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Testimony of Theresa McKenney

NEMO Equipment, Inc.

Recreation at Risk: The Nature of Climate Costs

Chair Whitehouse, Ranking Member Grassley, and members of the Committee,

Thank you for the opportunity to testify today on climate-related costs in the outdoor recreation sector. It is an honor to be here. My name is Theresa McKenney, and I am the Director of Sustainability and Government Affairs at NEMO Equipment, a privately held, majority family-owned backpacking and camping gear brand based in Dover, New Hampshire.

NEMO was founded in 2002 by our CEO, Cam Brensinger. An avid climber and mountaineer, Cam designed our first tent after a rough night winter camping on New Hampshire's tallest peak, Mount Washington. To improve stability in high wind, Cam invented a low-pressure inflatable frame that maintained structural integrity in extreme conditions. We filed our first patent over 20 years ago, and have since designed innovative tents, sleeping bags, sleeping pads, camp furniture, and carry systems. While our team of 50 is small, we have an outsized impact; according to 2023 industry sell-through data, **NEMO is the #1 best-selling brand of outdoor camping gear** in U.S. specialty outdoor retail.

NEMO is part of the outdoor recreation economy. Outdoor recreation generated **\$1.1 trillion in economic output** in 2022, contributing **more than mining, utilities, farming and ranching, and chemicals products manufacturing to U.S. GDP**.¹ According to the latest Bureau of Economic Analysis data, the outdoor recreation economy grew 2.5 times faster than the U.S. economy and generated 5 million jobs. 3.2% of all U.S. employees are part of the outdoor recreation industry and, thanks to lifestyle shifts resulting from the pandemic, more Americans are participating in outdoor recreation than ever. According to the Outdoor Industry Association, the outdoor recreation participant base has grown each of the last eight years.² New Hampshire's own White Mountain National Forest, in fact, reported a 40% increase in outdoor recreation in 2021.³

Although outdoor recreation has been surging, NEMO faces many challenges. Our continued success is threatened by a long list of global issues, including high interest rates, a cautious consumer market, trade uncertainties, two major wars, and geopolitical tension. Running a business will always come with challenges, but we believe **that the climate crisis is the greatest threat** to NEMO's longevity and to the future of outdoor recreation in America. Along with the risk to human lives and livelihoods, climate change poses a real and imminent threat to NEMO's business; **without safe, accessible, and enjoyable places to recreate, there is no longer a need for our gear.**

¹ [Outdoor Recreation Contributes over \\$1 Trillion to the U.S. Economy](#)

² [2023 OIA Outdoor Participation Trends Report](#)

³ [Seeing the forest for the trees: A social-ecological systems approach to managing outdoor recreation visitation in parks and protected areas](#)

Our drive to address climate change at NEMO comes from a combination of moral and practical concerns. We do not only look to government to solve the monumental challenge of climate change; businesses like ours that manufacture goods are significant contributors to the problem and we are ready to take responsibility for our part. Within our company, we call this work a crucial part of our overall “business sustainability” versus simply “sustainability” priorities. We do not believe there is a future for businesses like ours without taking responsibility for our impacts on the planet, both because our consumers are increasingly demanding these efforts and because the natural places where backpacking and camping take place are being threatened.

We are already feeling the negative impacts of extreme weather and climate change on our state’s burgeoning outdoor recreation economy. Outdoor recreation accounts for 3.2% of New Hampshire’s GDP, and from 2021 to 2022, **the state’s outdoor economy grew 18.1%**.⁴ Small businesses are the backbone of New Hampshire’s outdoor industry, including guides, outfitters, retailers, and campground operators. Many of these businesses are based in rural areas and are seasonal. The success of small outdoor recreation businesses depends on stable, predictable weather and seasons.

