

37.21c - Fee for Commercial Use

Calculate and collect a fee for commercial outfitting and guiding occurring on National Forest System lands. Charge for any commercial use of National Forest System lands for outfitting or guiding, even if unauthorized.

Upon the authorized officer's approval of the prospective holder's application for a special use permit, advise the applicant to select option A or B (para. 1 and 2) to be used in calculating the fee. Include the selected method as a condition of the permit issued to the holder, and use that method to calculate the fee for the period authorized.

1. **Option A.** The fee is based on an average client-day charge using the following schedule of rates:

| <u>Average Client-Day Charge (for Client Days on and off NFS Lands)</u> | | <u>Client-Day Fee</u> |
|---|--------|--|
| Less than \$ | 8.00 | \$.25 |
| 8.01 - | 20.00 | .40 |
| 20.01 - | 35.00 | .80 |
| 35.01 - | 50.00 | 1.30 |
| 50.01 - | 75.00 | 1.90 |
| 75.01 - | 100.00 | 2.60 |
| 100.01 - | 125.00 | 3.40 |
| 125.01 - | 150.00 | 4.10 |
| 150.01 - | 175.00 | 4.90 |
| 175.01 - | 200.00 | 5.60 |
| 200.01 - | 250.00 | 6.75 |
| 250.01 - | 300.00 | 8.25 |
| 300.01 - | 400.00 | 10.00 |
| Over | 400.00 | 3 percent of the average client-day charge |

Calculate the fee as follows:

- a. **Client Days (National Forest System and Total).** To determine the number of National Forest System client days, multiply the number of service days for the duration of the outfitted or guided trip by the number of clients on each trip. To determine the number of total client days, multiply the total number of days for the duration of the outfitted or guided trip by the number of clients on each trip. See example A-2 in this section for additional direction on determining total client days.
- b. **Adjusted Gross Revenue.** Multiply the client charge per trip by the total number of clients on each trip, add any other gross revenue and applicable revenue additions, and subtract any applicable revenue exclusions (sec. 37.05). This figure represents adjusted gross revenue for the duration of the outfitted or guided trip.

- c. Average Client-Day Charge. Divide the adjusted gross revenue by the number of client days (National Forest System or total) for the duration of the outfitted or guided trip. This figure is the average client-day charge.
- d. Client-Day Fee. Refer to the preceding Schedule of Rates, and use the average client-day charge to determine the client-day fee.
- e. Interim Calculation for Fee for Commercial Use. Where use is strictly on National Forest System lands, multiply the number of National Forest System client days by the client-day fee to determine the fee for commercial use. Where use is both on and off National Forest System lands, multiply the number of total client days by the client-day fee to determine the interim calculation for commercial use, and adjust for use off National Forest System lands under the following paragraph f.
- f. Adjustment for Use off National Forest System Lands. Adjust for use off National Forest System lands, if applicable, by dividing the number of National Forest Client days (or hours, miles, and so forth) by the number of total client days (or hours, miles, and so forth) to determine the amount of time spent on National Forest System lands. Refer to the schedule in section 37.21e to determine the appropriate percentage of fee reduction. See section 37.21e for the use of other equitable units of measure to determine adjustment for use off National Forest System lands.

Example A-1: In one operating season, the holder is authorized to provide two trips, both of which are solely on NFS lands:

July 27-29 for 3 clients @ \$450/client

August 18-21 for 7 clients @ \$500/client

a. Client Days (all NFS):

3 service days x 3 clients = 9 NFS client days
 4 service days x 7 clients = 28 NFS client days
 37 NFS client days

b. Adjusted Gross Revenue:

\$450 x 3 clients = \$1,350
 \$500 x 7 clients = \$3,500
 \$4,850 gross revenue,
 plus \$0 revenue additions and
 minus \$0 revenue exclusions

c. Average Client-Day Charge (all NFS client days in this example):

\$4,850 adjusted gross revenue = \$131
 37 NFS client days

d. Client-day Fee (all NFS client days in this example):

\$131 average client-day charge from step c corresponds to a \$4.10 client-day fee.

e. Fee for Commercial Use:

37 NFS client days x \$4.10 client-day fee = \$151.70 fee.

Example A-2: In one operating season, the holder is authorized to provide two trips. Both trips include time on and off NFS lands.

July 4-13 for 8 clients @ \$2,000/client
August 10-23 for 7 clients @ \$3,000/client

During each trip, 3 of the 10 days are on NFS lands.

a. Client Days (Total):

10 total days x 8 clients = 80 total client days
10 total days x 7 clients = 70 total client days
150 total client days

b. Adjusted Gross Revenue:

\$2,000 x 8 clients = \$16,000
\$3,000 x 7 clients = \$21,000
\$37,000 gross revenue,
plus \$0 revenue additions and
minus \$0 revenue exclusions

c. Average Client-Day Charge:

\$37,000 adjusted gross revenue = \$246.67
150 total client days

d. Client-Day Fee:

\$246.67 average client-day charge corresponds to a \$6.75 client-day fee.

e. Interim Calculation for Fee for Commercial Use:

150 total client days x \$6.75 client-day fee = \$1,012.

f. Adjustment for use off NFS lands:

NFS client days:
3 service days x 8 clients = 24 NFS client days
3 service days x 7 clients = 21 NFS client days
45 NFS client days

45 NFS client days = 30%
150 total client days

which corresponds to a 40% fee reduction (sec. 37.21e):

\$1,012 x 40% = \$404.80

$\$1,012 - 404.80 = \607.20 fee for commercial use, which can be rounded to \$607.

2. **Option B.** The fee is 3 percent of the annual adjusted gross revenue, minus any applicable adjustment for use off National Forest System lands. Determine the gross revenue, add any applicable revenue additions, and subtract any applicable revenue exclusions to determine the adjusted gross revenue. Multiply the adjusted gross revenue by 3 percent; then adjust, if applicable, for use off National Forest System lands to determine the fee for commercial use (sec. 37.05; 37.21c, para. 1b, and 37.21e).

Example B-1: For 1 year, the holder had an annual adjusted gross revenue of \$4,850 and used all 100 authorized use days.

$\$4850 \times 0.03 = \145.50 fee for actual commercial use.

Example B-2: For one year, the holder had an annual adjusted gross revenue of \$4,650 and used 90 days of 100 authorized use days. Unapproved non-use accounted for 10 days.

$\$4,650 \times 0.03 = \139.50 fee for 90 days of commercial use.

$\frac{\$139.50}{90 \text{ days}} = \1.55 per day

$\$1.55 \text{ per day} \times 10 \text{ days} = \15.50 fee for 10 days of unapproved non-use.

$\$139.50 + \$15.50 = \$155$ fee for commercial use.

Example B-3: An off-road tour outfitter has an adjusted gross revenue of \$250,000. The travel routes used are across NFS lands and private lands. The time spent on NFS lands is 50 percent of the duration of the outfitted or guided trips.

$\$250,000 \times 0.03 = \$7,500$

50 percent duration on NFS lands corresponds to a 40 percent fee reduction (sec. 37.21e):

$\$7,500 \times 40\% = \$3,000$

$\$7,500 - \$3,000 = \$4,500$ fee for commercial use.