



December 15, 2009

The Honorable Robert Menendez
United States Senate
Washington, DC 20510

Dear Senator Menendez:

The National Marine Manufacturers Association (NMMA) writes to applaud and endorse your introduction of the S. 2855, *the Credit Retains Employees And Triggers Economic (CREATE) Growth and Jobs Act of 2009*, which would provide \$20 billion available to the U.S. Small Business Administration (SBA) to lend directly to small businesses struggling to access normal business capital to conduct operations and run their businesses.

NMMA is the nation’s leading recreational marine industry association, representing over 1,600 boat builders, engine manufacturers and marine accessory manufacturers. NMMA collectively produces more than 80 percent of all recreational marine products made in the United States. With nearly 13 million registered boats and 70 million boaters nationwide, the recreational marine industry is a major consumer goods and services industry that contributed \$33.6 billion in new retail sales and services to the U.S. economy in 2008.

The crisis in credit liquidity in commercial lending has severely deteriorated the marine industry in New Jersey and nationwide. Due to a substantial, rapid exodus of typical lenders providing floorplan, or inventory, loans to marine dealers, the industry’s distribution chain is significantly disrupted. As a result of an escalating contraction of conventional commercial lending, particularly in floorplan financing for boat retailers, more than 135,000 boating industry jobs have been lost in the United States to date—these are middle class, well-paying jobs at thousands of small businesses that have evaporated as a direct result of banks and financial institutions exiting the marine and recreation floorplan lending market. Should you legislation be enacted, we would hope banks would utilize some funds specifically to ease the lending crunch in the floorplan credit market where more lending is much needed.

The few remaining lenders significantly tightened the availability of credit and increased the cost of these loans. Production in our industry has collapsed nearly 80 percent even though demand for boats has only declined 30 percent, with the difference clearly caused by the collapse in standard business lending even and especially to credit-worthy companies. The absence of credit for other typical business operations, such as payroll, purchasing equipment, and other means of investing capital into companies and preserving jobs, is also a substantial problem that your legislation would directly address.

NMMA again applauds your legislation to “fill the gap” left by lenders and banks who have drastically curtailed lending even to businesses that are otherwise viable and which could keep their

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doors open for business. We also offer the following proposals (attached) which would make relatively minor, low costs changes to SBA's existing programs, which would have a significant impact on improving business viability and help thousands of companies across a range of industry sectors retain jobs and weather this downturn. Please do not hesitate to contact Mathew Dunn (mdunn@mma.org; 202-737-9760) if we can be of any assistance.

Sincerely,

A handwritten signature in black ink, appearing to read 'T. Dammrich', written in a cursive style.

Thomas J. Dammrich
President