The summer of 2023 was the wettest on record in New Hampshire⁵ with 21 inches of rainfall in June, July, and August. New Hampshire issued **38 flash flood warnings** during the month of July alone. Prior to this historic summer, the National Weather Service had never issued more than 36 warnings in an entire calendar year in our state.

According to NASA, July was also the planet’s hottest month in recorded history.⁶ This wet, hot summer followed the third-warmest winter on record in New Hampshire⁷ — a season where three quarters of outdoor businesses in the state reported that the shorter winter negatively impacted outdoor recreation.⁸ At NEMO, we felt the impacts of 2023’s volatile weather with overstock issues and order cancellations from retailers in New England and beyond. 2024 is not looking better; in fact, the National Oceanic and Atmospheric Administration recently declared that December 2023–February 2024 was *the* warmest winter on record in New Hampshire.⁹

Research from Dartmouth College suggests that extreme weather events are expected to increase in New Hampshire between now and the end of the century.¹⁰ That predicted future builds on an already worrying past; **from 1980 to 2024, New Hampshire experienced 21 individual billion-dollar disaster events**.¹¹ We believe all businesses and governments must act quickly to reduce greenhouse gas emissions to protect the safety and well-being of Americans and to avoid irreparable damage to our outdoor recreation economy. For these reasons, in 2020 NEMO publicly announced a **commitment to reduce our carbon intensity in half by 2030**. As members of the Science Based Targets Initiative, our goal is to cut our emissions from 40kg CO₂e per product on average to 20kg CO₂e. Thus far, we have achieved a 22% reduction in emissions intensity.¹² To meet our commitment, we will need to source lower-carbon materials and accelerate renewable energy adoption in our supply chain.

⁴ [New State Recreation Economy Rankings Show Growth from Coast to Coast](#)

⁵ [2023 was NH’s Wettest Summer Yet](#)

⁶ [NASA Clocks July 2023 as Hottest Month on Record Ever since 1880](#)

⁷ [How New Hampshire is Weathering a Short and Sparse Ski Season](#)

⁸ [New Hampshire Statewide Comprehensive Outdoor Recreation Plan](#)

⁹ [This winter was the warmest on record for New Hampshire](#)

¹⁰ [Twenty-first century increases in total and extreme precipitation across the Northeastern USA](#)

¹¹ [Billion-Dollar Weather and Climate Disasters: New Hampshire Summary](#)

¹² [NEMO 2022 Annual Sustainability Report](#)

Even though we are a small business, NEMO has prioritized investments to reduce our greenhouse gas emissions, including:

- The development of OSMO™, the first poly-nylon composite tent fabric on the market. OSMO is 100% recycled, PFAS-free, and performs better than comparable tent fabrics; it delivers 4x longer lasting water repellency, stretches 3x less when wet, and boasts exceptional strength at a reduced weight.
- The launch of Endless Promise®, an industry-leading circularity program that provides repair, resale, and recycling pathways for NEMO products in the United States and Europe. As part of this program, we created our first fully recyclable sleeping bags in 2023 and the first fully recyclable technical backpacks this year.
- Completion of the 100K Polybag Project, an initiative to reduce plastic waste in our packaging that led to the elimination of more than 100,000 polybags.
- Participation in the Clean Energy Investment Accelerator, a program working to install solar panels in our supply chain.

While these investments in sustainability have added cost to our products and expense for our business, they have also created **vital opportunities for innovation and differentiation for our brand**. For example, during the development of our fully recyclable Vantage™ and Resolve™ backpacks, we were forced to seek alternatives to conventional polyurethane foam padding to meet recyclability requirements. This led us to an advanced new material called CCubed™ along with being fully recyclable. CCubed™ is extremely effective at pulling sweat away from the body. This technology has given our backpacks a key advantage in a highly competitive marketplace in addition to the goodwill we receive from customers for our efforts to reduce our impacts. This is one of many examples for NEMO where the **short-term costs of pursuing sustainability have been well-justified by the returns** as consumers become increasingly demanding of corporate responsibility for climate impacts.

