

An American flag is shown waving on the mast of a boat. The flag is the primary focus, with its stars and stripes clearly visible. The background shows a body of water and a distant shoreline under a clear blue sky. The text is overlaid on the left side of the image.

Marine Manufacturing

POWERING
THE AMERICAN
ECONOMY

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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 88 million people together on the water each year, the boating industry is big business for our country with a total economic impact of \$121.5 billion, supporting more than 35,000 small businesses and 650,000 employees across the country.

The National Marine Manufacturers Association (NMMA) was formed nearly 100 years ago to advocate and promote the strength of marine manufacturing, the sales and service of its members, and the boating lifestyle. In pursuit of this mission, NMMA owns and produces 20 boat and sports shows throughout the U.S., collects and analyzes industry market data, promotes opportunities for our members to export in the global marketplace, and certifies to American Boat and Yacht Council (ABYC) standards.

Boats are one of the few products manufactured and sold in the U.S. today. NMMA's nearly 1,500 members consist of boat, engine, and accessory marine manufacturers and collectively produce 80 percent of the recreational boating products used in America, with 95 percent of those marine products made in America.

To ensure continued growth of the nation's U.S. recreational boating industry and economy, government policies must support small businesses, incentivize U.S. manufacturers, and promote the use and enjoyment of the great outdoors by all Americans. This 2017 Policy Agenda outlines key priorities for the new Administration and 115th Congress to consider. Sound policies on issues ranging from transportation and fuel, to access, tax and immigration reform will help sustain and grow this critical manufacturing sector, important American pastime, and significant economic driver. We must protect and promote the recreational boating industry. Please use this agenda as a template for policy decisions in 2017 and beyond.



Thomas J. Dammrich

President
National Marine Manufacturers Association

Who is NMMA?

Dedicated to advocating for and promoting the strength of marine manufacturing, the sales and service networks of its members, and boating.



MEMBERSHIP

Represents nearly 1,500 boat, marine engine and accessory manufacturers— NMMA members represent 80 percent of marine products manufactured in North America.



SHOWS

Owns and produces 20 boat and sport shows in key North American markets to provide quality sales venues for exhibitors and shopping venues for consumers.



INTERNATIONAL

Works to create opportunities overseas, offering services to help members expand into the global marketplace.

STATISTICS

Collects, analyzes and distributes industry, economic and market data—the industry's primary source of boating research, statistics and technical data.



CERTIFICATION

Maintains boat, PWCs, trailer and oil certification programs to promote safety and help manufacturers produce quality products.

