



THE  
AMERICAN  
BOATING  
CONGRESS

LEGISLATIVE CONFERENCE

# Conference Issues Briefing

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National Marine Manufacturers Association



# On Today's Webinar



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# On Today's Webinar

- Introduction
- Floorplan Financing
- National Oceans Policy
- Ethanol
- State of the Marine Industry
- Q&A
- Hill Visits 101
- BoatPAC



# Conference Materials

Download policy briefs and  
talking points online at:

<http://www.nmma.org/government/federal/?catid=1800>

(If the link does not work, go to  
[www.nmma.org/government](http://www.nmma.org/government)  
then click on *Federal Relations*, then *ABC 2010*.)

Hard copies of these documents will be  
available at registration.

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# Floorplan Financing



**PRESENTED BY**  
**Cindy Squires**

# Floorplan Financing

## Marine Industry Finance Exodus

- Mass exodus of lenders began in 2007
- Credit gap caused enormous job losses; disruptions in distribution chain
- Must expand and *diversify* lending market
- **Credit gap remains**



# Floorplan Financing

We built it but they didn't come....



- **Small Business Administration DFP Pilot** announced at ABC 2009
- **SBA created uncertainty with terms** – only a 1 year pilot
- Expected 4,000 deals by Oct. 2009 – only 60 have been made

# Floorplan Financing

- **What We Want from Congress**
  - **Pass S. 2869**, Small Business Job Creation and Access to Capital Act – the “Jobs 3” Bill
    - Increases loan caps to \$5M; eliminates fees; extends 90% guarantee
  - **With Floor Plan Amendments**
    - Direct SBA to **extend DFP program to at least 5 years**
    - Must change SBA DFP program to **increase appeal to lenders**
  - Low cost, low-risk, job-growing solution.
  - White House supports; bipartisan Senate support; challenge is House of Representatives

# National Oceans Policy

**PRESENTED BY**

**Mat Dunn**



# National Oceans Policy

- **President's Interagency Oceans Policy Task Force**
  - Established by Executive Memorandum, June 2009
  - Composed of all relevant federal agencies
  - Led by White House Council on Environment Quality
  - First report was Interim Report on National Oceans Policy
  - Second report was on Coastal and Marine Spatial Planning
- **Public Comment**
  - NMMA and fishing/conservation partners commented on both documents throughout process
  - Met w/ CEQ, NOAA, FWS officials throughout process
- **Stated Goal**
  - Improve oceans management through coordinated planning
  - Implement system of marine spatial planning

# National Oceans Policy

- **Policy Proposal**

- Create National Ocean Council (NOC) with broad authority, chaired by CEQ and OSTP
- Establish National Ocean Policy with Priority Objectives
- Establish Regional Ocean Councils
- Implement Coastal and Marine Spatial Planning, including Great Lakes and possible upland areas

- **Key Concerns**

- Federal top-down approach
- New bureaucratic overlay and confusion
- Insufficient recognition of importance of recreation
- New marine protected areas
- Stakeholder process and transparency

# National Oceans Policy

- **What We Want**

- Make recreation a National Priority under National Ocean Policy
- Promote and enhance recreational access/opportunities
- Meaningful, binding, frequent stakeholder process
- No top-down federal approach
- Preserve existing authorities

- **What We Want from Congress**

- Weigh in to protect recreational opportunities
- Prevent Executive Order
- Preserve Congressional authorities, oversight, regular order

# Ethanol



**PRESENTED BY**

**Mat Dunn**

# Ethanol

- **Growth Energy Waiver Petition for E15**
  - Filed March 2009
  - More than 30,000 comments from boaters and marine industry
  - Decision due Dec. 1, 2009, but EPA exceeded deadline
  - EPA expected to issue partial waiver based on limited auto testing this summer
- **Problem**
  - Marine equipment not designed, calibrated, certified or warranted to run on E15
  - No testing of marine equipment
  - Growth Energy petition woefully inadequate on data
  - Performance, air emissions, warranty, and consumer safety concerns for marine equipment

# Ethanol

- **Why We Don't Like E15**

- It's a boondoggle
- It's bad for consumers—damages equipment
- It's bad for air quality—increases Nox Emissions and will defeat catalysts over their full useful life
- It's a bad fuel – shelf life of 90 days
- It's bad for fuel economy – more gas, less distance, less power

- **EPA Doesn't Have the Data to Justify Approval**

- No marine testing
- Insufficient auto and other testing
- Partial Waiver will cause consumer confusion and misfuels

# Ethanol

## ▪ **Legislative Solution**

- S. 1666, Mid-Level Ethanol Blends Act (Collins-Cardin)
- Requires SAB study of impacts on consumers, compatible fuel availability
- Prevents any EPA decision for 1 year until SAB study completion
- Would prevent partial waiver until all on-road and non-road vehicle fleet is compatible
- Cosponsors: Cardin (D-Md.), Landrieu (D-La.), Vitter (R-La.), Burr (R-N.C.), Whitehouse (D-R.I.), Webb (D-Va.)
- Need additional bipartisan cosponsors
- Request that S. 1666 be included as part of upcoming energy bill.
- This is a consumer safety issue!
- Broad coalition support: oil, enviros, consumer, food, etc.

