

cessionaires who have invested considerable capital in business ventures fraught with many risks.

The remaining type of boat dock user is the resident adjacent to such a project, who frequently is interested in building a boat dock to enhance his opportunity to use the lake for recreation. The adjacent resident has no vested rights in the lake or the shores thereof, notwithstanding his location, but is entitled to use the lake and the shores to the same extent as other members of the public. Nevertheless, these individuals have heretofore been permitted to build private docks free of charge, despite the fact that other members of the public must pay for similar privileges at commercial areas or by joining yacht and boat clubs.

The inequity of this situation has been recognized. The Bureau of the Budget has enunciated the Government's policy that fair market value should be realized where the exclusive use of Government property is involved (cf. BOB Circular A-25 dated 23 September 1959). Further, the Act of 31 August 1951 expresses the sense of Congress with respect to fees, charges, or prices for things of value or utility provided or granted by any Government agency (65 Stat. 290; 5 U.S.C. 140).

To correct the inequitable situation and to establish conformity with the above-mentioned policy, a schedule of charges has been established for the use of Government-owned property, i.e., the land area underlying the dock and including any walkway approach thereto. It is emphasized that there is no charge being made for the use of the waters of the project. The criteria for, as well as the amount of, the charge have been the subject of an intensive study, during which the views of our field representatives in various sections of the country have been obtained. After full consideration of the amount of compensation to be obtained for such use, the annual rate was established at \$10.00, plus seven and one-half cents for each square foot of the area occupied in excess of 200 square feet. The policy, which will be effective 1 January 1968, applies to all water resource development projects under the jurisdiction of the Department of the Army. The application of the new procedure for granting such permits on the basis of a reasonable fee will afford notice of at least six months to those who now hold permits heretofore granted.

The payment of a reasonable fee by individuals desiring to make such private use of Government property will place these individuals in the same category as others who obtain like privileges from operators of commercial concession leases granted either directly by the Government or by States or political subdivisions thereof through third party agreements as provided in leases for public park and recreational purposes. Accordingly, the Department of the Army, for reasons above stated, strongly recommends that S. 2236 not be enacted.

The enactment of this legislation will have no apparent effect on the budgetary requirements of the Department of the Army.

The Bureau of the Budget advises that, from the standpoint of the Administration's program, there is no objection to the presentation of this report to the Committee.

Sincerely yours,

STANLEY R. RESOR,
Secretary of the Army.

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., February 3, 1968.

HON. HENRY M. JACKSON,
Chairman, Committee on Interior and Insular Affairs,
U.S. Senate, Washington, D.C.

DEAR SENATOR JACKSON: This responds to the request of your Committee for a report on S. 2828, a bill "To amend the River and Harbor Act of 1965 to prohibit certain fees from being charged in connection with projects administered by the Secretary of the Army."

We strongly recommend that the bill not be enacted.

The bill prohibits the charging of Federal recreation fees under the authority of the Land and Water Conservation Fund Act of 1965 (78 Stat. 897) for entrance, admission, or access to project areas (including the waters) administered by the Corps of Engineers, Department of the Army, or for the use of minimum recreational facilities, as determined by the Secretary of the Army, at such project areas. We assume that this prohibition is intended to apply only