Statement of Bob Bonar

President, Snowbird Ski & Summer Resort

Chairman, National Ski Areas Association's Public Lands Committee

Before the United States Senate

Committee on Energy & Natural Resources

Opportunities to Improve and Expand Infrastructure Important to Federal Lands, Recreation, Water and Resources

March 21, 2017

Chairman Murkowski, Ranking Member Cantwell and members of the Committee, thank you for the opportunity to provide written testimony. On behalf of Snowbird Ski & Summer Resort and the National Ski Areas Association (NSAA), I am pleased to provide testimony on the important issue of private investment in infrastructure on public land.

Snowbird was founded in 1971 by the late Dick Bass in Little Cottonwood Canyon on the Wasatch Cache National Forest in Utah. We operate on a year round basis accommodating 480,000 skier/snowboarder visits per year. Snowbird has made significant capital investments on the mountain over the past 46 years totaling $ 300M. We have plans to make significant investments in the future as well totaling $55M. With the help of this Committee and our partners in recreation, the U.S. Forest Service, we hope to be able to make those investments, and do so in an efficient and timely fashion. I serve as Chair of the NSAA Public Lands Committee. NSAA's member resorts include the 122 ski areas that operate on National Forest System lands. These public land resorts are in the states of Arizona, California, Colorado, Idaho, Montana, Nevada, New Hampshire, New Mexico, Oregon, Utah, Vermont, Washington and Wyoming. Collectively we make significant capital investments in infrastructure on public land, and we need Congress' help to remove impediments to allow more investment in the future.

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 1940s, 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, improve the health and fitness of millions of Americans of all ages, promote appreciation for the natural environment, and deliver 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 mountain communities and contribute greatly to their economies. Over the past five years, the US ski industry has averaged 57 million skier/snowboarder visits annually, and about 60% of those visits occur on public land. In total, the US ski industry (resorts, equipment, apparel 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 the process is hamstrung and what solutions might be applied to allow us to invest *more and sooner* in much needed infrastructure at public land resorts.

Ski Area Investments in Infrastructure

Ski areas are poised to invest in infrastructure on public lands. The economy is favorable and skier/snowboarder visits have been strong as a result of positive economic conditions and great snow. Congress opened up authority for year round uses at ski areas by enacting the Ski Area Recreational Opportunity Enhancement Act (SAROEA) in 2011, and demand for summer and shoulder season activities is sharply on the rise. Examples of infrastructure investments at ski areas include:

Chairlifts. Ski areas are constantly looking to invest in lift infrastructure to improve our guests' experience and uphill capacity, improve circulation on the mountain and remove bottlenecks, replace aging lifts for safety reasons, and to serve new terrain. Snowbird is planning two new lifts in the near future in Mary Ellen Gulch in the American Fork Canyon, which will total $ $17M. Like many resorts, we hope to replace two older lifts totaling $12M. Lift infrastructure investments are absolutely critical to our business, and unfortunately they produce lengthy and expensive review processes.

Snowmaking and Water Facilities. Ski areas need to upgrade snowmaking systems for more consistent, dependable and reliable conditions, especially early in the season in time for holiday visitation - and to improve snowmaking capacity and efficiency. Water facilities related to snowmaking are also critical infrastructure that we need to invest in. The snow we make benefits the entire community in winter. Not just the ski area, nearby restaurants, hotels, gas stations and retail, but also the electricians and the plumbers and all of the jobs that stem from a healthy economy.

On-Mountain Facilities. Ski areas need to invest in on-mountain facilities for restrooms, rentals, ski school and dining to enhance guest experience. Last season, Snowbird opened a new 23,000 square foot lodge at the top of Hidden Peak called "the Summit" as part of a $35 million capital investment project that took seven (7) years to approve.

Four-Season Operations. Ski areas are investing heavily in non-skiing related infrastructure such as zip lines, ropes courses, mountain coasters, alpine slides, mountain bike parks and other amenities in our transition to 4-season operations. Snowbird already has many of these activities and is planning to add two more zip lines. Vail Resorts expects to invest a total of $80-$85M company-wide in their summer "Epic Discovery" program utilizing SAROEA. This summer, Aspen Skiing Co. will be installing a mountain coaster, challenge course, canopy tour, climbing wall, 14.4 miles of bike trails and teaching terrain and related facilities and structures through an $8.5M investment (plus $800,000 for process) at Snowmass Resort. Ski area investments in year round facilities can transform both the ski area and the local community from single season destinations into year-round destinations for the public. There is great potential for resorts to expand their offerings of year-round recreation activities, but snags in process have hindered the transition to four seasons that Congress envisioned in passing SAROEA in 2011.

Employee Housing. Ski areas already have some employee housing on their permit areas, but demand for employee housing in mountain communities has never been higher. A combination of factors have resulted in a shortage of employee housing creating a crisis in mountain communities, including lack of availability of private land and the emergence of VRBO, Air BnB and other online rental portals which have eliminated season-long rentals for employees. Countless newspaper articles over the past few years have featured images of employees living in cars in mountain communities. According to a recent NSAA survey, 65% of resort respondents were interested in investing in employee housing on their permit areas or on nearby federal lands. Vail Resorts has set aside $30 million to partner in mountain communities to address critical shortages of housing. Ski areas are ready to invest in employee housing, but are waiting for Forest Service clarifying guidance to the field in order to proceed with proposals.

