

TESTIMONY OF SUTTON BACON, NANTAHALA OUTDOOR CENTER
HOUSE COMMITTEE ON NATURAL RESOURCES
SUBCOMMITTEE ON WATER AND POWER
HEARING ON “A WASHINGTON, DC-BASED BUREAUCRATIC INVENTION WITH POTENTIAL
WATER CONSERVATION PROPERTY RIGHTS IMPACTS: THE NATIONAL BLUEWAYS ORDER”
TOM McCLINTOCK, CHAIRMAN
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TESTIMONY SUBMITTED BY SUTTON BACON
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BRYSON CITY, NORTH CAROLINA

Introduction

Mr. Chairman, Ranking Member Napolitano, and members of the Committee, thank you for the opportunity to testify before you today. My name is Sutton Bacon, and I am the Chief Executive Officer of Nantahala Outdoor Center. Established in 1972, NOC is an outdoor recreation company located at the intersection of the Appalachian Trail and the Nantahala River in the Nantahala National Forest in Swain County, North Carolina. Originally a roadside inn, the company has evolved into one of the largest outdoor recreation companies in the nation. We are also one of Western North Carolina’s largest employers with approximately 250 full-time employees and over 1,000 employees during peak season.

Over one million guests visit NOC annually to embark on a diverse collection of over 120 different itineraries, to learn kayaking at NOC’s world-renowned Paddling School, to travel abroad with NOC’s Adventure Travel program, to shop at one of our LEED-certified flagship retail stores, or to enjoy NOC’s resort amenities including our three restaurants and multi-tiered lodging. Each year, NOC guests paddle over one million river miles on federal lands, enough for two voyages to the moon and back. NOC has recently been recognized as “The Nation’s Premier Paddling School” by *The New York Times*, “Best Place to Learn” by *Outside Magazine*, and as “One of the Best Outfitters on Earth” by *National Geographic ADVENTURE*. 22 Olympians and two Olympic Gold Medalists have called NOC home.

Through our programming, we strive to educate and engage adventure-seekers through dynamic, world-class instruction and tours on some of the world’s most beautiful whitewater rivers and landscapes. We are committed to sharing our passion for the outdoors and our penchant for exploration with our guests. Our employees share a common vision of keeping NOC a dynamic, enjoyable, and successful place to work and of participating actively, considerately, and sustainably in the communities in which we operate. We firmly believe in the triple bottom line of people, planet, and profits.

My testimony today will discuss how public lands and waterways offer a pathway to an economic prosperity in the rural communities of Western North Carolina. I will articulate how my company and a diverse, local stakeholder partnership have come together to protect and develop public access to our region’s river system. I will also express support for the river protection and recreation-related elements of the National Blueways System. And finally, I will suggest that the model of cooperation between private and public entities found in our region is worthy of recognition and even replication in the rest of the country.

Public-Private Partnerships and Rural Economic Development

NOC is located high in the rugged mountains of Western North Carolina in a small county with a population of 14,000 and a county seat of only 1,400 residents. Like so many other small, rural communities, our economy has suffered immensely through the recession. We continue to suffer from the loss of traditional manufacturing jobs to international outsourcing, as textile, garment, and furniture plants continue to close. Our housing and construction industries have collapsed. And, Swain County suffers from one of the highest unemployment rates in North Carolina (19%) and an equally-disturbing rate of poverty (22%). A recent study indicated that 20% of Swain residents face "food insecurity," in other words, not knowing from where their next meal would come.

Approximately 88% of Swain County is federally-owned and managed, the majority of this land included in Nantahala National Forest and Great Smoky Mountains National Park. Some might say that our current economic situation is exacerbated by these large federal land holdings diminishing our tax base. However, nothing could be further from the truth. In fact, our small community has fully embraced the notion that our public lands and waters are the pathway to a growing and sustainable prosperity – a type of prosperity that cannot be outsourced overseas and is rooted in the value of experiencing these places directly.

Swain County's new economy is an experience-based economy. Whereas extraction and manufacturing industries have come and gone, our public lands boast a wealth of waterways, trails, and recreation areas, making Swain County a popular destination for outdoor enthusiasts. In fact, while our local manufacturing base continues to contract, the region's outdoor-based tourism economy has seen exponential growth, as has interest in tourism re-development, the enhancement of existing public-private tourism product, and the utilization of tourism-related natural resources in an environmentally-sensitive manner. Human-powered outdoor tourism is truly the backbone of our future.

