

Before the U.S. Senate Committee on Energy & Natural Resources  
Hearing to Examine  
“Deferred Maintenance and Operational Needs of the National Park Service”  
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Written Testimony of

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Chair Murkowski, Ranking Member Cantwell and Members of the Committee: Thank you for the chance to testify on behalf of REI Co-op. I’m proud to appear alongside colleagues who share the co-op’s love of our National Parks and who care deeply about their future.

REI was founded 80 years ago when 23 climbers came together to find better deals on great gear from Europe. Their shared passion was to adventure into Mount Rainier and Olympic National Parks. So, in many ways you can say that the co-op was born in our National Parks. Since then, our members’ and employees’ connection to them has only grown.

Today, REI has over 150 stores in 36 states, a robust online platform, plus over 17 million co-op members. We source our gear and apparel from over 1,000 companies. We get Americans of all backgrounds into the outdoors via our own classes, outings and trips. Many REI adventures go into National Parks. Last year alone, after rallying them in gateway communities, we brought 3,000 people into the parks for multi-day adventures of a lifetime.

To show our appreciation for the Parks, we were top-tier sponsors of the Centennial. We provided the National Park Foundation almost \$5 million in cash, and at least as much in in-kind support. Some of that support was to promote the Centennial. Much was for stewardship projects staffed by our employees or members, or youth corps funded by REI.

In short, since the co-op’s inception, we have adventured into the Park, have provided them support in many ways and have helped create economic vitality in gateway communities. We feel we know the Parks’ opportunities and needs quite well.

In that vein, we thank this committee for your work in supporting the Parks; in particular for passing the Centennial Act last Congress. As a company that invested heavily in the Centennial, we were pleased to see your own bipartisan commitment to the Park’s next century. In our ongoing philanthropy, we look to maximize our use of those matching funds to address backlog projects.

If there are two thoughts I want to leave you with today, they are:

- First, experts in the field are just beginning to understand the full economic contribution of outdoor recreation, whether that's recreating at a National Park, state park or in your home town. The economic benefit of time outdoors already is bigger than many expected. Yet, as we learn more about how the outdoors provides measurable health and community benefits, we're likely to see our public lands and natural places as even more important assets.
- Second, when compared to the full economic contribution of our country's natural spaces, the federal investment in outdoor recreation actually may turn out to be relatively small. Many in Congress may feel accustomed to discussions about how the Parks and their backlogs are "burdens." The data is still emerging, but early indications suggest that public investment – and especially federal investment – is comparatively low-cost and generates outsized returns.

As we learn more, we need to evolve our thinking. Our natural spaces, especially our National Parks, are extraordinary economic assets. They are not nice-to-haves, but must-haves. Sustaining them is not a nice-to-do, but a must-do. Based on an emerging body of evidence, one could argue that failure to protect and cultivate our green spaces – and especially our gems, our National Parks -- is tantamount to economic malpractice.

### **BEA's Preliminary Data Show the Rec Sector to be Large, with the Federal Government's Contributions Multiplied Many-Fold**

Let's start with the relatively new news. The Committee will recall that in 2016 Congress also passed, by unanimous consent in both chambers, the Outdoor Recreation Jobs and Economic Impact Act (the OUTDOOR Rec Act). It requires the Bureau of Economic Analysis at the Commerce Department, for the first time, to create a satellite account and to authoritatively measure the recreation sector's size. Just this past February, BEA released its preliminary findings, with a complete version of its first analysis due out this fall. A few early highlights:

- The recreation economy accounts for 2.0% of GDP.
- That's a full 30% larger contribution than the entire utilities sector.
- It's 40% larger than all mining, which includes oil and gas extraction and support services.
- Moreover, the preliminary BEA data excludes close-to-home recreation because, as we understand it, BEA has yet to develop the appropriate data set.

Close-to-home recreation (e.g., within 50 miles of your home) makes up a substantial portion of all outdoor activities. If you live in Tacoma, it's a trip to Mt. Rainier. If you live in Anchorage, it's any recreation activity in-town or just outside the city limits. When BEA closes the data gap and includes close-to-home, we'll likely see outdoor recreation's contribution to GDP well exceed 2.0%.

It's also important to recognize that these economic contributions are overwhelmingly driven by the private sector. Americans love to get outdoors and go on adventures. The outdoor sector is made up of thousands of Main Street businesses and entrepreneurs. The sector is spread across gear, apparel, recreation vehicles, boating, hunting, fishing, other human-powered activity, plus the travel and tourism businesses that cater to the nation's millions of adventurers.

