

Written Testimony
Outdoor Industry Association
House Subcommittee on Public Lands and Environmental Regulation
Hearing on the Federal Lands Recreation Enhancement Act
April 4, 2014

Mr. Chairman and members of the subcommittee: Thank you for understanding the importance of reauthorizing the Federal Lands Recreation Enhancement Act (REA). First and foremost, it is critical that REA is reauthorized before the legislation expires, and that this reauthorization does not add additional costs or operating barriers to small businesses. Above and beyond reauthorization, there are some improvements that can be made to the law and we thank you for taking the time to consider these changes that are crucial to the growth and success of the outdoor recreation economy.

The Outdoor Industry Association (OIA) is the leading trade association for the outdoor industry. OIA supports the growth and success of more than 4,000 manufacturers, distributors, suppliers, sales representatives, and retailers of outdoor recreation apparel, footwear, equipment and services. As you would suspect, the management of our outdoor recreation assets, including our public lands, is profoundly important to the 140 million Americans who get outdoors to recreate each year, and to the over 4,000 companies in our sector. This document identifies problems with the current discussion draft circulated prior to the hearing and suggests additional changes that would have lasting, positive affects on small businesses and gateway communities.

Recreation is a significant economic driver, with Americans spending over \$646 billion on outdoor recreation each year. This is twice as much as they spend on pharmaceuticals or cars. Outdoor recreation also contributes \$40 billion in federal tax revenue and \$40 billion in state and local tax revenue. Over six million Americans are directly employed by outdoor recreation. The outdoor recreation economy depends on availability and access to quality trails, waterway, forests and parks and the guides and outfitters who provide meaningful and quality outdoor experiences.

The guides and outfitters who rely on the authority in REA to acquire permits on public lands are entrepreneurs, small business owners, and important employers in rural and gateway communities. These businesses have been successful across the country due to the demand for new, exciting and diverse recreation experiences and expert services when it comes to backcountry recreation. However, these small businesses have been subject to inappropriate liability insurance rates, inconsistent permitting fees and overall uncertainty around if/when/where they can run their operations. To add to the issues these small businesses face, the bill circulated would impose additional costs, and could even go as far as putting some smaller outfitters out of business.

The cost recovery provisions in SEC. 807 would require permit holders to cover numerous costs not-affiliated with their programs, that would put additional stresses on their businesses, making many unsustainable. The guided public accounts for less than 15% of overall public land use in wilderness so this type of recreation, led by

professionals who insure safe and sustainable experiences, is not having the most impact on the land and these small-profit-margin businesses cannot afford to increase their prices for non-affiliated programs and maintenance. This language is extremely problematic and we hope you will consider changing this portion the draft bill before introducing REA.

OIA makes the following suggestions to ensure permits are issued cost – effectively, efficiently and with consistency to encourage investment in outdoor businesses.

Permitted outfitters are a key component of the recreation economy and work as important partners to the agencies. They provide a critical interface with the public and aid the agencies in providing quality experiences for the public, while protecting both the visitor and the resource. In regions where permits are uncertain, unreliable, or unattainable, outfitters will be reluctant to invest. By the same token, if permits are awarded in a way that seems unfair or ad hoc, that will also discourage investment. Fees from permits generate revenue for the agencies so making it more difficult, more timely, or more costly for businesses to run their guided trips or programs is a monetary loss for the agencies. If all systems were streamlined, consistent and functioning, an improved permitting process will: benefit gateway community economies; increase revenue to land management agencies; and introduce and educate new visitors to the public lands through guided experiences.

1-Permit Availability and Qualifications: Increased transparency would greatly improve the permitting process. A regular survey of permit availability in park units and ranger districts should be compiled and published online. This data should be accessible on the ranger district/park unit websites and in map form on a national site like recreation.gov. Additionally, a more uniform system could be adopted to update all organizations and businesses that have expressed interest in acquiring permits.

A more efficient process would also include a full list of required components and qualifications needed for permit holders. These would not only include the certifications, insurance, and equipment requirements, but also a fully researched market analysis and a well-crafted business plan. Transparent information of this type would encourage qualified business and organizations to compete for available permits.

2-Planning Notifications: Agencies should ensure that planning processes affecting permitted outfitters are better communicated. Notifications should include information about any and all changes in resource extraction or increased land protections that could inherently change routes, camps, supply programs or any other aspect of a permit holder's operations. Outfitters should be informed about competing demands on public land to allow them to better voice their concerns and identify in advance mechanisms for compensating for necessary changes in land management plans.

3-Needs Assessment: The needs assessment process should be streamlined and prioritized in order for the agencies to make better decisions in response to permit applications. Outfitters working to meet the needs of the public should not be saddled with the cost of a needs assessment, when it can be included in programmatic

environmental analyses. Prospective permit holders can provide market studies as part of the application process, thus providing evidence of the need for the service. Additionally, agencies should avoid imposing permittees with administration fees when they can conduct reviews through routine agency processes.

4-Streamlining the Application Process: Providing much of the above information online, and allowing prospective permit holders to submit applications online would greatly improve the application process. Additionally, liability insurance requirements should be based on actuary data gathered only from actual permit-holders historic claims, not from unrelated businesses such as amusement parks or other “recreation” categories wholly unrelated to public land visitation. This reform would eliminate excessive increases in liability insurance requirements that are not in line with the historic business risks, thereby freeing up significant capital for both current and prospective outfitters to invest in other aspects of their businesses. We also encourage consistency across agencies and units so a permittee is not incurring layering of fees or unnecessary duplicative reporting.

Thank you for your attention on this issue that directly affects small businesses and entrepreneurs in gateway communities and the people who use their services. While permitting issues such as these may, pragmatically, be beyond the scope of this reauthorization, many special recreation permittees are facing real challenges that we hope this committee will consider. We look forward to working with you on another version of this legislation that does not impose additional cost recovery on our guides and outfitters and addresses some of the national permitting challenges. Most importantly, we hope to work with you to get REA reauthorized in the coming months.

***Please note we have signed on to the ARC letter that discusses other areas of the legislation.**

Thank you for your time,

A handwritten signature in black ink, appearing to read "Jessica Wahl". The signature is fluid and cursive, with the first name "Jessica" written in a larger, more prominent script than the last name "Wahl".

Jessica Wahl
Recreation Policy Advisor
Outdoor Industry Association