

**“FORCE OF NATURE: THE POWER OF SMALL BUSINESSES IN
AMERICA’S RECREATIONAL INFRASTRUCTURE”**

**TESTIMONY OF
FRANK-PAUL A. KING
PRESIDENT AND CHIEF EXECUTIVE OFFICER
TEMPLE FORK OUTFITTERS**

**BEFORE THE
HOUSE COMMITTEE ON SMALL BUSINESS
HEARING - 11:30 A.M. - RAYBURN HOUSE OFFICE BUILDING
ROOM 2360
OCTOBER 30, 2019**

Good morning, Madame Chair, ladies and gentlemen. Thank you for this opportunity to testify before you today regarding the power of small business in American's outdoor recreational infrastructure.

INTRODUCTION

My name is Frank-Paul King and I'm the President of Temple Fork Outfitters ("TFO"). We're a 25-year old Texas-based manufacturer and distributor of fishing rods and related products. By every traditional measure we're a quintessential small business in the outdoor recreation industry.

Prior to spending the past decade in the fishing segment of the Outdoor Recreational Industry ("ORI"), my career focused on investing in businesses outside this industry. This prior experience gives me a broad perspective from which to consider the uniqueness of small business in ORI. To understand the force of nature that small business has become in our industry, there are three critical attributes of which to be aware: Reach, Alignment and Leverage. In turn, these attributes drive a disproportionately greater level of advocacy and support for policies of interest to ORI and its participants than is witnessed in other industries. Similarly, within ORI, support for policies specific to segments of interest reflect the same patterns as the industry.

REACH

TFO and most ORI businesses are "small." However, financial footprint is not an accurate indicator of the reach of many of these businesses with respect to financial impact. Our employees and domestic sales representatives and their families live in 30 different states; we manufacturer in 5 countries, while our products are sold in 25 countries through several thousand locations, as well as online; and we're followed via social media by hundreds of thousands of anglers globally. As Thomas Friedman extolled in 2005 "The World is Flat" and, as you know, small businesses increasingly can have super-sized effects on their industries. The reach of these businesses is magnified because unlike any other industry of which I'm aware, this industry is a subset of the participants. Said differently, 100% of the industry is subsumed within the community of consumers or, more accurately, the participants. Thus, the industry and

consumers form an exceptionally connected or networked community with extremely broad reach.

ALIGNMENT

In addition to the broad reach that the ORI community exhibits, in my experience no other industry can rival the extent to which it's fueled by passion. These businesses, representing 5.2 million direct jobs, are more akin to mission-driven, tax-exempt organizations because they largely share common interest with their 146 million consumers with respect to the overarching requirement of a sustainable environment in which to recreate and the necessity of access to it. This alignment is reflected by the Outdoor Recreation Roundtable ("ORR"), a coalition of ORI trade associations representing thousands of diverse businesses providing products and services to millions of outdoor recreation consumers. ORR prioritizes environmental conservation and access to it. And while alignment is not at all perfect across the ORI community on issues as complex and difficult as the environment and recreational access, the key factor is that it's significantly higher than exists within any other remotely as large a group of American consumers.

LEVERAGE

Broad reach across a networked community with alignment of purpose results in ORI small businesses exhibiting an exponential amount of leverage when compared to peers in other segments of industry. This leverage is applied proportionally and in direct relation to the number of participants affected by any given issue. However, regardless of the sub-group within ORI the health and sustainability of natural resources is always the first and foremost priority because it's the industry's most valuable asset. ORI and its numerous small businesses cannot exist without lands and waters on which to recreate. For this reason, an ever-increasing level of collective action, outdoor advocacy and sustainability initiatives can be expected to flood digital channels as the outdoor community flexes the muscle of its shared message. Access to recreate is a more nuanced issue depending almost entirely on the mode and type of transportation involved. Like the existence of places in which to recreate, the ability of the industry's consumers to gain access

in order to recreate is fundamental to its success or failure. Without a doubt, significant challenges exist in finding universal agreement around levels of access and the modes of transport in recreational areas. However, there is only agreement within the industry regarding the requirement for access; therefore, balancing sustainability with the risk of overuse will receive increasing attention by ORI's leveraged network. And within ORI, support for policies specific to segments of interest reflect the same patterns as the industry.

Since TFO is primarily focused on the fishing industry and its participants, I'll use fishing habitat and fishing access as examples of the larger issues of environmental sustainability and access to recreation.

FISHING HABITAT

Without clean waters and abundant fish populations, the recreational fishing industry simply cannot survive. No one wants to fish in dirty, polluted waters where the fish populations have been depleted. Critical to small business in this segment of ORI, is that anglers can enjoy healthy aquatic systems with abundant fisheries. From ensuring sufficient river flows for California salmon, to restoring the Florida Everglades, to preventing the spread of harmful invasive species like Asian carp, the fishing industry is confronted with a wide range of natural resource policy issues throughout the country that impact business.

One of the most important conservation programs supported by the angler and sportfishing community is the Sport Fish Restoration and Boating Trust Fund. This program has been in existence since 1950 and serves as the lifeblood for state fish and wildlife agencies who carry out much of the aquatic resource conservation work that supports fishing habitat throughout the country. The program collects and distributes approximately \$650 million a year, funded primarily through the excise tax on fishing equipment. These taxes are paid by fishing product manufacturers like TFO, as well gas taxes attributed to motorboats and small engines. Most of the fund goes to the state fish and wildlife agencies for sport fish restoration projects and boating access improvements. This fund must be reauthorized as part of the 2020 highway bill in order

to continue capturing the fuel tax revenue. I believe Members of this committee should support reauthorization of this critical program.

