

June 15, 2021

The Honorable Jacky Rosen  
Chair  
Subcommittee on Tourism, Trade, and  
Export Promotion  
Committee on Commerce, Science, and  
Transportation  
United States Senate  
Washington, D.C. 20510

The Honorable Rick Scott  
Ranking Member  
Subcommittee on Tourism, Trade, and  
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United States Senate  
Washington, D.C. 20510

Dear Chair Rosen and Ranking Member Scott,

On behalf of the National Marine Manufacturers Association (NMMA), I thank you for convening the hearing: “The State of Outdoor Tourism, Recreation & Ecotourism” to assess the state of the outdoor economy in the aftermath of the COVID-19 pandemic. The societal, health, and economic benefits of recreation came to the forefront during the pandemic, creating an abundance of opportunity as well as presenting clear challenges that lie ahead in order to meet and sustain levels of growth not seen since before the Great Recession.

NMMA is the trade association for the U.S. recreational boating industry, representing nearly 1,300 marine businesses, including recreational boat, marine engine and accessory manufacturers. NMMA members collectively manufacture more than 85 percent of the marine products sold in the U.S. Furthermore, the recreational boating industry has a significant impact on our nation’s economy and in communities across the country, employing nearly 700,000 American jobs across 35,000 U.S.-based marine businesses.

Led by the recreational boating industry, the outdoor recreation economy is a major contributor to the U.S. economy, accounting for 2.1 percent of GDP, \$788 billion in economic output, and 5.2 million American jobs. The role of recreational boating in our economy has only grown more significant as Americans flocked to new outdoor activities amidst the COVID-19 pandemic, with sales of new powerboats in the U.S. increasing last year by an estimated 12 percent compared to 2019, reaching a 13-year high. Over 44,000 new boat buyers entered the market between March and June 2020, representing 10 percent year-over-year growth. There are many encouraging aspects of increased participation including roughly 30 percent of the industry’s growth was made up of new buyers, many of which were younger and more diverse.

While this rise has showcased the popularity of such activities as a safe and fun way to spend time with loved ones, it has also illuminated a number of the most pressing issues facing the industry: the need for free and fair trade, healthy supply chains, and adequate, resilient infrastructure to transport our products to market and support demand for access. Without reinstating free market principles and robust investments in our country’s outdoor recreation

infrastructure, these economic contributions – along with pastimes enjoyed by the vast majority of Americans – will be in jeopardy.

From tariffs on raw materials and components, to retaliatory tariffs that have frozen international markets for marine exports, the U.S. recreational boating industry continues to bear the brunt of the previous administration's trade policies. The section 301 tariffs on imports from China have caused the price of an entry-level boat to significantly increase and cost small marine businesses millions of dollars. It is important to note that 62 percent of boat owners have a household income of less than \$100,000; therefore, the continued affordability of these products must be maintained, but it can't with a 25 percent tax on critical components and products.

We appreciate the Senate recently took steps to establish a new exclusion process to allow businesses opportunities to make their case as to why their products shouldn't face this unnecessary tax, especially when the products pose no risk of technological or intellectual property transfer, it is hard to understand how these products fit with the overall purpose of these tariffs. We also appreciate the Senate's efforts to reinstate exclusions for products, regardless of when they expired; however, we would hope that the retroactive payments for duties paid would be extended to include all reinstated exclusions.

Moreover, the previous administration's worldwide steel and aluminum tariffs resulted in the EU's 25 percent retaliatory tariff on American-made boats going into Europe. We appreciate the administration and their European counterparts reaching a temporary agreement to avoid the doubling of tariffs for six months; therefore, unless an agreement is reached, the EU's retaliatory tariffs on American-made boats will double to 50 percent on December 1.

In addition to the pre-existing trade fronts our industry has been at odds again, supply chain disruptions caused by the pandemic threaten the success and expansion of the U.S. recreational boating industry. Many marine manufacturers were forced to temporarily shut down operations and are now working through months-long backorders as the industry tries to capture historic consumer demand. The industry relies on a highly integrated supply chain, and continued disruptions pose a major threat to the economic viability of our industry threatening thousands of U.S. businesses and jobs, and hindering outdoor recreation opportunities. As Congress looks to shape robust infrastructure legislation to revive the economy, we encourage the subcommittee's support to reverse regulations, legislation, and trade policy that restrain supply chain facilitation, hamper international trade, and make strategic investments in infrastructure and trade to alleviate congestion in the supply chain.

Equally important is attention to the infrastructure that serves as the backbone of public recreation access. There is a growing need to modernize our Eisenhower-era recreation infrastructure to make sure recreators are safe and secure, as well as expand access points like parking around nearby boat ramps. To prepare our outdoor recreation infrastructure for the future, we must increase access opportunities and address growing maintenance needs that have been exacerbated by an increase in visits and traffic over the past few decades. Given that a majority of public recreation access infrastructure is already in need of significant maintenance and modernizations, our aging access points and facilities are ill-equipped to stand the test of

time from millions of new users and the effects of climate change. From rapidly changing water levels to increased frequency and intensity of flooding events and natural disasters in coastal and inland waterways, bolstering the resilience of our public waterways and outdoor recreation infrastructure is critically needed.

To support habitat restoration and crucial conversation efforts, we appreciate the work of Senator Maria Cantwell (D-WA) and Senator Roger Wicker (R-MS) to introduce the Sport Fish Restoration and Recreational Boating Safety Act of 2021 – a bill that reauthorizes the \$742 million Sport Fish Restoration and Boating Trust Fund (Trust Fund) program. The Trust Fund supports fishery restoration and conservation efforts, boating access and infrastructure, as well as fish stocking programs important to recreational anglers in all 50 states. In addition to reauthorizing the Trust Fund, the bill would require studies on the impacts of non-motorized vessel use on waterway access as well as the impact of abandoned vessels. NMMA has long advocated for these studies and thanks the bills' sponsors for including the provisions. Additionally, the bill would authorize the Sport Fishing and Boating Partnership Council to advise the Department of Commerce, in addition to the Department of Interior. We encourage the subcommittee's strong support for the inclusion of this critical bipartisan bill in the surface transportation reauthorization bill this year.

On behalf of our members, we thank you for your leadership in highlighting the importance of the thriving recreation economy and fostering a discussion on solutions to grow the outdoor industry in local communities, protect our lands and waters, and support U.S. jobs and business. NMMA stands ready to work with you to develop policies that will create a more stable business environment and provide adequate, resilient infrastructure to ensure access to the Great Outdoors for generations to come.

Sincerely,

Callie Hoyt  
Director, Federal Government Relations  
National Marine Manufacturers Association