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FORCE OF NATURE: THE POWER OF SMALL BUSINESSES IN AMERICA'S RECREATIONAL INFRASTRUCTURE

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BEFORE THE

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WEDNESDAY, OCTOBER 30, 2019

HOUSE OF REPRESENTATIVES,
COMMITTEE ON SMALL BUSINESS,
Washington, DC.

The committee met, pursuant to call, at 11:30 a.m., in Room 2360, Rayburn House Office Building. Hon. Nydia Velázquez [chairwoman of the Committee] presiding.

Present: Representatives Velázquez, Golden, Kim, Chu, Veasey, Evans, Schneider, Delgado, Craig, Chabot, Balderson, Hern, Hagedorn, Stauber, and Bishop.

Also Present: Representative McAdams.

Chairwoman VELAZQUEZ. Good morning. The committee will come to order.

I first want to thank the witnesses for being here today to share their stories and perspective. Our committee has a longstanding tradition of working in a bipartisan manner on behalf of America's small businesses. Today, we can delve into a topic impacting small firms across the country, especially in our rural communities.

With more than 146 million Americans across the nation—nearly half of the U.S. population—participating each year in activities such as hiking, fishing, skiing, rafting, and biking, outdoor recreation is among the largest and fastest growing sectors of the U.S. economy.

Recent data by the Bureau of Economic Analysis gives us a snapshot of the growing force that is the outdoor recreation economy. In 2017, the industry accounted for 2.2 percent of GDP—in actual dollars that is over $427 billion of economic output. To put that in context, that is a greater contribution than that of mining, utilities, and oil and gas production.

In states like Montana and Maine, outdoor recreation is a significant portion of the overall state's GDP. In my home state of New York, there are nearly 300,000 people employed in outdoor recreation jobs. Even more encouraging is that the industry is outpacing the rest of the economy. In 2017, while the U.S. GDP grew at 2.4 percent, the outdoor recreation economy grew by 3.9 percent.

Outdoor recreation is also extremely varied reflecting the natural and cultural diversity of our entire country. The largest components of the recreation industry—manufacturing, finance, retail, hospitality, and transportation—are all dominated by small businesses.

It is also a driver of innovation and entrepreneurship. There has been an explosion in outdoor technical equipment and clothing, high tech signaling devices, and protective gear. Improvements and advanced technologies continue to drive innovation in transportation vehicles such as snow mobiles, motorcycles, and other off-road vehicles.

Because outdoor recreation directly creates so many local businesses and jobs, we in Congress play an important role supporting small firms in the industry. Healthy public lands and clean air and water are the basic infrastructure of outdoor recreation, and without them the industry cannot survive and thrive.

That is why it is critical there is adequate and sustainable funding to maintain and modernize our national parks, roads, and bridges.

We also need to cut the red tape many entrepreneurs face in this industry. For instance, there needs to be coordination and a streamlining of the permitting process between federal land management agencies so that outfitters and guides that operate on public lands can get more Americans outdoors.

We have also heard that this is another industry that is being impacted by the Administration's trade war. As a result of tariffs on key recreational products, manufacturers of boats and RVs are facing higher input costs. Trading partners of the U.S. have levied retaliatory tariffs on American made recreational products resulting in lost export sales.

We know that when this happens small firms and consumers alike are paying the price through higher costs for outdoor activities and equipment, and more Americans are putting off that hiking or rafting adventure. As a result, we are seeing reduced economic growth in the communities that need it the most.

I am excited to hear from our witnesses today on the success they have had building their businesses and about the opportunities they see on the horizon. I also want to hear about the challenges they are facing to grow and expand.

That is because the businesses they run, and the high-paying jobs they create only tell part of the story. Outdoor recreation has been shown to cut health care costs by reducing stress and obesity rates, along with bringing families and friends closer together, while also protecting the environment.

As we look to build sustainable businesses on Main Street across the country, outdoor recreation offers a pathway to prosperity for millions of entrepreneurs and small firms across the country.

I again want to thank our witnesses for being here today.

I would now like to yield to the Ranking Member, Mr. Chabot, for his opening statement.

Mr. CHABOT. Thank you, Madam Chairwoman, for holding this important hearing.

Enjoying the outdoors is one of the Nation's most cherished hobbies. From small children running in their backyards to retirees motoring across the country in RVs, Americans love outdoor recreation.

It is no wonder that according to the Department of Commerce the industry is playing a larger and larger role in our economy. The outdoor recreation industry contributed approximately $427 billion

to the country's gross domestic product in 2017. As a percentage that is roughly 2.2 percent.

Although we tend to think of traditional outdoor companies like hiking and biking outfitters, the entire outdoor recreation industry encompasses so much more. It is also intertwined with supporting industries like travel and tourism and construction.

From the jobs perspective, the industry employed over five million workers in 2017. It is no surprise that many of these workers are employed by small businesses.

The relatively new Department of Commerce study also showcased state-level data to provide a clear picture of this ecosystem. For example, Florida was the leader when it came to boating and fishing. Colorado was the leader when it came to snow activities. And Illinois led all states for the RVing category, and Ohio leads the Nation in everything else.

Not really. I just wanted to see if everybody was listening, and they were. I also put in a plug for my state, Ohio. Great state, by the way.

All this information is important to Congress as we continue to construct pro-growth policies that move our country forward.

Today, we will be hearing from small businesses that populate the Main Streets of America's outdoors. I am looking forward to hearing from each witness about their background and their small business story. With the aging of our population, I am also interested in hearing more about the trends in their industries. Additionally, improving the Nation's infrastructure is vitally important to a healthy and growing outdoor recreation industry.

I am looking forward to hearing from each witness how they view the debate surrounding infrastructure and what Congress should do moving forward. These issues not only impact the outdoor recreation industry but they also impact all of America's small businesses, entrepreneurs, and startups. When small businesses are creating, growing, and expanding, so does our economy.

I want to thank every witness for taking time away from their businesses today. I want to thank you, Madam Chair, and I yield back.

Chairwoman VELÁZQUEZ. Thank you, Mr. Chabot. The gentleman yields back.

If committee members have an opening statement prepared, we will ask that they be submitted for the record.

I would like to take a minute to explain the timing rules. Each witness gets 5 minutes to testify and the members get 5 minutes for questioning. There is a lighting system to assist you. The green light will be on when you begin, and the yellow light comes on when you have 1 minute remaining. The red light comes on when you are out of time, and we ask that you stay within that timeframe to the best of your ability.

I now would like to introduce our witnesses.

Our first witness is Mr. Ray Rasker, Executive Director of Headwaters Economics, an independent, nonprofit research group that works to improve community development and land management decisions. After obtaining a B.S. in Wildlife Biology from the University of Washington and a Masters in Agriculture from Colorado State University, Mr. Rasker went on to study economics, earning

a Ph.D. from the College of Forestry from Oregon State University. He has written widely on rural development and the role of environmental quality in economic prosperity. Thank you, Mr. Rasker, and welcome.

Our second witness is Mr. Frank-Paul Anthony King. He is a constituent of Mr. Veasey, and he will be introducing him.

Mr. VEASEY. Madam Chair, thank you very much.

I am very excited to introduce our second witness, who is Mr. Frank-Paul Anthony King, who is the president and CEO of Temple Fork Outfitters in Dallas, Texas. Temple Fork Outfitters has assembled the world's most accomplished crafty anglers to design a complete line of fishing rods priced to bring Americans more into the sport which as an outdoorsman I 100 percent support. Temple Fork Outfitters has a mission of keeping our Nation's rivers, streams, lakes, and oceans in good shape for the next generation of anglers because Mr. King believes there is no better way to connect with nature than through fishing.

Mr. King, welcome. Thank you very much for taking the time to come from Dallas-Fort Worth up here to the Nation's capital, and we look forward to hearing from you.

Madam Chair, I yield back.

Chairwoman VELÁZQUEZ. Thank you.

Our third witness is Ms. Lindsey Davis, who is a constituent of Representative McAdams. Thank you, Congressman McAdams, for joining us this morning. I turn it over to you to introduce Ms. Davis.

Mr. MCADAMS. Thank you. Thank you, Chairwoman Velázquez, and Ranking Member for allowing me to introduce this third witness, Ms. Lindsey Davis.

Lindsey is the CEO and co-founder of WYLDER Goods. That is the first female founded benefit corporation in the State of Utah. Lindsey is passionate about building ethical brands, branding commerce and conservation, and helping to protect Utah's most special places of which we have many, even leading Ohio. She is also a constituent of Utah's 4th Congressional District——

Mr. CHABOT. Madam Chair, I move the gentleman's words be taken back.

Mr. MCADAMS. Lindsey and her team at WYLDER Goods are creating and implementing a plan for business to be a catalyst for positive social change. She is an advocate for uniting different outdoor recreation user groups around issues of access, wildlife management, and habitat protection. Utah has a long reputation of a thriving outdoor recreation economy, and I am glad to see that legacy continue with WYLDER Goods and Lindsey. So thank you for joining us today.

Chairwoman VELÁZQUEZ. I would now like to yield to our Ranking Member, Mr. Chabot, to introduce our final witness.

Mr. CHABOT. Thank you, Madam Chair.

And I would like to recognize the gentleman from Minnesota, Mr. Hagedorn, to introduce our next witness.

Mr. HAGEDORN. Well, thank you, Chairwoman Velázquez and Ranking Member Chabot.

I am proud to introduce as one of our witnesses today, John Wooden, who is testifying on behalf of the National Marine Manu-

facturers Association about how infrastructure is critical to recreational access in our Nation. John is the president and founder of River Valley Power and Sport, Inc., which sells ATVs, boats, trailers, motorcycles, you name it, and has several locations across Minnesota including two or three in Southern Minnesota and in our district in the Rochester area. And John founded his business in 1996 upon graduating from Winona State University, the institution of fine higher learning there in Southern Minnesota in our district. And their business now counts for $85 million in revenue and over 120 employees. So very, very successful. John and his wife Kerry, who is with him today, reside in Redwing, which is part of Congresswoman Craig's district I should add, and they do many things in the community, including they are on the board at St. Joseph's Catholic Church, coach of the youth hockey team, talking about their kids are playing hockey and doing so well. And part of the culture of the Spader Business 20 Group.

And with that, thank you for being here, John, and we look forward to your testimony.

Chairwoman VELAZQUEZ. Thank you.

Mr. Rasker, you are now recognized for 5 minutes.

STATEMENTS OF RAY RASKER, PH.D., EXECUTIVE DIRECTOR, HEADWATERS ECONOMICS; FRANK-PAUL ANTHONY KING, PRESIDENT AND CEO, TEMPLE FORK OUTFITTERS (TFO); LINDSEY DAVIS, CO-FOUNDER AND CEO, WYLDER; JOHN WOODEN, OWNER, RIVER VALLEY POWER AND SPORT

STATEMENT OF RAY RASKER

Mr. RASKER. Thank you, Chairwoman Velázquez and members of the Committee. Thank you for the invitation. I am happy to be here.

I am the executive director of Headwaters Economics. We are based out of Bozeman, Montana. We do a lot of research on the outdoor economy. I was part of the team that was hired by the Bureau of Economic Analysis to put their figures together.

Every year we have 145 million Americans who play outdoors. And when we play outside, we spend a lot of money, more than $887 billion a year. As was mentioned before, that is hard to understand how big that number is unless you put it into context. It is more than twice what we spend on motor vehicles every year.

And as a result of these expenditures on everything from gas for our cars to hunting and fishing, we create about 7.6 million jobs nationwide. So it is obviously a very large industry.

Recently, the Bureau of Economic Analysis estimated the size of the outdoor recreation in terms of its contribution to gross domestic product. And it is 2.2 percent of GDP. In Montana, it is 5.1 percent of GDP. We only got beat by Hawaii, who is slightly larger than us. So, I come from a state where outdoor recreation is a very large industry. It is a big part of our lifestyle. 2.2 percent of GDP, to put that into perspective, that is bigger than the contribution from all education and services, all schools and universities combined. It is bigger than motor vehicle sales. It is bigger than our air transportation industry.

So, it is obviously big. It is also growing faster. In 2017, U.S. GDP grew by 2.4 percent. The contribution from outdoor recreation grew by 3.9 percent. So, it is clearly a very large part of our economy.

We also know that more and more people are choosing to live in communities with a high quality life and that business owners use outdoor recreation as a way to recruit talent. So, for a lot of communities, access to the outdoors is a competitive economic advantage.

Investment in outdoor recreation infrastructure makes economic sense. On our website we have more than 140 economic studies that document the little ways that hiking and biking trails, picnic areas, fishing access sites and other infrastructure contribute to local economies, and a lot of these studies show that developing outdoor recreation infrastructure yields a very high return on investment. For example, the development of hiking and biking trails in Whitefish, Montana, resulted in 68 new jobs and $1.9 million in labor income. This is, in part, from tourists who spend money on local shops and hotels and restaurants; however, the trail system also leverages investment from local residents. Our research shows that locals who use the trails around Whitefish spend twice as much in local gear shops as those who do not use the trails. For every $1 spent on developing trail infrastructure, there is a $2.5 return to the local economy.

Another example of an effective investment in outdoor recreation can be found on the Methow Valley of North Central Washington, famous for its extensive system of summer trails and winter ski tracks. In the Methow, for every dollar spent on trail infrastructure, there was a $6 return to local businesses.

The Federal Land and Water Conservation Fund has been an essential tool for developing outdoor recreation infrastructure and has supported more than 1,200 projects in all 50 states.

