

**NMMA**<sup>®</sup> National Marine  
Manufacturers Association

# Marine Manufacturing

POWERING THE AMERICAN ECONOMY

POLICY  
AGENDA

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## A Note from NMMA's President

The recreational boating industry is a thriving backbone of the U.S. economy. An American pastime that brings more than 142 million people together on the water each year, the boating industry is big business for our country with more than 35,000 businesses generating \$37 billion in annual sales and supporting 650,000 employees across the country.

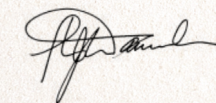
The National Marine Manufacturers Association (NMMA), which has roots that go back more than 100 years, works to strengthen and grow boating—a uniquely American-made industry—and protect the interests of its member companies. In pursuit of this mission, NMMA owns and produces boat and sport shows throughout the U.S., collects and analyzes industry market data, promotes opportunities for our members to trade in the global marketplace, and certifies marine products to the highest safety standards.

Boats are one of the few products manufactured and built in the U.S. today. NMMA's nearly 1,500 members, consisting of boat, engine, and marine accessory manufacturers, collectively produce 80 percent of the recreational boating products used in America.

To help sustain and grow this critical manufacturing sector and significant economic driver, government policies must support small businesses, incentivize U.S. manufacturers, and promote the use and enjoyment of America's great outdoors.

This 2018 Policy Agenda outlines key priorities for the Administration and 115<sup>th</sup> Congress to consider on issues ranging from fuel and fishing, to access, trade and workforce development.

We must protect and preserve the U.S. recreational boating industry! Please use this agenda as a guide for policy decisions in 2018 and beyond.



**Thomas J. Dammrich**

President  
National Marine Manufacturers Association

# Who is NMMA?

**NMMA is the largest trade association for the U.S. recreational boating industry,** representing 1,500 marine businesses including recreational boat, marine engine and accessory manufacturers. NMMA members manufacture more than 80 percent of the marine products in the U.S.

## STATISTICS & RESEARCH

Reports hundreds of valuable insights on recreational boating sales and trends and how the industry impacts the larger economy.

## MARKETING & COMMUNICATIONS

Markets recreational boating to the general public through the industry's national consumer awareness campaign, Discover Boating.

## NMMA CERTIFIED

Ensures manufacturers meet a safety standard to produce quality boats, personal watercraft, trailers and oil.

## BOAT & SPORT SHOWS

Produces 20 of the largest consumer boat and sport shows in the U.S. attracting more than 500,000 boaters annually.

