

**Written Testimony Submitted to the Senate Committee on Energy and Natural Resources
National Parks Subcommittee
in conjunction with the
The Great American Outdoors Act hearing
February 9, 2022
by
Kathleen Sgamma
President, Western Energy Alliance**

Chairman King and Ranking Member Daines, thank you for allowing me to submit written testimony to be considered for the record.

Western Energy Alliance represents about 200 companies engaged in all aspects of environmentally responsible exploration and production of oil and natural gas in the West. Alliance members are independents, the majority of which are small businesses with an average of fourteen employees.

We are proud that the oil and natural gas industry almost exclusively provides the \$2.8 billion for conservation and infrastructure in national parks, wildlife refuges, and other public lands that the Great American Outdoors Act (GAOA) enabled. The two components of that \$2.8 billion are: 1) permanent funding for the Land and Water Conservation Fund at \$900 million annually, exclusively funded by offshore oil and natural gas revenues; and 2) the new National Park and Public Lands Legacy Restoration Fund, authorized to receive up to \$1.9 billion annually primarily from oil and natural gas leasing and production on public lands.

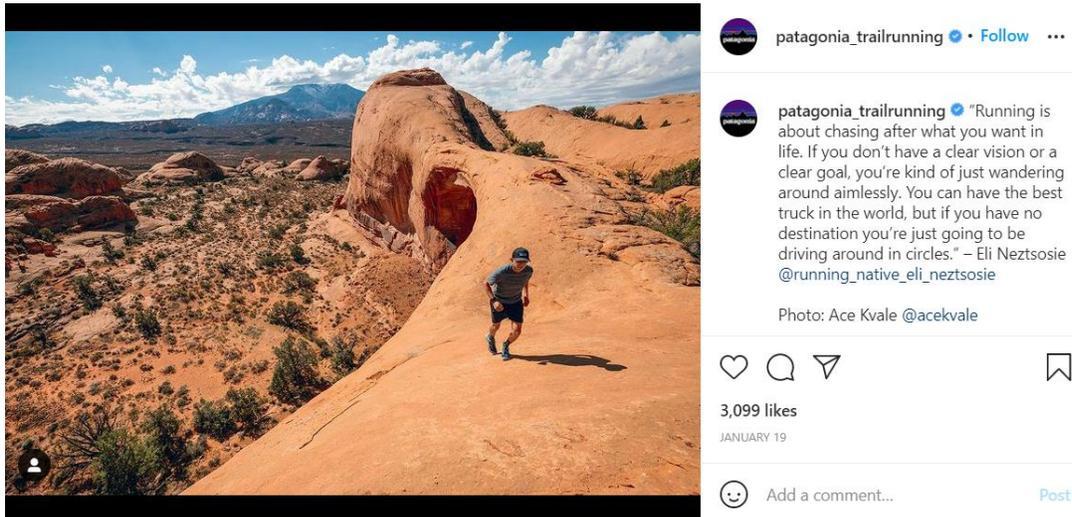
The Legacy Restoration Fund is funded by energy development on federal lands, taking 50% of revenues generated up to the \$1.9 billion maximum. The vast majority of that revenue comes from the oil and natural gas industry, which generated \$4 billion in onshore revenue in 2021, more than the 50% GAOA threshold. We encourage your witnesses at the hearing to acknowledge that the funds come from oil and natural gas companies, with a much smaller but still significant portion from coal companies.¹ We hope your witnesses do not gloss over that fact by just referring vaguely to “energy” revenues from public lands and that they recognize how the anti-oil-and-gas policies of this administration put that conservation funding at risk.

We thank Congress for passing the GAOA to address the \$20 billion infrastructure backlog in our national parks and public lands. We are pleased that a large portion of the revenues we generate from public lands are directed into conservation and maintenance of those public lands. By providing that funding, we provide a definitive solution to the maintenance backlog on national parks. By helping to improve park infrastructure, we provide the means to expand access to parks for all Americans, including disadvantaged communities.

¹ [The Department of the Interior’s Offices of Natural Resources Revenue \(ONRR\) reports](#) \$4.4 billion in onshore energy revenue in 2021, the breakdown of which is:

- Oil and natural gas \$4 billion, 91.3%
- Coal \$364 million, 8.2%
- Geothermal \$18 million 0.4%
- Wind \$5 million, 0.1%

On the other hand, outdoor retailers actively market their apparel and gear as a means for their customers to access parks and public lands. By advertising their gear alongside iconic landmarks in Yosemite and Arches National Parks, for example, they associate their brands with the landscapes that Americans cherish. They actively encourage customers to use their gear in national parks, which has the downside of contributing to the strain on national park resources.² Congress should consider enlisting the outdoor retailers to help provide the infrastructure necessary to accommodate the increased visitation they so actively encourage with their aggressive marketing and social media advocacy.



[Arches National Park used in Patagonia's Instagram feed](#)



The peaks of Yosemite National Park used in the [REI twitter feed](#).

A “backpack tax” has been proposed in the past, but has been fought by the outdoor retailers. Such a use tax for gear that will often be used on public lands would help to relieve the strain on certain parks that outdoor retailers have encouraged through their marketing. The outdoor retailers aggressively fight the tax, hiding behind the term “backpack” which is associated with schoolchildren as much as with

² [“Parks balance overcrowding, preservation,” Our National Parks](#), May 5, 2010; [“Long Lines, Packed Campsites And Busy Trails: Our Crowded National Parks,” NPR](#), March 7, 2016; [“National Parks Struggle With a Mounting Crisis: Too Many Visitors,” New York Times](#), September 27, 2017; [“Crisis in our national parks: how tourists are loving nature to death,” The Guardian](#), November 20, 2018; [“Utah Wanted All the Tourists. Then It Got Them,” Outside Magazine](#), January 29, 2020; [“After a year of pining, visitors are overcrowding national parks like Yellowstone and Yosemite,” CBS News](#), June 18, 2021.

those ascending Mount Denali. They provide the excuse that a backpack tax would increase the cost of their products, making their gear, and access to parks by association, prohibitive for disadvantaged communities. But anyone who's purchased a high-tech backpack from REI or a Patagonia jacket knows they have little in common with the needs of a schoolchild. Their objection has a simple solution: a price threshold to ensure the tax falls only on high-priced gear and apparel. For an industry that enjoys \$689 billion in consumer spending,³ a very modest sales tax rate could raise significant funds to help address the infrastructure issues associated with high rates of visitation as well as increase access to all Americans.



Osprey

Aether Plus 70 Pack - Men's

\$360.00

[Backpack currently available on REI.com](#)

To date, there is not much momentum in Congress for a such a backpack tax. The oil and natural gas industry has gladly taken on the task of providing the bulk of all conservation funding for decades. We pay royalties, leasing rents and bonuses, corporate taxes, severance taxes, property taxes, and permitting fees. Interior Secretary Deb Haaland has said many times that industries that benefit from public lands should pay a “[fair return](#)” to taxpayers. We agree with Secretary Haaland. For decades now, the oil and natural gas industry has provided billions to public lands. We invite the outdoor retailers to do their part, since they profit handsomely from their association with our public lands.



Patagonia advocacy using Canyonlands National Park as a backdrop.

³ From the [Outdoor Industry Association website](#).