Calendar No. 263

18T Session S. 907

[Report No. 104-183]

A BILI

To amend the National Forest Ski Area Permit Act of 1986 to clarify the authorities and duties of the Secretary of Agriculture in issuing ski area permits on National Forest System lands and to withdraw lands within ski area permit boundaries from the operation of the mining and mineral leasing laws.

DECEMBER 8, 1995

Reported with an amendemnt and an amendment to the ${\it title}$

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104TH CONGRESS 1ST SESSION

S. 907

[Report No. 104-183]

To amend the National Forest Ski Area Permit Act of 1986 to clarify the authorities and duties of the Secretary of Agriculture in issuing ski area permits on National Forest System lands and to withdraw lands within ski area permit boundaries from the operation of the mining and mineral leasing laws.

IN THE SENATE OF THE UNITED STATES

June 9 (legislative day, June 5), 1995

Mr. Murkowski (for himself, Mr. Leahy, Mr. Campbell, Mr. Kyl, Mr. Brown, Mr. Gregg, Mr. Craig, Mr. Domenici, Mr. Burns, Mr. Jeffords, Mr. Thomas, Mr. Baucus, Mr. Pressler, Mr. Simpson, Mr. Smith, Mrs. Murray, Mr. Kempthorne, and Mr. Bennett) introduced the following bill; which was read twice and referred to the Committee on Energy and Natural Resources

December 8, 1995

Reported by Mr. Murkowski, with an amendment and an amendment to the title

[Strike out all after the enacting clause and insert the part printed in italic]

A BILL

To amend the National Forest Ski Area Permit Act of 1986 to clarify the authorities and duties of the Secretary of Agriculture in issuing ski area permits on National Forest System lands and to withdraw lands within ski area permit boundaries from the operation of the mining and mineral leasing laws.

- 1 Be it enacted by the Senate and House of Representa-
- 2 tives of the United States of America in Congress assembled,

SECTION 1. FINDINGS AND PURPOSES. 3

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- (a) FINDINGS.—The Congress finds the following:
 - (1) Although ski areas occupy less than onetwentieth of one percent of National Forest System lands nationwide, in many rural areas of the United States, ski areas and investments by ski area permittees on National Forest System lands form the backbone of the local economy and a preponderance of the employment base.
 - (2) Ski area operations and their attendant communities provide revenues to the United States in the form of permit fees, income taxes, and other revenues which are extremely significant in proportion to the limited Federal acreage and Forest Service administration and contractual obligations required to support such operations.
 - (3) In addition to alpine skiing, many ski area permittees provide multiseason facilities and enhanced access to National Forest System lands that result in greater public use and enjoyment of such lands than would otherwise occur.

- (4) Unlike many other private sector users of Federal lands, ski areas in almost all eases assume the risk to finance, construct, maintain, and market all recreational facilities and improvements on such lands.
 - (5) Many ski areas on National Forest System lands operate in an extremely competitive environment with similar facilities located on private or State lands, which requires ski area permittees to maintain a high level of capital investment to upgrade existing facilities and install new facilities (such as lifts, trails, snowmaking and trail grooming equipment, restaurants, and day care centers) to serve the public.
 - (6) Despite an outward appearance of economic well-being resulting from an intensive capital infrastructure, many ski area operations are marginally profitable due to the competition and capital investments referred to in paragraph (5), weather conditions, insurance premiums, the national economy, and other factors beyond the control of the ski area permittee.
 - (7) Because of the contributions of ski areas to the economies of the United States and the rural communities in which they are located, and the en-

1	hanced use and enjoyment of National Forest Sys-
2	tem lands resulting from ski areas, it is in the na-
3	tional interest for the United States, where consist-
4	ent with national forest management objectives, to
5	take actions to promote the long-term economic
5	health and stability of ski areas and associated com-
7	munities.