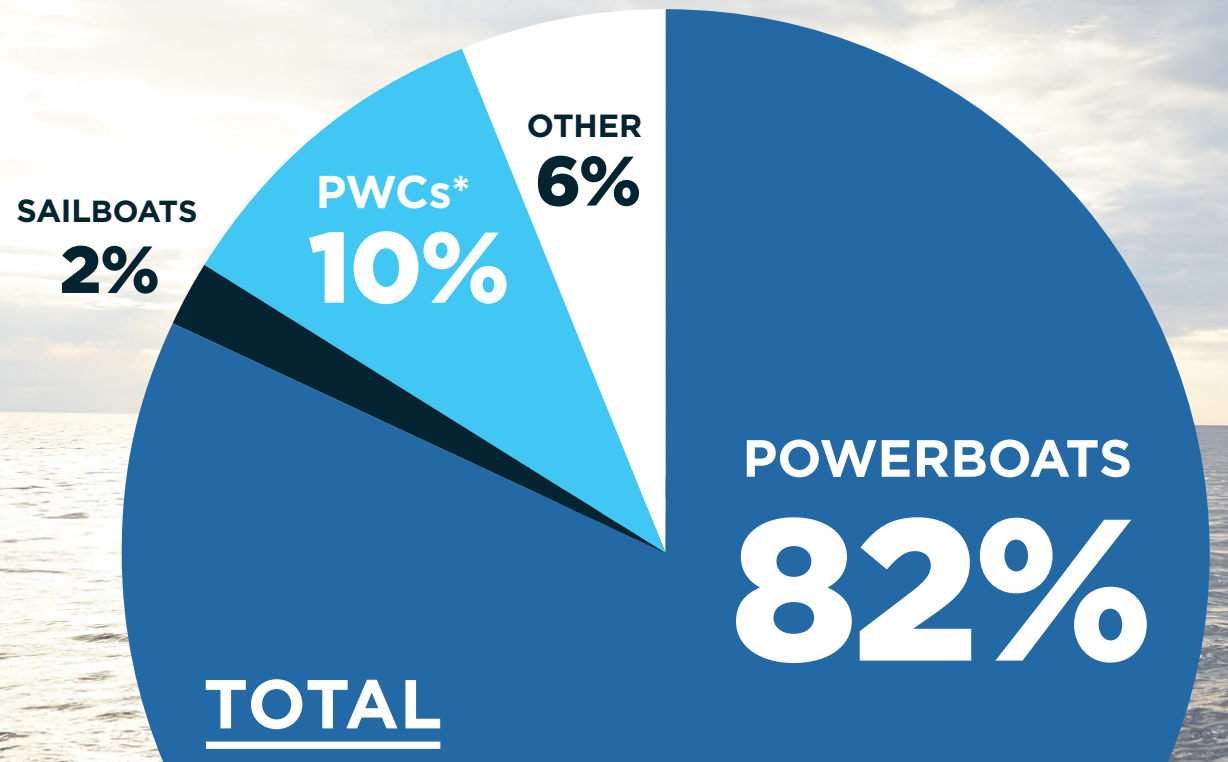
## GOVERNMENT RELATIONS

Advocates on behalf of the recreational boating industry alongside 1,500 members, including boat, engine and marine accessory manufacturers.

## INTERNATIONAL RELATIONS

Creates export opportunities for U.S. marine manufacturers and builds global business solutions for recreational boating.

# U.S. Recreational Boating Statistics



**11,861,811**

RECREATIONAL  
BOATS IN THE  
UNITED STATES

\*PWC: Personal Watercraft

**62%**

of boat owners have  
a household income  
of less than \$100k.



**142** MILLION

Boaters took to  
the water in the  
U.S. in 2016.



**TOP 3**

Most Popular  
Boating Activities.

FISHING



SWIMMING



ENTERTAINING



**95%**

of boats in the U.S.  
are under 26 feet  
and towable.



**DATA SOURCES:** Unless otherwise noted, data is from the NMMA 2015 Recreational Boating Statistical Abstract. Data for Economic Impact, Jobs and Businesses is taken from the NMMA 2012 Boating Economic Impact Study. Boating activity and demographic data is taken from NMMA's 2014 Boat Ownership and Participation Study.