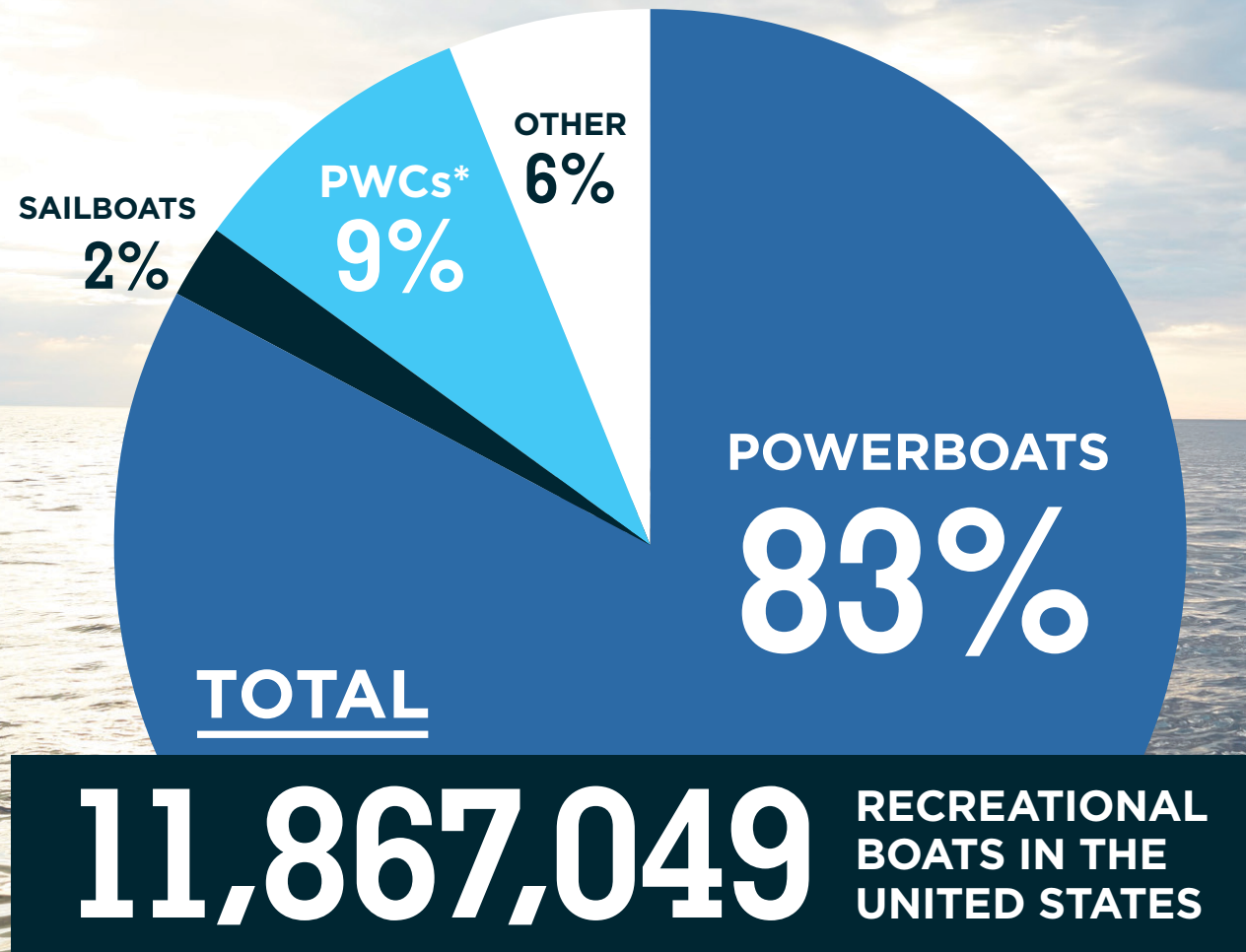


GOVERNMENT RELATIONS

Represents the industry on public policy issues, advocating at state and federal levels to protect the interests of the marine industry and the boating public.



U.S. Recreational Boating Statistics



*PWC: Personal Watercraft

72%

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



87.3

MILLION

Boaters **took to the water** in the U.S. in 2014



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.

TOTAL ANNUAL ECONOMIC IMPACT*

\$121.5 Billion

**Includes Direct, Indirect, and Induced Spending*

Number of Jobs

DIRECT 472,389 **INDIRECT 177,625**



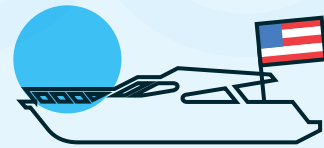
TOTAL 650,014

Number of Businesses



TOTAL 34,833

Boats Sold in the U.S.