Our community recognizes the importance of activating public-private partnerships with our natural resources to enhance rural economic development. We enjoy a unique collaboration amongst diverse stakeholders such as the outfitter-guide community, local business leaders, the US Forest Service, Duke Energy, American Whitewater, the Eastern Band of the Cherokee Nation, tourism development authorities and local governments from seven counties, the North Carolina university system, local community colleges, regional destination marketing organizations, and the Southwestern North Carolina Planning and Economic Development Commission. These diverse organizations work together every day to share the region's natural resources with millions of residents, visitors, students, paddlers, hikers, and bikers; to meet the energy needs of our region; and to maintain our forests' and rivers' healthy ecosystems. Our collaboration is based on trust, mutual respect, a spirit of compromise, open communication, and alignment.

There are numerous examples of how this stakeholder group has worked together for the benefit of our community and our user groups, from a decades-long FERC relicensing project that preserved consistent water flows on the Nantahala to a successful bid to host the 2013 World Freestyle Kayaking Championships, to collectively mitigating severe drought conditions to participating actively in a new forest planning process. The impact of our continual collaboration around the management of our public lands and waters guides

the investments that public and private enterprise make in our communities and contributes to the branding of our region as a top destination for outdoor enthusiasts.

At the national level, it is easy to recognize the enormous economic impacts of outdoor recreation. According to a recent study by the Outdoor Industry Association, Americans spend \$646 billion on outdoor recreation every year. This is twice as much as they spend on pharmaceuticals or cars. Outdoor recreation creates \$40 billion in federal tax revenue and \$40 billion in state and local tax revenue. Outdoor recreation providers, retailers, and manufacturers directly employ over six million Americans. In North Carolina alone, outdoor recreation generates \$19 billion in consumer spending and supports 192,000 jobs.

The national and state numbers are so staggering that they are, in some ways, hard to grasp. So, what does that mean at a local level, in the rural communities of Western North Carolina? The direct economic impact of tourism and recreation in our seven-county region stands at \$663 million. The region's four primary rivers — the Little Tennessee, the Nantahala, the Oconaluftee, and the Tuckaseegee — include one of the nation's three most popular rivers for whitewater paddling and commercial rafting, the most utilized competitive whitewater racing venue in the United States, a Trout Unlimited "Top 100 Trout Stream," one of the most popular float trips for young children in the Southeast, and a river that generates over 850,000 fishing permits annually. Beyond that, the rivers also provide opportunities for backcasting fishermen, relaxing tubing trips, and wildlife viewing for residents, visitors and second-home owners.

Even more locally, NOC commissioned a study in 2008 from Western Carolina University to quantify the economic impact of the Nantahala Outdoor Center and public outdoor recreation on the Nantahala River alone. The researchers calculated that the direct annual economic impact from the Nantahala was \$62 million with another \$23 million of indirect impact, for a total annual contribution of over \$85 million to our local economy — while supporting over 1,000 full-time jobs in our community. By comparing that number to the total workforce in Swain County, it can be said that over 20% of Swain County workers are employed due to the outdoor recreation economy.

None of this economic and civic revitalization would happen without our cherished public lands and waters. Our guests travel from all over the world to experience our mountains, rivers, and forests in a direct and meaningful way. The jobs created by using our natural resources to provide experience rather than extraction cannot be outsourced. As long as the health and integrity of our lands and waters are maintained, these jobs will never go away.

Heralding the Water-Based Recreation Economy in Western North Carolina

Our situation in Western North Carolina is exactly the type of locally-driven vision the National Blueways System is designed to recognize and support. As noted before, our region boasts a strong and diverse stakeholder partnership, and this partnership works closely with federal and state agencies to manage and promote these resources. While competing interests like power generation, steady lake levels, commercial rafting, guided fishing tours, conservation, public access, and economic development can sometimes work against each other, our mutual trust and willingness to compromise help us deal with difficult issues. Altogether these compromises make our region a more desirable place to live and to visit.