Let me give you an example of the importance of LWCF funds for the state of Montana where I live. We have 170,000 miles of river, with spectacular opportunities for fishing. But our rivers are meaningless unless we have access to them. And Montana has invested heavily in recreation access. There are 332 fishing access sites in Montana, each one costs about $150,000 to develop. That is a total bill of $50 million. But the return on investment is significant. For that $50 million, and when you look at anglers who spend money in Montana, every year they spend $900 million a year. And this benefits local businesses throughout the state.

This success is largely due to investments made possible through the Land and Water Conservation Fund.

Let me conclude with an observation on the role of Federal public lands in outdoor recreation. In 2016, there were 592 million visits to lands managed by the National Park Service, Fish and Wildlife Service, Forest Service, and Bureau of Land Management. Visitors to the Federal lands spent enough money to create 551,000 jobs in local communities. Paradoxically, the deferred maintenance backlog for these four agencies is estimated to be close to $20 billion.

So in summary, investment in outdoor recreation infrastructure yields a large return in terms of jobs and profits for local businesses. Thank you.

Chairwoman VELÁZQUEZ. Thank you, Mr. Rasker.

Mr. King, you are recognized for 5 minutes.

STATEMENT OF FRANK-PAUL ANTHONY KING

Mr. KING. Good morning, Madam Chair, ladies and gentlemen. Thank you for this opportunity to testify today.

Temple Fork Outfitters is a 25-year-old Texas-based manufacturer and distributor of fishing rods. By every traditional measure, we are a quintessential small business in the outdoor rec industry.

Prior to spending the past decade in the fishing segment of the outdoor rec industry, my career focused on investing in businesses outside this industry. This prior experience gives me a broad perspective from which to consider the uniqueness of small business in outdoor rec. To understand the force of nature that small business has become in our industry, there are three critical attributes of which to be aware: reach, alignment, and leverage. These attributes drive a disproportionally greater level of advocacy and support for policies of interest to outdoor rec and its participants than is witnessed in other industries.

Reach. Temple Fork and most outdoor rec businesses are small. However, their apparent footprint is not an accurate indicator of their reach. For example, Temple Fork employees and domestic sales representatives live in 30 different states. We manufacture in five countries, while our products are sold in 25 countries through several thousand locations, as well as online. And we are followed via social media by hundreds of thousands of anglers globally. As Thomas Friedman extoled in 2005 "the world is flat" and, as you know, small businesses increasingly can have a super-sized effect on their industries. The reach of these businesses is magnified because, unlike any other industry of which I am aware, this industry is a subset of its participants. One hundred percent of the industry is subsumed within the community of consumers. Thus, the industry and consumers form an exceptionally connected community with extremely broad reach.

Alignment. In addition to the broad reach that the outdoor rec community exists, in my experience, no other industry can rival the extent to which it is fueled by passion. These businesses, representing 5.2 million direct jobs, are more akin to mission-driven, nonprofit organizations because they largely share common interest with the 146 million customers with respect to overarching requirements for a sustainable environment in which to recreate and the necessity of access to it. This alignment is reflected by the Outdoor Recreation Roundtable, a coalition of outdoor rec industry trade associations representing thousands of diverse businesses providing products and services to millions of outdoor recreation consumers. The Roundtable prioritizes environmental conservation and access to it. And while alignment is not at all perfect across this community on issues as complex and difficult as the environment and access, the key factor is that alignment is significantly higher than exists within any other remotely as large a group of American consumers.

Leverage. Broad reach across a networked community with alignment of purpose results in outdoor rec's small businesses exhibiting an exponential amount of leverage when compared to peers in

other segments of industry. Regardless of the subgroup within outdoor rec, the health and sustainability of our natural resources is always the first and foremost priority because it is the outdoor re community's most valuable asset. Outdoor rec and its numerous small businesses cannot exist without lands and waters on which to recreate. For this reason, an ever-increasing level of collective action, outdoor advocacy, and sustainability initiatives can be expected to flood digital channels as the outdoor community flexes the muscle of its shared message. Access to recreate is a more nuanced issue depending almost entirely on the mode and type of transportation involved. However, like the existence of places in which to recreate, the ability of the industry's consumers to gain access in order to recreate is fundamental to its success or failure. Without a doubt, significant challenges exist in finding agreement around levels of access and the modes of transport into recreational areas. However, there is only agreement within the industry regarding the requirement for access; therefore, balancing sustainability with the risk of overuse will receive increasing attention by outdoor rec's leveraged network.

Since Temple Fork is focused on fishing and its participants, I have included in my written testimony several legislative priorities and policies specifically affecting fishing habitat and fishing access. Thank you.

Chairwoman VELÁZQUEZ. Thank you, Mr. King.

Ms. Davis, you are recognized for 5 minutes.

STATEMENT OF LINDSEY DAVIS

Ms. DAVIS. Dear Chairwoman Velázquez, Ranking Member Chabot, and members of the Committee.

I am honored to be here today on behalf of the outdoor recreation industry. This hearing truly represents the strength and purpose of our business community.

As we have heard this morning, our industry is made up of over 100,000 businesses, accounts for 5.2 million American jobs, and 2.2 percent of GDP. We contribute $778 billion in economic output, surpassing other sectors such as mining, agriculture, utilities, and chemical products manufacturing.

The majority of the recreation economy is made up both small businesses run by passionate people who love the outdoors. I am one of them. I am the CEO of a women-owned and operated retailer called WYLDER Goods. As we have heard, we are the first female-founded benefit corporation in the state of Utah, and the on women-owned retailer in the outdoor industry.

WYLDER is an online marketplace for the modern outdoorswoman. We are a multi-vendor platform for active, adventurist women for whom sustainability and products and conservation and ecosystems are paramount.

We started as a benefit corporation to ensure our company would have a triple bottom line in perpetuity: people, plant, and profit. Our shopping experience uses icons and product stories in order to educate our customers and make them aware of their global impact. Since our founding in 2016, we have worked with over 85 innovative and sustainable brands, 38 of which are female-founded companies, and 15 of which are also B-corps. We have been recog-

nized by Outside Magazine, Forbes, Fast Company, and B the Change Media. We are also a graduating scholar of the Goldman Sachs 10,000 Small Business Program.

Conducting business in a way that protects and preserves our natural resources is core to our mission. Our company has partnered with two nonprofits, the Greening Youth Foundation and Outdoor Alliance, to engage our audience in social and environmental justice, and relevant conservation initiatives.

I came to the outdoor industry after 12 years in the nonprofit sector. As a lifelong outdoorswoman, I saw how my consumerism was affecting our human and environmental health, and I realized I had the unique skill set and vantage point to do something about it.

Our recreation industry is intrinsically connected to issues of sustainability and conservation. We see the toll we are taking on our ecosystems firsthand every year in our snow pack, the health of our fisheries, in our oceans, and our wildlife populations.

As a new hunter and angler, I see the effects our growing population and economy have on specifically wildlife and habitat. Thriving ecosystems are the backbone of our economy and federally-managed lands and waters are a core component, hosting more than one billion visits annually.

The health of our industry truly relies on public access and infrastructure by way of trails, waterways, and wildlife corridors. Addressing the maintenance backlog by investing in green and blue infrastructure will improve visitation, make it possible to sustain wildlife, and allow recreationalists to continue building lifelong relationships to the outdoors.

Much of our infrastructure is overused and overlooked leaving it unsafe and inadequate for our growing population. This makes one of the biggest challenges facing the outdoor recreation economy making sure that Congress allocates enough funding for our public lands. Legislation like Restore our Parks and Public Lands Act would address our maintenance needs and provide funding to improve our public lands and waters infrastructure. Full funding for the Land and Water Conservation Fund would provide certainty for access projects, like parks, trails, and recreation around the country, which will help businesses and communities plan and invest in recreation. The Restore Act will help guides and outfitters have the certainty they need to run trips and programs, and the Recreation Not Red Tape Act would allow for the prioritization of recreation and land management systems.

Our industry is aligned across the spectrum on many of these issues thanks to groups like Outdoor Recreation Roundtable. They are bringing the business community together to advocate for the policies and infrastructure we depend on. We are all ready to work with you to ensure that our public land system evolves to meet the needs and challenges of the next century.

Small businesses like mine are taking things into our own hands but we cannot do it alone. We are looking to Congress as a partner in solving these issues. Please help us care for our shared outdoor heritage to ensure outdoor recreation and its economic benefits can continue to be foundational aspects of American jobs, the American economy, and the American experience. Thank you.

Chairwoman VELÁZQUEZ. Thank you, Ms. Davis.

Mr. Wooden, you are recognized for 5 minutes.

STATEMENT OF JOHN WOODEN

Mr. WOODEN. Good morning, Madam Chair, Ranking Member Chabot, and members of the Committee.

Thank you for the opportunity to appear before you today to discuss the role small businesses play in the outdoor recreation economy and the Federal Government's role in supporting the industry's continued economic expansion.

My name is John Wooden, and I live in Red Wing, Minnesota. Like 70 percent of our fellow Minnesotans, I am an outdoorsman. I am a hunter, a fisherman, a boater, and a power sports enthusiast. I am extremely fortunate in that I am also able to further foster the enjoyment of the great outdoors through my business, River Valley Companies, which owns and operates seven retail locations across Minnesota and is celebrating its 24th year in business this year. Among the many recreational product lines our company retails are brands like Minnesota-based Polaris Industries and Alumacraft Boats.

Just last month, the Bureau of Economic Analysis (BEA) released an updated report reaffirming the outdoor recreation's role as a significant economic driver generating $778 billion in gross economic output and supporting 5.2 million American jobs, while outpacing the overall U.S. economy.

Boating and fishing are top contributors to outdoor recreation's economic prowess, which comes as no surprise considering 141 million Americans take to the water each year. In Minnesota alone, the boating economy generates $3.1 billion in economic activity, supporting nearly 11,000 jobs and 700 marine businesses in the state. For the first time, BEA's work was expanded to measure outdoor recreation's economic impact in each state finding it accounts for 2.6 percent of my state's GDP. While this report serves as an invaluable tool for policymaking decisions at every level of government, the one key takeaway is that recreation is an economic necessity in my home state of Minnesota and in every state across the Nation.

As a testament to the growing outdoor recreation and boating industries, River Valley recently opened up an all-new 60,000 square foot marine center in Rochester, Minnesota.

Another eye-opening figure I will reference is $20 billion, the combined maintenance and repair backlog on our Nation's Federal lands and water systems. Looking at this figure makes the BEA data even more impressive give that outdoor small businesses across the country have been able to not just survive, but thrive, despite the crumbling conditions of the physical environment we do business in.

From national parks and marine sanctuaries to recreation areas managed by the U.S. Army Corps of Engineers and U.S. Forest Service, the Federal Government manages hundreds of millions of acres of public lands and waters that offer unparalleled opportunities for a variety of recreation activities. These recreation assets, so many of which have fallen onto the backlog at a rapid pace, are integral to keeping the outdoor industry open for business.

The time to improve recreational infrastructure is now, and Congress must act. Fortunately, we are all hearing that several infrastructure bills are expected to advance in 2020, presenting a prime opportunity to enact a more comprehensive approach to Federal infrastructure policy that addresses outdoor recreation needs.

For starters, Congress should reauthorize the Sportfish Restoration and Boating Trust Fund in the Fixing America's Surface Transportation Act (FAST), which would continue this critical user-pay program that funds conservation and infrastructure projects in all 50 states. The boating community led the charge to establish the Trust Fund nearly 70 years ago. Today, we provide the vast majority of funding to the $650 million program.

Expanding broadband access in Federally-managed lands and waters is a commonsense proposal and should be incorporated in FAST. Access to broadband is not just about trolling websites and uploading selfies; it enables boaters to safely navigate our Nation's waterways and remain up-to-date on changing weather conditions.

Additionally, Congress should make sure recreation gets a fair share in how the Army Corps of Engineers decides which water infrastructure bills receive priority. And the Water Resources Development Act is an appropriate vehicle for this fix.

It is important to note that the Corps is one of the Nation's leading Federal providers of outdoor rec with more than 400 lake and river projects in 43 states, yet antiquated project prioritization processes do not account for recreation as an economic benefit and prevent the agency from carrying out infrastructure projects, like dredging, that are critical to safe, navigable marine recreation, as well as the countless local economies that rely on recreational boating's economic footprint.

The boating industry looks forward to continuing to work with the members of the Committee and other Committees of jurisdiction to increase and expand opportunities for recreation on our public lands and waters and maximize the economic contributions to the outdoor economy.

Thank you for the opportunity to appear before you today. I look forward to answering your questions.

Chairwoman VELAZQUEZ. Thank you, Mr. Wooden.

Thanks to all of the witnesses. The stories that you shared with us are incredible and help us to recognize the important role that the outdoor recreation industry plays in our economy. I want to bring some of those jobs to New York not only to upstate New York but also downstate New York City.

All of you mentioned the importance of the Federal Land and Water Conservation Fund in that it has supported more than 1,200 projects in all 50 states. I also sit on the Natural Resources Committee and I supported H.R. 3195 when it passed out of the committee.

Mr. Rasker, can you talk about the importance of fully funding the Land and Water Conservation Fund in the context of the outdoor recreation industry?

Mr. RASKER. Sure. Interestingly enough, we have on our website, if you just type in LWCF, you can see all the various projects and how they have been tracked across different states. All 50 states benefit from LWCF. And we benefit in a variety of ways.