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

\$35.9 BILLION

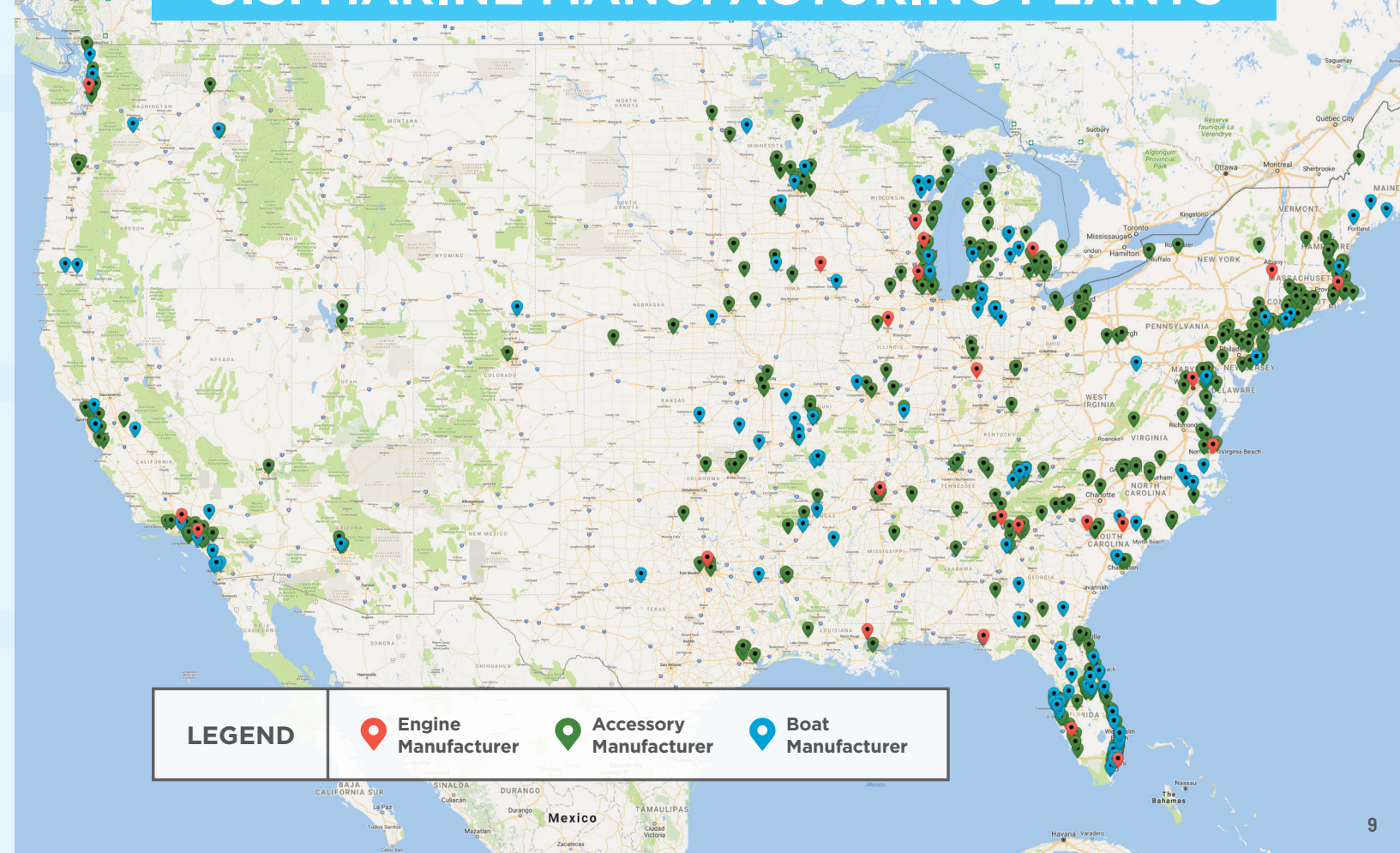
Total U.S. expenditures on boats, engines, accessories & related costs**

***Includes maintenance, storage, fuel, insurance, taxes and interest*

\$17.5 BILLION

Annual retail sales of new boats, engines & marine accessories in the U.S.

U.S. MARINE MANUFACTURING PLANTS



Transportation & Infrastructure

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

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

35,000 MARINE BUSINESSES

AND

88 MILLION BOATERS

DEPEND ON IT!

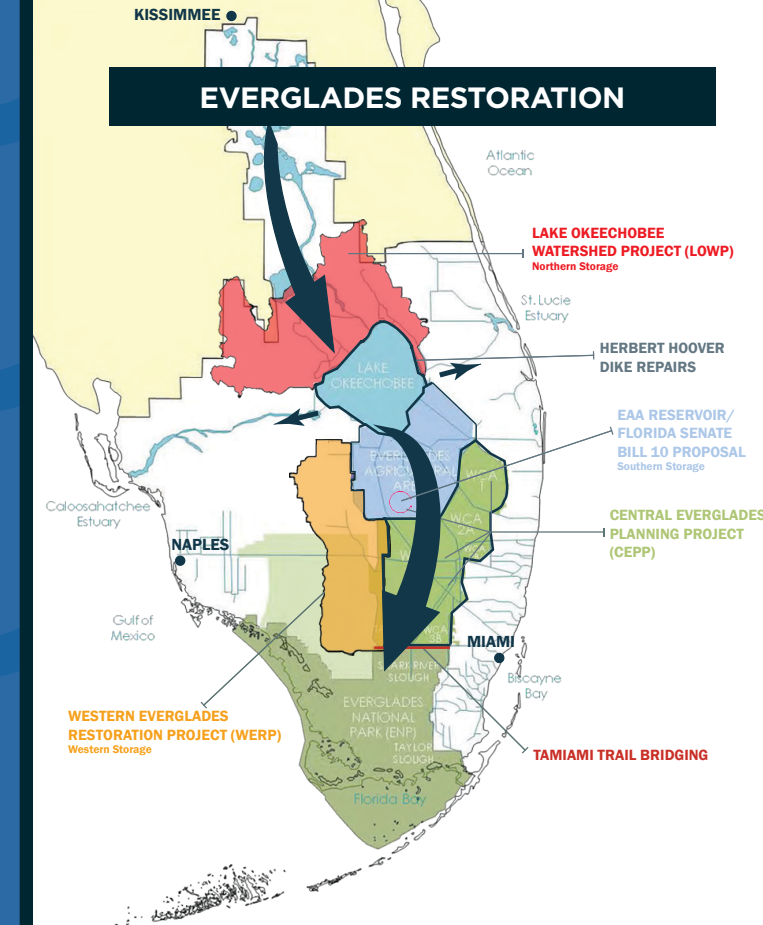
An improved transportation network must address both "Grey, Green, & Blue Infrastructure"