- (8) The National Forest Ski Area Permit Act of 1986 (16 U.S.C. 497b) has been of assistance to ski area operations on National Forest System lands by providing longer term lease tenure and contractual stability to ski area permittees, but further adjustments and policy direction are warranted to address problems related to permit fees and fee calculations and conflicts with certain mineral activities.
- 17 (b) PURPOSE.—In light of the findings specified in
 18 subsection (a), it is the purpose of this Act—
 - (1) to legislate a ski area permit fee that returns fair market value to the United States and at the same time—
- 22 (A) provides ski area permittees and the
 23 United States with a simplified, consistent, pre24 dictable, and equitable fee formula that is com-

1	mensurate with long-term planning, financing,
2	and operational needs of ski areas; and
3	(B) simplifies bookkeeping and other ad-
4	ministrative burdens on ski area permittees and
5	Forest Service personnel; and
6	(2) to prevent future conflicts between ski area
7	operations and mining and mineral leasing programs
8	by withdrawing lands within ski area permit bound-
9	aries from the operation of the mining and mineral
10	leasing laws.
11	SEC. 2. SKI AREA PERMIT FEES AND WITHDRAWAL OF SKI
12	AREAS FROM OPERATION OF MINING LAWS.
13	The National Forest Ski Area Permit Act of 1986
14	(16 U.S.C. 497b) is amended by adding at the end the
15	following new sections:
16	"SEC. 4. SKI AREA PERMIT FEES.
17	"(a) SKI AREA PERMIT FEE.—After the date of the
18	enactment of this section, the fee for all ski area permits
19	on National Forest System lands shall be calculated,
20	charged, and paid only as set forth in subsection (b) in
21	order to—
22	"(1) return fair market value to the United
23	States and at the same time provide ski area permit-
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	tees and the United States with a simplified, consist-

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1	"(2) simplify administrative, bookkeeping, and
2	other requirements currently imposed on the Sec-
3	retary of Agriculture and ski area permittees on na-
4	tional forest lands; and
5	"(3) save costs associated with the calculation
6	of ski area permit fees.
7	"(b) METHOD OF CALCULATION.—
8	"(1) DETERMINATION OF ADJUSTED GROSS
9	REVENUE SUBJECT TO FEE.—The Secretary of Agri-
10	culture shall calculate the ski area permit fee
11	(SAPF) to be charged a ski area permittee by first
12	determining the permittee's adjusted gross revenue
13	(AGR) to be subject to the permit fee. The permit-
14	tee's adjusted gross revenue (AGR) is equal to the
15	sum of the following:
16	"(A) The permittee's gross revenues from
17	alpine lift ticket and alpine season pass sales
18	plus revenue from alpine ski school operations
19	(LTA+SSA), with such total multiplied by the
20	permittee's slope transport feet percentage
21	(STFP) on National Forest System lands.
22	"(B) The permittee's gross revenues from
23	nordie ski use pass sales and nordie ski school

operations (LTN+SSN), with such total multi-

1	plied by the permittee's percentage (NR) of
2	nordic trails on National Forest System lands
3	"(C) The permittee's gross revenues from
4	ancillary facilities (GRAF) physically located or
5	National Forest System lands, including all per-
6	mittee or subpermittee lodging, food service.
7	rental shops, parking, and other ancillary oper-
8	ations.
9	"(2) DEPICTION OF FORMULA.—Utilizing the
10	abbreviations indicated in paragraph (1), the cal-
11	culation of the adjusted gross revenue (AGR) of a
12	ski are permittee is illustrated by the following for-
13	mula:
	$\text{``AGR} = (\text{(LTA} + \text{SSA)} \times \text{STFP}) + (\text{(LTN} + \text{SSN)} \times \text{NR}) + \text{GRAF}$
14	"(3) Determination of ski area permit
15	FEE.—The Secretary shall determine the ski area
16	permit fee (SAPF) to be charged a ski area permit
17	tee by multiplying adjusted gross revenue deter-
18	mined under paragraph (1) for the permittee by the
19	following percentages for each revenue bracket and
20	adding the total for each revenue bracket:
21	"(A) 1.5 percent of all adjusted gross reve-
22	nue below \$3,000,000.
23	"(B) 2.5 percent for adjusted gross reve-
24	nue between \$3,000,000 and \$15,000,000.

1	"(C) 2.75 percent for adjusted gross reve-
2	nue between \$15,000,000 and \$50,000,000.

"(D) 4.0 percent for the amount of adjusted gross revenue that exceeds \$50,000,000.

