

United States House of Representatives

Committee on Small Business

“Force of Nature: The Power of Small Businesses in America’s Recreational Infrastructure”

Wednesday, October 30, 2019

2360 Rayburn House Office Building

Written Testimony for Mr. John Wooden, River Valley Power & Sport

Chairwoman Velázquez, Ranking Member Chabot, and Members of the Committee:

Thank you for the opportunity to appear before you today to discuss the role small businesses play in the outdoor recreation economy and the federal government’s role in supporting the industry’s continued economic expansion.

My name is John Wooden, and I live in Red Wing, Minnesota. Like 70 percent of our fellow Minnesotans, I am an outdoorsman. I am a hunter, a fisherman, a boater, and a powersports enthusiast. I am extremely fortunate in that I am also able to further foster the enjoyment of our great outdoors through my business, River Valley Power & Sport, which owns and operates seven retail locations across Minnesota and is celebrating its 24th year in business this year. Among the many outdoor recreation product lines our company retails, are brands like Minnesota-based Polaris Industries and Alumacraft Boats.

Just last month, the Bureau of Economic Analysis released an updated report reaffirming the outdoor recreation’s role as a significant economic driver. This newly released economic data on the national and, for the first time ever, state levels reinforce what the outdoor recreation industry has long believed- outdoor recreation is a powerful driver of national and local economies and it is growing faster than the U.S. economy as a whole. I thank the committee for holding today’s hearing to recognize our industry’s economic contributions, but more importantly to shine a light on recreation small businesses role in generating \$778 billion in gross economic output and supporting 5.2 million American jobs.

Boating and fishing are the top contributor to outdoor recreation’s economic prowess, which comes as no surprise considering 141 million Americans take to the water each year. In Minnesota alone, the boating economy generates \$3.1 billion in economic activity, supporting nearly 11,000 jobs and 700 marine businesses in the state. The BEA state level data identified that outdoor recreation as a whole accounts for 2.6 percent of the state’s GDP. While this report serves as an invaluable tool for policymaking decisions at every level of government, the one key takeaway is that recreation is an economic necessity in my home state of Minnesota and in every state across the nation. As a testament to the growing outdoor recreation and boating industries, River Valley recently opened up an all-new marine center in Rochester.

Another eye-opening figure I’ll reference is \$20 billion dollars- the combined maintenance and repair backlog on our nation’s federal lands and waters system. Looking at this figure makes the BEA data even more impressive given that outdoor small businesses across the country have been able to not just survive, but thrive, despite the crumbling conditions of the physical environment we do business in. Think of the

economic potential we could harness if the federal government invested in expanding and improving recreational access in a way that mirrored the outdoor industry's economic contributions.

The states have already taken heed, swiftly moving to optimize recreation regionally. To date, 16 offices have established offices of outdoor recreation. Outdoor recreation offices play a critical role in collaborating with local communities and state agencies to improve infrastructure, coordinate recreation efforts statewide, and promote the benefits of outdoor recreation among the citizens of their state. The growing number of states creating this role in governors' offices across the country truly illustrates a rapidly growing national movement recognizing recreation for the powerful economic engine that it is.

From National Parks and Marine Sanctuaries to recreation areas managed by the U.S. Army Corps of Engineers and U.S. Forest Service, the federal government manages hundreds of acres of public lands and waters that offer unparalleled opportunities for a wide variety of recreation activities. The tens of thousands of recreational assets managed by federal agencies, so many of which are falling onto the backlog at a rapid pace, are integral to keeping the outdoor industry open for business, and the federal government must step up to be the partner our industry needs to develop collaborative solutions to the profound challenges facing our public lands and waters. In a time when we're facing a multi-billion-dollar deferred maintenance backlog on public lands and waters, the federal government must be more efficient with the use of taxpayer dollars to ensure these treasured places are managed and maintained in a way that promotes the powerful societal and economic benefits they generate.

The time to improve recreational infrastructure is now, and Congress must act. Fortunately, we are hearing that several infrastructure bills are expected to advance in 2020, presenting a prime opportunity to enact a more comprehensive approach to federal infrastructure policy that addresses outdoor recreation needs.