- ✓ Public-private partnerships are **needed** to allow flexibility and a sustainable source of funding. Create an endowment for public lands and waterways infrastructure.
- ✓ Establish a "Recreation Title" with an infrastructure package to promote outdoor recreation on federal lands and waters.

- ✓ Dedicate funding for construction and maintenance of public buildings, utility services, and broadband access on public recreation sites.
- ✓ Protect appropriations for civil works, recreation and trails budgets for lands and water infrastructure in the following budgets: Department of Interior, National Oceanic and Atmospheric Administration, and Army Corp of Engineers.
- ✓ Reauthorize and strengthen the Federal Lands Recreation Enhancement Act (FLREA) so our parks and federal recreation destinations remain fully funded, modernized and equipped for the 21st century guest.

ACTIONS FOR LEADERS TO TAKE

- 1 **Invest in "Full Service" boating facilities and expanded waterways access.**
Create facilities at boat ramps, such as pump out stations, parking and restrooms updates, and invest in marina expansion, increasing mooring buoys, improved navigational markings, and storage!
- 2 **Dredge the Intercoastal Waterway.**
- 3 **Remove barriers for public-private partnerships on federal lands and waters.**
- 4 **Provide federal matching dollars for Central Everglades Restoration Projects (CERP) and expedite the timeline for key projects, including: water flow storage, Herbert Hoover dike repairs, Central Everglades Planning Project, and the Tamiami Trail Bridge.**



WHAT IS THE INTERCOASTAL 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 Intercoastal 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.

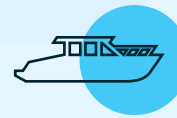
- The Everglades system is a key ecological and environmental source of water and recreation for nearly 1 million Florida boaters.
- Everglades restoration and the southerly flow of water from central Florida to Florida Bay should be a priority for the federal government and state of Florida.

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 88 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.

