guide. UPDE manages the second largest CUA program in the NPS Northeast Region.

Q: How many customers are served by entities conducting commercial activities in the park?

A: Between 2013 and 2015, CUA holders provided services for over 358,000 visitors. Number of visitors served increased 18% over this 3-year time period. Most CUA holders (>70%) report < 100 visitors served annually. CUAs issued to boat liveries account for the majority visitors served (98%).

Q: What types of fees are charged to businesses that hold a commercial use authorization?

A: Three fees are charged as part of the issuance of a commercial use authorization at UPDE. Administrative and management costs are recovered through application fees, administrative fees, and monitoring fees. Application and administrative fees cover costs associated with staff time and supplies to process applications and checks, conduct mailings, address inquiries, process permits, provide regular communications (e.g. meetings, email, phone calls, etc.) with CUA holders and other administrative activities. These activities remain relatively constant over time. Monitoring fees cover staff time and supplies required to track and monitor compliance of CUA holders with the requirements and conditions of their permits and can vary over time based on customer count. Customer count is defined as the cumulative number of visitors that received commercial services within a calendar year from a private person, corporation, or other entity. Customer count is directly related to the amount of monitoring that is conducted and subsequently to the amount of the monitoring fee. For example, the level of effort by NPS staff to monitor CUA requirements for life jacket wear for a commercial entity with 40,000 customers would be significantly higher than the level of effort required to monitor this same requirement for a commercial entity with only 500 customers annually.

Q: When was the fee structure for commercial use authorizations at UPDE changed last?

A: No changes in CUA fees have occurred since 2009, when CUA *monitoring* fees doubled. Prior to 2009, CUA monitoring fees had not changed since at least 1996.

Q: Why is it considered necessary to change the existing fee structure?

A: The existing fee structure is considered fiscally unsustainable and inconsistent with CUA law. Actual NPS costs for CUA application processing, program administration, and monitoring are \$83,783 biennially. This is considered a minimum cost. The existing fee structure allows the park to recover only 38% of actual NPS costs overall and only 15% of CUA monitoring costs. Additionally, use of a 3-tiered structure to determine CUA monitoring costs does not reflect the differences between commercial activities, the wide range in customer counts, and the differences in monitoring required for different entities. For example, a small commercial business with 501 customers annually pays \$300 in monitoring fees and a large commercial business with 40,000 customers annually, requiring significantly more effort by NPS to monitor, pays only \$600 more in monitoring fees. Under the existing fee structure CUA monitoring fees are paid disproportionately by those commercial entities with the lowest customer count.

Q: What is the existing fee structure for commercial use authorizations at UPDE?

A: Application and administrative fees are standard for all CUA holders. The application fee of \$150 is a one-time fee paid the first time a commercial entity requests an authorization. The administrative fee, paid every two years, is \$200. Monitoring fees are determined using a 3-tiered structure based on customer count and paid every two years.

Existing Fee Structure - Scenario 1 ^a					
Customer Count	Application Fee	Administrative Fee	Monitoring Fee	First Time Total CUA Cost	Renewal CUA Cost
0-500	\$150	\$200	\$100	\$450	\$300
501-12,000	\$150	\$200	\$300	\$650	\$500
12,001 and over	\$150	\$200	\$900	\$1,250	\$1,100

^a Fishing guides are also charged for actual cost of boat decals (\$25)

Q: What changes in the fee structure are being made?

A: Three key changes are being made to the CUA fee structure at UPDE.

- Consistent with the law, the CUA application fee will be collected every permit cycle (every 2 years) instead of being a one-time fee collected the first time a commercial entity applies for an authorization.
- The CUA application fee will be reduced from \$150 to \$100 every 2 years representing recovery of 97% of NPS application processing costs.
- CUA monitoring fees will be based on a 5-tiered structure instead of a 3-tiered structure to better represent the wide range in number of visitors served by different commercial activities and establish a cost structure that is representative of NPS effort to monitor different commercial activities. This change will increase recovery of NPS monitoring costs from 15% to 48% overall.