Managing resources and compromising in the present moment is one thing. But more importantly, our stakeholders are able to collaborate on a long-term vision for the region. We feel like Western North Carolina should be the nation's premier human-powered outdoor recreation destination. We are investing in our reputation and our tourism product. For example, we have committed over \$1 million to host the 2013 International Canoe Federation Freestyle Kayaking World Championships so we can reinforce the Nantahala River's reputation as a world-class whitewater resource. We are also committed to marketing the region as one of the nation's best fishing destinations, hosting the United States Fly Fishing Championships in 2011 and organizing seven national fishing tournaments throughout the year with over \$70,000 awarded in prizes.

Perhaps most importantly, Duke Energy is providing over 50 new recreational enhancements in the Western North Carolina area within the next five years including many new river access points. These access points, especially those on the Little Tennessee and the Tuckasegee Rivers, will allow use of these rivers to grow with improved boat camping sites, fishing trails, and wildlife viewing areas. These investments in fundamental recreation infrastructure promise opportunity to businesses and entrepreneurs willing to provide guiding services or other trip amenities to visitors of these new resources. These new resources should provide opportunity for more businesses to grow, and they should help draw new visitors into the gas stations, restaurants, lodging, and retail stores in our region.

As you can see, the outdoor recreation economy is a sustainable economy in our region. Not only do we collaborate to share the benefits of our rivers and lakes, but also we recognize the importance of investing in them, marketing them, and enhancing them at regular intervals. Here in the Smokies we are lucky: we have the tools, resources, and willingness to communicate about our natural resources. Not every river in the country has what it needs to leverage its waterways for economic growth. That is where the National Blueways System comes into play. The National Blueways System is about the power of a locally-determined vision for a waterway. In Western North Carolina, our collective local vision is the primary voice in the management of our natural resources, but that's not the case everywhere.

The Importance of the National Blueways System

We all know that outdoor recreation is a major component of our economy. Much of the \$646 billion in annual direct consumer spending is generated by 12.4 billion outdoor outings taken by 141.9 million Americans, many of these on public lands and waterways. Since most Americans live within a mile of a river or a stream, many of these outings take place on or beside a river. Growing participation indicates that the outdoor economy is flourishing. According to the Outdoor Foundation, participants have increased by 7.5 million since 2006, and Americans are enjoying the outdoors more and more.

In fact, according to the same study, kayaking in all of its forms – whitewater, touring and recreational paddling – grew at over 10% each year from 2009 to 2012, and fly fishing participation grew 3% on average. Poised to capitalize on the surging growth of paddlesports participation around the country, the National Blueways System can even more firmly connect Americans with water-based recreational opportunities. The program fosters voluntary partnerships and brings together local stakeholders to create a locally-driven vision for these natural resources. Community-based leadership will promote better management and increased use of the rivers and lakes enjoyed by millions of Americans.

Recognizing waterways as Blueways will also provide a key rallying point for local communities to continue their stewardship of their local natural resources, ensuring clean water, healthy and active outdoor recreation, improved quality of life, higher land values in adjacent areas, as well as better economic and community prosperity.

I applaud the efforts of the Department of the Interior and Secretary Jewell; asking local stakeholders to collaborate and create a comprehensive plan for their river systems makes more sense than dictating it to them. As we have shown in Western North Carolina, diverse and even competing interests can be overcome by earnest dialogue and cooperation. We recognize that we are all trying to maximize the amount of value we can get out of our rivers and lakes, and we all know that we can do so while preserving their productivity, environmental integrity, and inherent beauty through smart resource management.

Conclusion

In these trying economic times, it is clear that Americans need more than ever the physical, emotional, and psychological benefits that human-powered outdoor recreation provides. Another Outdoor Industry Association research project showed that 80% of Americans feel that they are happier, have better family relationships and less stress in their lives when they engage in outdoor recreation. Anecdotally, during the recession, we witnessed more hikers pass through NOC on the Appalachian Trail than we had seen in years.

Our own internal research over the last 40 years indicates whenever there is economic uncertainty or a precipitous rise in gas prices, our guest numbers increase. This affirms the importance of outdoor recreation during these difficult times that our country faces. We take this charge seriously and appreciate our guests' confidence in our ability to deliver these authentic outdoor experiences. We also take seriously our ability to create jobs and positively impact rural economies in need. The jobs we are creating through the outdoors can never be outsourced so long as we have the kind of open spaces, healthy forests, free-flowing rivers, and recreation infrastructure that the Blueways initiative recognizes.

I truly appreciate this invitation to speak with you today. Thank you for your attention, and I would be pleased to answer any questions you may have.