"(4) SLOPE TRANSPORT FEET PERCENTAGE.—
In cases where ski areas are only partially located on National Forest System lands, the slope transport feet percentage on national forest land referred to in paragraph (1) is hereby determined to most accurately reflect the percent of an alpine ski area permittee's total skier service capacity which is located on National Forest System land. It shall be calculated as generally described in the Forest Service Manual in effect as of January 1, 1992.

GROSS REVENUE.—In order to insure that the ski area permit fee set forth in this subsection remains fair and equitable to both the United States and ski area permittees, the Secretary shall adjust, on an annual basis, the adjusted gross revenue figures for each revenue bracket in subparagraphs (A) through (D) of paragraph (3) by the percent increase or decrease in the national Consumer Price Index for the preceding calendar year.

- 1 "(e) MINIMUM RENTAL FEE.—In cases where an
- 2 area of National Forest System land is under a ski area
- 3 permit but the permittee does not have revenue or sales
- 4 qualifying for fee payment pursuant to subsection (a), the
- 5 permittee shall pay an annual minimum rental fee of \$2
- 6 for each acre of National Forest System land under per-
- 7 mit. Rental fees imposed under this subsection shall be
- 8 paid at the time specified in subsection (d).
- 9 "(d) Time for Payment.—Unless otherwise mutu-
- 10 ally agreed to by the ski area permittee and the Secretary,
- 11 the ski area permit fee set forth in subsection (b) shall
- 12 be paid by the permittee by August 31 of each year and
- 13 cover all applicable revenues received during the 12-month
- 14 period ending on June 30 of that year. To simplify book-
- 15 keeping and fee calculation burdens on the permittee and
- 16 the Forest Service, the Secretary shall no later than
- 17 March 15 of each year provide each ski area permittee
- 18 with a standardized form and worksheets (including an-
- 19 nual fee calculation brackets and rates) to be utilized for
- 20 fee calculation and submitted with the fee payment.
- 21 "(e) Exclusion of Revenue Obtained Outside
- 22 OF NATIONAL FOREST LANDS.—Under no circumstances
- 23 shall ski area permittee revenue or subpermittee revenue
- 24 (other than lift ticket, area use pass, or ski school sales)
- 25 obtained from operations physically located on nonnational

- 1 forest land be included in the ski area permit fee calcula-
- 2 tion.
- 3 "(f) Definitions.—To simplify bookkeeping and ad-
- 4 ministrative burdens on ski area permittees and the For-
- 5 est Service, as used in this section, the terms 'revenue'
- 6 and 'sales' shall mean actual income from sales. Such
- 7 terms shall not include sales of operating equipment, re-
- 8 funds, rent paid to the permittee by sublessees, sponsor
- 9 contributions to special events or any amounts attrib-
- 10 utable to employee gratuities, discounts, complimentary
- 11 lift tickets, or other goods or services (except for bartered
- 12 goods) for which the permittee does not receive money.
- 13 "(g) EFFECTIVE DATE FOR FEES.—The ski area
- 14 permit fees required by this section shall become effective
- 15 on July 1, 1995 and cover receipts retroactive to July 1,
- 16 1994. If a ski area permittee has paid fees for the 12-
- 17 month period ending on June 30, 1995, under the grad-
- 18 uated rate fee system formula in effect prior to the date
- 19 of the enactment of this section, such fees shall be credited
- 20 toward the new ski area permit fee due for that period
- 21 under this section.
- 22 "(h) Transitional Ski Area Permit Fees.—
- 23 "(1) Determination of Average fees.—In
- order to minimize in any one year the effects of con-
- verting individual ski areas from the fee system in

existence on the date of the enactment of this section to the ski area permit fee required by subsection (a), each ski area permittee subject to the new fee shall determine the permittee's average existing fees (AEF) for each year of the three-year period ending on June 30, 1994, and the permittee's proforma average ski area permit fee (ASF) under subsection (a) for each year of that period. Both the AEF and ASF shall be determined by adding together the fee payment made by the ski area or the estimated payment that would have been paid under subsection (a) for each year of that period and dividing by three.

FEES.—To calculate the ski area permit fee required by subsection (a) for each year in the five-year period ending on June 30, 1999, the Secretary of Agriculture shall divide the ski area permit fee required by subsection (a) by the ASF and then multiply by the AEF. The resulting fee shall be called the Adjusted Base Fee (ABF). After June 30, 1999, all ski areas will pay the ski area permit fee required by subsection (a) without regard to previous fees or rates paid.