# Marine Manufacturing Around the U.S.

ANNUAL SALES OF RECREATIONAL BOATS, MARINE ENGINES, ACCESSORIES & SERVICES

**\$37 BILLION**

Source: NMMA Recreational Boating Statistical Abstract

NUMBER OF JOBS

DIRECT 472,389 INDIRECT 177,625



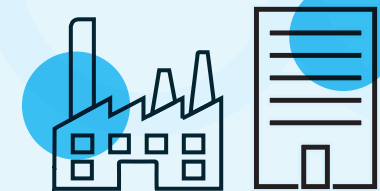
**TOTAL 650,014**

TOTAL ANNUAL ECONOMIC IMPACT

**\$121.5 BILLION**

Includes Direct, Indirect, and Induced Spending

NUMBER OF BUSINESSES



**TOTAL 34,833**

BOATING & FISHING GROSS OUTPUT

**\$38.2 BILLION**

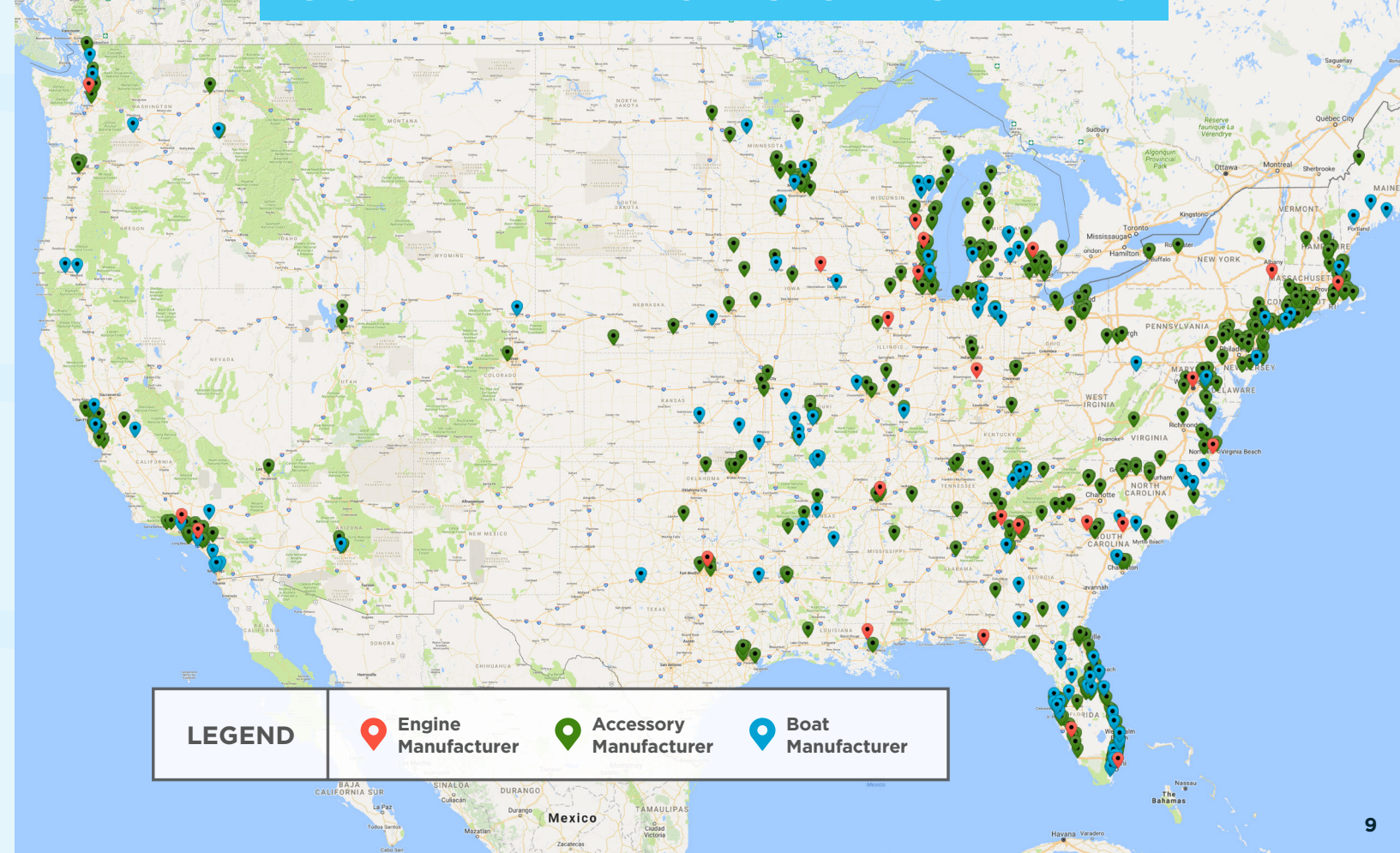
Source: Bureau of Economic Analysis, Outdoor Recreation Satellite Account

BOATS SOLD IN THE U.S.



**95%** of boats sold in the U.S. are made in the U.S.

## U.S. MARINE MANUFACTURING PLANTS



LEGEND

- Engine Manufacturer
- Accessory Manufacturer
- Boat Manufacturer

# Recreational Fishing

Recreational anglers provide a significant boost to the U.S. economy: America's 46 million recreational anglers make a combined economic contribution of:

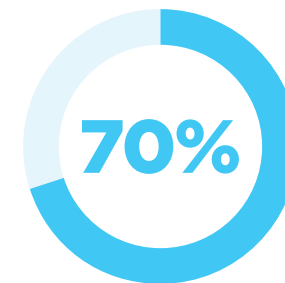
**\$115 billion** annually,

**\$48 billion** spent

**828,000** American jobs

## PASS THE Modern Fish Act

More than 70%



of all boat outings involved fishing.

### ACTIONS FOR LEADERS TO TAKE

- 1 Pass H.R. 200 and S.1520: "The Modern Fish Act."
- 2 Modernize state recruitment, retention and reactivation (R3) efforts to attract a new generation of anglers.

The Modern Fish Act (H.R. 200 and S.1520) is bicameral and bipartisan legislation that for the first time recognizes the unique and growing needs of recreational angling.

- ▶ Allows recreational fisheries to be managed using more appropriate management tools.
- ▶ Modifies the annual catch limit requirement to allow for more adaptive approaches.
- ▶ Requires managers in the southeastern U.S. to perform long-overdue examinations of fishery allocations, based on modern criteria.
- ▶ Limits the spread of catch-share programs that have negatively impacted anglers and fishing communities.
- ▶ Promotes consideration of new data collection methods that could improve fisheries management and conservation.
- ▶ Ensures exempted fishing permits help fisheries management and conservation—rather than the status quo which can hinder both.

# Trade

## Exporting Opens Up World of Opportunity for U.S. Marine Businesses.

With more than 95% of the world's consumers located outside of the United States, exporting opens up a huge untapped market for U.S. marine businesses.

In 2017, exports increased 9.6% totaling \$1.7 billion in value.