Other legislative priorities before this Congress that directly relate to the sustainability of fish habitat include:

- **Forage Fish Conservation Act (H.R. 2236):** The little fish in the ocean, referred to as forage fish, provide food for nearly all recreationally important fish species, as well as seabirds and other marine life. At the same time, human demand for these nutrient-rich species continues to increase. Because this integral part of the marine food web are becoming increasingly targeted for commercial exploitation, it is critically important that forage fish management accounts for their role in marine ecosystems. The Forage Fish Conservation Act would amend federal marine fisheries law to help ensure abundance and sustainability of forage fish, thereby supporting the recreational fisheries upon which our industry depends.
- **National Fish Habitat Conservation Through Partnerships Act (H.R. 1747):** The National Fish Habitat Partnership is a national framework developed jointly by the states, federal agencies, business and the angling and conservation communities that lays out a clear set of national goals and objectives for conserving, restoring and enhancing fish and fish habitat on a national scale. The program has already proved extremely effective, supporting over 840 projects in 50 states. Rep. Veasey's National Fish Habitat Conservation Through Partnerships Act provides long overdue Congressional authorization and will improve the administration and oversight of the program.
- **Driftnet Modernization and Bycatch Reduction Act (H.R. 1979):** For many years, the recreational fishing community has supported efforts to transition commercial fishermen away from drift gillnets to more selective fishing methods for swordfish, tuna and other commercial species. Large-mesh drift gillnets are an anachronistic commercial fishing method that produce excessive bycatch and waste, including of popular sportfish, marine mammals and sea turtles.

The Driftnet Modernization and Bycatch Reduction Act would transition the California drift gillnet fishery – the only current U.S. fishery still using this type of gear in federal waters – toward more sustainable fishing methods, thereby ridding U.S. waters of this destructive gear once and for all.

FISHING ACCESS

While conservation of our natural resources is of the utmost importance, the need for the public to access and enjoy these resources responsibly is necessary to the recreational fishing industry's success. As the term applies to recreational fishing, I strongly support the concept of "conservation," which connotes the wise and sustainable use of natural resources, and am generally opposed to "protection," which connotes locking resources away from any and all public uses.

Recreational fishing is enjoyed by 49 million Americans each year, supporting 800,000 jobs and contributing \$125 billion to the United States economy. While these numbers might indicate a significant strain on natural resources, in fact recreational fishermen add more fish to fishing habitat than they remove.

While the industry is working to bring more people into the sport of fishing, it is also working to further reduce its footprint on the environment. Catch and Release is becoming increasingly prevalent in many types of fishing. Anglers are also becoming more sensitive to handling practices, and in recent years there have been significant advances in the development and adoption of approaches to improve the survival rate of released fish, both in tournament settings and on everyday fishing trips.

Importantly, through fishing license fees, excise taxes and direct donations, recreational fishermen contribute approximately \$1.5 billion to conservation each year. Unwarranted restrictions on recreational fishing not only risk further disconnecting the public from nature, but also one of the most substantial sources of conservation funding in the nation. Barriers to access come in a wide range of forms, whether from dilapidated facilities, policies that favor industrial

activities over recreational activities, or overly restrictive “protectionist” management approaches. While recreational fishing absolutely must be regulated in my opinion, it’s critically important that policymakers understand the importance of allowing recreational fishing access up to the maximum sustainable extent possible, given its economic, social and conservation benefits to the nation.

There are numerous bills currently before Congress that support recreational fishing access and that I believe Members of this committee should support including:

- **Restore Our Parks and Public Lands Act** (H.R. 1225): Public lands are tremendously important for providing outdoor recreation of all types and particularly recreational fishing opportunities. These public areas provide significant economic benefits, particularly for nearby rural communities, and proper maintenance is essential towards providing access and ensuring that the full economic impact of the outdoor recreation industry is realized. Roads, buildings, trails, campgrounds, water systems and more recreational infrastructure suffer from accumulating deferred maintenance that negatively impacts visitor access, enjoyment, and safety on public lands for the growing community of outdoor recreation enthusiasts. I strongly support the Restore Our Parks and Public Lands Act, and urge the inclusion of the US Forest Service in this legislation, in order to address the growing deferred maintenance backlog for the benefit of the outdoor recreation community.
- **Recreation Not Red-Tape Act** (H.R. 3458): As the popularity and impact of outdoor recreation continues to grow, federal agencies need updated tools to provide sustainable and improved access to, and infrastructure on, America’s public lands and waters. The Recreation Not Red-Tape Act removes barriers and offers sensible, 21st century proposals for identifying and appropriately managing our unparalleled outdoor recreation assets now and into the future.
- **Simplifying Outdoor Access for Recreation Act** (H.R. 3879): The Simplifying Outdoor Access for Recreation Act expands access to outdoor experiences by improving outfitter and

guide permitting systems. This legislation simplifies processes, increases flexibility in allowed activities, reduces fees and much more. All these provisions – supported by members of the outdoor industry and conservation community – will positively impact a wide range of organizations that deliver facilitated recreation experiences, including for-profit and non-profit guides and outfitters, university recreation programs and volunteer-based clubs.

- **Modernizing Recreational Fisheries Management Act (H.R. 2023):** While not a 116th Congress legislative item, enactment of Rep. Veasey’s Modernizing Recreational Fisheries Management Act (“Modern Fish Act”) at the end of the 115th Congress was a monumental achievement for the saltwater recreational fishing community. The Modern Fish Act includes a wide range of management and data collection improvements that will benefit saltwater recreational fishing access. Of equal importance, the Modern Fish Act resulted in recreational fishing finally getting due treatment within federal marine fisheries management, which has historically been the domain of commercial fishing.

That ends my testimony. Once again, thank you for allowing me to share my thoughts today. I am happy to answer any questions that you have.