# State of the Industry



**PRESENTED BY**  
**Mat Dunn**

# State of the Industry

- **Boating is major consumer goods and services industry**
  - \$30B new sales and services 2009
  - 13M registered recreational boats
  - 70M boaters in 2009
  - Over 18,000 marine businesses nationwide supporting over 300,000 jobs
  - Middle-class activity – 75% boat owners have household income of less than \$100K per year
  - 90% of boats under 26 feet (trailerable)
- **Major Challenges for the Boating Industry**
  - Credit liquidity and capital access
  - Inventory financing
  - Consumer confidence and demand

# State of the Industry

- **Impact of the Recession on the Boating Industry – Key Facts & Figures**
  - Traditional 2009 boat sales down 70% at wholesale and 29% at retail
  - Outboard engine sales down 34% to 180,700 engines compared to 227,000 in 2008
  - 2009 aftermarket accessory sales projected to decrease 7% to \$2.2 billion vs. 2008
  - All segments of industry hit hard
  - At least 70% unemployment levels at peak; remaining workers not FTE
  - At least 135,000 jobs lost; ~200 plant closures in 2008
  - Expected 50% dealer closure in the industry

# State of the Industry

- **Why These Numbers Matter to Congress**
  - The boating industry is primarily a U.S. manufacturing and services industry
  - Our industry is about **U.S. jobs** – tell your company's story
  - Boating industry is one of the last few net exporters, contributing to trade balance
  - Our industry is about middle-class jobs for middle-class consumers
  - Boat, engine and accessory plants, marinas, etc. anchor local communities throughout U.S.
  - Credit liquidity, not demand, is the key issue
  - Congress must seriously address boating industry challenges to create jobs in the U.S.

# Q & A

**MODERATED BY**  
**Bryan Welsh**



# Hill Visits 101

**PRESENTED BY**

**Jeff Gabriel**



# Hill Visits 101

- Before you head to the Hill
  - Pack appropriately: business attire is appropriate for Hill visits (good walking dress shoes help, too)
  - Do some light research on your Representative and Senators by visiting their websites and reading their press releases, committee assignments, etc.
  - You will receive your Hill schedule at the start of the conference when you register on site at ABC.
  - Keep an eye on your cell phone while in DC – if there are any last-minute changes, you will hear from Laura Genovese.
  - Coordinate with others in your state delegation if you are going in a small group.

# Hill Visits 101

- **Heading up to the Hill**
  - Leave plenty of time to go through security, find the office and arrive a few minutes early. It's about a 15 minute walk to Senate offices and a 25 minute walk to House offices.
  - Bring business cards and have plenty of issue briefs to leave behind during your visit. You will receive extra copies at registration.
  - If you have requested an NMMA staff escort, your assigned staff member will coordinate with you after the luncheon.
  - Most importantly, have fun!

# Hill Visits 101

- Useful things to know for your Hill visit
  - Products manufactured: be able to articulate how/where your products are used and sold in a few sentences.
  - Jobs: know how many people you employ.
  - History: tell the story of the history of your business and its importance in the community.
  - Success stories: have a few examples of how your business overcame challenges or contributed to the local community.

# Hill Visits 101

- **During your Hill visit**
  - Be flexible: Due to fluid nature of Congressional activities, you may be asked to wait, meet with another staffer or meet in another location.
  - Clearly introduce yourself, your group and your company.
  - Tell your story briefly and clearly. Talk about how long you've been in your community, how many people you employ, etc.
  - If you are there to talk about specific legislation, know the bill name and number. This info can be found in your policy briefs.
  - If you are asked a question you don't know the answer to, be honest. Let the office know you will find out and follow up with an email later.
  - At the end of your meeting, thank the Member of Congress and/or staffer for their time and previous support (if applicable). Trade business cards. Invite them to the Congressional Boating Caucus Reception in Rayburn B369 from 4:30 to 6:30 pm that afternoon.
  - If you can, invite them to tour your facility during the August recess.

# Hill Visits 101

- After your Hill visit
  - Follow up with a thank you email. Include any additional information requested, a brief overview of your “ask” and a reminder that you will follow up later in the summer about an August facility tour.
  - In July, follow up with another email inviting your Member of Congress and their staff on a facility tour.
  - Contact NMMA if you need help with organizing a Congressional visit.

# BoatPAC



- Another way to get involved
  - NMMA has a Political Action Committee called Boat PAC
  - Boat PAC provides financial support to U.S. Senate and House candidates and is the recreational boating industry's strongest tool to enact political change in our federal government
  - Boat PAC & Center PAC will host the Hook, Line and Cinco de Mayo PAC Fiesta on Wed, May 5 at 6:30 pm on the rooftop of the Liaison
  - Contact Jeff Gabriel (202-737-9776; [jgabriel@nmma.org](mailto:jgabriel@nmma.org)) for more information on Boat PAC, including how you may be able to get involved

# Hill Visits Q & A

**MODERATED BY**  
**Bryan Welsh**



# Contact Us



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**Thank you for  
participating and  
see you next week  
at the American  
Boating Congress!**