

## Recreation Economy Recovery & Resiliency

Americans' lives and communities have changed dramatically since March. As schools, businesses, shops and more continue to temporarily close and reopen because of COVID-19, Americans have flocked to the outdoors to provide a necessary reprieve from the intense mental and physical stress caused by this crisis and the vital efforts to combat it.

Outdoor recreation has been a major force in the American economy. Annually, it generates \$778 billion in output, comprises 2.2 percent of the United States GDP and supports 5.2 million jobs – many of which are in rural communities. The outdoor industry has also been growing faster than the economy as a whole in GDP and every other economic indicator at a time when there has been unprecedented economic growth. In order to recover from this economic recession, all efforts should be taken to support this key industry that can help communities recover, grow the economy, create American jobs and continue to ensure Americans' quality of life.

While the overall impact of the outdoor recreation economy is massive, the sector comprises over 110,000 small businesses that are vital to the health and economic well-being of their communities, many in rural areas. Thousands of these businesses are suffering and still in danger of failing permanently because of the COVID-19 outbreak and the ensuing efforts to mitigate the virus' spread, including social distancing, travel restrictions, caps on group size, public land and retail closures, supply chain issues and more. Recreation businesses oftentimes rely on seasonal trips and travel and should have had a busy spring and early summer, but instead were shuttered. They also rely on accessibility to recreation assets on our public lands and waters, adequate infrastructure, and the certainty of manufacturing, retail and trade, all of which have been interrupted.

In May, the U.S. Census Bureau ranked outdoor recreation as the second most impacted industry next to food and accommodation as local, state and federal public lands that serve as the backbone of our industry were shuttered along with outdoor retailers and service providers. That same month, our member survey revealed that 88 percent of businesses laid off or furloughed employees, 94 percent saw a decrease in revenue and virtually all businesses were having trouble with distribution.

At the same time, more Americans than ever began participating in outdoor recreation. An October Harris Poll finds that 65 percent of Americans say they still try and get out of the house as often as they can, and another 65 percent say they have been trying to find safe outdoor activities to spend their time. This is a huge uptick from the less than 50 percent of Americans who annually enjoy an outdoor experience according to Outdoor Foundation. This increased interest and participation is driving the recovery of the outdoor recreation industry, but there is still much to be done as businesses struggle with inventory shortages, supply chain issues, increased mitigation efforts and the changing seasons.

ORR – the nation's leading coalition of outdoor recreation trade associations, made up of 33 national trade associations serving more than 110,000 businesses – urges Congress to support resilient communities, economies, and healthy people by reinvigorating this once-vibrant, and now struggling industry in the coming months. Action is needed on smart policies and investments that will support the outdoor recreation economy so this sector can do what it does best – revitalize communities, create jobs, support healthy people, improve quality of life and provide access to amazing outdoor experiences for generations to come.

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### Seven Ways to Ensure Recreation Businesses are Back on an Economic Growth Trajectory and the 5.2 Million Outdoor Recreation Workforce is Back to Work

#### 1) Provide Needed Support for Recreation Trade Associations

Recreation trade associations are crucial to the survival of businesses in the outdoor recreation industry. These organizations provide training, certifications, education, trade shows, and more to over 110,000 businesses, many of them small and in rural areas. We urge you to include financial assistance for associations, nonprofits and other tax-exempt organizations, as many have been – and will continue to be – impacted by COVID-19 and were not previously eligible for assistance under the CARES Act.

- Broaden SBA loan eligibility to include 501(c)(6) organizations.
- Assist with event and major meeting cancellations. Hundreds of major meetings and events in the U.S. – dependent on in-person attendance at convention centers, hotels and other facilities – have been cancelled. These annual meetings and events contribute more than \$446 billion to the U.S. GDP and directly support nearly six million jobs nationwide.

#### 2) Support Crumbling Infrastructure and Curb Rising Unemployment through Expanded Conservation Corps

To help address the rise in unemployment stemming from the COVID-19 pandemic and ensure the stability of our communities, America needs a Corps movement similar in scale and purpose to the Civilian Conservation Corps (CCC) of the New Deal Era to employ young Americans on priority project work on public lands and waters. Based on the infrastructure and expertise of existing 21st Century Conservation Service Corps programs, with additional investments in projects, workforce development, and Corps member services and support, today's Corps could scale to meet the demand.

- Funding for projects not only on federal public lands and waters, but also funding for similar projects at the state and local level.
- A preference or set-aside of appropriate shovel-ready projects for Conservation Corps and funding/resources for Corps run by and/or engaging currently underserved and under-represented populations.
- An increased investment in youth, education, and workforce development funding in addition to increased funding for project work.

#### 3) Waive Fees on Public Lands and Waters and Extensions of Contracts/Permits

Businesses operating on public lands and waters have faced severe challenges since the pandemic began, including shortened or cancelled seasons, fewer customers, higher operating costs and more. To help mitigate these circumstances and ensure these small businesses who provide safe and memorable public land experiences survive, Congress should enact statutory provisions that give the Secretary of the Interior and the Secretary of Agriculture flexibility in the administration and extension of contracts, permits, and other authorizations for the provision of public recreational facilities and/or services on federally managed lands and waters. Agencies should be directed to mitigate the impacts of COVID-19 to the maximum extent possible consistent with their obligations to protect the resources and public health and safety. Such flexibility shall include, but not be limited to, fee deferrals and waivers, contract and permit extensions, operational flexibility, and other appropriate measures to mitigate such impacts. This flexibility should be implemented unless clearly not needed, and include:

- A waiver of fees for and/or extension of authorizations for operations in national parks and forests for a period of one to two years, pending an assessment of the impact on these businesses through the year's end. Fees can reach 35 percent of total

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revenues and limit operational cash flows. Forgiving fees will allow businesses to retain staff enabling a quick recovery when the coronavirus pandemic ends.