ACTIONS FOR LEADERS TO TAKE

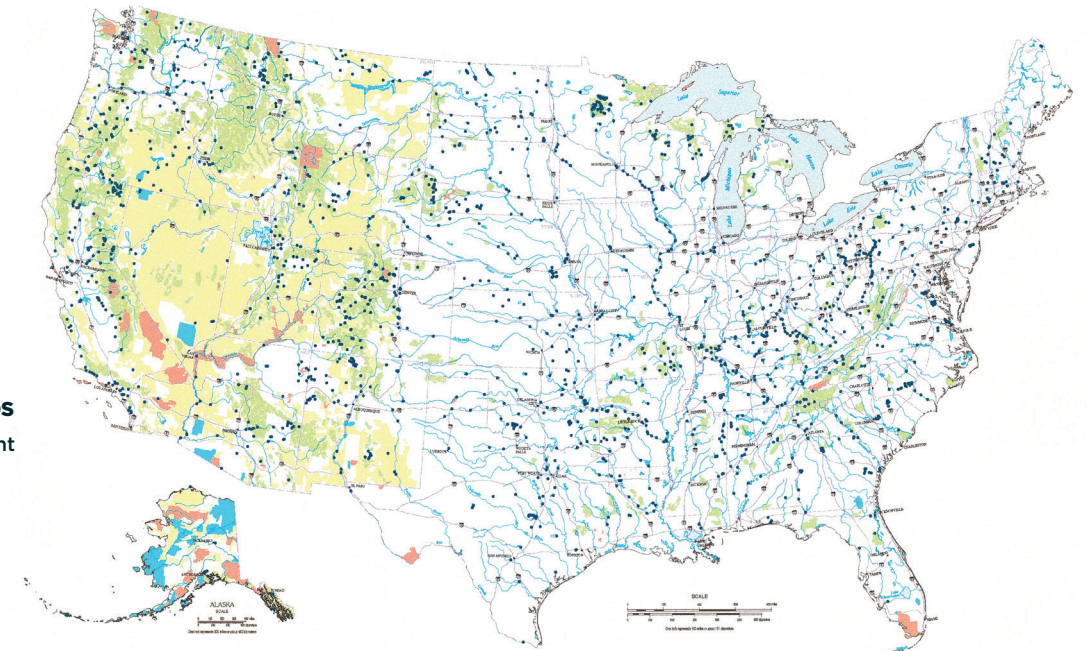
- 1 Make recreation a priority on 2,000 federally managed lakes throughout the country. Keep our vast network of waterways safe, navigable and accessible.**
- 2 Require general management plans to consider the economic impact of recreational activities before denying/limiting access.**
- 3 Allow for shorter review periods.** Some management plans last 15-20 years. Without shorter review periods, regulated recreational activity could be impacted for decades. Require the Department of Interior to regularly review recreational access decisions, implement less restrictive means first, and open up access when conditions have changed.

The recreational industry is a big boost to local economies, funding recreation and tourism in our National Parks and National Marine Sanctuaries.

FEDERALLY MANAGED WATERS IN THE U.S.

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



Taxes & Tax Reform

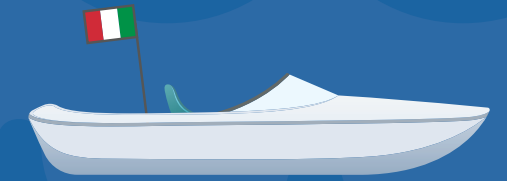


Modernize Our Tax System, Keep American Businesses Competitive

The current U.S. tax code is inefficient and negatively impacts recreational boating businesses and their financial outlook. Our industry stands ready to be a part of any tax reform efforts, in order to best position the industry's future growth. **Comprehensive tax reform is essential** to unleashing the economic power of manufacturing and making the United States the best place in the world to build boats.

ACTIONS FOR LEADERS TO TAKE

- 1 Lower the tax rate for domestic businesses to be globally competitive.**
A more competitive rate will spur capital and investment to create jobs and sustain economic growth.
- 2 Reward investment through the immediate write-off of business investments.**
Incentivize companies to continue to grow the economy by allowing them to expense 100% of their depreciable assets in the first year.
- 3 Protect small and family-owned businesses from inequitable regulations and penalties.**
Repeal the Estate Tax to protect family-owned marine manufacturing plants.
Preserve the Second Home Interest Deduction for boats as an important sales incentive for new and pre-owned purchases.
- 4 Reduce compliance burdens and costs to make it easier for small and medium size companies.**
Simplify the tax code so that manufacturers can spend more time and resources on doing what they do best.
- 5 Consider impact of Border Adjustability Tax (BAT) on U.S. manufacturers and ensure BAT does not negatively impact the domestic U.S. marine market with supply chains and customers world-wide.**



Deferred Importation

Allow foreign flagged boats with a valid cruising license to be offered for sale in the U.S.

- ▶ Currently, boats under a cruising license, while in U.S. waters, are **forbidden to offer their boats for sale to U.S. residents** until the boat is imported and duty is paid on the appraised value.
- ▶ The current cruising license policy is discouraging about **\$2.46 billion in U.S. economic activity** that could be generating thousands of well-paying American jobs.

ACTIONS FOR LEADERS TO TAKE

- 1 Allow the importation and payment of duty for used foreign flagged boats when a boat is sold, rather than before it is offered for sale.**
- 2 Support H.R. 2369, legislation to defer the payment of duty for the sale of used yachts.**

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

Recreational boaters and anglers are America's leading conservationists.