We believe all businesses need to do their part to address this global emergency; however, negative climate change impacts on the outdoor economy cannot be avoided without the support and leadership of the U.S. government. According to McKinsey, in 2023 more than 80% of companies had or were considering CO2 reduction targets.¹³ Businesses like NEMO are stepping up, but there is a need for **thoughtful regulation to ensure the consistency, integrity, and urgency of emissions reduction efforts**.

As such, we respectfully ask Congress to:

- **Protect** the climate investments made in the **Inflation Reduction Act (IRA)** to allow for full implementation of the bill's goal to reduce U.S. greenhouse gas emissions by 40% by 2030.
- **Modernize the Farm Bill** to support the outdoor recreation economy and reduce greenhouse gas emissions through updates to the Rural Development Title, Conservation Title, and Forestry Title.
 - We support the joint [Farm Bill Priorities Letter](#) issued by Outdoor Industry Association, Outdoor Alliance, and The Conservation Alliance that outlines specific priorities.
- **Elevate and support** the newly formed **American Climate Corps** that will provide training for careers in the clean energy and climate resilience economy.
 - We welcome opportunities to brainstorm and collaborate on ways for the outdoor recreation economy to support and benefit from this initiative.

¹³ [Time to move: Sporting goods 2024](#)

In addition to stable and predictable weather, access to healthy public lands and waters is critical for the success of the outdoor recreation economy, and for the well-being of all Americans. NEMO supports nonprofits locally and nationally that are working to protect and expand these vital American assets, including New Hampshire's Southeast Land Trust and the Appalachian Mountain Club. Our brand tagline, "Adventure Anywhere. Adventure For Anyone. Adventure Forever.®" reflects our commitment to improve outdoor recreation opportunities for all Americans, especially for historically under resourced, marginalized, and excluded communities. In 2021, NEMO launched our [Adventure Resources](#) program to help educate our consumers on where and how to responsibly recreate; we also elevate program providers and nonprofits who are working to improve inclusivity in the outdoors.

To improve protection of, access to, and inclusion in America's public lands and waters, we ask Congress to:

- **Support America's Outdoor Recreation Act (AORA) and the Expanding Public Lands Outdoor Recreation Experiences (EXPLORE) Act**, which invest in recreation and green infrastructure to enhance access to public lands. These bipartisan, bicameral bills include robust support for outdoor recreation in America, including:
 - The "Outdoor Recreation Act" to increase and enhance recreation opportunities across the country.
 - The "Simplifying Outdoor Access for Recreation Act" (SOAR) to improve the recreational permitting systems to make it easier for all people in the U.S. to experience public lands with the help of a guide, outfitter, or educational program.
 - The "Recreation Not Red Tape Act" (RNR) to direct federal land managers to evaluate where recreational seasons could be extended.
 - The "Gateway Community and Recreation Enhancement Act" to support rural economic development and recreation infrastructure in communities that are the gateways to our cherished public lands.
- **Protect** wild places and outdoor spaces, preserve important cultural and historic sites, and improve opportunities for recreation by supporting **National Monuments**.
- **Elevate recreation priorities** suggested in [joint comments](#) by Outdoor Industry Association, Outdoor Alliance, and The Conservation Alliance on the **BLM's Proposed Public Land Rule**.

Addressing climate change and public lands protection is vital for the success of the outdoor recreation economy and the mental and physical health of American citizens. From its solo beginnings on Mount Washington to our passionate team today, NEMO has always stood for the belief that time outdoors helps make us our best selves — people who are conscious, inspired, connected, and mindful. We also firmly believe it's the responsibility of businesses (like our own), communities, and governments to ensure that all Americans have safe access to outdoor recreation.

Thank you for allowing us to testify on this important matter.

Sincerely,



Theresa McKenney
Director of Sustainability and Government Affairs
NEMO Equipment, Inc.