1	"(3) EFFECT OF LOW ABF.—Should the ABF
2	be less than the ski area permit fee required by sub-
3	section (a), the ski area permittee shall pay the less-
4	er of the fee required by subsection (a) or the ABF,
5	which shall be adjusted by multiplying the ABF
6	by
7	"(A) 1.1 for the fee required to be paid by
8	August 31, 1995;
9	"(B) 1.2 for the fee required to be paid by
10	August 31, 1996;
l 1	"(C) 1.3 for the fee required to be paid by
12	August 31, 1997;
13	"(D) 1.4 for the fee required to be paid by
14	August 31, 1998; and
15	"(E) 1.5 for the fee required to be paid by
16	August 31, 1999.
17	"(3) EFFECT OF HIGH ABF.—Should the ABF
18	be greater than the ski area permit fee required by
19	subsection (a), the ski area permittee shall pay the
20	greater of the fee required by subsection (a) or the
21	ABF, which shall be adjusted by multiplying the
22	ABF by—
23	"(A) 0.9 for the fee required to be paid by
24	August 31, 1995;

1	"(B) 0.8 for the fee required to be paid by
2	August 31, 1996;
3	"(C) 0.7 for the fee required to be paid by
4	August 31, 1997;
5	"(D) 0.6 for the fee required to be paid by
6	August 31, 1998; and
7	"(E) 0.5 for the fee required to be paid by
8	August 31, 1999.
9	"SEC. 5. WITHDRAWAL OF SKI AREAS FROM OPERATION OF
10	MINING LAWS.
11	"Subject to valid existing rights, all lands located
12	within the boundaries of ski area permits issued prior to,
13	on, or after the date of the enactment of this section pur-
14	suant to the authority of the Act of March 4, 1915 (16
15	U.S.C. 497), the Act of June 4, 1897 (16 U.S.C. 473 et
16	seq.), or section 3 of this Act are hereby and henceforth
17	automatically withdrawn from all forms of appropriation
18	under the mining laws and from disposition under all laws
19	pertaining to mineral and geothermal leasing and all
20	amendments to such laws. Such withdrawal shall continue
21	for the full term of the permit and any modification,
22	reissuance, or renewal of the permit. Such withdrawal
23	shall be canceled automatically upon expiration or other
24	termination of the permit unless, at the request of the Sec-
25	retary of Agriculture, the Secretary of the Interior deter-

- 1 mines to continue the withdrawal. Upon cancellation of the
- 2 withdrawal, the land shall be automatically restored to all
- 3 appropriation not otherwise restricted under the public
- 4 land laws.".

5 SECTION 1. SKI AREA PERMIT RENTAL CHARGE.

- 6 (a) The Secretary of Agriculture shall charge a rental
- 7 charge for all ski area permits issued pursuant to section
- 8 3 of the National Forest Ski Area Permit Act of 1986 (16
- 9 U.S.C. 497b), the Act of March 4, 1915 (38 Stat. 1101,
- 10 chapter 144; 16 U.S.C. 497), or the 9th through 20th para-
- 11 graphs under the heading "SURVEYING THE PUBLIC
- 12 LANDS" under the heading "UNDER THE DEPART-
- 13 MENT OF THE INTERIOR" in the Act of June 4, 1897
- 14 (30 Stat. 34, chapter 2), on National Forest System lands.
- 15 Permit rental charges for permits issued pursuant to the
- 16 National Forest Ski Area Permit Act of 1986 shall be cal-
- 17 culated as set forth in subsection (b). Permit rental charges
- 18 for existing ski area permits issued pursuant to the Act of
- 19 March 4, 1915, and the Act of June 4, 1897, shall be cal-
- 20 culated in accordance with those existing permits: Provided,
- 21 That a permittee may, at the permittee's option, use the
- 22 calculation method set forth in subsection (b).
- 23 (b)(1) The ski area permit rental charge (SAPRC)
- 24 shall be calculated by adding the permittee's gross revenues
- 25 from lift ticket/year-round ski area use pass sales plus reve-

