

October 1, 2008

The Honorable Jim Nussle
Director
The Office of Management and Budget
725 17th Street, NW
Washington, DC 20503

Dear Mr. Nussle:

I write to you on behalf of the National Marine Manufacturers Association (NMMA) to express our concern with the Customs and Border Protection (CBP) rule 10+2. My members, which include small businesses from across the United States, will face significant impediments if the rule is implemented as drafted.

By way of background, NMMA is the nation's largest recreational marine industry association, representing nearly 1,700 boat builders, engine manufacturers, and marine accessory manufacturers. NMMA members collectively produce more than 80 percent of all recreational marine products made in the United States. Recreational boating is a popular American pastime, with almost 72.6 million boaters nationwide and over 13.6 million registered boats. The recreational boating industry is a substantial contributor to the nation's economy with total retail expenditures on recreational marine products and services of over \$39.5 in 2006 alone. Spending by recreational boaters is responsible for 900,000 U.S. jobs nationwide.

We concur with the House of Representatives Small Business Committee Chairwoman Velazquez's letter. The letter raises many important points that should be addressed before further action is taken. Small businesses will be placed at a significant competitive disadvantage by 10+2. Small businesses, including small brokers, do not have:

1. The resources, i.e., customs experts, to help collect and compile the information required by 10+2,
2. The 10+2 management system needed to allow their clients to collect 10+2 data from all involved parties
3. The integrated computer systems needed to process the information and communicate with suppliers abroad

Executive Committee

Chairman, NMMA
Chuck Rowe
Indmar Products, Inc.

Vice Chairman, NMMA
David Silkkers
Tiara Yachts
Secretary, NMMA
Kris Carroll
Grady-White Boats

Treasurer, NMMA
Rick Russell
Anderson Marine Division
Member At-Large
George Bellwoar
PERKO, Inc.

BMD Representative
J.J. Marie
Zodiac of North America
EMD Representative
Jim Hubbard
Mercury Marine

AMD Representative
Jason Pajonk
Taylor Made Products
President
Thomas J. Dammrich
NMMA

Moreover, small businesses are going to face significant increases in operating costs. Small importers can not afford to stock and store extra inventory, pay increased bond charges, insure the goods for an extra 2-5 days or week if the sailing deadline is missed, use air freight or for the value of the goods to decrease while in transit. The delay for small businesses is potentially significant and will cause many to leave the marketplace. Small businesses ship in consolidated containers-- if one importer's ISF creates a red flag, the entire container will be delayed and each importer will incur significant costs while their goods sit at the foreign port. Small businesses can not afford the increased operating costs...especially given current economic conditions.

Many of the practical issues that arise for international business transactions have also not been addressed including the issuance of lines of credit, the ability of customs broker to provide services to small importers, the ability to obtain ISF bonds and the ability to store and protect goods while they sit at the foreign ports. These costs and consideration are extremely important for small businesses and place additional burdens on the operations of anyone trying to function in, or enter into, the global economy.

In the last month, customs brokers have stated that they have limited resources and insufficient capacity to provide filing services to every importer. The brokers have stated that they will not be able to provide services to small importers because time and attention needed to file the ISF on their behalf will yield very low profit margins. This is potentially devastating for small businesses that rely on brokers to file on their behalf.

The issues raised above must be considered and evaluated before the final rule is implemented. Please feel free to contact Bryan Zumwalt at bzumwalt@nmma.org or 202-737-9764.

Most Sincerely,



Scott Gudes
Vice President, Government Relations

Executive Committee

Chairman, NMMA
Chuck Rowe
Indmar Products, Inc.

Vice Chairman, NMMA
David Silkkers
Tiara Yachts
Secretary, NMMA
Kris Carroll
Grady-White Boats

Treasurer, NMMA
Rick Russell
Anderson Marine Division
Member At-Large
George Bellwoar
PERKO, Inc.

BMD Representative
J.J. Marie
Zodiac of North America
EMD Representative
Jim Hubbard
Mercury Marine

AMD Representative
Jason Pajonk
Taylor Made Products
President
Thomas J. Dammrich
NMMA