## Top Trading Partners: Canada, Western Europe & Mexico



## Aluminum tariffs negatively impact recreational boating in the U.S.

Marine manufacturers are already facing supply shortages from domestic mills and increased costs, plus trouble obtaining wide (72") aluminum sheets.



**22,000 JOBS**  
SUPPORT U.S. ALUMINUM  
MARINE MANUFACTURING



**\$3 BILLION**  
IN U.S. SALES



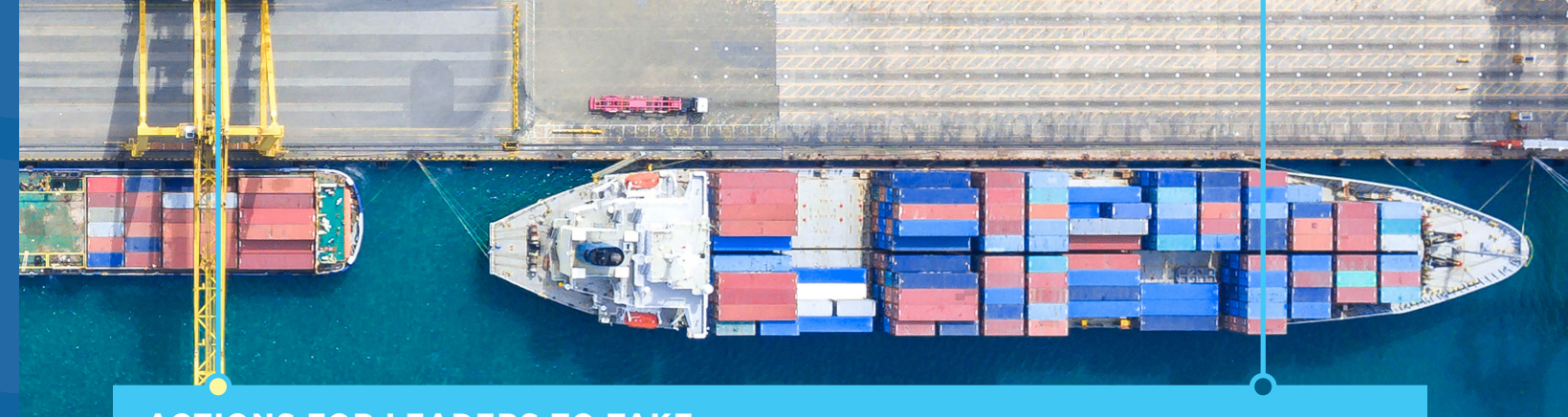
**111,000 ALUMINUM  
POWERBOATS**  
SOLD IN 2017 (43% OF THE MARKET)



**205,000**  
BOAT TRAILER UNITS SOLD

## THE INDUSTRY IS FACING A 1-2-3 PUNCH ON ALUMINUM TARIFFS.

President Trump's worldwide 10% tariff on aluminum, 60%+ in import tariffs as part of the DOC's investigation on Chinese aluminum sheet dumping plus 25% on other Chinese products, and retaliation on ALL boats from industry trading partners like the EU.



## ACTIONS FOR LEADERS TO TAKE

- 1 Support the 22,000 aluminum marine manufacturing jobs by voicing your concern to the Department of Commerce on the downstream impacts aluminum tariffs will have on U.S. manufacturing industries.
- 2 Update but maintain a trilateral NAFTA that includes provisions for rules of origin, recognition of NMMA certification, regulatory coherence, and reduced technical barriers to trade.

## NAFTA 2.0: A strong trilateral agreement is essential to the 35,000 marine manufacturing businesses in the U.S.

who have built their customer base and supply chain around free trade with Mexico and Canada.

- ▶ Canada is the top market for U.S. marine exports with \$500 million in FAS value, and Mexico ranks 3<sup>rd</sup> with \$107 million.
- ▶ NMMA asks for NAFTA negotiators to consider the following:
  - **RULES OF ORIGIN:** Calculate boat and engine packages by tariff shift rather than regional value content.
  - **TECHNICAL BARRIERS TO TRADE:** Recognize NMMA certification to eliminate duplicative conformity assessment procedures and harmonize technical standards.
  - **REGULATORY COHERENCE:** Provide a forum for trilateral engagement on good regulatory practices, interagency consultation and transparent decision making.

# Fuel Policy

NMMA supports renewable fuels and innovation in the fuel supply, but the RFS is broken. It is failing the American consumer, and endangering millions of boaters who depend on a stable, safe fuel supply.