- 1 nue from ski school operations (LT+SS) and multiplying
- 2 such total by the slope transport feet percentage (STFP) on
- 3 National Forest System land. That amount shall be in-
- 4 creased by the gross year-round revenue from ancillary fa-
- 5 cilities (GRAF) physically located on national forest land,
- 6 including all permittee or subpermittee lodging, food serv-
- 7 ice, rental shops, parking and other ancillary operations,
- 8 to determine the adjusted gross revenue (AGR) subject to
- 9 the permit rental charge. The final rental charge shall be
- 10 calculated by multiplying the AGR by the following per-
- 11 centages for each revenue bracket and adding the total for
- 12 each revenue bracket:
- 13 (A) 1.5 percent of all adjusted gross revenue
- 14 below \$3,000,000;
- 15 (B) 2.5 percent for adjusted gross revenue be-
- 16 tween \$3,000,000 and \$15,000,000;
- 17 (C) 2.75 percent for adjusted gross revenue be-
- 18 tween \$15,000,000 and \$50,000,000; and
- 19 (D) 4.0 percent for the amount of adjusted gross
- 20 revenue that exceeds \$50,000,000.
- 21 Utilizing the abbreviations indicated in this subsection
- 22 the ski area permit fee (SAPF) formula can be simply illus-
- 23 trated as:

 $SAPF = ((LT + SS) \times STFP) + GRAF = AGR; AGR \times \% BRACKETS$

- 24 (2) In cases where ski areas are only partially located
- 25 on national forest lands, the slope transport feet percentage

- 1 on national forest land referred to in subsection (b) shall
- 2 be calculated as generally described in the Forest Service
- 3 Manual in effect as of January 1, 1992. Revenues from Nor-
- 4 dic ski operations shall be included or excluded from the
- 5 rental charge calculation according to the percentage of
- 6 trails physically located on national forest land.
- 7 (3) In order to ensure that the rental charge remains
- 8 fair and equitable to both the United States and ski area
- 9 permittees, the adjusted gross revenue figures for each reve-
- 10 nue bracket in paragraph (1) shall be adjusted annually
- 11 by the percent increase or decrease in the national
- 12 Consumer Price Index for the preceding calendar year. No
- 13 later than 5 years after the date of enactment of this Act
- 14 and every 10 years thereafter the Secretary shall submit to
- 15 the Committee on Energy and Natural Resources of the
- 16 United States Senate and the Committee on Resources of
- 17 the United States House of Representatives a report analyz-
- 18 ing whether the ski area permit rental charge legislated by
- 19 this Act is returning a fair market value rental to the
- 20 United States together with any recommendations the Sec-
- 21 retary may have for modifications of the system.
- 22 (c) The rental charge set forth in subsection (b) shall
- 23 be due on June 1 of each year and shall be paid or pre-
- 24 paid by the permittee on a monthly, quarterly, annual or
- 25 other schedule as determined appropriate by the Secretary

- 1 in consultation with the permittee. Unless mutually agreed
- 2 otherwise by the Secretary and the permittee, the payment
- 3 or prepayment schedule shall conform to the permittee's
- 4 schedule in effect prior to enactment of this Act. To reduce
- 5 costs to the permittee and the Forest Service, the Secretary
- 6 shall each year provide the permittee with a standardized
- 7 form and worksheets (including annual rental charge cal-
- 8 culation brackets and rates) to be used for rental charge
- 9 calculation and submitted with the rental charge payment.
- 10 Information provided on such forms shall be compiled by
- 11 the Secretary annually and kept in the Office of the Chief,
- 12 U.S. Forest Service.
- 13 (d) The ski area permit rental charge set forth in this
- 14 section shall become effective on June 1, 1996 and cover re-
- 15 ceipts retroactive to June 1, 1995: Provided, however, That
- 16 if a permittee has paid rental charges for the period June
- 17 1, 1995, to June 1, 1996, under the graduated rate rental
- 18 charge system formula in effect prior to the date of enact-
- 19 ment of this Act, such rental charges shall be credited to-
- 20 ward the new rental charge due on June 1, 1996. In order
- 21 to ensure increasing rental charge receipt levels to the
- 22 United States during transition from the graduated rate
- 23 rental charge system formula of this Act, the rental charge
- 24 paid by any individual permittee shall be—