It protects cultural heritage sites. It protects fishing access sites and hunting access sites. Working landscapes, farms and ranches benefit from LWCF. So do parks. So it is across the board. It is across the country.

I will point out that as a research group that is very much into data, it is very difficult to track how LWCF funds are spent. We had a friend at Interior who was able to share some information, and has since moved on. But we do have the 1,200 projects, that data ended in 2014. There is no recent data on how LWCF funds have been spent.

Chairwoman VELÁZQUEZ. Thank you.

Mr. King, it is my understanding that the outdoor recreation industry suffers from the perception that it is only a seasonal industry. What can be done to market jobs in the outdoor recreation economy to get around the stigma that these jobs are only seasonal in nature?

Mr. KING. I would say that I think that what you are seeing is that a stigma might exist in let's say older age group folks, and that, in fact, what we are seeing is that in generation Z, millennials, is an enormous amount of understanding about the opportunities in the industry and even greater participation in outdoor rec at younger ages than we saw in some previous generations. And so while I absolutely acknowledge that there may be some opportunity to show older folks that the jobs are out there, right now there are a lot of people very interested in finding jobs that are passion driven instead of profitability driven, and a lot of folks interested in the industry.

Chairwoman VELÁZQUEZ. Thank you.

This question is open for anyone on the panel to answer. Over 144 million Americans participate in outdoor recreation and the industry is growing, supporting 300,000 in my home state of New York. I think may people view this industry as only existing in rural communities. What more can the industry do to build a broader, more inclusive customer base that reflects our country's reach and present diversity?

Mr. Rasker?

Mr. RASKER. I will take a stab at that.

If you look at the recent BEA numbers, the numbers, the estimate of activities are that involved in the production of goods and services that contribute to gross domestic product. They split it up into sort of nature based versus other. And the fastest growing is nature based. So that is skiing and hiking and hunting and the sort of things we can imagine happening in the great outdoors.

But, for the first time now BEAs also measured activities that tend to take place closer to larger metropolitan areas—soccer, volleyball, golf, activities that occur in more of a manmade environment. So there are now metrics of that and it is significant and is growing very quickly.

Chairwoman VELÁZQUEZ. Thank you.

Ms. Davis, our committee is very focused on supporting entrepreneurs. As the CEO of your own company, I commend you for taking the risk to start your own business. Are you seeing more people start businesses in this industry? Have you noticed a common threat that spurs them to do so?

Ms. DAVIS. Thank you for your question and your acknowledgement of startup hustle.

Yes. You know, kind of in response to this question about diversity, I think our industry is changing a lot right now. We are very young, like the first kind of lull of leadership is now turning over. We are getting more women in business. We are getting more startups. We are getting more entrepreneurs as the growing demographic of young people getting outside just continues to skyrocket and skyrocket. And so you are absolutely right that people are looking to align their passions with purpose and their careers. I get 20 emails a week about how people can work for us. So I think the drive is there. We certainly, as an industry, have a lot of work to do as far as building on ramps for involvement into the industry itself. One of our nonprofit partners does a great job of that at the Green Youth Foundation and they fast track mostly undeserved youth in urban populations' ability to get into careers in the Federal Land Management agencies. But from the business perspective, I look to groups like the Offices of Outdoor Recreation to provide resources in addition to the small business development, women's business development center, et cetera.

Chairwoman VELÁZQUEZ. Thank you.

Mr. Wooden, my time has expired but I am sure the Ranking Member will be able to direct some of his questions to you. Thank you.

Mr. WOODEN. Thank you.

Mr. CHABOT. Thank you, Madam Chair.

Mr. Rasker, I will begin with you.

The Department of Commerce's report found that the outdoor recreation industry is growing rapidly. Why do you believe that is the case? And what can we do or what would you suggest we do to continue growth in that direction?

Mr. RASKER. Well, I am aware of things that BEA uncovered was some information that we just did not know before. So it is growing rapidly and it is very big. But it may have been that way for quite some time. They are just measuring it for the first time.

I think there are several things going on. I think more and more people around the country are really focused on having a high quality of life. It is important to people. And people tend to be healthy. Even retirees are different from retirees a generation ago. They tend to be healthier, more outdoors oriented. I also think there is a lot more opportunity. In a state like Montana, we just have so much access to the outdoors.

Mr. CHABOT. Thank you. Thank you very much.

Mr. Wooden, I will turn to you next.

Is there any advice that you would give to a person who perhaps lives in a community that is on a body of water or river, say the Ohio River, and might consider purchasing a boat because other people in that community have boats? What factors might one consider before making such a purchase?

Mr. WOODEN. That is a great question.

I think Mr. Rasker referenced that I think we all as, tell, the times are changing, we have become electronic in nature. Whether we are talking about a family or an individual, the escape to nature is what we saw every day in the boating business. Right? So

if you did it in Ohio or you come to the great state of Minnesota, what we would say is it is very, very easy to get yourself into boating or get your family into boating. And so we provide, you know, it is really important, proper water access. And I hear that all across the Nation that as it becomes more popular, the accessibility to these waterways is a challenge and the infrastructure has just not been up to date with the usage.

I think the other thing, we use the term "public lands are being loved to death." Right? They are being boated to death, if you would. And we need some reinvestment.

Mr. CHABOT. Thank you very much.

And along those lines with reinvestment, Ms. Davis, you had mentioned infrastructure. Are there particular things that you would like to see us do at the Federal level that could affect obviously across the country that would improve the various industries that we talked about here?

Ms. DAVIS. Yes, absolutely.

We go to a lot of closed campgrounds. The Forest Service is really struggling to stay up to speed with management and also keeping operations growing, especially with growing wildfire issues. So that is a big one.

Infrastructure-wise, we are really combatting wildlife and development, especially in the Salt Lake area with the Wasatch National Forest, which is the most visited national forest in the country. So that specific area sees 9 million visitors a year, which is more than all five of the national parks combined. So we are using citizen science right now to figure out where the species' density is the highest and then work with the Department of Transportation and other agencies to make sound choices about where development should be. But all of those things really impact someone's ability to enjoy the outdoors, like going somewhere and having it be open or being there and seeing the most memorable wildlife experience you are going to have.

Mr. CHABOT. Thank you very much.

And Mr. King, with the time that I have got remaining, are there trends in angling and fishing that are either positive or negative that we ought to be concerned about? What do you kind of see?

Mr. KING. Sure.

Mr. CHABOT. Fishing, I kind of think about it, when I was young, knothole baseball was a big deal. We all did it. Now it is soccer and bowling and golfing. They all have trends. Where are the trends in your industry?

Mr. KING. I think there are two trends that are fun to know about. One would address the Chairwoman's question. The fastest growing area of fishing is urban fishing, which is fishing in nontraditional waters for folks that necessarily cannot get outside town. It is a very interesting area. In fact, one of the places I could direct you on the Internet is to just check out fishing in the L.A. River, which is all concrete-based fishing and it is getting a lot of play.

The second area is because of the decline in infrastructure in our freshwater facilities, the second fastest growing area of fishing and boating potentially is in salt water because there is more water and less infrastructure issues. So those are two big things going on.

Mr. CHABOT. Thank you very much.

Madam Chair, it is a very interesting hearing. So thank you.

Chairwoman VELÁZQUEZ. The gentleman yields back.

We recognize Mr. Golden, Chairman of the Subcommittee on Contracting and Infrastructure from Maine.

Mr. GOLDEN. That is okay. Minnesota is great, too. I love Minnesota. I went out to Minnesota and did a field hearing. I was part of the Subcommittee with Mr. Stauber. I thought it was great.

Mr. CHABOT. But we can all agree not as good as Ohio. Thank you.

Mr. GOLDEN. You are making a hard push for Ohio today.

I know this is an important subject for Maine. In fact, there is a graph that has been handed out to Committee members that would show that other than Montana and Maine, we have the highest percent of our state in GDP in the year 2017 that is being driven by outdoor recreation activities towards them and other issues. And that is just one year but it is like that pretty much year in and year out.

I think, too, the diversity of outdoor recreation in the state of Maine is pretty amazing. We have got some good seasons, a nice long winter. You know, a beautiful summertime when everyone is trying to get away from the heat down here in places like this. People even I think take into account tourism and outdoor recreation for our fall leaf season. So there really is a lot of diversity and the importance of this issue is not lost upon me and many people in Maine.

I wanted to ask, some of you have talked about the deferred maintenance backlog. In Maine, at Acadia National Park, we actually had 3.5 million visitors last year and there is a really substantial maintenance backlog. The traffic trying to go into this particular national park can be absolutely unbelievable on a busy summer day. And the number of people in there visiting, it is just obvious that we need to do something about that cosponsoring the legislation.

But I want to give some of you, anyone that really wants to, the opportunity to elaborate on how you think eliminating this backlog does help businesses, particularly small businesses that are in this line of business?

Mr. WOODEN. I will take that. That is an easy one for the boating industry. If we have the proper infrastructure, we are going to sell more boats in whatever state the dealership is in. We continue to hear day in and day out that the infrastructure, whether it is the highway that beats the boat up on the way there, or it is the bridge that is not existent anymore, or whatnot, but I hear that often.

Bringing it back to Minnesota for a minute, we have a Federal waterway. It is called the Mississippi River. And the Army Corps of Engineers is the entity that oversees it. And its sole purpose, I believe when it was created, was to keep a navigable channel for purposes of barges and bringing commodities up and down, which is very important. We get that. However, another subset, and I think Mr. Rasker mentioned, is we just began to measure what the economic impact is of say boating, for example, on outdoor rec. And I think that needs a little attention as the lock and dam systems

that go up and down the Mississippi River, for one example, are just in dire need of additional funding and need some attention. And the recreational boater has been kind of lost waiting for it.

Mr. GOLDEN. Thanks for pointing that out. And I will point out, too, this has economic impact in Maine even where we built a lot of boats. Whether it be the Intercostal Highway or people in major rivers like you are speaking about, we can reap the benefits.

I also have got a guy in Maine who makes jack traps, in Monmouth, Maine, who is growing what was a pretty small local business is now becoming more of a nationally-focused business with broadband which you spoke about, Mr. Wooden, and the ability to market himself into new markets, trying to convince people in Minnesota to give up on jigging and to get into the kind of ice fishing that involves putting this and this, ice traps, high quality ice traps, and sitting out there in a nice fishing shack. But in a small town, the jobs that he is able to create is pretty impressive.

Very quickly, I just want to ask if any of you are also familiar with the DOT program. We talk about LWCF here and some of the other things with national parks. But when it comes to thinks like hiking, mountain biking, snow mobility which is really important in Maine, are any of you familiar with DOT's Recreational Trust Program which I think is also overburdened and underfunded? And I was just curious if any of you have heard of the program or used it.

Well, I am putting a plug in for it right now. Recreational Trust Program, high expense for a lot of people to build trails and then maintain them, particularly municipalities. It falls on taxpayers, property taxpayers and others cannot afford it, but the return on investment is awfully high, particularly, I mean, there were communities in Maine that their tourism season is the dead of winter for snowmobiling but the maintenance of those trails is incredibly expensive. So, thank you.

Chairwoman VELÁZQUEZ. The gentleman's time has expired.

Now we recognize Mr. Hern, from Oklahoma, Ranking Member of the Subcommittee on Economic Growth, Tax, and Capital Access.

Mr. HERN. Thank you, Madam Chairwoman, and Ranking Member Chabot, and our witnesses for being here today.

As an avid outdoorsman, I know the wonders of the outdoor recreational industry and the beauty of the outdoors firsthand. Additionally, through my numerous visits to small businesses in Oklahoma's 1st District, I have learned the large role that outdoor recreation businesses and these activities play in our Nation's economy.

This includes my recent visit to Zebco, an outdoor and sporting goods retail company located in my district. While touring Zebco, I got an even stronger appreciation for this industry and learned in great deal that sport fishing is about much more than just having fun in the outdoors. It is also about creating jobs and generating stronger economy.

Mr. King, you operate a fishing equipment company which is similar to Zebco. Something I learned through my visit to Zebco was how much the sport fishing community puts back into conservation efforts throughout the country. I thought this was very insightful and something I would love for other members on this

Committee and the general public to hear about. Could you describe for us what you and others in the industry are doing to support fisheries, conservation, whether it be financially or otherwise?

Mr. KING. Yes, sir. Thank you.

I think Mr. Wooden actually mentioned earlier, the Sport Fish Restoration Boating Trust Fund was put in place many, many decades ago, and what it is is basically every manufacturer of fishing goods as well as some other industries has an excise tax of 10 percent on the products that we sell. That 10 percent equates to about $650 million a year. That $650 million a year primarily goes to the states to support their fishing and hunting departments. So off the top there is $650 million that supports at the state level the industry that we are in as well.

I think without question, our industry is one that supports numerous organizations that also support conservation, such as CCA, such as Trout Unlimited. You know, hundreds of millions of dollars going into conservation directly from the organizations as well as the individual participants.

Mr. HERN. Thank you for your thoughts. And clearly, it is pretty fascinating what each of you all do to help your respective areas to maintain the conservation of your business, of your industry. I believe it is our job in this Committee to concentrate on the correct issues impacting the outdoor recreation industry, and I believe these types of hearings are a great way for us to refine our focus to ensure the Committee is utilizing all our resources correctly.

Do you believe, Mr. King, that Congress is concentrating on the correct issues impacting the outdoor industry at this time?