## Reform the RFS & Preserve Consumer Choice.

The Renewable Fuel Standard (RFS) was introduced by Congress to help shift the country away from fossil fuels and towards renewable green alternatives. Unfortunately, it has resulted in a broken system that incentivizes the uncontrolled growth in ethanol blended fuels, like E15, which are prohibited for use in marine engines.

E15 has proven to be a dangerous risk to boater safety and boating performance.

200HP EFI 2.5L 2-Stroke

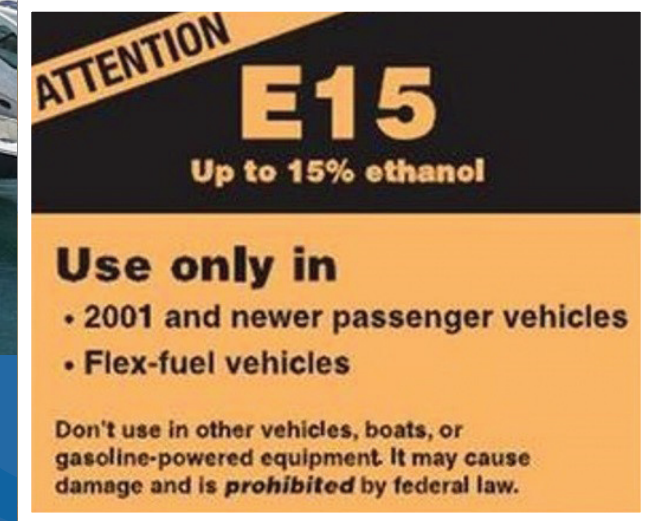
Undamaged Bearing

Recovered Pieces from Failed Rod Bearing



### ACTIONS FOR LEADERS TO TAKE

- 1 Oppose year round sale of E15.
- 2 Protect consumers—demand better E15 labeling and education.
- 3 Approve Biobutanol for on-highway use.



E15 PUMP LABEL

## NMMA is leading the charge in proactively finding a workable solution to fix the RFS.

- ▶ Partnered with DOE to study the effects of E15 and other renewable fuel blends on small engines.
- ▶ Endorsed and helped market Biobutanol, an E15 alternative.
- ▶ Supports the “Look Before You Pump” campaign to raise public awareness of proper fueling.





# Transportation & Infrastructure

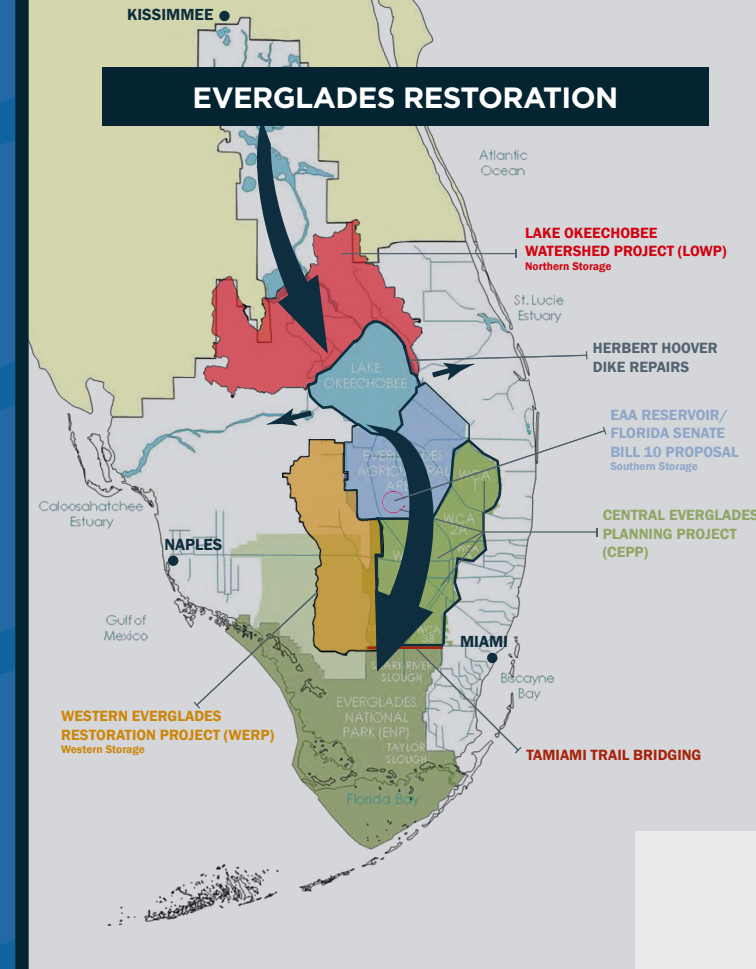
## Move Boats Across Land & Sea, Invest in Boating Facilities & Waterways Access

Marine manufacturers need a 21<sup>st</sup> century infrastructure system to easily transport product and consumers across the nation's land and waterways.