For starters, Congress should reauthorize the Sportfish Restoration and Boating Trust Fund in the Fixing America's Surface Transportation Act (FAST), which would continue this critical user-pay program that funds conservation and infrastructure projects in all 50 states. The boating community led the charge to establish the Trust Fund nearly 70 years ago. Today, we provide the vast majority of funding to the \$650 million-dollar program. The boating community led the charge to establish the Trust Fund nearly 70 years ago. Today, we provide the vast majority of funding to the \$650 million-dollar program, which, since its inception, has stocked nearly four billion fish, facilitated over eight million boat safety inspections, taught more than four million students aquatic education, and protected over 63,000 acres of fish habitat.

Expanding broadband access in federally managed lands and waters is a commonsense proposal and should be incorporated in FAST. Access to broadband is not just about trolling websites and uploading selfies – it enables boaters to safely navigate our nation's waterways and remain up-to-date on changing weather conditions.

Additionally, Congress should make sure recreation gets a fair share in how the Army Corps of Engineers decides which water infrastructure bills receive priority. And the Water Resources Development Act (WRDA) is an appropriate vehicle for this fix.

It's important to note the Corps is one of the nation's leading federal providers of outdoor recreation with more than 400 lake and river projects in 43 states, yet antiquated project prioritization processes don't account for recreation as an economic benefit and prevent the agency from carrying out infrastructure projects, like dredging, that are critical to safe, navigable marine recreation, as well as the countless local economies that rely on recreational boating's economic footprint.

Major issues impacting recreational boating that should be addressed in WRDA include:

**I. Aquatic Invasive Species**

The spread of aquatic invasive species (AIS) is a national problem that Congress must address. The Mississippi National River and Recreation Area is threatened by invasive carp to the point where Lock and Dam No. 1 in downtown Minneapolis has been permanently closed so the invasive fish cannot reach the headwaters of the Mississippi.

The damage caused by invasive fish is estimated to cost the U.S. \$5.4 billion each year, yet the federal government only spends approximately \$260 million each year to combat AIS. Congress needs to assess effectiveness of existing federal funding towards combatting AIS as well as funding shortfalls, and identify successful projects and programs funded with federal dollars and determine where and how those practices could be applied to other agencies.

AIS are not native to an area or region and their introduction can cause significant economic and environmental damage. As invasive species, they have no predators and can change the composition of the water by out competing other species, and according to the National Wildlife Federation, approximately 42 percent of threatened or endangered species are at risk due to AIS. Currently, more than a dozen federal agencies provide funding to combat AIS, yet the spread of AIS continue to threaten America's aquatic habitats and local and regional economies. There are thousands of different AIS species reaching into every region of the U.S. These non-native species cause significant harm to the environment, economy, and boating access.

In 2015, GAO found that federal members of the Aquatic Nuisance Species Task Force (Task Force) spent, on average, \$260 million annually to combat AIS. Despite this price tag, it is estimated that the damage caused by invasive fish alone is estimated to cost the U.S. \$5.4 billion each year while invasive quagga and zebra mussels cost the U.S. \$1 billion annually. These are just a few examples of the billions of dollars of damage that the thousands of different AIS species can cause the U.S. each year.

Building upon the GAO's 2015 report of reviewing federal spending on AIS, GAO should review, and as applicable, make recommendations about, the following:

- 1) How many federal agencies provide federal funding—including how much—directed towards stopping and reversing the spread of AIS, including those expenditures that may be included in larger projects?
- 2) What federally-funded AIS projects and programs have been implemented to successfully stop and reverse the spread of AIS, and could other federal agencies adopt these best practices to improve their respective AIS programs?
- 3) What federally-funded AIS projects and programs need additional resources, including funding and dedicated personnel, to increase their effectiveness, such as increasing the number of decontamination stations, in stopping and reversing the spread of AIS?
- 4) With more than a dozen federal agencies providing funding to AIS efforts, how often are federal agencies coordinating and communicating with each other and state and local agencies, and how, if at all, can federal coordination and communication be improved to enhance efforts in stopping and reversing the spread of AIS?

- 5) To what extent, if at all, has the Task Force improved its efforts to measure the progress of implementing its Aquatic Nuisance Species Strategic Plan, and should the Task Force take steps towards updating its Strategic Plan?