- Extensions of contracts and permits will provide a way to recoup some losses and obtain credit from financial institutions at no cost to the government.
- Supplemental appropriations of \$145 million to the land management agencies to mitigate the loss of permitting, lease and concessionaire fees.

### 4) Pass a Recreation Package

Combining key outdoor recreation legislation already introduced in the House and Senate into a Recreation Package to be passed in a lame duck session would move our federal land management agencies into the twenty-first century, support rural and urban economies, and help new and diverse users identify, protect, and access new recreation opportunities on public lands and waters by providing better management and more streamlined data. The public is more interested than ever in getting outdoors, and these bills will help expand access and provide relief to businesses without costing taxpayers. Current bills include:

- *Simplifying Outdoor Access for Recreation Act* (S.1665 & H.R.3879)
- *Recreation Not Red Tape Act* (S.1967 & H.R.3458)
- *MAPLand Act* (S.3427 & H.R.6169)
- *RTP Full Funding Act* (H.R.5797)
  - The Recreational Trails Program (RTP) is currently funded through the Highway Trust Fund (HTF) at \$85 million annually. This is only a portion of the \$270 million annually that the Federal Highway Administration conservatively estimates motorized trail users pay into the HTF through fuel taxes for use in non-highway recreation. Recent increases in outdoor recreation mean more trail usage and more taxes paid, so more money should be going to the RTP program to maintain these resources. RTP is a user-pay, user-benefit program that benefits all recreationists and serves as the primary funding mechanism for thousands of motorized and non-motorized trail opportunities at the state and local levels.

### 5) Allow Seasonal Businesses to Apply for Retroactive PPP Assistance

During the initial months of PPP, program rules lacked flexibility to account for different peak seasons of businesses like ski areas, guides and outfitters, trailbuilding companies and more. Businesses were instructed to pick a recent 12-week period to determine payroll, which in turn determined how much assistance they were eligible for. Many seasonal businesses were at a low point during this period. In May, SBA and Treasury released new guidance allowing seasonal employers to use a 12-week period between May 1, 2019 and September 15, 2019 to calculate a maximum PPP loan. Unfortunately, seasonal businesses who had already applied for loans and whose Form 1502 had already been filed by their lender were unable to take advantage of this very important change. Seasonal businesses that find themselves in these circumstances should be able to apply for additional PPP assistance consistent with the amount they would have been allotted under the most recent guidance.

### 6) Revitalize Rural Communities through Recreation by Expanded Technical and Rural Development Assistance

The 2018 Farm Bill report included groundbreaking language that supports growing the recreation economy in rural areas through access to rural economic development grants for recreation projects, technical and financial assistance, infrastructure, business loans and guarantees marketing and supporting elements (housing/lodging, child care, broadband, search and rescue, etc.) that facilitate an outdoor economy in rural communities. This

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authority should be expanded on by targeting five percent of all Rural Development programs for this type of recreation economy revitalization work.

In addition, the Economic Development Administration (EDA) can be a valuable partner to strengthen economies in rural communities by supporting development of outdoor recreation infrastructure. Outdoor recreation infrastructure projects (e.g. parks/trails development and renovation, playgrounds, public pools, ballfields, lodging/lodging camping facilities, etc.) are a strong fit for EDA's Economic Adjustment Assistance Program 'Implementation Grants' category. Increased federal investment and attention to these projects will address the needs of distressed rural communities coming back from the COVID-19 pandemic, including economic development and diversification, increased quality of life, and improved public health outcomes for under-resourced communities.

Additionally, U.S. Department of Agriculture Rural Development has partnered with the Environmental Protection Agency, the United States Forest Service and the Northern Border Regional Commission to provide assistance to 10 rural communities aimed at growing their economies through outdoor recreation. Considering that 170 communities applied for this support, this bold initiative should be expanded and replicated to support rural communities across the country. This program supports both public-public partnerships (e.g. municipalities with federal agencies and state economic development offices) and public-private partnerships (e.g. municipalities with local businesses, guides and outfitters, trailbuilding companies, nonprofits and/or outdoor business alliances), both of which grow the outdoor recreation economy and support rural resilience.

### 7) Pass the Personal Health Investment Today (PHIT) Act – H.R.1679 & S.680

The PHIT Act allows Americans to use flexible spending accounts and health savings accounts to pay for health club memberships, fitness equipment, exercise videos, adult recreation and youth sports. As the nation emerges from social distancing guidelines, Americans will be in worse shape financially but need more activity to address the mental and physical health tolls of coronavirus. The Active population fared much better during the COVID-19 pandemic and put less strain on our healthcare system. Passing the PHIT Act will encourage people to re-engage in healthy, active lifestyles by making it more affordable. Funds in HSAs/FSAs should be used to prevent disease not just treat it and will provide consumer-driven economic stimulus to active lifestyle industries harmed by COVID-19.