Mr. KING. You know, I think that it is fabulous that we are finally realizing the economic value, the output. I think the thing that we are missing is that in addition to the output, the national resources are an asset of this country. And just like any asset, they have to be maintained and that is a recurring theme here is that we are taking from the asset. We are all enjoying hundreds of millions of dollars, almost 3/4 of a billion dollars in value out of it but we are failing to recognize that if we do not continue to invest back into that infrastructure, not only are we going to suffer as an industry, the entire Nation suffers. So I think that is the only part we are missing here.

Mr. HERN. I thank each of you for your time today, and I really appreciate all the work you are doing to address the issues. And obviously, it is not the purview of this Committee on infrastructure but I know it is an important bipartisan issue that we all would love to work on at this time to move forward to help us all move forward with controlling and maintaining our assets.

Madam Chairwoman, I yield back.

Chairwoman VELAZQUEZ. The gentleman yields back.

Now we recognize, Ms. Chu, from California, Chairwoman of the Subcommittee on Investigation, Oversight, and Regulations.

Ms. CHU. Mr. Rasker, my district is in the Los Angeles County area and is home to the San Gabriel Mountains. And I was part of a decade's long effort to get more resources to these mountains, and we were rewarded in 2014 when President Obama proclaimed it a monument. The San Gabriel Mountains monument. His proclamation recognized that these mountains represent 70 percent of

the open space in the Los Angeles region and it makes nature accessible to 15 million people. And so protecting these lands as a national monument was key to improving access and opportunities for recreation for all these millions.

Now, when we first began this process, naysayers claimed that there would be great harm to businesses in the mountains, like the skiing business that was in the mountains. And 13 nearby cities said that there would be overcrowding in their cities.

So what would you say to them? What would you tell them about the economic benefits that public lands protections, like a national monument status could bring for businesses of all types that are located nearby?

Mr. RASKER. Sure. We looked at 10 national monuments that were over 10,000 acres in size. And we looked at economic performance metrics. So per capital income, population growth, population, I am sorry, total personal income. And looked at it over time before and after monument designation. And so of 10 monuments we looked at, whatever growth trajectory that community was on continued after monument designation. So there is no evidence that the monuments cause harm. A recent study by Resources for the Future looked at business creation and sees that there is an increase in business creation, business startups after a monument is designated.

It is not just outdoor-related businesses. It is also people who want to live next to public lands for quality of life reasons. They could be retirees. They could be anybody working in any industry who just happens to want to be in a place where they can after work go fly fishing or snowmobiling.

Ms. CHU. Well, I wish I had you around when those naysayers were talking because that is a very compelling answer.

And in fact, we want to expand on our progress. My bill, H.R. 2215, the San Gabriel Mountains, Foothills, and River Protection Act would expand the San Gabriel Mountains national monument, designate new wilderness areas in wild and scenic rivers, and establish a new national recreation area in the foothill communities and river corridor adjacent to the existing national monument. It would allow communities to partner with the National Park Service to build new facilities like trails and campgrounds to better connect residents to recreation opportunities in the mountains. And in fact, we are fortunate already to see a culture of advocacy and support for outdoor recreation through local nonprofit organizations. We want to expand on this.

For instance, we have the active—it is called Active SGV and the Nature for All Coalitions, which have guided public policy and connected those communities to recreational opportunities. And because they did that, last year, REI awarded over $100,000 to these nonprofits in the San Gabriel Valley to support a transit trail program that connects public transportation hubs to trail heads in the mountains. And we feel this, in turn, spurs economic growth in the foothill communities by enabling more Angelinos to have access to outdoor recreation.

So in your research, have you found a connection between public lands advocacy and investment in recreation by businesses and individuals?

Mr. RASKER. Are you asking whether we have tracked the effectiveness of advocacy?

Ms. CHU. Yeah.

Mr. RASKER. We have not. We have not specifically looked at that.

Ms. CHU. What would you do to make sure that we have—what would be the specific types of investments that you think should be made to increase growth in the outdoor recreation industry in areas like ours?

Mr. RASKER. Sure. I will just give an example where I live. I live pretty close to Yellowstone National Park. We are surrounded by seven national forests. In the time that I have lived in Bozeman, 30 years, it went from 3 million visitors to now more than 4 million visitors a year. And when you go into Yellowstone, it is very obvious the infrastructure is crumbling. At the same time, they have tremendous recreation opportunities in the surrounding national forest, BLM land, that would be much closer to where communities are, much closer to where businesses would benefit, but there is no recreation infrastructure. Gallatin National Forest, for example, has hardly any recreation staff. So our ability to build new trails and welcome people into our national forests has just disappeared over the last 30 years. And I think that is a real pity.

Ms. CHU. Thank you.

I yield back.

Chairwoman VELÁZQUEZ. The gentlelady yields back.

Now we recognize the gentleman from Minnesota, Mr. Hagedorn, for 5 minutes.

Mr. HAGEDORN. Thank you, Chair, and Ranking Member. I appreciate the opportunity. It is good to see all of you. Thanks for your testimony. It is nice to have a fellow Minnesotan here today, especially since our state has so many wonderful outdoor recreation opportunities. Beautiful land, and of course, we are the land of 10,000 lakes, although I think it is more like 15,000 when they actually count them up.

And so I will start with our friend, Mr. Wooden. Minnesota has made some efforts to join, I think there are 16 other states you were talking about to establish outdoor recreation offices. How, specifically, would that help your business and the people in the state of Minnesota nationally?

Mr. WOODEN. You have good questions.

So 16 states have adopted the Office of Outdoor Recreation. In Minnesota, we began some testimony earlier this year, and so we are in process. But how would it impact the boating industry in the state of Minnesota? I think the big news would be it would give a singular voice to outdoor recreation rather than we are sort of governed by DNR offices that oversee these resources. We are sort of overseen by the Army Corps of Engineers. But having a singular voice in a platform to oversee outdoor rec I think is the biggest advantage, Mr. Hagedorn.

Mr. HAGEDORN. That is very good.

In your testimony, you mentioned some things, the infrastructure of broadband, for instance, and I know there are various ways you can explain how important that is to people who are engaging in recreational activities. Locks and dams. I have actually testified on

that myself, how important that is. I think we have six of them in just the two counties on the Mississippi River that I represent in the 1st District. And it is something like $80 million per lock and dam to keep those things maintained over time, and that is really important, not just for farmers but for everyone who uses the waterways.

But then you get into other issues. The workforce. Finding skilled workers. Is that something that any of you are running into, having problems? We hear this all over the place. Is it affecting your businesses?

I will open it up to any of you at this point.

Mr. WOODEN. I will take it as well. And I can keep it short.

It is the number one factor in inhibiting the growth of the marine industry. I think the fallacy is that the jobs we create are not livable wage jobs. And they really are. And there is a lot of skilled jobs that are created in our industry and so it is not being known early on in our schools that there are these opportunities in outdoor rec. So I think federally and at a state level, we need to create more general awareness and then create programming around it. I know that is a big issue in Minnesota.

Mr. HAGEDORN. One of the companies that supply you with boats is Alumacraft. They are over in St. Peter, Minnesota. I had a chance to tour that operation not too long ago. And they have some terrific opportunities, whether it is welding or, you know, all these different things. You are right. People can come, get in line, and start making very good wages and have an excellent life. It is too bad that I think for about 20, 30 years many people have been convinced they should not move into those types of employment because they said if you do not go to a 2- or 4-year college and all these things you are just not going to amount to anything. We are trying to reverse that.

And the industry that you are testifying for today, the National Marine Manufacturers Association, I appreciate their support for legislation that Congressman Van Drew and I have introduced that would expand the use of 529 Education Savings Accounts to move towards certification programs, vocational training, the purchase of tools and equipment. You know, all the apprenticeships. And so we need to put them on par with the 4-year institutions. And I think that by doing that I think we can continue to promote skilled workers and workforce and give people a chance to have a choice and to have the life that they want.

So our legislation is called the American Workforce Empowerment Act and it is H.R. 4469. I appreciate the industry's support and I would ask my members on the Committee to take a look at that as well. But thank you all for your testimony. I appreciate it.

Chairwoman VELAZQUEZ. The gentleman yields back.

Now we recognize Mr. Evans from Pennsylvania, Vice Chair of the Committee for 5 minutes.

Mr. EVANS. Thank you, Madam Chair.

Philadelphia is my home city and has the largest park system in America known as Fairmount Park.

Just last week I attended a walk to end lupus at Memorial Hall, which is in West Fairmount Park along the Schuylkill River. Memorial Park was built as the art gallery in 1876 as the centennial

exposition to celebrate the 100th anniversary of the signing of the Declaration of Independence. Schuylkill River is used for canoeing and row boating. It has been a source of recreation for citizens of Philadelphia for centuries.

Dr. Rasker, your testimony further stated that outdoor recreation reduces healthcare costs. Healthcare costs is a serious issue to Americans. As a member of the Ways and Means Committee, I voted to support Committee passage of House Resolution 3, which helps reduce prescription drug prices. Dr. Rasker, how does outdoor recreation reduce healthcare costs?

Mr. RASKER. It is a good question. We have, as I mentioned earlier, a searchable database on our website where you can take a look at all the benefits in outdoor recreation and peer reviewed studies on this. There is quite a bit of academic literature measuring whether outdoor recreation contributes to better health outcomes. And the conclusion is fairly solid. People who recreate outdoors are healthier physically and they are also healthier mentally.

Mr. EVANS. The next question I have, and this is to all of the panelists, I have often spoken about the need to repair infrastructure in my district and across the country. I said if you affect the environment, you affect the behavior. Better infrastructure creates better communities. As stated by the panelists today, there is currently a maintenance backlog of the National Park Service. Independence Hall is also in my congressional district among those agencies which is why I cosponsored Restore our Parks and Public Lands Act.

To any of the panelists which happens, what is the maintenance backlog of outdoor recreation and infrastructure in terms of usability and safety? It is for all the panelists.

Ms. DAVIS. Well, the outdoor enthusiasts that support my business often experience lack of trails, lack of cross country skiing, unmaintained climbing anchors, terrible toilets or no toilets at all. You know, all these things really contribute to not only your overall experience but the safety and even ability to meet up with other people when you are there. So I think investment in infrastructure can only improve people's experience and not only their ability to get outside.

Mr. EVANS. Anyone else?

The poverty rate in Philadelphia is nearly 25 percent. Poverty means that large portions of Philadelphians are not able to travel long distance or buy expensive equipment for activities such as skiing and hiking. To any of the panelists, can you illustrate why people in my district, an urban with its share of poverty and crime should care about outdoor recreation?

Ms. DAVIS. I will try to tackle this.

So I think as an industry we have—this is one of our biggest jobs to do is to actively work on diversifying who recreates outside and why. So from our business perspective, we have done a lot really in representation in putting people of color and diverse backgrounds and from places and acknowledging that a walk in the park in your city is just as valid an outdoor experience as climbing a mountain somewhere. So that further broadens our community and acknowledges who is outside and who is allowed to call themselves an outdoorsperson. And so from there, I mean, we have

heard a lot about how our industry has a lot of work to do in terms of creating job fairs. You know, making sure people understand that this is a viable career path for them, and we certainly have even more work to do there with communities, urban communities, communities of color. This is why I look so much to the Greening Youth Foundation who works directly with that population to encourage them and also financially support their ability to get into conservation careers. So I think as we not only change the face of the outdoor industry but also change the face of conservation we will really chip away at that issue.

Mr. EVANS. Madam Chair, I yield back the balance of my time. Thank you.

Chairwoman VELÁZQUEZ. Thank you. The gentleman yields back.

Now we recognize the gentleman from North Carolina, Mr. Bishop, for 5 minutes.

Mr. BISHOP. Thank you, Madam Chairwoman.

This is very important to my state. The statistics furnished to me is we have got 260,000 jobs, $28 billion worth of consumer spending, and $8.3 billion of wages in North Carolina. It is a big deal. You guys are good at macro numbers. That certainly brings it home to me.

I have been reminded as I have been hearing your testimony, and each of you have spoken to it and the materials provided to us speak to the question of sort of, I think you put it best for me, Mr. Wooden, public lands being loved to death. Public lands and facilities. And there being backlogs, large backlogs in maintenance and infrastructure investment need.

And I was wondering, as I listened to a lot of that, I thought about the concept from many years ago, and as an economist I guess, Dr. Rasker, you are an economist on the panel, I was just thinking about the "Tragedy of the Commons" as they used to describe it. Is that a phenomenon we are dealing with here? And I am interested in each of your perspectives. Are we looking primarily to resolve this problem through generalized public investment or should there be privatized means of addressing this shortfall, like user fee-based options? And maybe Dr. Rasker, I will address it to you since that is your profession. Again, I may be way over my skis but I remember that concept and I am just curious about your outlook.

Mr. RASKER. So if we go back to the "Tragedy of the Commons" original article, it was not so much about privatization as it was about the management of the commons. And I think that is where we are talking about the maintenance backlog being such a big deal on places where there is Federal public lands. In the west, almost half of our land is managed by Federal agencies. So that is why we talk about Federal-public lands a lot. But it is not the case in other parts of the country.

One of the things that BEA did was measure the government's contribution to outdoor recreation investment by government agencies. And it is significant. It is $34 billion that government is spending. Only $4 billion of that, about 12 percent is from Federal agencies. So much of the effort is being carried by state and local governments. And so it is bond measures. It is excise taxes. It is

increasing the local sales tax and earmarking that for parks and recreation. So I think there is a lot more potential for the Federal Government to weigh in.

Mr. BISHOP. Does anyone else want to comment on the subject matter?

