

## **Statement of the Outdoor Recreation Industry Roundtable to the Committee on Environment and Public Works, U.S. Senate, on Modernizing Our Nation's Infrastructure, February 8, 2017**

Chairman Barrasso, Ranking Member Carper and distinguished Committee Members:

The Outdoor Recreation Industry Roundtable (ORIR) offers this testimony regarding **Modernizing Our Nation's Infrastructure**, the topic of your hearing on February 8, 2017. Members of ORIR are listed in an attachment to this testimony. ORIR supports enthusiastically your examination of the needs for, the priorities regarding and the strategies to achieve an infrastructure which will serve our nation well for decades ahead and asks the Congress to understand the recreation-related features which must be included in accurately defining our nation's infrastructure needs.

The Outdoor Recreation Industry Roundtable is a broad coalition of recreation industry groups representing the core of the \$646 billion outdoor economy and its estimated 6.1 million direct jobs. Our customers make more than one billion annual visits to sites managed by federal agencies including the Bureau of Land Management, the Forest Service, the National Park Service, the Fish and Wildlife Service, the U.S. Army Corps of Engineers, the Bureau of Reclamation, National Oceanographic and Atmospheric Administration and more. Together, the sites managed by these agencies cover more than 30% of the nation's surface. These lands are public lands and waters – belonging to the American people and should be managed in ways to produce legitimate and diverse public benefits, including enjoyment and improved health – and economic gains arising from recreational spending.

The infrastructure on most of this vast, federally-managed shared legacy is in poor condition. Roads face very large backlogs of deferred maintenance and very real safety issues, constraining public access by millions. Other infrastructure – including trails, campgrounds, marinas and more -- is largely inadequate, outdated, unappealing and too often unsafe. Wi-Fi and cell service is often lacking, creating safety concerns and robbing Americans of contemporary means to boost the enjoyment and educational benefits of visits to their legacy lands. Together, these challenges are a brake on our industry and its potential to contribute to our nation's economy and vitality.

ORIR supports engaging the private sector widely and creatively in the enhancement of the recreation infrastructure on federal lands. This strategy will not only benefit the public with better and safer outdoor opportunities but will also support and expand American jobs, many of which are of vital importance to rural communities, created by growth in spending on outdoor recreation.

We would like to offer the following suggestions to improve infrastructure needs on federally managed lands and waters.

The **21st Century Infrastructure for America Plan** must include provisions for a **21<sup>st</sup> Century Infrastructure on America's Public Lands**. Today, roads and parking areas, trails and utilities (including cell and internet service), buildings used for lodging and food services, marinas and boat ramps, dredging and campgrounds are major and growing problems. The National Park Service reports a deferred maintenance backlog exceeding \$12 billion – and additional billions in new construction are needed to respond to growth in the US population and increasing popularity among international visitors. The Forest Service, the U.S. Fish and Wildlife Service, the U.S. Army Corps of Engineers, the Bureau of Land Management and other federal agencies also have billions of dollars in backlogged maintenance and needs for infrastructure modernization and growth. The infrastructure needs of the nation's federally-managed lands are a national responsibility and deserve a key role in the Trump Administration/115th Congress Infrastructure Initiative.

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We urge including a new recreation title in any upcoming infrastructure legislation. While, traditional surface transportation needs continue to need investment, we urge this Congress to recognize the importance of making outdoor recreation a top priority for public lands infrastructure. A new recreation title could guarantee that America's public lands would soon offer world class marinas and campgrounds and trails and more, complementing existing world class ski areas and in-park lodging.

Much of the recreation infrastructure on federally-managed lands is associated with revenue streams – daily and seasonal entrance and activity fees (like lift tickets at ski areas), campground fees, slip and launch fees, licenses and registration fees, excise taxes and fuel taxes. These income streams are key to the recreation title's capability to attract non-appropriated funding, primarily from the private sector. Well designed, this title can be largely budget-neutral by attracting private capital, through direct and indirect fees for use, and by achieving significant leveraging of current federal spending.