Lengthy and Expensive Process

When ski areas are ready to build something and capital is available to fund it, we need the approval process to be predictable and move quickly. Unfortunately, even though the ski area pays for all of the capital improvements and all of the review process to make those improvements, we still are not getting project approvals done in a timely fashion. In fact, resorts in some regions, particularly the Pacific Northwest, face a situation where no new projects are being considered by the Forest Service. We highlighted the example of Mt. Hood Meadows in Oregon in the attachment to this testimony, where the ski area proposed a new $12M lodge ($14M with review costs) in 2016 to meet guest service demands and address overcrowding in current rental, dining and ski school facilities. In response, the ski area received a denial letter from the agency (attached) stating that 40 projects are in line ahead of it "and there are no resources to process this request." Similarly, Timberline Lodge & Ski Area in Oregon proposed a project of replacing an aging lift at the resort, but was declined due to lack of capacity to staff the review process, which was expected to require an EIS. The upshot of having no process or even slow process for ski area projects is that money that would be invested in infrastructure to benefit the public remains on the sidelines.

The Forest Service recreation program is understaffed and underfunded. Current recreation program staffing levels are at 40 percent of what they were in the year 2000, due to firefighting costs and the resulting downsizing and fragmentation of jobs among special uses administrators. Day-to-day permit administration has suffered as a result, and it has become close to impossible to move ski area improvement projects forward. Key employees are often put on "detail" in another location or are diverted to do firefighting work, and there is literally no one in the desk to move ski area projects along.

The review process is also overkill for sites like ski areas that are highly developed and quite frankly have likely been reviewed more than any other acres on the national forests. We have too many EISs rather than EAs or CEs. When we are replacing a chair lift in the same alignment and merely increasing it from a 2 passenger to a 4 passenger lift, we should not start from square one in the NEPA review process, and we should not be required to do an EIS. Lift replacements should have their own category under NEPA Categorical Exclusions because they have minimal environmental effects and the effects are known. This simple change would save millions nationwide in dollars and time spent for both the industry and the agency. The case of Timberline Lodge, noted previously, is particularly troubling. Replacement of an aging lift is a safety issue, and it should be moved to the front of the line in terms of agency review. Likewise, replacing a building in an existing footprint, such as Mt. Hood Meadow's proposal highlighted in the attachment, should not require an EIS. Again, this kind of project has minimal incremental environmental effects, and the effects are already known.

Another good example of excessive regulation is the arduous process the agency applies to the removal of trees from our permit area. Even though the amount of trees that we remove is tiny in comparison to the agency's overall timber program – our resorts are subjected to a full blown timber sale when we remove trees. Whether we are widening a run, removing trees for safety or removing *dead* trees, agency policy requires excessive tree measurement, tree marking, and environmental review. This can, and should be fixed for both of our benefits. Every hour the USFS spends on our timber removal projects is an hour that could be redirected to addressing either an actual timber sale or a fuels mitigation project or other agency priorities.

Solutions

I have been saving the good news for last. There are solutions to reduce the hurdles to private investment in infrastructure at ski areas: (1) dedicating more resources to agency staffing and training; (2) simplifying and streamlining the process; and (3) using more private sector contracting to perform agency functions in the review process.

The first solution I mentioned - dedicating more resources to agency staffing and training - is the most important one. Congress could enact legislation to locally retain a percentage of ski area permit fees paid to the Forest Service to support ski area permit administration and facilitate project approvals. We want to thank Senator Wyden and Senator Gardner for their leadership on the topic of ski fee retention to date. We look forward to working with all of the Senators on this committee from ski states on ski fee retention in the future. Fee retention would allow the agency to have adequate and trained staff to focus on ski area permit administration and eliminate the backlog of critical ski area infrastructure projects. A cadre of winter sports or developed recreation specialists on staff with the agency could help streamline and expedite the NEPA review process, consistent with legal requirements of course, particularly on projects that occur in already impacted or disturbed areas. They could also greatly streamline the timber removal approval process at ski areas. Finally, increased use of third party technical consultants, instead of overwhelmed USFS staff, to perform NEPA studies and prepare NEPA documents for proposed projects at ski areas should be explored. Ski areas already pay third parties to assist with the NEPA process, but this new alternative would entail hiring pre-approved private sector specialists, such as soils engineers and botanists, to complete the work which often presents bottlenecks due to lack of agency specialists. The agency would still make the ultimate decision of whether to approve the project, but the bulk of the review work would be performed by outside specialists, at the expense of the ski area, in a more efficient and expedited manner.

There are many benefits associated with applying these solutions. Private investment in infrastructure that can: accommodate millions of visitors and help US ski areas remain world class destinations; provide significant economic boosts to rural economies; provide year round employment opportunities in mountain communities; increase fee receipts by the agency; and foster a better guest experience for visitors of all ages.

Thank you for the opportunity to provide this testimony.