

Dear Rep. Pope-Roberts and Senator Erpenbach:

I am writing to each of you to expand on the points made in the email to you below (and including your response to him) from one of our ski patrollers, Rob Wangard, about the likely impact the current state budget provision on joint and several liability will have on Tyrol Basin's ability to obtain insurance.

I am asking you, no, pleading with you, to please seek to have this provision removed from the budget because of its significant policy implications that quite literally may cause Tyrol Basin, and other tourist and recreational businesses, to close. ..

First of all, the economy has all small business reeling, including Tyrol Basin. If we are able to obtain insurance at all, the costs can be expected to increase very dramatically and this alone could sink us. Even today, the costs for liability insurance alone amount to approximately \$2.85 for every regular ski ticket sold. In the years before the 1995 tort reforms took effect, that cost was approximately \$6.00 for every regular ticket sold. That difference, in this economy, cannot be made up by raising prices. And honestly, Tyrol was not close to being profitable in this most recent season, due to the economy, so we simply do not have the resources to 'eat' these cost increases.

More frighteningly, our attorneys and our insurance advisors have told me that the new liability exposure under the proposed tort changes in the budget are difficult, if not impossible to calculate and that, as a result, we may not be able to obtain any insurance coverage. Today, there are only two insurance companies in the country that will write liability policies for small, single focus, ski areas like Tyrol Basin....

Tyrol Basin has 175 seasonal employees who account for some 55,000 person hours of employment. This is equivalent to about 27 full-time employees. The bulk of these employees live in your Assembly and Senate districts. We have, additionally, 84 ski patrollers, again with many of these great people living in your districts.

Our annual payroll, not including taxes, is over \$560,000 with again, most of this going to persons living in your Assembly district and virtually all of this going to persons living in Senator Erpenbach's Senate district.

Tyrol Basin is, I believe, if you include personal property taxes, the largest property tax payer in the Town of Vermont.

Next to the School District, Tyrol Basin is the largest utility user of the Mount Horeb Municipal Electric Utility.

Tyrol Basin is a significant 'driver' of tourism activity in the Mount Horeb area. We bring in quite literally some 70,000 people each year that spend money in the Mt. Horeb area restaurants, shops, motels, filling stations and the like. We are a summer banquet destination for the area.

Tyrol has been selected as the venue for Mountain biking for the 2016 Summer Olympics should the Chicago bid be chosen this October. As the mountain biking venue for the Olympics, we are integral to the area and Wisconsin Olympic road bike events as well and our demise could also lead to this opportunity being missed.

If this budget provision passes, all of this is at risk!

More personally, if this provision passes and Tyrol either cannot afford to stay in business or is forced out by a lack of insurance, I will suffer catastrophic financial damage. We cannot, because of lender requirements and personal recognizance on bank debt, stay in business at all without full liability insurance coverage.

If we cannot obtain or afford insurance, Tyrol will close. But we shall still have a significant bank debt to pay off and that debt will not be supported by the scrap value plus the land value of a defunct ski area. The owners of Tyrol, like most small business owners, have personal guarantees for all debt.

If this budget provision passes and Tyrol cannot afford or obtain liability insurance, 20 plus years of building a business that is a community asset will be lost. Twenty plus years of investment and sacrifice will go up in smoke and still there will be bank debt to pay....

Sincerely,

Jonathan Barry