If you have this issue, it seems to be sort of paradoxical. You have, well, you want to have growth in this industry for the benefits that it pays into the economy. But it also seems to the extent we have growth, we paradoxically increase the demands on the public assets. Is that also true, Dr. Rasker, and do we just need a higher level of public spending on it? Is that the point?

Mr. RASKER. I think in terms of the Federal Government, that is definitely the case. The Federal Government has really fallen behind in its investment in infrastructure for outdoor recreation. And you can see the return on investment is significant. But let's not forget. This is so important to people that when you pass a local bond measure and you ask local citizens to increase their property taxes and then earmark that for outdoor recreation infrastructure, that sort of effort passes in a remarkably high degree across the country. In other words, people are stepping up and paying for this personally out of their taxes. So it is time for the Federal Government, I think, to be a partner in this.

Mr. BISHOP. Thank you, sir.

Mr. King, my notes indicate and I missed it as you delivered the testimony, but your testimony made reference to the Recreation Not Red Tape Act. Is that correct, sir? Did you have a reference to that?

Mr. KING. I do in my written testimony. Yes, sir.

Mr. BISHOP. Yeah. That removes barriers and offers sensible 21st century proposals for identifying and appropriately managing our unparalleled outdoor recreation assets now and into the future. Can you talk about the barriers briefly in the time we have got left, barriers that the legislation would remove?

Mr. KING. I think what we are trying to say is that instead of creating more legislative red tape and creating businesses and opportunities to become involved in the industry that we should, like a lot of things, we should streamline this and make it easier for folks to get involved which ultimately results in more conservation-minded individuals and ultimately results in more constituents willing to support more funds going back into the recreation industry.

Mr. BISHOP. Thank you very much.

Madam Chairwoman, I yield back.

Chairwoman VELAZQUEZ. The gentleman yields back.

Let me take this opportunity to thank all of the witnesses for taking time out of their schedules to be here with us today. Your testimonies were compelling and your experience really informs our work in this committee. We know that the economic prosperity of our nation is increasingly impacted by the growing outdoor recreation economy, which is served by many small businesses. Responsible for over $400 billion worth of economic output and supporting over 5 million jobs, the outdoor economy is a growing force. The lack of investment in our public lands and infrastructure is creating headwinds for the industry. I look forward to working with

members on both sides of the aisle to support this part of the economy and addressing some of the challenges that they face.

With that, I ask unanimous consent that members have 5 legislative days to submit statements and supporting materials for the record.

Without objection, so ordered.

If there is no further business to come before the c ommittee, we are adjourned. Thank you.

[Whereupon, at 12:47 p.m., the committee was adjourned.]

APPENDIX

House Committee on Small Business
Hearing on "Force of Nature: The Power of Small Businesses in America's Recreational Infrastructure"

October 30, 2019

Thank you, Chairwoman Velázquez and members of the committee. I am pleased to join you today.

I am the Executive Director of Headwaters Economics, an independent, nonprofit research group based in Montana. We work to improve community development and land management decisions.[1]

The many benefits of outdoor recreation include improved physical and mental health and reduced healthcare costs, spiritual well-being, pride of place, reduced crime, and increased quality of life. I'm here to share with you the *economic* contributions of outdoor recreation and the importance of investing in outdoor recreation infrastructure.

Normally when we talk about the economics of outdoor recreation, people assume we're talking about tourism. That's part of the story, but it's not the whole story. Outdoor recreation benefits our local economies and small businesses in many different ways.

Every year 145 million Americans play outdoors. And when we play outside, we also spend a lot of money—more than $887 billion annually. That's more than twice the amount we spend on motor vehicles every year. As a result of these expenditures on everything from gas for our cars to hunting and fishing gear, we create 7.6 million jobs nationwide.[2]

Recently, the Bureau of Economic Analysis estimated the size of outdoor recreation's contribution to Gross Domestic Product (GDP). In 2017, outdoor recreation represented 2.2% of GDP. To put that into perspective, outdoor recreation adds more value to our economy than mining, oil and gas production; or educational services; or motor vehicle sales; or air transportation. The outdoor industry is also growing faster than the rest of the economy. While in 2017 U.S. GDP grew by 2.4%, the contribution to GDP from outdoor recreation grew by 3.9%.[3]

The Bureau of Economic Analysis also recently documented that many sectors of the economy add value to and are part of outdoor recreation. For example, manufacturing represents 12% of outdoor recreation's contribution to GDP; transportation and warehousing another 11%.[4] Finance, insurance, advertising, professional and technical services also contribute the goods and services that make up outdoor recreation. In other words, outdoor recreation is more than just the retail trade *and* it includes high-wage occupations.

We also know that more and more people are choosing to live in communities with a high quality of life and outdoor recreation opportunities. Business owners use outdoor recreation to

recruit top talent.[5] For many communities, access to the outdoors is an economic benefit that provides competitive advantage.

Clearly, investment in outdoor recreation infrastructure makes economic sense. More than 140 economic studies document the many ways that hiking and biking trails, picnic areas, fishing access sites, and other infrastructure contribute to local economies. (These studies are available on our web site via an easy-to-use searchable library.[6]) These studies document how outdoor recreation creates jobs, generates taxes, raises property values, and improves public health. Very often the people who benefit the most are the owners of small businesses.

Many of these studies also show that developing outdoor recreation infrastructure yields a high return on investment. For example, the development of hiking and biking trails in Whitefish, Montana, resulted in 68 new local jobs and $1.9 million in labor income. That is in part from tourists who spend money in local shops, hotels, and restaurants. However, the trail system also leverages investment of local residents. Our research shows that locals who use the trails around Whitefish spend twice as much in local gear shops as those who do not use the trails. For every $1 spent on developing trail infrastructure, there was a $2.50 return to the local economy.[7]

Another example of effective investment in outdoor recreation can be found in the Methow Valley of northcentral Washington, famous for its extensive system of summer trails and groomed winter ski tracks. In the Methow Valley, for every $1 spent on trail infrastructure, there has been a $6 return to local businesses.[8]

The federal Land and Water Conservation Fund (LWCF) has been an essential tool for developing outdoor recreation infrastructure. It has supported more than 1,200 projects in all 50 states.[9]

Let me give you just one example of the importance of LWCF funds for Montana, where I live. We have some of the country's most spectacular opportunities for fishing, with 170,000 miles of river, including the Yellowstone – the longest free-flowing river in the contiguous U.S.[10] But our rivers are meaningless unless we have access to them, and Montana has invested heavily in recreation access. There are 332 fishing access sites in Montana, each costing at least $150,000, for a total bill of almost $50 million.[11] However, the return on this investment is significant because anglers in Montana spend more than $900 million dollars *per year* which directly benefits small businesses throughout the state.[12] This success is due in large part to investments made possible with LWCF funds.[13]

Let me conclude with an observation on the role of federal public lands in outdoor recreation. In 2016, there were 592 million visits to lands managed by the National Park Service, U.S. Fish and Wildlife Service, Forest Service, and Bureau of Land Management. Visitors to the federal lands spent enough money to create 551,000 jobs in local communities.[14] Visitors to national

parks spent more than $20 billion in last year alone.[15] Paradoxically, the deferred maintenance backlog for these four agencies combined is estimated to be $19.38 billion dollars.[16]

In summary, an investment in outdoor recreation infrastructure yields a large return, in terms of jobs and profits for local businesses.

Thank you for your time, and for bringing attention to these issues.

Contact

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About Headwaters Economics

Headwaters Economics is an independent, nonprofit research group that assists the public and elected officials in making informed decisions about land management and community development. https://headwaterseconomics.org/.

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"FORCE OF NATURE: THE POWER OF SMALL BUSINESSES IN AMERICA'S RECREATIONAL INFRASTRUCTURE"

TESTIMONY OF

FRANK-PAUL A. KING

PRESIDENT AND CHIEF EXECUTIVE OFFICER

TEMPLE FORK OUTFITTERS

BEFORE THE

HOUSE COMMITTEE ON SMALL BUSINESS

HEARING - 11:30 A.M. - RAYBURN HOUSE OFFICE BUILDING

ROOM 2360

OCTOBER 30, 2019

Good morning, Madame Chair, ladies and gentlemen. Thank you for this opportunity to testify before you today regarding the power of small business in American's outdoor recreational infrastructure.

INTRODUCTION

My name is Frank-Paul King and I'm the President of Temple Fork Outfitters ("TFO"). We're a 25-year old Texas-based manufacturer and distributor of fishing rods and related products. By every traditional measure we're a quintessential small business in the outdoor recreation industry.

Prior to spending the past decade in the fishing segment of the Outdoor Recreational Industry ("ORI"), my career focused on investing in businesses outside this industry. This prior experience gives me a broad perspective from which to consider the uniqueness of small business in ORI. To understand the force of nature that small business has become in our industry, there are three critical attributes of which to be aware: Reach, Alignment and Leverage. In turn, these attributes drive a disproportionally greater level of advocacy and support for policies of interest to ORI and its participants than is witnessed in other industries. Similarly, within ORI, support for polices specific to segments of interest reflect the same patterns as the industry.

REACH

TFO and most ORI businesses are "small." However, financial footprint is not an accurate indicator of the reach of many of these businesses with respect to financial impact. Our employees and domestic sales representatives and their families live in 30 different states; we manufacturer in 5 countries, while our products are sold in 25 countries through several thousand locations, as well as online; and we're followed via social media by hundreds of thousands of anglers globally. As Thomas Friedman extoled in 2005 "The World is Flat" and, as you know, small businesses increasingly can have super-sized effects on their industries. The reach of these businesses is magnified because unlike any other industry of which I'm aware, this industry is a subset of the participants. Said differently, 100% of the industry is subsumed within the community of consumers or, more accurately, the participants. Thus, the industry and

consumers form an exceptionally connected or networked community with extremely broad reach.

ALIGNMENT

In addition to the broad reach that the ORI community exhibits, in my experience no other industry can rival the extent to which it's fueled by passion. These businesses, representing 5.2 million direct jobs, are more akin to mission-driven, tax-exempt organizations because they largely share common interest with their 146 million consumers with respect to the overarching requirement of a sustainable environment in which to recreate and the necessity of access to it. This alignment is reflected by the Outdoor Recreation Roundtable ("ORR"), a coalition of ORI trade associations representing thousands of diverse businesses providing products and services to millions of outdoor recreation consumers. ORR prioritizes environmental conservation and access to it. And while alignment is not at all perfect across the ORI community on issues as complex and difficult as the environment and recreational access, the key factor is that it's significantly higher than exists within any other remotely as large a group of American consumers.

LEVERAGE

Broad reach across a networked community with alignment of purpose results in ORI small businesses exhibiting an exponential amount of leverage when compared to peers in other segments of industry. This leverage is applied proportionally and in direct relation to the number of participants affected by any given issue. However, regardless of the sub-group within ORI the health and sustainability of natural resources is always the first and foremost priority because it's the industry's most valuable asset. ORI and its numerous small businesses cannot exist without lands and waters on which to recreate. For this reason, an ever-increasing level of collective action, outdoor advocacy and sustainability initiatives can be expected to flood digital channels as the outdoor community flexes the muscle of its shared message. Access to recreate is a more nuanced issue depending almost entirely on the mode and type of transportation involved. Like the existence of places in which to recreate, the ability of the industry's consumers to gain access

in order to recreate is fundamental to its success or failure. Without a doubt, significant challenges exist in finding universal agreement around levels of access and the modes of transport in recreational areas. However, there is only agreement within the industry regarding the requirement for access; therefore, balancing sustainability with the risk of overuse will receive increasing attention by ORI's leveraged network. And within ORI, support for polices specific to segments of interest reflect the same patterns as the industry.

Since TFO is primarily focused on the fishing industry and its participants, I'll use fishing habitat and fishing access as examples of the larger issues of environmental sustainability and access to recreation.

FISHING HABITAT

Without clean waters and abundant fish populations, the recreational fishing industry simply cannot survive. No one wants to fish in dirty, polluted waters where the fish populations have been depleted. Critical to small business in this segment of ORI, is that anglers can enjoy healthy aquatic systems with abundant fisheries. From ensuring sufficient river flows for California salmon, to restoring the Florida Everglades, to preventing the spread of harmful invasive species like Asian carp, the fishing industry is confronted with a wide range of natural resource policy issues throughout the country that impact business.

One of the most important conservation programs supported by the angler and sportfishing community is the Sport Fish Restoration and Boating Trust Fund. This program has been in existence since 1950 and serves as the lifeblood for state fish and wildlife agencies who carry out much of the aquatic resource conservation work that supports fishing habitat throughout the country. The program collects and distributes approximately $650 million a year, funded primarily through the excise tax on fishing equipment. These taxes are paid by fishing product manufacturers like TFO, as well gas taxes attributed to motorboats and small engines. Most of the fund goes to the state fish and wildlife agencies for sport fish restoration projects and boating access improvements. This fund must be reauthorized as part of the 2020 highway bill in order

to continue capturing the fuel tax revenue. I believe Members of this committee should support reauthorization of this critical program.

Other legislative priorities before this Congress that directly relate to the sustainability of fish habitat include:

- **Forage Fish Conservation Act** (H.R. 2236): The little fish in the ocean, referred to as forage fish, provide food for nearly all recreationally important fish species, as well as seabirds and other marine life. At the same time, human demand for these nutrient-rich species continues to increase. Because this integral part of the marine food web are becoming increasingly targeted for commercial exploitation, it is critically important that forage fish management accounts for their role in marine ecosystems. The Forage Fish Conservation Act would amend federal marine fisheries law to help ensure abundance and sustainability of forage fish, thereby supporting the recreational fisheries upon which our industry depends.

