

Committee on Resources

Witness Testimony

Testimony of
David J. Ingemie
President
Ski Industries America
before the
Subcommittee on Fisheries, Wildlife and Oceans
regarding "Teaming with Wildlife"
Thursday, June 6, 1996
10:00 AM

Good morning. My name is David Ingemie, and I appear today on behalf of the members of Ski Industries America, a national nonprofit trade association of which I am president. SIA represents more than 1,100 U.S. manufacturers and distributors of ski, snowboard, snowshoe, and other winter on-snow sport equipment, apparel, footwear, and accessories.

We encompass a total U.S. work force of over 197,000 individuals, ranging from warehouse personnel to chief executives. Our consumers are the American on-snow recreationists--alpine and cross-country skiers, snowboarders, and snowshoers . . . a very diverse cross section of the American public.

We believe that as active members in the recreation community, we have a shared responsibility to protect and expand the resources of our national, regional, and local parks and outdoor recreation areas. In support of these goals, SIA has been instrumental in the formation and growth of programs, such as SIA's Golden Eagle Awards that recognize environmentally- responsible policies and practices, a recycling research program to reclaim materials from skis and ski boots, and a newly-developed textile recycling program to collect and reuse textile waste.

Clearly, SIA has actively sought and will continue to strive for enhanced wildlife preservation and protection. Moreover, in this time of shrinking federal and local budget resources, we certainly recognize the need to seek out new and innovative methods of sustaining the remarkable maintenance and growth of the many environmental and wildlife sanctuaries the American public enjoys.

We support the concept of a long-term strategic approach to funding requirements for recreation and conservation, especially involving the private sector and local- and state-level funding measures. There is also a need for a federal leadership role to guarantee a degree of uniformity of quality and variety of outdoor recreation availability on federal lands, both in the support of wildlife preservation as well as visitor services, trail maintenance, campground operation, and other support services. The same applicable standards will hopefully be met in the many multiple-use outdoor recreational areas in the country situated on non-federal lands.

However, the "Teaming with Wildlife" proposal of the International Association of Fish and Wildlife Agencies (IAFWA) is ill timed and would, if implemented, place an undue hardship on SIA's membership and, more importantly, adversely affect the 15 million Americans who participate, or might otherwise participate, in on-snow sports. Furthermore, these participants are already supportive of the governments' environment and wildlife programs, through payment of fees by ski area operators on public lands for downhill and cross-country skiing and snowboarding.

At one time, the on-snow recreation industry in America enjoyed tremendous growth. However, for the past decade, the number of ski area visits by skiers and snowboarders remains constant. During this period, product unit sales at the retail level decreased 27% for alpine skis, 57% for cross country skis, and 24% for alpine boots from the industry's peak in 1987.

Now, as costs for participating in our on-snow sports have escalated, our sport is mature. It appears that the American

public is near a saturation point in the family budgeting process as to the costs of recreation activities which can be sustained. The proposed excise tax on ski equipment and other on-snow related sporting goods will represent one more barrier for continued participation or entry to our lifetime sport. The public's perception is that our sport is already expensive. Therefore, any increase in the costs associated with our sport would likely preempt participation and growth.

The "Teaming" proposal calls itself a "user fee." SIA does not oppose a fee that is equitable, cost-effective, understandable to those assessed, and dedicated to those areas for which fees are collected. However, we believe that those who pay the fee must be provided a direct and identifiable service. The "Teaming with Wildlife" proposal falls far short of meeting this test.

Levying an excise tax on a loosely defined list of "outdoor recreation" products is not compatible with the philosophy of a fair and equitable user fee. "Teaming's" proposed mechanism fails to meet the "user-pays" test. This proposal represents a specialized tax if a substantial portion of users did not pay, or if they pay a disproportionate share of the tax, and thereafter derive no direct benefit. We believe this is to be the case with participants, or potential participants, in our sports.

We share the concerns of others regarding the problems with inadequate administration of collected funds and certainly with the ad valorem inflationary factor that would accompany imposing the tax at the manufacturer's first point of sale. The subsequent markup of product as it moves through the commerce stream results in costs to the consumer in excess of the percentage of tax levied.

You should note that a significant majority of our members are small businesses with sales not exceeding \$1million. These companies operate at an average profit before tax margin of less than five percent. The impact in loss of sales, as a direct result of the proposed excise tax, would certainly cause a number of our member businesses to fail, resulting in greater unemployment and a decrease in revenue base. This liability alone could outweigh the revenue benefit that imposition of such a tax might accrue from the on-snow recreationists in America.

In conclusion, I reiterate the fact that we remain adamantly supportive of balanced and responsible funding mechanisms to sustain and broaden the environmental and wildlife resource programs in this country. However, SIA adamantly opposes the excise tax concept of the "Teaming with Wildlife" proposal, while remaining favorably disposed toward many of the mutual goals of the outdoor recreation industry.

On behalf of the SIA membership, I thank you for this opportunity of expression. I welcome any questions which you may have.

David Ingemie, President Ski Industries America

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