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Before the Subcommittee on Interior, Energy, and Environment

House Committee on Oversight and Government Reform

Improving the Visitor Experience at National Parks

April 5, 2017

Chairman Farenthold, Ranking member Plaskett and members of the Committee, thank you for the opportunity to provide you with written testimony. On behalf of Vail Resorts, Inc. (Vail Resorts) I am pleased you have asked us to offer our experiences with regard to improving the visitor experience on public lands through both innovation and our partnership with the U.S. Forest Service. This critical partnership has successfully resulted in expanded recreation opportunities, increased infrastructure investment, job creation and enhanced rural mountain economies.

Vail Resorts is the premier mountain resort company in the world. Our product is the great outdoors and our mission is simple: Experience of a Lifetime. Our Company was founded in the late-1950s in Vail, Colorado by a pair of visionary skiers – Pete Seibert, a 10th Mountain Division veteran, and Earl Eaton, a local rancher – whose lifelong dreams were to build a ski resort like no other. Today, Vail Resorts is best known for our portfolio of 13 mountain resorts including the largest resort in North America – Whistler-Blackcomb in British Columbia, Vail, Breckenridge, Keystone and Beaver Creek in Colorado, Park City in Utah, Heavenly, Northstar and Kirkwood in the Lake Tahoe area of California and Nevada, Afton Alps in Minnesota, Mt. Brighton in Michigan, Wilmot Mountain in Wisconsin, and Perisher in Australia. We also recently announced that we entered into an agreement to acquire Stowe Mountain Resort in Vermont.

Four of our mountain resorts are among the top five most visited resorts in the United States. Our strategy is to continuously reinvest in all of our resorts to maintain a premier guest experience and our leadership position, with both capital investments on our mountains and in our resort communities. I submit that adopting policies that enable this approach is also the way forward for natural resources agencies like the U.S. Forest Service.

The United States Forest Service – Our partner in recreation

Six of our largest mountains, Vail, Beaver Creek, Breckenridge, and Keystone in Colorado, and Heavenly and Kirkwood in the Lake Tahoe region, are located largely on national forest system lands (NFS). We, like over 100 other resorts nationally, work in partnership with the Forest Service to deliver quality outdoor recreation experiences. In our public-private partnership, the public provides the NFS lands and we provide the capital, business acumen and operational capability to deliver a product that benefits millions of our guests every year. We also deliver a significant return to the taxpayer through fees paid for the use of the land. In fact, our partnership connects more people with the great outdoors and public wildlands than any other single activity on public lands.

Without this partnership, many of the premier ski resorts in the U.S. would not exist. Historically ski resorts operated almost exclusively in the winter, but that is changing to year-round, full service, unique and thrilling opportunities to engage the public on their public lands.

More Recreation, More Investment, More Jobs and More efficient use of public land

About a decade ago our Company began a dialog with the Forest Service on how we might work together to develop four-season, recreation opportunities on our permitted lands. The idea was simple; rather than have much of our existing infrastructure sit idle during the non-ski season we believed we could expand recreation opportunities by adding new activities, facilities and programs. We could do this on our permit areas – land already allocated for recreation use, land that was already developed, and land that was known for iconic and spectacular landscapes. We had already developed parking lots, ski lifts, utilities, restrooms and restaurants that we could use in all four seasons. We could also expand employment to year-round for both our own employees and for the recreation-dependent communities where we operate. It is a classic win-win-win.

We approached our Forest Service partners and were told that enabling legislation would be the best way to ensure the agency had the necessary authority. Vail Resorts, in partnership with the National Ski Areas Association (NSAA), led the effort that culminated in the Ski Area Recreation Opportunity Enhancement Act (SAROE). This bill passed both houses in 2011 unanimously, a testament to how much public support there was for the idea. In 2014, the implementing regulations were adopted and Vail Resorts immediately proposed the very first projects under the new law – starting with that very same mountain in Vail that started our Company.

We have proposed projects at three of our largest mountain resorts – Vail, Breckenridge and Heavenly. New infrastructure included mountain coasters (the very first to be constructed on national forest lands), zip lines, canopy tours, climbing walls, ropes courses, mountain biking and hiking trails. The Forest Service analyzed the proposals and rendered three separate affirmative decisions following the National Environmental Policy Act (NEPA). In another testament to the common sense nature of the idea and thorough project analysis, not a single public objection was filed in protest of the three projects.

We launched our expanded recreation offerings at both Heavenly and Vail last summer – inviting USDA and U.S. Forest Service dignitaries, State officials and legislative leaders to celebratory events. We operated all last summer. This coming summer we will add Breckenridge to our summer line up. Vail Resorts expects to invest a total of over \$80 million, company-wide, in our four season, what we are calling Epic Discovery "learning through play" program under SAROE.