2017 CUA Fee Structure at UPDE						
Customer Count	Application Fee	Administrative Fee	Monitoring Fee	Total CUA Cost	Change from FY15-FY16	# CUAs ^a Affected
0-100	\$100	\$200	\$100	\$400	33%	45 (72%)
101-500	\$100	\$200	\$300	\$600	100%	7 (11%)
501-5000	\$100	\$200	\$900	\$1,200	140%	6 (10%)
5001-10,000	\$100	\$200	\$2,700	\$3,000	500%	1 (2%)
>10,000	\$100	\$200	\$5,400	\$5,700	418%	3 (5%)

^a Analysis was based on data from 2014.

Q: How will the change in fees affect CUA holders?

A: The majority of CUA holders (72%) will experience an overall 33% increase in CUA fees as a result of application fees being paid every two years rather than as a one-time fee. CUA holders representing those with the highest visitor counts (28%) will experience an increase in CUA fees ranging from 100% to 500%.

Q: How will the change in fee structure benefit UPDE?

A: This change in fee structure will allow the NPS to recover 59% of the total actual costs required to administer and manage the CUA program. Increasing the amount recovered will make this program more fiscally sustainable into the future, provide consistency with laws governing CUAs, and create a system where commercial entities pay monitoring costs that are more proportionate to customer counts and effort required by the NPS to monitor commercial activities.

Q: Will fees for commercial use authorizations continue to increase?

A: CUA costs will be reevaluated biennially to account for such things as increased costs to the park due to inflation or other circumstances.

Q: How will the increase in monitoring fees be implemented?

A: The increase in monitoring fees will be phased in over 6 years (3 CUA cycles). The NPS considers this a reasonable timeframe for implementation that will promote fiscal sustainability and is sensitive to the challenges facing small business owners. The schedule for implementation is provided below.

Phased Implementation Schedule for Commercial Use Authorization Fee Increases at Upper Delaware Scenic and Recreational River

Customer Count	Implementation Fiscal Year	New Monitoring Fee Amount	% Change from FY15-FY16 Monitoring Fee	Total All Fees Combined
0-100	No change in monitoring fees; 33% increase in Application Fee applies in FY17			\$400
101-500	FY17-FY18	\$150	50%	\$450
	FY19-FY20	\$200	100%	\$500
	FY21-FY22	\$300	200%	\$600
501-5000	FY17-FY18	\$450	50%	\$750
	FY19-FY20	\$600	100%	\$900
	FY21-FY22	\$900	200%	\$1,200
5001-10,000	FY17-FY18	\$675	125%	\$975
	FY19-FY20	\$1350	350%	\$1,650
	FY21-FY22	\$2700	800%	\$2,700
>10,000	FY17-FY18	\$1,350	50%	\$1,650
	FY19-FY20	\$2,700	200%	\$3,000
	FY21-FY22	\$5,400	500%	\$5,700

Q: Are there any other changes being made to the CUA program in 2017?

A: Yes. The NPS has identified inconsistencies in how CUAs are issued for both fishing guides and boat liveries. In a few instances more than one fishing guide has been allowed to operate under one CUA permit and boat liveries have been issued more than one CUA for a single commercial operation based on the presence of bases on both sides of the river (in NY and PA). In 2017, all fishing guides will be required to possess an individual CUA as is required by the states of NY and PA and a single CUA will be issued for commercial operations within the park regardless of the number or location of bases. These changes will ensure a consistent approach to issuance of CUAs across UPDE.

Q: What is the reason for issuing an authorization for commercial entities to operate within the boundaries of a unit of the National Park System?

A: They provide a business service to our visitors in a manner consistent to the highest practicable degree with the mission of the National Park Service; including the preservation and conservation of park resources and values as set forth by the conditions that are attached to the permit.

Q: Does the CUA authorize activities on land or just on the river?

A: The CUA is issued to authorize activities only to the ordinary high water mark along the Delaware River within the Upper Delaware Scenic and Recreational River.

Q: What is the maximum term/cycle of a commercial use authorization?

A: By law, the maximum term/cycle for this authorization is two years in length and then CUA holders must submit a new application. There is no preferential right of renewal.

Q: Who should I contact to obtain a commercial use authorization at Upper Delaware Scenic and Recreational River?

A: Please contact Bonnie Sheard, Special and Commercial Use Coordinator, at Bonnie_Sheard@nps.gov or 570-729-8251 ext. 2221. Information is also available on the park website at <https://www.nps.gov/upde/planyourvisit/permits.htm>, including the CUA application form, frequently asked questions, and contact information.

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