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Lieutenant Governor of the State of Utah

Testimony before the

**House Subcommittee on Public Lands and Environmental Regulation**  
Oversight hearing on

*“H.R. 3311 Providing Access and Retain Continuity (PARC) Act”*

November 21, 2013

Good morning, I am Spencer J. Cox, Lieutenant Governor of the great State of Utah. Thank you, Chairman Bishop and Ranking Member Grijalva, for holding this important hearing. I appreciate you inviting me to speak to you and members of this subcommittee regarding the *“Providing Access and Retain Continuity (PARC) Act”*.

Utah paid approximately \$1.67 million dollars (166,572 per day) to operate Utah’s national parks and monuments until the budget crisis was resolved. The intent of the State of Utah in allocating state funds for the operation of these federal facilities was meant to be a temporary solution until the budget impasse was resolved and the funds could be repaid. The important principle is that when states agree to help in a time of need, they should be fully compensated for this assistance in a timely fashion.

Utah’s national parks and monuments were severely affected by the recent federal government shutdown. These national treasures are estimated to add \$100 million per month to Utah’s economy. This money goes to support Utah’s rural communities, like Moab, Hanksville, Panguitch, and Springdale, whose economies are symbiotically tied to the tourism dollars brought in by the domestic and international visitors who come to Utah.

When the federal government partially closed on October 1, the effects were immediate, and they were dramatic. Local hotels went from being full to virtually empty in a matter of days and bus companies shutdown. Many outfitters received cancellations that threatened their entire season and supporting businesses were facing the prospect of going bankrupt because of actions out of their control.

However, the State of Utah and the Department of the Interior were able to quickly negotiate an agreement in which the state would upfront the money to the National Park Service in order to operate Utah’s national parks and monuments until federal budget crisis was resolved. The state committed approximately \$1.67 million dollars (166,572 per day) to operate these facilities for ten days. The federal budget crisis was resolved six days after the state began subsidizing the operation of Utah’s national parks and monuments.

Ultimately, the federal budget crisis was resolved six days after the state began subsidizing the operation of Utah's national parks and monuments. As of today, the Department of the Interior has refunded the unused portion (approximately \$666,000) of the money that the state wired to the federal government. However, Utah has not yet received the remaining \$1 million that it committed to operate these facilities.

There are several reasons why the State of Utah should be compensated for this expenditure:

1. The National Park Service continued to collect all fees and profits generated from the national parks and monuments while the State of Utah paid to operate these facilities.
2. The National Park Service receives an annual budget allocation to operate these facilities, and this money was not reduced to account for the amount funded by state funds.
3. In the continuing resolution passed by the Congress, which reopened the federal government, section 116 instructs that when states use state funds to continue carrying out a federal program, the state shall be reimbursed for expenses that would have been paid by the federal government during such period had appropriations been available.

The intent of the State of Utah in allocating state funds for the operation of these federal facilities was meant to be a temporary solution until the budget impasse was resolved and the funds could be repaid. It is also clear that the intent of the continuing resolution passed by Congress was to fully reimburse states for state funds used to operate federal programs. I support a Congressional solution in which the Interior Department is instructed to reimburse states for these expenditures as stated in the "Providing Access and Retain Continuity (PARC) Act"

However, the important guiding principle that must be upheld is that when states agree to help in a time of need, they should be fully compensated for this assistance.