

Statement of

Brendan McGuire, VP of Public Affairs, Vail Resorts
Before the Senate Energy & Natural Resources Committee
Legislative Hearing on S. 1723 – The Ski Area Fee Retention Act (SAFRA) of 2019

October 31, 2019

Chairman Murkowski, Ranking Member Manchin, and members of the Committee, thank you for the opportunity to provide testimony on S. 1723, the Ski Area Fee Retention Act of 2019. On behalf of Vail Resorts and the National Ski Areas Association (NSAA), I would like to thank Senators Gardner, Bennet, and Wyden for their leadership in introducing the bill, along with Committee members Barrasso, Cortez Masto, McSally, and Risch for co-sponsoring this bipartisan measure to retain ski area permit fees locally.

NSAA has 325 ski area members, 122 of which operate on National Forest System lands across 13 states. Vail Resorts, the company for which I work, owns and operates 37 ski areas, including iconic public land resorts Vail Mountain and Beaver Creek in Colorado; Stevens Pass in Washington; Heavenly and Kirkwood in Tahoe; and Mt. Snow in Vermont.

S. 1723 would retain a percentage of ski area permit fees in the forests where they were generated. It would retain those funds so that the Forest Service has the capacity to administer ski area permits and review ski area infrastructure projects.

Background

Public land resorts work in partnership with the U.S. Forest Service to deliver an outdoor recreation experience unmatched in the world. Dating back to the 1940s, it is a public-private partnership that benefits all Americans by supporting public health and fitness, fostering an appreciation for our natural environment, and providing returns to the US government through fees paid for use of the land.

Over the past ten years, ski areas nationwide have averaged over 55 million visits annually. Approximately 60 percent of those visits occur on public land. In total, the US ski industry creates \$62 billion in tourist-related revenue, supporting 964,000 jobs and generating \$4.6 billion in annual retail sales.

Public land ski areas are typically the largest employer for the communities in which they operate. Ski areas pay for all on-site improvements, including roads, parking lots, and chair lifts, along with the processes required to review and approve such projects. The ability of ski areas to move forward as a business is inextricably linked to our most important partner, the U.S. Forest Service, having the capacity to review proposals and render a decision.

Fee retention, as outlined in S. 1723, is an important tool for boosting the agency's capacity to review ski area proposals. This legislation would allow ski areas to invest *more and sooner* in much needed infrastructure at public land resorts.

Need for Ski Fee Retention

Retaining ski fees locally is necessary because funding and staffing of the Forest Service Recreation Program sits 40 percent below year 2000 levels. Meanwhile, visitation to these lands has steadily grown,

increasing by 30 percent in just the last decade. The Forest Service's own data show that 85 percent of visitors to our national forests are seeking recreation opportunities. Of the 10 most visited forests nationwide, 9 of them host ski areas, attracting millions of visitors who spend money in local economies.

Ski areas are less likely to receive timely reviews of project proposals when forests are operating at low permit administration capacity. For example, ski areas have experienced "pauses" during which proposals are not accepted by the agency for extended periods of time. On some forests, the agency's lack of bandwidth limits them to reviewing one project at a time.

When projects are delayed and timelines are uncertain, ski areas – like all businesses – find it harder to invest significant resources. This means that ski areas are slower to replace ageing lifts, to upgrade to energy efficient snow guns, and to transition to a four-season model capable of supporting jobs and recreation all year long.

Benefits of Ski Fee Retention

The uncertainty resulting from the capacity shortages has delayed or, at times, shelved ski area investments that would have benefitted workers, guests, and communities. Dedicating a percentage of the nearly \$40 million in fees paid by ski areas to addressing this ski forest capacity issue will unlock new investment opportunities.

Since 2010, ski areas operating on Forest Service lands have experienced 36 percent revenue growth from winter sports activities and 126 percent from summer activities. There is tremendous interest among resorts in harnessing this momentum and building the infrastructure necessary to support future growth.

S. 1723 is consistent with previous federal actions, including the local retention of recreation user and permit fees through the Federal Land Recreation Enhancement Act. This legislation would also facilitate the implementation of year-round recreation activities consistent with the Ski Area Recreation Opportunity Enhancement Act, passed by Congress in 2011.

In closing, we urge the Committee's support of S. 1723. Thank you for the opportunity to provide this testimony.