**35,000** MARINE BUSINESSES  
AND  
**142 MILLION** BOATERS  
**DEPEND ON IT!**

### ACTIONS FOR LEADERS TO TAKE

- 1 Pass WRDA reauthorization that addresses recreational boating needs.
- 2 Appropriate \$150 million in Operations and Maintenance accounts for the ACOE to dredge the Intracoastal Waterway and other vital recreational boating channels.
- 3 Provide \$200 million in federal matching dollars for Central Everglades Restoration Projects (CERP) in the FY19 budget.



## Waterway infrastructure is critical to recreational boat access and safe operation of vessels. A reauthorization of the Water Resources Development Act (WRDA) needs to factor in the following:

- ▶ Increased recognition for economic development in Army Corp of Engineers (ACOE) project prioritization.
- ▶ Streamlined permitting for ACOE projects, including State Programmatic General Permits (SPGPs), to allow for more efficient buildout of boating infrastructure projects.
- ▶ Support for low tonnage and shallow draft channels, which are essential for recreational boaters and coastal development.
- ▶ A study on new efforts to combat Aquatic Invasive Species (AIS) and a survey of state best practices.

### WHAT IS THE INTRACOASTAL WATERWAY?

The “Route 66 for Boaters”— a 3,000-mile waterway running from Boston to the southern tip of Florida, then following the Gulf Coast to Texas.

- ▶ 13,000 recreational boats transit the Intracoastal Waterway (ICW) each year.
- ▶ Recreational use of the ICW pumps \$7.9 billion into local economies.
- ▶ Water depths as low as six feet impede access for both recreational and commercial boats.
- ▶ Currently, recreational use of the ICW is not counted towards overall economic value—including this segment could better prioritize resources.

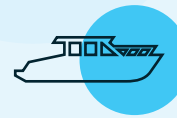
- The Everglades system is a key ecological and environmental source of water and recreation for nearly 1 million Florida boaters.
- Everglades restoration and the southerly flow of water from central Florida to Florida Bay should be a priority for the federal government and state of Florida.

# Access

## Ensure a Robust U.S. Recreation Economy.



Government policies on federal lands and waters **must balance conservation with visitor access.**



National Parks and Marine Sanctuaries are **important access points for the 142 million boaters** in the United States.



**Federally managed waters should be maintained** for the use and enjoyment of the public.



Visitation pays! **Boating and fishing are important contributors** to local economies and robust access increases visitation to our parks and sanctuaries.

## Recreation funding on public lands and waters is critical to robust boating access:

- ▶ Tackle the backlog in deferred maintenance. An **\$11 billion National Park Service backlog** directly impacts visitation to our public lands and waters.
- ▶ **Public-private partnerships** are needed to allow flexibility and a sustainable source of funding.
- ▶ **Dedicate funding** for construction and maintenance of public buildings, boat ramps, utility services, and broadband on public recreation sites is **essential to waterway access.**