- **National Fish Habitat Conservation Through Partnerships Act** (H.R. 1747): The National Fish Habitat Partnership is a national framework developed jointly by the states, federal agencies, business and the angling and conservation communities that lays out a clear set of national goals and objectives for conserving, restoring and enhancing fish and fish habitat on a national scale. The program has already proved extremely effective, supporting over 840 projects in 50 states. Rep. Veasey's National Fish Habitat Conservation Through Partnerships Act provides long overdue Congressional authorization and will improve the administration and oversight of the program.

- **Driftnet Modernization and Bycatch Reduction Act** (H.R. 1979): For many years, the recreational fishing community has supported efforts to transition commercial fishermen away from drift gillnets to more selective fishing methods for swordfish, tuna and other commercial species. Large-mesh drift gillnets are an anachronistic commercial fishing method that produce excessive bycatch and waste, including of popular sportfish, marine mammals and sea turtles.

The Driftnet Modernization and Bycatch Reduction Act would transition the California drift gillnet fishery – the only current U.S. fishery still using this type of gear in federal waters – toward more sustainable fishing methods, thereby ridding U.S. waters of this destructive gear once and for all.

FISHING ACCESS

While conservation of our natural resources is of the utmost importance, the need for the public to access and enjoy these resources responsibly is necessary to the recreational fishing industry's success. As the term applies to recreational fishing, I strongly support the concept of "conservation," which connotates the wise and sustainable use of natural resources, and am generally opposed to "protection," which connotates locking resources away from any and all public uses.

Recreational fishing is enjoyed by 49 million Americans each year, supporting 800,000 jobs and contributing $125 billion to the United States economy. While these numbers might indicate a significant strain on natural resources, in fact recreational fishermen add more fish to fishing habitat than they remove.

While the industry is working to bring more people into the sport of fishing, it is also working to further reduce its footprint on the environment. Catch and Release is becoming increasingly prevalent in many types of fishing. Anglers are also becoming more sensitive to handling practices, and in recent years there have been significant advances in the development and adoption of approaches to improve the survival rate of released fish, both in tournament settings and on everyday fishing trips.

Importantly, through fishing license fees, excise taxes and direct donations, recreational fishermen contribute approximately $1.5 billion to conservation each year. Unwarranted restrictions on recreational fishing not only risk further disconnecting the public from nature, but also one of the most substantial sources of conservation funding in the nation. Barriers to access come in a wide range of forms, whether from dilapidated facilities, policies that favor industrial

activities over recreational activities, or overly restrictive "protectionist" management approaches. While recreational fishing absolutely must be regulated in my opinion, it's critically important that policymakers understand the importance of allowing recreational fishing access up to the maximum sustainable extent possible, given its economic, social and conservation benefits to the nation.

There are numerous bills currently before Congress that support recreational fishing access and that I believe Members of this committee should support including:

- **Restore Our Parks and Public Lands Act** (H.R. 1225): Public lands are tremendously important for providing outdoor recreation of all types and particularly recreational fishing opportunities. These public areas provide significant economic benefits, particularly for nearby rural communities, and proper maintenance is essential towards providing access and ensuring that the full economic impact of the outdoor recreation industry is realized. Roads, buildings, trails, campgrounds, water systems and more recreational infrastructure suffer from accumulating deferred maintenance that negatively impacts visitor access, enjoyment, and safety on public lands for the growing community of outdoor recreation enthusiasts. I strongly support the Restore Our Parks and Public Lands Act, and urge the inclusion of the US Forest Service in this legislation, in order to address the growing deferred maintenance backlog for the benefit of the outdoor recreation community.

- **Recreation Not Red-Tape Act** (H.R. 3458): As the popularity and impact of outdoor recreation continues to grow, federal agencies need updated tools to provide sustainable and improved access to, and infrastructure on, America's public lands and waters. The Recreation Not Red-Tape Act removes barriers and offers sensible, 21st century proposals for identifying and appropriately managing our unparalleled outdoor recreation assets now and into the future.

- **Simplifying Outdoor Access for Recreation Act** (H.R. 3879): The Simplifying Outdoor Access for Recreation Act expands access to outdoor experiences by improving outfitter and

guide permitting systems. This legislation simplifies processes, increases flexibility in allowed activities, reduces fees and much more. All these provisions – supported by members of the outdoor industry and conservation community – will positively impact a wide range of organizations that deliver facilitated recreation experiences, including for-profit and non-profit guides and outfitters, university recreation programs and volunteer-based clubs.

- **Modernizing Recreational Fisheries Management Act** (H.R. 2023): While not a 116th Congress legislative item, enactment of Rep. Veasey's Modernizing Recreational Fisheries Management Act ("Modern Fish Act") at the end of the 115th Congress was a monumental achievement for the saltwater recreational fishing community. The Modern Fish Act includes a wide range of management and data collection improvements that will benefit saltwater recreational fishing access. Of equal importance, the Modern Fish Act resulted in recreational fishing finally getting due treatment within federal marine fisheries management, which has historically been the domain of commercial fishing.

That ends my testimony. Once again, thank you for allowing me to share my thoughts today. I am happy to answer any questions that you have.

WYLDER

"Force of Nature: The Power of Small Business in America's Recreational Infrastructure"

Before the House Committee on Small Business
Hearing - 11:30a.m. - Rayburn House Office Building, Room 2360
October 30, 2019

Testimony of: Lindsey B. Davis, CEO of Wylder Goods, Co.

Dear Chairwoman Velázquez, Ranking Member Chabot, and members of the committee:

I'm honored to be here today on behalf of the thousands of small businesses that make up the outdoor recreation industry. This hearing represents the strength and purpose in our business community. Collectively, we are made up of over 100,000 businesses, covering the full breadth of outdoor recreation activities. Our industry accounts for 5.2 million American jobs and 2.2 percent of U.S. GDP. We contribute $778 billion in economic output, surpassing other sectors such as mining, agriculture, utilities, and chemical products manufacturing.

We're unlike other industries in that the majority of the recreation economy is made up of small businesses. I am one of them. I am the co-founder and CEO of a women-owned and operated retailer called Wylder Goods. We are the first female founded benefit corporation (B-corp) in the state of Utah, and the only women-owned retailer in the outdoor industry.

In 2015, a Forbes survey showed that 73 percent of millennials were willing to pay extra for more sustainable brands, and preferred companies that made public declarations of corporate citizenship. In 2016, 72 million women ventured into the outdoors to recreate, and yet there was no relevant marketplace created by and for women. We founded our company in response to this fast-growing demographic, and to build a business in the outdoor recreation economy that could benefit both society and the environment.

Wylder is an online marketplace for the modern outdoorswoman. We created a multi-vendor platform for active, adventurous ladies who share a deep love of wild places. Our well-curated online store provides women with relevant, beautiful and functional clothing, gear, and lifestyle goods as well as in-depth gear reviews, packing guides, travel tips, and compelling stories of brave women making an impact in their communities across the globe. The forward-thinking brands we partner with are creating thoughtfully designed, tried-and-true products, and have long since abandoned the 'pink it and shrink it' paradigm that's been prevalent in the outdoor industry.

We incorporated as a benefit corporation to ensure our company would have a triple bottom line in perpetuity: people, planet and profit. As a B-corp, we focus on brands that are building transparency into their businesses and product lines, and that are leading with being profitable and good for the world. Our shopping experience uses icons and product stories to educate our customers and make them aware of their impact. Since our founding in 2016, we've worked with over 85 brands, 38 of which are female-founded companies, and 15 of which are also B-corps. Wylder has been recognized by Outside Magazine, Forbes, Fast Company, and B the Change Media. We are also a graduating scholar of the Goldman Sachs 10,000 Small Business Program. While there are significant challenges to being a small B-corp in the traditional venture capital and fundraising communities, there is a growing constituency of companies built on this sustainability ethos, and a growing consumer demand for these business ethics.

Conducting business in a way that protects and preserves our natural resources and educates our customer base is core to our mission. In addition to the products we choose, our company is partnered with two nonprofits - Greening Youth Foundation [1] and Outdoor Alliance [2] - to engage our audience in social and environmental justice, and relevant conservation initiatives.

Our platform is designed to utilize collaboration and storytelling to be a microphone for today's leaders in social and environmental change in order to inspire and educate outdoor enthusiasts. It is our mission to build campaign momentum for our partners and

mobilize calls to action. We work to connect people to wildland, educate for human and environmental health, cultivate outdoor adventure stewards (not just consumers), and conserve and protect wildland to increase ecosystem diversity and resilience.

I came to the outdoor industry after 12 years in the non-profit sector. With a degree in International Studies and Sustainable Development, I spent years working with communities to develop regional solutions to issues of social and environmental justice. This constituency included ranchers, farmers, underserved youth, native tribes, businesses and education institutions. As a lifelong outdoorswoman, I began to see how my consumerism in the outdoors was affecting our human and environmental health, just as climate change was becoming a global issue. I realized I had the unique skill set and vantage point to do something about it and build a mission-driven company as a positive force in our industry.

Our industry is intrinsically connected to issues of sustainability and conservation perhaps more than any other. Federally managed lands and waters are a core component of outdoor recreation, hosting more than one billion visits annually. We directly see the effects of these issues every year in our snowpack, the health of our fisheries, in our oceans, and in our wildlife populations. Collectively, we represent an incredibly impassioned community of businesses, athletes, advocates, stewards, scientists and agencies that all depend on healthy waterways, forests, and wildlife. Thriving ecosystems are the backbone of our economy.

In Salt Lake City, I recreate in the densest wildlife-urban interface in the country, Wasatch National Forest. This area sees nine million visitors a year which is four million more than all five Utah National Parks combined. As an archery hunter and an angler, every year I see first-hand the effects our growing population and economy have on wildlife and habitat. In Salt Lake, we now have more big game hunters than we do carrying capacity in our herds. It is essential that we enact policies that will balance the needs of wildlife alongside recreation, transportation and development.

In my spare time, I work with a coalition of nonprofits and the University of Utah in the

Wasatch Mammal Watch program. We are using citizen science and motion sensor cameras to measure the impact of recreation and development on wildlife. We use the species data we collect to work with developers, recreationalists and the Utah Department of Transportation to enact sound conservation strategies for the region. To date, it is the most successful citizen science project on record, which speaks to the impassioned community of stewards here in our recreation community. I am also working with the National Wildlife Federation to build a non-partisan constituency in our state to protect wildlife populations.

The health of our ecosystems relies on adequate and organized public access and infrastructure by way of trails, waterways and wildlife corridors. Green and blue infrastructure will not only improve visitation, but also make it possible for wildlife and watersheds to continue to thrive and recreationalists to continue building a lifelong relationship to the outdoors. Our sector will benefit tremendously from addressing the maintenance backlog on our public lands and waters. Much of our infrastructure is overused and overlooked, leaving it unsafe and inadequate for this growing population of recreationalists. This hurts not only the outdoor recreation industry, but also the millions of visitors and communities that rely on this industry to survive.

One of the biggest challenges facing the outdoor recreation economy is making sure that Congress allocates enough funding for public lands. Legislation like Restore our Parks and Public Lands Act (H.R. 1225) would address our maintenance needs and provide funding to immediately improve our public lands and waters infrastructure. Similarly, full funding for the Land and Water Conservation Fund would provide certainty for access projects like parks, trails, and recreation infrastructure around the country which will help businesses and communities plan and invest in recreation.

It is an exciting time in our industry to be aligning user groups from across the spectrum to advocate for the policies and infrastructure businesses like mine depend on. The entire recreation business community is ready to work with you to ensure that the next century of our public lands, waters, and infrastructure evolves to meet the needs of our growing population and climate issues of the next century.

Investments in outdoor recreation today are an investment in American jobs, the economy and the enjoyment and stewardship of America's iconic public lands and waters for years to come. When visitors participate in outdoor recreation, they spend their hard-earned money on gear, equipment, food, lodging and more, and contribute $65.3 billion in annual tax revenue to federal coffers. Small businesses like mine are taking things into our own hands to address the health of our public lands and waters but can't do it alone. We rely on adequate infrastructure, improved access and sound climate policy to enjoy our wild places and look to Congress as a partner to solve these issues that address the very foundation of this growing sector. Please help us care for our shared outdoor heritage to ensure outdoor recreation and its economic benefits can continue to be foundational aspects of American jobs, the American economy and the American experience.

Sincerely,

Lindsey B. Davis

Lindsey B. Davis
Chief Executive Officer
Wylder Goods, Co.

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[1]The Greening Youth Foundation is the leading youth service organization in the US focused on natural resource management careers for diverse young people from socially and economically disadvantaged backgrounds.

[2]Outdoor Alliance is the only organization in the U.S. that works to unite the voices of outdoor enthusiasts to protect the human-powered outdoor recreation experience and conserve America's public lands.

United States House of Representatives

Committee on Small Business

"Force of Nature: The Power of Small Businesses in America's Recreational Infrastructure"

Wednesday, October 30, 2019

2360 Rayburn House Office Building

Written Testimony for Mr. John Wooden, River Valley Power & Sport

Chairwoman Velázquez, Ranking Member Chabot, and Members of the Committee:

Thank you for the opportunity to appear before you today to discuss the role small businesses play in the outdoor recreation economy and the federal government's role in supporting the industry's continued economic expansion.