As a corollary, it appears that the federal government may not be a major economic actor, at least as far as the numbers are concerned. Again, the BEA data are preliminary, but in the recreation sector:

- The federal GDP contribution is \$2.7 billion in comparison to \$374 billion for all of recreation. I.e., for every dollar of GDP generated by federal spending on outdoor recreation, the private sector and state and local governments generate \$135.
- This phenomenon also emerges when you look at wages. BEA finds over \$200 billion in wages for the whole sector. Federal government expenditures are \$1.7 billion or 0.8%.

Given the tendency inside the Beltway to focus on the U.S. government's responsibilities, it's eye-opening, to say the least, to see that hard-fought government spending in a sector can help spawn substantial economic activity across the rest of the country.

We'd have to do more unpacking of the data over time, but I suspect the underlying reason will prove obvious. These hard-fought federal expenditures are catalytic. Everyone in this room knows that our public lands -- especially our National Parks -- are our keystones. They inspire people from around the world to visit the U.S. and adventure into rural America. They are destinations for American families looking to create bonds and memories that last a lifetime. Our National Parks deliver awe and solace, fun and challenge, reconnection with our humanity. So, while the U.S. government's contribution relative to the whole might be modest, and a struggle to muster, it's role is pivotal.

### **Additional Research Shows Even Greater Economic Potential for the Nation's Outdoors**

As we look towards future battles for funding our National Parks and supporting public lands, it's also important to recognize that recreating in nature generates additional benefits. Here, too, the research is in early stages, but the analyses are showing great promise:

- An increasing body of science shows that time outdoors – exercising or rejuvenating – is low-cost preventative medicine. In some exciting REI-backed research, thought leaders at the University of Washington are finding that PTSD suffering vets who adventure into, say, Mt. Rainier may be able to meaningfully reduce their reliance on pill regimens.
- Outdoor recreation opportunities also foster positive community development. We know that gateway towns with the right range of assets can attract a wider assortment of new businesses, both in the outdoor sector and beyond. Access to the outdoors can make communities more cohesive, with a stronger social fabric.
- The outdoors can even be part of childhood development. An increasing body of research shows that kids open their minds in unique ways when they can explore and play outdoors. Adventures in National Parks can be some of the most positive transformative experiences a child can have.

All of these attributes, in the long run, contribute not just to healthier people and healthier communities – but also a stronger economy and country. As these analyses mature, we urge the Committee to integrate into its deliberations these multiple sources of benefit from time outdoors -- especially in our National Parks, which, again, play a keystone role in the recreation ecosystem.

## Failure to Address the Backlog Diminishes the Nation

This is why REI is so dedicated to stewardship of our National Park and recreation infrastructure – why it is important to continue to build recreation opportunities as the nation grows and urbanizes. And with respect to the National Parks, it's why the chronic overhang of the maintenance backlog is of such great concern to the co-op and our members. Ongoing maintenance challenges take away from the National Park visitor experience. When transportation and visitors' centers are subpar, when campground facilities are lacking, when trails are out-of-service, Americans and overseas visitors spending their hard-earned dollars and vacations face frustration and disappointment. The Park experience does not deliver on the inspiration and connection to our country that our citizens and visitors hope for and deserve. Degraded experiences degrade the vision for the Park System.

If we had to lay out the legislative challenges, we see the need for:

- Ongoing, full accounting of the outdoors', and especially the National Parks', benefits
- Bipartisan solutions like the Centennial Act
- Prioritization of the maintenance backlog within the budget
- Prioritization that does not “steal from Peter to pay Paul” by raiding other programs that are vital to our public lands and are creating new outdoor recreation opportunities.
- Continued work on innovative ways to attack the backlog via public-private partnerships.

Delays will lead to more costly solutions. In many respects, our public lands and National Parks are the nation's collective backyard. We are the collective homeowners. If we allow our collective backyard to fall deeper and deeper into disrepair, it will cost more over time to bring it back up to par. And in the meantime, the value of the American experience in our backcountry will deteriorate. For a country that aims to deliver on the promise of “life, liberty and the pursuit of happiness” for all, we can no longer afford retreat.

Let me close by applauding this committee and Congress for continuing to work together – across party lines – to address the challenges facing our National Parks. We all have a role to play in protecting these national treasures. We cannot sit idly by hoping that someone else will stand up, find the funding and address the problem. It's a priority for all of us, and REI greatly appreciates being part of this vital conversation.

While we have limited time today, REI looks forward to continuing the dialogue with this committee. At REI, we say, “a life outdoors is a life well lived.” Together, we can make that a reality for more people, more communities and more businesses that cherish our National Parks.

Thank you.