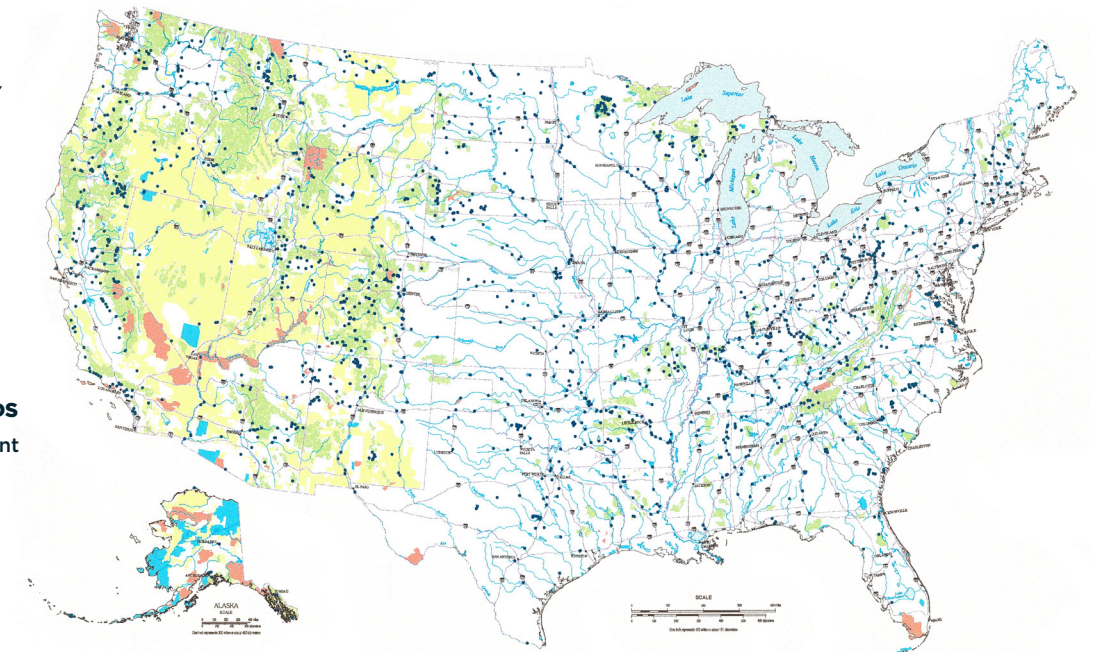
### ACTIONS FOR LEADERS TO TAKE

- 1 Support the National Park Restoration Act (H.R.5210 and S.2509.)**  
Uses revenue from energy resources to tackle the deferred maintenance backlog and improve recreation access in our national parks.
- 2 Support the Recreation not Red Tape Act (H.R.3400 and S.1633.)**  
Reduces barriers to outdoor recreation access, improves public land management, and establishes a designation process for National Recreation Areas.

## FEDERALLY MANAGED WATERS IN THE U.S.

[www.doi.gov/nrls](http://www.doi.gov/nrls)

- National Recreation Lake
- FEDERAL RECREATION LANDS**
- Bureau of Land Management
  - National Park Service
  - U.S. Fish & Wildlife Service
  - USDA Forest Service



# Help Wanted: Building Jobs in America



The boating industry is facing a shortfall of qualified workers for manufacturing, technicians, and service repairs.

Prioritizing technical, vocational and apprenticeship programs and connecting the marine industry with federal and state programs is the key to job growth and employment in marine manufacturing and retail.

► **U.S. marine manufacturing supports:**

**650,000 JOBS**

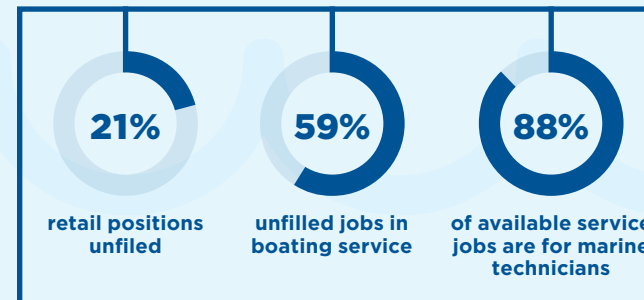
**34,833 BUSINESSES**

► **95% of boats sold in the U.S. are made in the U.S.**



According to a study by the Marine Retailers Association of the Americas:

BY 2019  
**31,000 JOBS WILL BE OPEN AND NEEDED**  
 IN THE U.S. MARINE INDUSTRY



## ACTIONS FOR LEADERS TO TAKE

- 1 Provide full funding for workforce and technical education.
- 2 Pass the JOBS Act (S.206 and H.R.2451) to expand Pell eligibility to short-term postsecondary certificates and demand driven non-credit programs.
- 3 Re-evaluate the high number of clock hours needed for Pell eligibility.
- 4 Provide easier access for apprenticeship and On the Job Training (OJT) grants for employers.

## Help America Develop a More Skilled Workforce

The recreational boating industry stands ready to hire a new generation of workers into stable and well-paying careers.

- **Reauthorize and modernize the Perkins Act** so that state governments are empowered to address local Career and Technical Education (CTE) needs.
- **Expand Pell eligibility** to short-term post secondary certificates and demand driven non-credit programs.
- **Improve funding** of community colleges and technical schools.
- **Support apprenticeships** and other work-based learning programs.
- **Improve and retain employer incentive programs** for hiring and training veterans.

# Boating Safety



EPIRBs



ENGINE CUT-OFF DEVICE



FLARE / GPS DEVICE



## ACTIONS FOR LEADERS TO TAKE

- 1 Support and pass boating safety legislation in the 2017 USCG Authorization (H.R.2518 and S.1129) that tackles: mandatory engine cut-off devices, visual distress signals, and on-water education.
- 2 Increase grant funding for hands on skills training programs.
- 3 Reduce barriers for educational instructors—current “master captains license” are onerous, expensive, and inflexible for all training programs.