My name is John Wooden, and I live in Red Wing, Minnesota. Like 70 percent of our fellow Minnesotans, I am an outdoorsman. I am a hunter, a fisherman, a boater, and a powersports enthusiast. I am extremely fortunate in that I am also able to further foster the enjoyment of our great outdoors through my business, River Valley Power & Sport, which owns and operates seven retail locations across Minnesota and is celebrating its 24th year in business this year. Among the many outdoor recreation product lines our company retails, are brands like Minnesota-based Polaris Industries and Alumacraft Boats.

Just last month, the Bureau of Economic Analysis released an updated report reaffirming the outdoor recreation's role as a significant economic driver. This newly released economic data on the national and, for the first time ever, state levels reinforce what the outdoor recreation industry has long believed- outdoor recreation is a powerful driver of national and local economies and it is growing faster than the U.S. economy as a whole. I thank the committee for holding today's hearing to recognize our industry's economic contributions, but more importantly to shine a light on recreation small businesses role in generating $778 billion in gross economic output and supporting 5.2 million American jobs.

Boating and fishing are the top contributor to outdoor recreation's economic prowess, which comes as no surprise considering 141 million Americans take to the water each year. In Minnesota alone, the boating economy generates $3.1 billion in economic activity, supporting nearly 11,000 jobs and 700 marine businesses in the state. The BEA state level data identified that outdoor recreation as a whole accounts for 2.6 percent of the state's GDP. While this report serves as an invaluable tool for policymaking decisions at every level of government, the one key takeaway is that recreation is an economic necessity in my home state of Minnesota and in every state across the nation. As a testament to the growing outdoor recreation and boating industries, River Valley recently opened up an all-new marine center in Rochester.

Another eye-opening figure I'll reference is $20 billion dollars- the combined maintenance and repair backlog on our nation's federal lands and waters system. Looking at this figure makes the BEA data even more impressive given that outdoor small businesses across the country have been able to not just survive, but thrive, despite the crumbling conditions of the physical environment we do business in. Think of the

economic potential we could harness if the federal government invested in expanding and improving recreational access in a way that mirrored the outdoor industry's economic contributions.

The states have already taken heed, swiftly moving to optimize recreation regionally. To date, 16 offices have established offices of outdoor recreation. Outdoor recreation offices play a critical role in collaborating with local communities and state agencies to improve infrastructure, coordinate recreation efforts statewide, and promote the benefits of outdoor recreation among the citizens of their state. The growing number of states creating this role in governors' offices across the country truly illustrates a rapidly growing national movement recognizing recreation for the powerful economic engine that it is.

From National Parks and Marine Sanctuaries to recreation areas managed by the U.S. Army Corps of Engineers and U.S. Forest Service, the federal government manages hundreds of acres of public lands and waters that offer unparalleled opportunities for a wide variety of recreation activities. The tens of thousands of recreational assets managed by federal agencies, so many of which are falling onto the backlog at a rapid pace, are integral to keeping the outdoor industry open for business, and the federal government must step up to be the partner our industry needs to develop collaborative solutions to the profound challenges facing our public lands and waters. In a time when we're facing a multi-billion-dollar deferred maintenance backlog on public lands and waters, the federal government must be more efficient with the use of taxpayer dollars to ensure these treasured places are managed and maintained in a way that promotes the powerful societal and economic benefits they generate.

The time to improve recreational infrastructure is now, and Congress must act. Fortunately, we are hearing that several infrastructure bills are expected to advance in 2020, presenting a prime opportunity to enact a more comprehensive approach to federal infrastructure policy that addresses outdoor recreation needs.

For starters, Congress should reauthorize the Sportfish Restoration and Boating Trust Fund in the Fixing America's Surface Transportation Act (FAST), which would continue this critical user-pay program that funds conservation and infrastructure projects in all 50 states. The boating community led the charge to establish the Trust Fund nearly 70 years ago. Today, we provide the vast majority of funding to the $650 million-dollar program. The boating community led the charge to establish the Trust Fund nearly 70 years ago. Today, we provide the vast majority of funding to the $650 million-dollar program, which, since its inception, has stocked nearly four billion fish, facilitated over eight million boat safety inspections, taught more than four million students aquatic education, and protected over 63,000 acres of fish habitat.

Expanding broadband access in federally managed lands and waters is a commonsense proposal and should be incorporated in FAST. Access to broadband is not just about trolling websites and uploading selfies – it enables boaters to safely navigate our nation's waterways and remain up-to-date on changing weather conditions.

Additionally, Congress should make sure recreation gets a fair share in how the Army Corps of Engineers decides which water infrastructure bills receive priority. And the Water Resources Development Act (WRDA) is an appropriate vehicle for this fix.

It's important to note the Corps is one of the nation's leading federal providers of outdoor recreation with more than 400 lake and river projects in 43 states, yet antiquated project prioritization processes don't account for recreation as an economic benefit and prevent the agency from carrying out infrastructure projects, like dredging, that are critical to safe, navigable marine recreation, as well as the countless local economies that rely on recreational boating's economic footprint.

Major issues impacting recreational boating that should be addressed in WRDA include:

I. Aquatic Invasive Species

The spread of aquatic invasive species (AIS) is a national problem that Congress must address. The Mississippi National River and Recreation Area is threatened by invasive carp to the point where Lock and Dam No. 1 in downtown Minneapolis has been permanently closed so the invasive fish cannot reach the headwaters of the Mississippi.

The damage caused by invasive fish is estimated to cost the U.S. $5.4 billion each year, yet the federal government only spends approximately $260 million each year to combat AIS. Congress needs to assess effectiveness of existing federal funding towards combatting AIS as well as funding shortfalls, and identify successful projects and programs funded with federal dollars and determine where and how those practices could be applied to other agencies.

AIS are not native to an area or region and their introduction can cause significant economic and environmental damage. As invasive species, they have no predators and can change the composition of the water by out competing other species, and according to the National Wildlife Federation, approximately 42 percent of threatened or endangered species are at risk due to AIS. Currently, more than a dozen federal agencies provide funding to combat AIS, yet the spread of AIS continue to threaten America's aquatic habitats and local and regional economies. There are thousands of different AIS species reaching into every region of the U.S. These non-native species cause significant harm to the environment, economy, and boating access.

In 2015, GAO found that federal members of the Aquatic Nuisance Species Task Force (Task Force) spent, on average, $260 million annually to combat AIS. Despite this price tag, it is estimated that the damage caused by invasive fish alone is estimated to cost the U.S. $5.4 billion each year while invasive quagga and zebra mussels cost the U.S. $1 billion annually. These are just a few examples of the billions of dollars of damage that the thousands of different AIS species can cause the U.S. each year.

Building upon the GAO's 2015 report of reviewing federal spending on AIS, GAO should review, and as applicable, make recommendations about, the following:

1) How many federal agencies provide federal funding—including how much—directed towards stopping and reversing the spread of AIS, including those expenditures that may be included in larger projects?
2) What federally-funded AIS projects and programs have been implemented to successfully stop and reverse the spread of AIS, and could other federal agencies adopt these best practices to improve their respective AIS programs?
3) What federally-funded AIS projects and programs need additional resources, including funding and dedicated personnel, to increase their effectiveness, such as increasing the number of decontamination stations, in stopping and reversing the spread of AIS?
4) With more than a dozen federal agencies providing funding to AIS efforts, how often are federal agencies coordinating and communicating with each other and state and local agencies, and how, if at all, can federal coordination and communication be improved to enhance efforts in stopping and reversing the spread of AIS?

5) To what extent, if at all, has the Task Force improved its efforts to measure the progress of implementing its Aquatic Nuisance Species Strategic Plan, and should the Task Force take steps towards updating its Strategic Plan?

II. Reform Benefit-Cost Analysis for Harbor Maintenance Projects

Congress created the Harbor Maintenance Trust Fund (HMTF) in 1985 to pay for operations and maintenance costs of all federal ports and harbors. Since inception of the HMTF, ACOE project funding has prioritized projects based on commercial activity. The Benefit Cost Ratio (BCR) calculations required for Congressional authorization are different than the BCR OMB applies for budgeting, effectively creating two separate standards. Regardless, neither BCR methodology recognizes recreation as an economic benefit.

Outdoor recreation accounts for 2.2 percent of the U.S. GDP, generating $778 billion in gross economic output and supporting 5.2 million American jobs. Given that boating and fishing are the top contributors to outdoor recreation's economic activity across the country, it's shortsighted and negligent for federal investments in water infrastructure projects to be based off analysis that don't include recreation as a metric for economic benefits.

This flawed system fails to properly account for the value created by access for recreational activities – effectively putting boaters and the recreational boating industry's $170.3 billion annual economic activity at a disadvantage. Small recreation-based ports are critical access points for marinas and coastal communities where businesses depend on marine recreation-based economic activity. Additionally, without sufficient dredging in these areas, some recreational boaters are forced to use high traffic commercial channels, which can lead to potential user conflicts and safety concerns.

Corps and OMB BCR methodologies should be aligned and the prioritization process should be structured to ensure critical navigation and dredging projects are funded on an equitable, sustainable, and needs-based system. It's incumbent upon the federal government to recognize recreation as a fast growth sector and mirror the industry's economic contributions with investments in blue and green infrastructure that serves as the backbone of the recreation industry. As it stands, recreation is either inconsistently included or not factored in at all when the Corps and OMB conduct CBR analyses for harbor maintenance projects.

III. Coastal Risk Reduction

Due to the potential impacts of climate change and sea level rise on storm intensity and frequency, it's more important now than ever before to ensure communities are prepared and well equipped to bounce back from extreme weather events as their homes, businesses, and lives lay in the path of increasingly dangerous and costly storm conditions.

There must be a concerted effort among the federal government, states, and coastal communities to understand where and how communities are vulnerable to increasing challenges posed by coastal storms and changing sea levels combined with aging infrastructure and a dynamic socioeconomic environment. To best adapt communities to coastal hazards, Corps should conduct an assessment on the resiliency of the nation's coastlines and provide recommendations on adapting planning and development practices to mitigate vulnerabilities from coastal hazards that would ultimately results in saved lives and resources, and build stronger, more resilient communities.

The Corps should carry out an assessment of the resiliency of coastlines and produce recommendations to improve coastal resiliency.

IV. Remove, Prevent Marine Debris

America's boaters are the original conservationists, and we know that keeping our nation's waters healthy and clean is critical to preserving our way of life. Unfortunately, according to the United Nations, every year eight million metric tons of plastic bottles, straws, bags, fishing gear, and abandoned vessels are dumped into the ocean. This marine debris causes harm to coastal economies, endangers marine life, proliferates the spread of AIS, and creates hazardous conditions for the maritime and recreational boating industries. Some studies have estimated that by the year 2025 our oceans will be so polluted that they will consist of one pound of plastic for every three pounds of fish.

Last year, Congress unanimously passed the bipartisan Save Our Seas Act to reauthorize the National Oceanic and Atmospheric Administration's Marine Debris Program through FY2022 at $10 million annually. The Save Our Seas 2.0 Act (S. 1982/H.R. 3969) builds upon this success through improving the domestic response to marine debris, incentivizing international engagement to address marine debris, and strengthening domestic infrastructure to prevent the creation of new marine debris. WRDA should expand upon the success of the Save Our Seas Act through inclusion of S. 1982/H.R. 3969 address the growing, global marine debris crisis by improving the domestic response and strengthening international cooperation.

The boating industry looks forward to continuing to work with the members of this committee and other committees of jurisdiction to increase and expand opportunities for recreation on our public lands and waters and maximize the economic contributions to the outdoor economy.

Thank you for the opportunity to appear before you today, I look forward to answering your questions.

TESTIMONY FOR THE RECORD

OF

PATRICIA ROJAS-UNGAR
VICE PRESIDENT, GOVERNMENT AFFAIRS,
OUTDOOR INDUSTRY ASSOCIATION

ON

"FORCE OF NATURE: THE POWER OF SMALL BUSINESSES IN AMERICA'S RECREATIONAL INFRASTRUCTURE"

BEFORE THE

COMMITTEE ON SMALL BUSINESS

OCTOBER 30, 2019

Patricia Rojas-Ungar
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Chairwoman Velázquez, Ranking Member Chabot, and members of the Committee:

I am pleased to submit testimony on behalf of Outdoor Industry Association (OIA), the leading national trade association of 1,300 suppliers, manufacturers, and retailers of outdoor gear and products. The outdoor recreation economy generates $887 billion in consumer spending, supports more than 7.6 million highly skilled American jobs, and makes other significant contributions toward the goal of healthy communities and healthy economies across the United States. On behalf of our member businesses, we thank you for holding today's hearing, "Force of Nature: The Power of Small Businesses in America's Recreational Infrastructure," on the economic impact of outdoor recreational infrastructure, how small businesses contribute to this industry, and how the federal government can ensure the industry continues to thrive.

Small businesses make up the backbone of the outdoor industry. In fact, 78 percent of OIA's 1,300 members generate revenue of less than $10 million dollars. These small businesses are especially attentive to legislation and regulations that ensure a framework that encourages economic growth, promotes outdoor recreation, conserves and grows our public lands, protects our environment, and ensures clean air and clean water for generations of outdoor enthusiasts.

We welcome the efforts being undertaken by the Committee to promote American small businesses and to create a legislative and regulatory environment where they can prosper and continue to grow. In the outdoor industry, the success of those small businesses relies heavily on a strong workforce, growth in outdoor recreation participation, access to outdoor spaces, fair and balanced trade, conservation of public lands, and protection of our climate. At OIA, we see the economic, health, and social benefits from the outdoors every day and hope to continue working with your Committee on this important topic.

