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Before the House of Representatives

Committee on Natural Resources

Legislative Hearing on HR 5171 – The Ski Area Fee Retention Act (SAFRA) of 2018

Subcommittee on Federal Lands

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Chairman McClintock, Ranking Member Rep. Hanabusa and members of the Subcommittee, thank you for the opportunity to provide written testimony on HR 5171, the Ski Area Fee Retention Act of 2018. On behalf of Alterra Mountain Company and the National Ski Areas Association (NSAA), I would like to thank Reps. Tipton and Kuster for their leadership in introducing the bill, along with Chairman McClintock and other members of the Committee for co-sponsoring this bipartisan measure to retain ski area permit fees locally.

Alterra Mountain Company is a relatively new company, formed in 2017, but our roots in the ski industry go back to the earliest days of developed skiing in the United States. Alterra Mountain Company includes 11 mountains in the United States spread over five states, including seven ski areas operating under Ski Area Term Special Use Permits. These include Squaw Valley, home of the 1960 Winter Olympics, Mammoth Mountain, one of the most popular ski resorts in the nation, and Steamboat, known for its Champagne Powder. As a company, we are rooted in the spirit of the mountains and united by a passion for outdoor adventure.

NSAA has 308 ski area members, 122 of which operate on NFS lands in Arizona, California, Colorado, Idaho, Montana, Nevada, New Hampshire, New Mexico, Oregon, Utah, Vermont, Washington and Wyoming. Collectively, ski areas strongly support the local retention of a percentage of ski area permit fees on the forest on which they were generated. HR 5171 would retain those funds so that the Forest Service has the capacity to review proposals for ski area investment in needed infrastructure to improve recreation opportunities for the future. Such investment is critical not only for the experience of our guests and the public, but also to bring job creation and economic development to rural communities across the country.

Background

Public land resorts work in partnership with the U.S. Forest Service to deliver an outdoor recreation experience unmatched in the world. Our longstanding partnership—dating back to the 1930s—is a model public-private partnership that greatly benefits the American public. The recreation opportunities provided at public land ski areas provide a boost to rural economies, improves the health and fitness of millions of Americans of all ages, promotes appreciation for the natural environment, and delivers a return to the US government through fees paid for use of the land.

Ski areas are the economic drivers in the rural communities in which they operate. They are frequently the largest employers in their mountain communities and contribute greatly to their economic health and stability. Over the past ten years, the US ski industry has averaged over 55 million skier/snowboarder visits annually, and about 60% of those visits occur on public lands. In total, the US ski industry—including resorts, equipment manufacturers, apparel companies and retailers—supports $62 billion in tourist-related revenue, 964,000 jobs and $4.6 billion in annual retail sales.

Ski areas are developed sites that are designed to accommodate very large numbers of visitors. Ski areas pay for all of the on-site improvements including roads, parking lots, bathrooms, trails, chair lifts, dining areas and lodges, guest services facilities (rental and ski school), maintenance facilities, patrol facilities and other needed facilities. While ski areas pay for all review processes as well as the capital improvements themselves, our improvement projects are not moving forward like they used to. Our testimony below will elaborate on why fee retention is necessary to improve the Forest Service's capacity to review ski area proposals for improvements and in turn allow ski areas to invest *more and sooner* in much needed infrastructure at public land resorts, creating enhanced recreation experiences and new economic opportunities in our communities.

Need for Ski Fee Retention

Retaining ski fees locally is necessary because the Forest Service Recreation program is underfunded, understaffed, and its focus is frequently diverted to urgent emergencies. Current recreation program staffing levels are at 40 percent of what they were in the year 2000. Due to declining agency budgets, the growing cost of wildfires and the downsizing and fragmentation of jobs among special uses administrators, the agency is not able to adequately administer ski area permits.

Lack of capacity with respect to permit administration, including review and approval of new ski area projects and timely NEPA review, negatively affects ski areas. For example, ski areas have experienced "pauses" where proposals are not accepted by the agency for extended periods of time. The agency's lack of bandwidth often limits them to reviewing one project at a time. The agency's inability to review more than one project at a time can pit one resort against another on a given Forest. This is unacceptable considering the amount of fees that ski areas pay to the federal government, which has averaged $37M annually over the past five years. When USFS lack of capacity impedes a ski resort's ability to transition to a four season model or to add snowmaking or to replace an aging chairlift that needs immediate attention, it affects not only the ski area, but the local economy in which that resort is located.

While the Fire Funding Fix passed this year will help alleviate some of the budgetary shortfalls for the agency, that funding is still two years out, and we have a backlog of ski area projects that have been delayed by lack of agency capacity. Likewise, although streamlining efforts by the Forest Service are currently underway to make the NEPA process more efficient—and the ski industry appreciates and is involved in that process—there still has to be agency personnel to execute any changes, which we are severely lacking at this time. The bottom line is that without the dedication of agency funds directed to ski area permit administration, ski areas will not have the certainty they need to make long-term business decisions on improving and enhancing their operations for the future. Alterra alone has plans to make significant investments in infrastructure on public lands in the future totaling $555 million over the next five years. The passage of the Ski Area Fee Retention Act is key to our being able to make those investments in an efficient and timely fashion.

Ski fee retention is long overdue. Congress has already authorized local retention of recreation user and permit fees through the Federal Land Recreation Enhancement Act (FLREA). In fact, in 2017, over $400 million in recreation fees were retained through FLREA. It is time for ski area fees, which are not included in FLREA, to be retained at the local level as well as through the Ski Area Fee Retention Act.

Benefits of Ski Fee Retention

There are many benefits associated with Ski Fee Retention. In addition to increasing Forest Service capacity and providing ski areas with the certainty they need to make long-term investments on needed infrastructure on public land, fee retention will greatly facilitate implementation of year-round recreation activities consistent with the Ski Area Recreation Opportunity Enhancement Act (SAROEA) passed by Congress in 2011. This will create year-round jobs, boost rural economies, improve the recreation experience for visitors, and ultimately support the Forest Service in fulfilling its recreation mission.

Ski Fee Retention under HR 5171 would allow the transfer of ski area fees from one ski forest to another, such that forests without a high number of ski areas can still improve capacity to properly administer the ski permits on that forest. It also allows funds to be expended on non-ski area recreation permit administration once ski area permit needs have been met across all forests. These are key points, because as ski area operators we know that our individual success is tied to the greater success of the industry, including everyone from large operators like Alterra Mountain Company to small family-owned resorts, and is also tied to the greater success of our mountain communities, which desperately need action to respond to the overwhelming desire of the public to recreate on public lands. Retained funds may also be spent on interpretation, visitor information and visitor services and support of avalanche safety programs, all of which will improve visitor experience.

In closing, we urge the Committee's support of HR 5171. Thank you for the opportunity to provide this testimony.