## Priorities to Keep Our Nation’s Boaters and Waterways Safe

### Engine Cut-Off Devices

- ▶ The industry supports mandatory wear of engine cut-off devices for boats under 26’ in length when the vessel is operating on plane or above displacement speed.
- ▶ The National Boating Safety Advisory Council has issued several resolutions supporting mandatory wear of engine cut-off devices.
- ▶ The USCG has yet to take action after issuing a rulemaking over 5 years ago!
- ▶ Manufacturers of new boats and engines already install engine cutoff switches as a standard safety feature—there is no additional cost to consumers!
- ▶ Use of engine cut-off devices will save lives, prevent injuries, and protect law enforcement from perilous situations of runaway boats.

### Flares & Visual Distress Signals

- ▶ Most vessels operating in the U.S. must be equipped with visual distress signals to help signal for help.
- ▶ The industry supports alternative visual distress signals, such as LED lights, providing boaters a reliable and safe alternative to traditional flares.
- ▶ While flares are a useful visual distress signal, there are 2 critical problems:
  - When use is needed, the pyrotechnic device may be expired and fail to work properly.
  - There are no good means of properly disposing flares, causing significant environmental and safety concerns.

# Conservation

## The Sport Fish Restoration and Boating Trust Fund

is the backbone for fisheries conservation and provides critical funding for state and national fishing and boating programs.

### CONSERVATION DOLLARS AT WORK

In the past 8 years, the Trust Fund has supported:

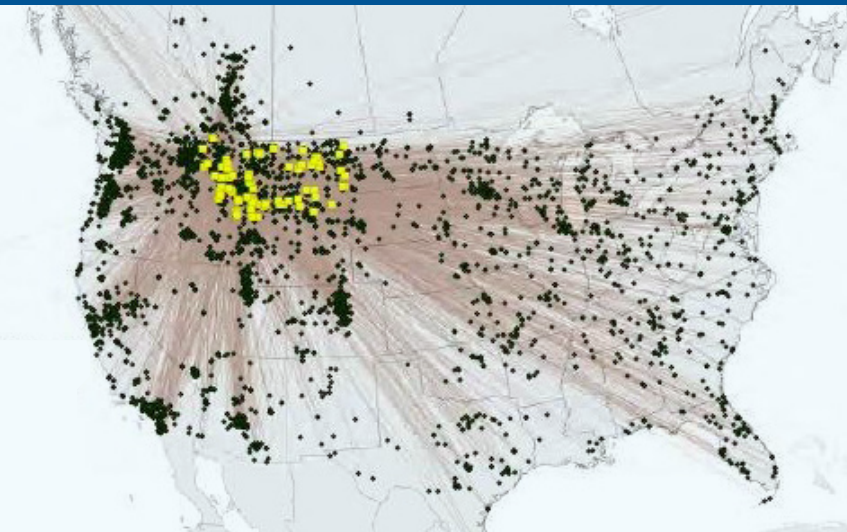
3.8 BILLION	fish stocked annually
11,000	boat ramps and access sites created and improved
4.7 MILLION	students taught aquatic education
64,000	acres of fish habitat protected
6,000	boat sewage pump out stations constructed



Boaters and anglers lead the way in preserving our nation's waterways, contributing:

**\$600 million annually from motor boat fuel and fishing equipment excise taxes.**

## PREVENTING AQUATIC INVASIVE SPECIES



Recreational boats travel throughout North America, and the threat of Aquatic Invasive Species (AIS) is nationwide.

SOURCE  
Postal Code Locations for Water Users at Watercraft Inspection Stations Operated by Montana, Fish, Wildlife & Parks in 2015

■ INSPECTION STATION LOCATION  
● WATER USER POSTAL CODE

- ▶ The spread of harmful plants, animals and other organisms threaten America's water habitats and have lasting economic damage for the boater, local community, and boating industry.
- ▶ Marine manufacturers and the industry are doing their part to examine design controls which help prevent the spread of Aquatic Invasive Species (AIS).
- ▶ AIS is not only Asian Carp in the Great Lakes, but also invasive quagga-zebra mussels in the West, and invasive grasses like hydrilla in the Potomac River and salvinia in the Gulf of Mexico.
- ▶ AIS impacts not only the boating industry but local economies, businesses and tourism.
- ▶ Pump out and decontamination stations are an important tool to fight the spread of AIS at boat ramps!

### ACTIONS FOR LEADERS TO TAKE

- 1 Authorize a new federal study of AIS prevention efforts to get a clear picture of best practices for decontamination and inspection.
- 2 Provide full funding (\$360,000) for Regional Panels of the Aquatic Nuisance Species Task Force to ensure these essential panels can continue their functions in preventing and educating on AIS.





***NMMA***<sup>®</sup> National Marine  
Manufacturers Association

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