Workforce Recruitment

Unlike other industries, the outdoor industry lacks a traditional onramp for recruiting and seeking new talent in the workforce. There are no job fairs and very few degree programs, and there is a lack of awareness that the outdoor industry is a viable career path, so the outdoor industry is working to change all of that and proactively attract and retain a qualified, diverse workforce. OIA will soon launch the Outdoor Industry Business Certificate program with university partners around the country that will target individuals who are looking to enter the outdoor industry from college or change career paths from other industries. We will promote the certificates via our new career center and through colleges and universities.

In addition, we will be conducting outreach to "career changers" who have skillsets they've developed in other industries—such as people who work in finance, marketing, HR, sales, or operation—but who may have a passion for the outdoors. Our industry needs all of those skills, but many people aren't aware that the outdoor industry is a viable path for a lifelong career that combines their personal passion for the outdoors with their professional pursuits. OIA also convenes an Educators Working Group at each Outdoor Retailer Show (the largest B2B trade event serving the outdoor industry), with approximately 10-15 universities in attendance at each meeting, as well as key human resources professionals from several outdoor companies.

Promoting Outdoor Participation

Incredibly,146 million Americans participate in at least one outdoor activity per year, which helps to generate over $887 billion in consumer spending and makes up 2.2 percent of U.S. gross domestic product—but that's only half of the story. Our research also shows that 50 percent of Americans fail to spend even one day a year participating in any outdoor recreation. And if you look more closely at the ethnicities of those that are getting outdoors, 74 percent are white, 10 percent Hispanic, 9 percent black, and 6 percent Asian. These statistics do not reflect the country's rich and increasing diversity. OIA sees filling this gap as a key priority that will not only result in immense economic growth but also deliver a multitude of benefits to our nation.

OIA's charitable arm, the Outdoor Foundation, is committed to working with the private sector to fund Thrive Outside Communities across the country that will build the capacity of local organizations and leaders to provide repeat outdoor experiences for kids and families. But this is an issue that the private sector cannot solve on its own, which is why today's hearing is so vital. We are eager to continue to partner with the Committee and Congress to explore and advance policy solutions that will facilitate more Americans, especially those in underserved communities to get outside.

Access to outdoor spaces and public lands is critical to increasing the participation rate among Americans and minorities. Increasing access to outdoor spaces requires a multifaceted approach. OIA supports several measures introduced in Congress to increase access to outdoor spaces, including H.R. 4512, the Outdoors for All Act; H.R. 2435, the Accelerating Veterans Recovery Outdoors Act; and H.R. 4273, the Transit to Trails Act.

The Outdoors for All Act (H.R. 4512) will help communities nationwide develop new parks and open spaces while improving upon the existing areas designated for outdoor recreation. At OIA, we believe that everyone deserves access to outdoor recreation close to home. As it stands, one in three Americans does not live within a 10-minute walk to a quality park or open space, and residents in low-income communities live farther from a quality outdoor recreation area than their affluent counterparts. The Outdoors for All Act aims to improve the equity of access and quality of outdoor recreation by establishing a mandatory source of funding for the Outdoor Recreation Legacy Partnership (ORLP), a nationally competitive grant program funded by the Land and Water Conservation Fund (LWCF). This legislation will empower communities nationwide by funding projects that support job training for America's youth and providing resources through public-private partnerships, at no additional cost to taxpayers. The Outdoors for All Act will bring us one step closer to achieving equity in outdoor access while making our communities healthier and safer.

The Accelerating Veterans Recovery Outdoors Act (H.R. 2435) would create an inter-agency task force to identify ways to expand access and usage of public lands for outdoor therapy and rehabilitation treatments for veterans. OIA supports this legislation because managing physical and mental health issues associated with military service is a considerable challenge for many veterans. Some veterans turn to the outdoors to heal from the trauma of war and renew bonds with family members after long deployments. Veteran organizations, including Veterans of Foreign Wars, Disabled American Veterans, and Paralyzed Veterans of America, see participation in outdoor pursuits as a vital—and underused—tool to promote healthy physical activity, build community, and aid in the

recovery from post-traumatic stress. H.R. 2435 would help improve access to the healing power of the outdoors for our nation's veterans.

The Transit to Trails Act (H.R. 4273) directs the Department of Transportation (DOT) to establish the Transit to Trails Grant Program to award grants to certain governmental and private entities for projects that increase transportation access to public lands, waters, parkland, and monuments for critically underserved communities. Transit connectors to these spaces are important for all Americans, but individuals in rural and urban communities suffer most from the inability to access these lands, which should be readily available to all Americans. OIA is proud to support the Transit to Trails Act because it provides greater urban and rural accessibility to our public lands through increased and affordable transportation options.

Fully Funding the Land and Water Conservation Fund (LWCF)

Access to public lands to hike, swim, paddle, camp, fish, ski, and participate in other recreation activities all depends on the protection of places to provide opportunities for people to get outdoors. From backyards to backcountry, LWCF is the primary federal program investing in access to our public lands and waters. These areas range from our iconic national parks and national trail system to community playgrounds and state forests. LWCF funds have gone to every state and nearly every county across the country, making it one of the most successful programs for protecting access to our outdoors, no matter where you live, boosting the national recreation economy. According to the Department of Interior, over 90 percent of LWCF funding has gone toward providing public access. OIA is grateful for the overwhelming support from Congress to permanently authorize the program this year. We now seek your support for H.R. 3195, the Land and Water Conservation Fund Permanent Funding Act to ensure that LWCF is fully financed to meet the growing recreation needs in every state throughout the country. OIA strongly supports this legislation, and with 229 cosponsors, we believe this bill deserves full consideration by the House of Representatives before the end of the year.

Improving Recreation Permitting and Access on Public Lands

Ensuring that more Americans have ready access to recreation on America's public lands is a top priority for the outdoor industry. Unfortunately, unnecessary hurdles prevent many people from accessing our public lands for recreation. For example, recreational permitting systems managed by federal land management agencies are outdated and burdened by unnecessary bureaucratic barriers. This can make it extremely difficult for guides, outfitters, and outdoor programs to take children and adults outdoors.

We believe that with some simple reforms, the permitting systems could be more responsive, efficient, and transparent. H.R. 3879, the Simplifying Outdoor Access for Recreation (SOAR) Act, seeks to make several changes to reform these systems. It modifies the procedures for issuing special recreation permits for certain public land units. We urge you to consider ideas such as providing dedicated staff to agencies to process applications, allowing a single permit to be used for similar activities, directing agencies to collaborate with one another, and issuing a single permit for activities that cross agency boundaries. We believe that, with your support, we can improve the recreational permitting systems to make it easier for all Americans to experience public lands with the help of a guide, outfitter, or educational program.

It is also important to establish outdoor recreation as a priority for federal land management agencies, further improving recreational opportunities on public lands. That's why we support H.R. 3458, the Recreation Not Red Tape Act, which would instruct land managers, during their existing planning processes and inventorying for potential new Wilderness or National Wild and Scenic Rivers designations, to inventory for places of recreational significance. This process will assist Congress in developing new National Recreation Area designations and help to ensure that management plans appropriately account for recreation. We are constantly working with our members, partner organizations, and Congress to ensure that those who wish to get outdoors do not face major hurdles to do so.

Support for Restore Our Parks and Public Lands Act (ROPA)

Our nation's national parks are some of the most iconic and majestic places in America and a huge draw for many to the outdoors. In fact, in 2018, there were 318 million visits to our country's beautiful national parks, with visitors spending billions in gateway communities. To properly accommodate so many visitors, national parks need to be well maintained. Unfortunately, our national parks have failed to receive the federal funding needed to address serious and significant maintenance problems. Needed repairs range from unmaintained trails to crumbling roads to visitor centers built 50 years ago, desperately in need of updating. One-third of this maintenance backlog are critical projects that must be completed to avoid irreparable damage. More than $1 billion of the nearly $12 billion maintenance backlog is on recreation assets, such as trails, campgrounds, and marinas. H.R. 1225, the Restore Our Parks and Public Lands Act, was introduced with the goal of repairing the maintenance challenges in our national park system by dedicating $6.5 billion (over five years) in new funding drawn from royalties collected from resource extraction on public lands and waters. None of the new funding would be diverted from the LWCF, which also collects funding from this source. OIA strongly supports this bipartisan legislation and urges the House of Representatives to take up this legislation before the end of the year.

Protecting America's Treasures

We are pleased that the House of Representatives will consider three important public lands bills starting today: the Colorado Outdoor Recreation and Economy (CORE) Act (H.R. 823), the Grand Canyon Centennial Protection Act (H.R. 1373), and the Chaco Cultural Heritage Area Protection Act (H.R. 2181). These bills seek to protect some of this nation's most treasured land and offer outdoor enthusiasts the opportunity to continue to enjoy these places for generations to come. We strongly support their approval in the House and encourage the U.S. Senate to schedule them for consideration.

A Balanced Trade Agenda

OIA's trade program represents the diversity of our membership, including outdoor companies whose products are conceived, designed, and produced in America and that utilize global value chains to bring their products to retail markets. For all of our members, but in particular for the small, family-owned businesses that are the backbone of our industry, we work to ensure that U.S. federal trade policy fosters and promotes a stable and predictable environment for all outdoor businesses, while seeking to lower costs for those companies and their customers.

International trade benefits U.S. importers and domestic manufactures alike, creates new jobs, lower consumer prices, and open new markets to U.S. exports. For its part, OIA pursues a "balanced trade policy," seeking only tariff eliminations on outdoor products that have no commercially viable domestic production. For those products that are made in America, we promote federal policies that support U.S. manufacturers and help them transition to competition in a global economy.

The ability of small and medium-sized outdoor businesses to create jobs; develop new, innovative, and high-tech gear; and compete in this global economy, however, has been significantly challenged by the U.S.-China trade war. Backpacks, sports bags, kayaks, bikes, camp chairs, camp stoves, leather ski gloves, and headwear now face a 25 percent punitive tariff. Some outdoor apparel, footwear, and sporting goods have already been saddled with a 15 percent punitive tariff, with another group of those products set to be hit on December 15 with yet another 15 percent tariff.

Even though there is no commercially significant domestic production of many of the outdoor products that have been impacted by these punitive tariffs, they already face normal import duties, as high as 32 percent for polar fleece jackets and 37.5 percent for hiking boots. An additional tariff of 15 or 25 percent in addition to what some members are already paying, will raise costs for outdoor companies, cut already thin profit margins, hamper innovation and new product development, and depress U.S. job growth. These higher costs have also impacted our domestic manufacturers who often rely on critical inputs from China and other countries.

In total, from September 2018 to July 2019, America's outdoor recreation businesses have paid $1.8 billion more in tariffs on affected products compared to the same period a year ago. When you add the normal tariff rates to the new punitive tariffs, outdoor industry companies have paid $2.8 billion in total on affected products from China—triple what they paid last year.

And this data does not even cover the much larger group of products on the so-called List 4 that were assessed the 15 percent punitive tariff on Sept. 1. When this data is released in November, we expect to see a significant increase of duties paid by outdoor companies.

Ultimately, the U.S.-China trade war could force some small and medium-sized businesses to shut their doors, resulting in significant job losses. And it could put many of these business's products out of the financial reach of U.S. consumers.

While outdoor companies are actively looking to diversify their sourcing options, in several cases, China continues to dominate the market, with the infrastructure and skilled workforce outdoor products require. Other countries that are viable sourcing options may already be at capacity and unable to accommodate a massive, immediate shift of supply chains out of China. It will take additional time, significant investment, and training to shift sourcing to other countries. Our members are prepared to do that, but additional tariffs at this time could negatively impact their ability to remain competitive and make the necessary investments to do so.

In the meantime, human and capital resources that should be used to hire new employees, create exciting new innovative outdoor gear, and identify new sales and business opportunities will be devoted to supply-chain management and tariff mitigation strategies. Outdoor companies are being asked to put business growth on hold. In some cases, they will be forced to make the decision to lay off staff or stop operations altogether.

The time has come for the U.S.-China trade war to end. We call on the president to conclude a comprehensive agreement with China that protects U.S. intellectual property and removes all punitive tariffs immediately. Outdoor companies should be able to get back to doing what they do best: developing new gear to enhance the outdoor experiences and get more Americans outdoors.

Protecting Our Climate

Changes to our climate have led to longer and hotter summers, prolonged droughts, increasingly devastating forest fires, rising sea levels, warming waters, reduced river flows, and an unreliable snowpack. These changes, in turn, impact the safety and quality of outdoor experiences. They also result in a decrease in predictability, impacting businesses across the industry: manufacturers making decisions regarding the types and number of products they make, retailers trying to forecast for future seasons knowing the past few have had major fluctuations, and guides whose livelihoods rely on the outdoors being accessible and safe.

There is an increased need and urgency to address the causes of climate change and mitigate and adapt to their impacts. OIA has been working to identify and champion proposals that can garner bipartisan support, including the funding for outdoor recreation areas, support for renewable energy development, setting and achieving science-based emissions targets, and establishing a price on carbon as part of an overall solution to combating climate change. We hope to work with members of the Committee on these and other climate solutions moving forward.

I want to thank Chairwoman Velázquez, Ranking Member Chabot, and all other members of the Committee for giving the outdoor industry this important platform to discuss the critical role this industry plays in creating jobs and promoting economic growth. We hope to work with you to advance the many policy priorities outlined today that will have an important and long-term impact on the health of our industry's small businesses.