- 1 (1) for the 1995–1996 permit year, either the 2 rental charge paid for the preceding 1994–1995 base 3 year or the rental charge calculated pursuant to this
- 4 Act, whichever is higher;
- 5 (2) for the 1996–1997 permit year, either the 6 rental charge paid for the 1994–1995 base year or the 7 rental charge calculated pursuant to this Act, which-8 ever is higher;
- 9 (3) for the 1997–1998 permit year, either the 10 rental charge for the 1994–1995 base year or the rent-11 al charge calculated pursuant to this Act, whichever 12 is higher.
- 13 If an individual permittee's adjusted gross revenue for the
- 14 1995–1996, 1996–1997, or 1997–1998 permit years falls
- 15 more than 10 percent below the 1994–1995 base year, the
- 16 rental charge paid shall be the rental charge calculated pur-
- 17 suant to this Act.
- 18 (e) Under no circumstances shall revenue, or
- 19 subpermittee revenue (other than lift ticket, area use pass,
- 20 or ski school sales) obtained from operations physically lo-
- 21 cated on non-national forest land be included in the ski
- 22 area permit rental charge calculation.
- 23 (f) To reduce administrative costs of ski area permit-
- 24 tees and the Forest Service the terms "revenue" and "sales",
- 25 as used in this section, shall mean actual income from sales

- 1 and shall not include sales of operating equipment, refunds,
- 2 rent paid to the permittee by sublessees, sponsor contribu-
- 3 tions to special events or any amounts attributable to em-
- 4 ployee gratuities or employee lift tickets, discounts, or other
- 5 goods or services (except for bartered goods and complimen-
- 6 tary life tickets) for which the permittee does not receive
- 7 money.
- 8 (g) In cases where an area of national forest land is
- 9 under a ski area permit but the permittee does not have
- 10 revenue or sales qualifying for rental charge payment pur-
- 11 suant to subsection (a), the permittee shall pay an annual
- 12 minimum rental charge of \$2 for each national forest acre
- 13 under permit or a percentage of appraised land value, as
- 14 determined appropriate by the Secretary.
- 15 (h) Where the new rental charge provided for in sub-
- 16 section (b)(1) results in an increase in permit rental charge
- 17 greater than one half of one percent of the permittee's ad-
- 18 justed gross revenue as determined under subsection (b)(1),
- 19 the new rental charge shall be phased in over a five year
- 20 period in a manner providing for increases for approxi-
- 21 mately equal increments.
- 22 (i) To reduce federal costs in administering the provi-
- 23 sions of this Act, the reissuance of a ski area permit to pro-
- 24 vide activities similar in nature and amount to the activi-
- 25 ties provided under the previous permit shall not constitute

- 1 a major Federal action for the purposes of the National En-
- 2 vironmental Policy Act of 1969 (42 U.S.C. 4331 et seq.).

3 SEC. 2. WITHDRAWALS.

- 4 Subject to valid existing rights, all lands located with-
- 5 in the boundaries of ski area permits issued prior to, on
- 6 or after the date of enactment of this Act pursuant to au-
- 7 thority of the Act of March 4, 1915 (38 Stat. 1101, chapter
- 8 144; 16 U.S.C. 497), and the Act of June 4, 1897, or the
- 9 National Forest Ski Area Permit Act of 1986 (16 U.S.C.
- 10 497b) are hereby and henceforth automatically withdrawn
- 11 from all forms of appropriation under the mining laws and
- 12 from disposition under all laws pertaining to mineral and
- 13 geothermal leasing and all amendments thereto. Such with-
- 14 drawal shall continue for the full term of the permit and
- 15 any modification, reissuance, or renewal thereof. Unless the
- 16 Secretary requests otherwise of the Secretary of the Interior,
- 17 such withdrawal shall be canceled automatically upon expi-
- 18 ration or other termination of the permit and the land auto-
- 19 matically restored to all appropriation not otherwise re-
- 20 stricted under the public land laws.

Amend the title so as to read: "A bill to further clarify the authorities and duties of the Secretary of Agriculture in issuing ski area permits on National Forest System lands and to withdraw lands within ski area permit boundaries from the operation of the mining and mineral leasing laws.".

S 907 RS——2

S 907 RS——3