It is still early in the development of our four season recreation program but we are seeing multiple benefits. As we had hoped, our guest visitation is increasing, we are providing more year-long employment, and our communities are benefitting from a more stable year-round economy. We have entered into a partnership with The Nature Conservancy to capture some of the new revenue and reinvest it in conservation projects. We have worked with the Forest Service to encourage them to add uniformed Rangers at our resorts to provide conservation education programs. Best of all – our guests and the public are reconnecting with public wildlands and having a lot of fun in the outdoors as a result of these innovations.

Lessons learned and challenges ahead

Sustaining a healthy business partner. Our most significant challenge with the new four season recreation program has been the inability of the Forest Service to keep pace with our efforts. The response from our Company, and many in the ski industry, to this new opportunity has been very strong. In fact, on the White River National Forest where both Vail and Breckenridge are located, the demand for summer projects has created a new, very significant workload. This additional work, coupled with our very active winter projects and the agency's reduced budgets, have created an acute bottleneck and backlog of projects waiting for review and processing. We do our part, as the ski industry "pays its way" on the analysis work undertaken by the U.S. Forest Service when we propose projects. However, under current Forest Service use of the discretionary budget and the continued erosion of non-fire funds, we are not overly optimistic that there will be improved timelines or additional personal for the effort.

We believe this issue can be addressed through a combination of funding and process streamlining which I will address in just a bit. Let's look first at the data related to the loss of funding for non-fire programs in the U.S. Forest Service. It tells quite a story. Current recreation program staffing levels are at 40 percent of what they were in the year 2000, primarily due to a change in how the Congress is funding wildfire suppression by requiring the Forest Service to use non-fire program funds. Catastrophic wildfires are not treated as other emergencies such as tornados or hurricanes – where the disaster is funded through a designated emergency fund. Instead, these wildfire emergencies are funded from programs such as recreation, timber, and livestock grazing, year after year. This wildfire funding formula is destabilizing to our industry and to rural communities whose economies depend on the jobs and investments we provide. Congress has been working on a "fix" to the fire suppression funding formula and we have been an active member of a coalition of business leaders and others to make the needed changes. Treating wildfire emergencies differently than other natural disasters is unfair and unsustainable, and directly impacts our industry, other programs and industries, and the American people by denying them access to recreational opportunities.

There is a solution. We have a forward-thinking, very innovative idea for helping the Forest Service become a healthier business partner. Congress could enact legislation to direct that the fees we pay for use of the national forests lands be kept within the local area instead of being directed to the National Treasury in Washington D.C. A percent of our ski fees could be retained by the local national forest to address the very real impacts associated with the concentrated recreation use on, and adjacent to, our permit areas. Keeping this money local would enable the agency to keep up with our proposals for investments and make the processing of these requests more timely and efficient. It also would enhance the U.S. Forest Service's ability to leverage more private investment to capitalize on future opportunities. Senator Wyden and Senator Gardner are providing leadership on ski fee retention in the Senate. We look forward to working with members of Congress to advance the idea of keeping fees local and addressing our issues locally.

Process streamlining. Combining increased capacity for the agency via fee retention and reducing unnecessary process encourages investments in our resorts which translates to an improved guest experience. One example of process excess is the level of analysis and review necessary to comply with the National Environmental Policy Act (NEPA) while approving a relatively routine project such as replacing a chairlift. For example, when we propose to use the same lift alignment and are simply increasing a 2 passenger to a 4 passenger ski lift, we do not see the benefit of extensive analysis and documentation. Ski lift replacements with minimal and known environmental effects could have their own category under NEPA and be excluded from

onerous documentation requirements. Alternatively, programmatic agreements with the Council on Environmental Quality (CEQ) could allow us to proceed under simple letters documenting our activities as opposed to repetitive, costly, and unnecessary environmental analysis. As we develop summer activities under SAROE, similar categories could be defined under NEPA to potentially exclude excessive analysis and documentation for replacing a zip line for example. These simple changes would save millions of dollars nationally and hours of work by public and private entities.

Thank you and I'll be glad to answer any questions.

Vail Resorts is thrilled to be on the leading edge of expanding year-round recreation activities and opportunities at ski resorts located on our national forests. We appreciate the support of Congress in creating the authorities so our partner, the U.S. Forest Service, could embrace the concept. The U.S. Forest Service, from Washington D.C. to the field, has been working with our Company to create an experience of a lifetime for the public and our guests for decades, and now via Epic Discovery. We are using our permit areas more effectively, building new infrastructure, providing jobs and strengthening rural economies. The year-round recreational idea is really working. It may be the best outdoor opportunity of the past two decades to reconnect the public with public wildlands, build support for public lands, and address the U. S. Forest Service's need for a strong public connection to the great outdoors. Anticipating the additional workload for agency personnel – and ensuring resources to keep the economic and public recreation benefits flowing – are key. Thank you for the opportunity to speak today and I look forward to any questions.