## **II. Reform Benefit-Cost Analysis for Harbor Maintenance Projects**

Congress created the Harbor Maintenance Trust Fund (HMTF) in 1985 to pay for operations and maintenance costs of all federal ports and harbors. Since inception of the HMTF, ACOE project funding has prioritized projects based on commercial activity. The Benefit Cost Ratio (BCR) calculations required for Congressional authorization are different than the BCR OMB applies for budgeting, effectively creating two separate standards. Regardless, neither BCR methodology recognizes recreation as an economic benefit.

Outdoor recreation accounts for 2.2 percent of the U.S. GDP, generating \$778 billion in gross economic output and supporting 5.2 million American jobs. Given that boating and fishing are the top contributors to outdoor recreation's economic activity across the country, it's shortsighted and negligent for federal investments in water infrastructure projects to be based off analysis that don't include recreation as a metric for economic benefits.

This flawed system fails to properly account for the value created by access for recreational activities – effectively putting boaters and the recreational boating industry's \$170.3 billion annual economic activity at a disadvantage. Small recreation-based ports are critical access points for marinas and coastal communities where businesses depend on marine recreation-based economic activity. Additionally, without sufficient dredging in these areas, some recreational boaters are forced to use high traffic commercial channels, which can lead to potential user conflicts and safety concerns.

Corps and OMB BCR methodologies should be aligned and the prioritization process should be structured to ensure critical navigation and dredging projects are funded on an equitable, sustainable, and needs-based system. It's incumbent upon the federal government to recognize recreation as a fast growth sector and mirror the industry's economic contributions with investments in blue and green infrastructure that serves as the backbone of the recreation industry. As it stands, recreation is either inconsistently included or not factored in at all when the Corps and OMB conduct CBR analyses for harbor maintenance projects.

## **III. Coastal Risk Reduction**

Due to the potential impacts of climate change and sea level rise on storm intensity and frequency, it's more important now than ever before to ensure communities are prepared and well equipped to bounce back from extreme weather events as their homes, businesses, and lives lay in the path of increasingly dangerous and costly storm conditions.

There must be a concerted effort among the federal government, states, and coastal communities to understand where and how communities are vulnerable to increasing challenges posed by coastal storms and changing sea levels combined with aging infrastructure and a dynamic socioeconomic environment. To best adapt communities to coastal hazards, Corps should conduct an assessment on the resiliency of the nation's coastlines and provide recommendations on adapting planning and development practices to mitigate vulnerabilities from coastal hazards that would ultimately result in saved lives and resources, and build stronger, more resilient communities.

The Corps should carry out an assessment of the resiliency of coastlines and produce recommendations to improve coastal resiliency.

**IV. Remove, Prevent Marine Debris**

America's boaters are the original conservationists, and we know that keeping our nation's waters healthy and clean is critical to preserving our way of life. Unfortunately, according to the United Nations, every year eight million metric tons of plastic bottles, straws, bags, fishing gear, and abandoned vessels are dumped into the ocean. This marine debris causes harm to coastal economies, endangers marine life, proliferates the spread of AIS, and creates hazardous conditions for the maritime and recreational boating industries. Some studies have estimated that by the year 2025 our oceans will be so polluted that they will consist of one pound of plastic for every three pounds of fish.

Last year, Congress unanimously passed the bipartisan Save Our Seas Act to reauthorize the National Oceanic and Atmospheric Administration's Marine Debris Program through FY2022 at \$10 million annually. The Save Our Seas 2.0 Act (S. 1982/H.R. 3969) builds upon this success through improving the domestic response to marine debris, incentivizing international engagement to address marine debris, and strengthening domestic infrastructure to prevent the creation of new marine debris. WRDA should expand upon the success of the Save Our Seas Act through inclusion of S. 1982/H.R. 3969 address the growing, global marine debris crisis by improving the domestic response and strengthening international cooperation.

The boating industry looks forward to continuing to work with the members of this committee and other committees of jurisdiction to increase and expand opportunities for recreation on our public lands and waters and maximize the economic contributions to the outdoor economy.

Thank you for the opportunity to appear before you today, I look forward to answering your questions.