A new recreation title can embrace four vehicles for overcoming current challenges and adding contemporary, needed infrastructure. These are:

- 1) Embracing and facilitating the **use of private investments**, modeled after several important and successful precedents. Many of the iconic lodges in our national parks today were constructed one hundred years or more ago by railroads and other corporations, reflecting the spirit of the Teddy Roosevelt era. Others were added after the National Park Service turned 50 in 1966, notably by the Rockefeller family in Grand Teton and Virgin Islands National Parks. Investment continues today, with \$200M invested by the concessioner in Yellowstone to replace and rebuild 30% of all lodging in the park and add new, LEED Platinum employee housing. At Fort Baker in Sausalito, California, \$100+M in private investment repurposed an endangered historic property into the Inn at Cavallo Point, a world class hotel and conference center on national park land. In our national forests, billions of dollars in private investment have produced many of the world's premier ski destinations – from Vail to Aspen to Snowbird to Mammoth and more. Even better, annual payments by companies operating in our parks and national forests generate \$150+M in direct payments annually to the federal government – up to 12% of the gross revenues generated by key park concessioners. These precedents can be expanded greatly – to development of modern campgrounds, to expansion to hundreds of additional national park units, to additional visitor facilities at places as diverse as Alcatraz and Great Smoky Mountains National Park. Most of the statutory authority exists for this, although clarified authority for FS, BLM and USACE is desirable. Also, eligibility for historic tax credits for reinvestment in many key federal buildings could be expanded by making structures providing commercial services and covered by permits and contracts of 30 years or longer eligible.
- 2) The concept of an **infrastructure bank** has been widely discussed as an element of new infrastructure investments. Recreation-related infrastructure projects on public lands would be great candidates for these loans, including lodging, marinas, campgrounds, transportation systems, dredging and more. Lending by the bank should be limited to projects which will generate revenues to accomplish repayment of loans.
- 3) **Federal Lands Recreation Enhancement Act (FLREA)** can become a better vehicle for investments under the new infrastructure initiative. FLREA could allow dedication of revenues from specific projects to repayment of loans.

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- 4) Widespread **leveraged use of federal funds** could be another element of the infrastructure initiative. Models include the newly-created NPS Centennial Challenge (PL 114-289) as well as significant use of similar authorities in the past by most of the major federal recreation providers as well as an expanded Recreational Trails Program, utilizing federal motorfuels taxes collected on fuel used in off-highway recreation.

A recreation title infrastructure initiative could achieve dramatic improvements in use of appropriated funds, while bolstering private investment in our public lands and waters. We suggest consideration of the following for project prioritization:

- 1) Direct federal agencies administering recreation sites with preparing a list of proposed rehabilitation and improvement projects and inviting partners to respond.
- 2) Create a more open process, with the same agencies directed to develop lists of (A) deferred maintenance by unit and facility, prioritized by greatest potential impact on visitors and/or the park resources and (B) new or expanded visitor infrastructure which would allow growth in visitor demand and enjoyment as well as protect park resources. This approach would increase public involvement in project selection and might create some internal agency champions, much as the NPS Mission 66 effort. In conjunction with the agency's 50th anniversary, a large amount of visitor infrastructure was added (albeit publicly funded), and superintendents and others competed actively for available funding.
- 3) Create a completely new system, where deadlines would be established for submission of "open call" proposals by for profit companies, non-profits and other agencies for new, rehabilitated and expanded visitor facilities. A blue ribbon panel could review the submissions and recommend to the Secretary those projects which were appropriate and most viable. This resembles the process by which ski area proposals are developed for national forests. In most cases, potential ski area operators have done all of the assessment and brought a proposal to the agency – and enjoyed non-competitive status if the agency gave its approval, accompanied by 40 year permit terms.
- 4) In all cases, encourage use of Service and Conservation Corps for infrastructure initiative projects and programs. Independent studies have documented improved cost effectiveness by engaging Corps. Corps have capabilities for even highly skilled undertakings, as demonstrated by H.O.P.E. (historic preservation) and recreation projects at Shenandoah and other National Parks.

The Outdoor Recreation Industry Roundtable stands ready to help the nation undertake bold, innovative solutions to our nation's infrastructure needs. We appreciate your consideration of a new recreation title to improve access to our public lands and waters and grow the current \$646 billion outdoor recreation economy. We look forward to being a part of discussions designed to deliver to the nation an infrastructure appropriate for the 21<sup>st</sup> Century – an infrastructure our nation deserves.

Thank you.

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