Fishing license fees pay for the **management and restoration** of fish habitats.



Fishing equipment manufacturers produce fishing tackle and **best practices** that reduce fish mortality.



Building and **conserving healthy fish stocks** is in the best interest of all Americans, especially our nation's anglers.

ACTIONS FOR LEADERS TO TAKE

- 1 Co-Sponsor H.R. 2023—the “Modern Fish Act”—legislation that increases fishing access and conservation, modernizes fisheries management, and improves data collection.
- 2 Urge the Senate to introduce similar legislation to H.R. 2023 that addresses the needs of America's 11 million recreational saltwater anglers.
- 3 Modernize state recruitment, retention and reactivation (R3) efforts to attract a new generation of anglers.
- 4 Protect traditional fishing tackle by prohibiting the EPA from enacting unwarranted bans on lead tackle.
- 5 Promote fish habitat conservation by strengthening the National Fish Habitat Partnership.

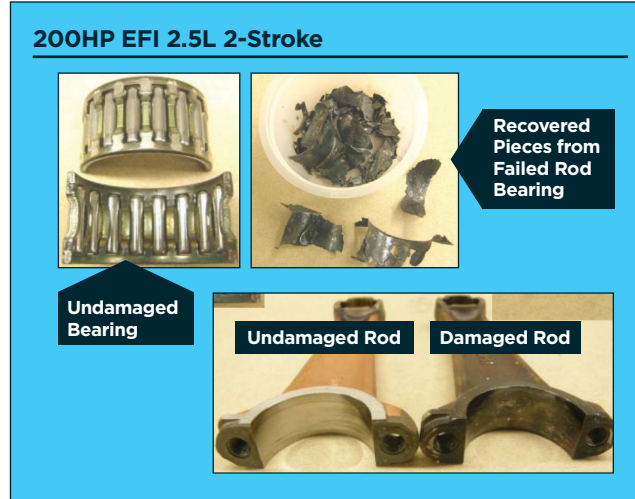
Fuel Policy

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.



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 Isobutanol, an E15 alternative.
- ▶ Supports the “Look Before You Pump” campaign to raise public awareness of proper fueling.



ACTIONS FOR LEADERS TO TAKE

1 Co-Sponsor H.R. 1315, “RFS Reform Act of 2017.”

This legislation would cap the amount of ethanol at 10%, ensuring 12 million boaters have safe and reliable fuel.

2 Preserve True Consumer Choice at the Pump.

Despite continued demand for ethanol-free gasoline (E0), the EPA proposes to decimate actual supplies in 2017. (Figure 1)

3 Protect Boaters with Better Misfueling Safeguards.

95% of boats are fueled at retail gas stations. Boat owners depend on safe, reliable and proven fuel choices to be universally available.

Misfueling of engines voids warranties, leaving consumers with expensive repair and replacement bills.

Only 5% of consumers know that E15 is prohibited in certain engines; 60% assume any gas sold at a retail gas station must be safe for their product.¹

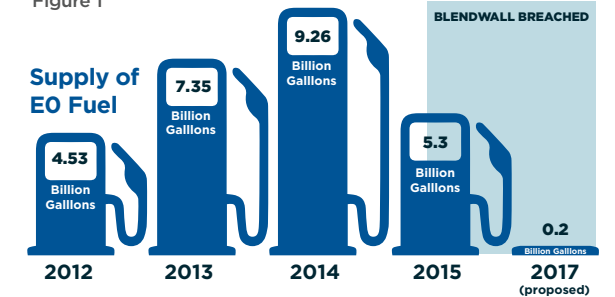
4 Reform the Renewable Fuel Standard Before 2022.

After 2022, the law’s built-in uncertainty poses grave risk for all stakeholders—particularly manufacturers and consumers who must comply with an unknown set of regulations. Common-sense Solutions to Fix the RFS:

- ▶ Oppose the widespread implementation of E15—a proven dangerous fuel prohibited for use in marine engines.
- ▶ Implement reforms that protect boat owners, preserve access to approved fuel blends and avoid breaching the E10 “blendwall.”

THE EPA IS DENYING PUBLIC CHOICE AT THE PUMP

Figure 1



E15 Pump Label

¹Harris Poll commissioned by the Outdoor Power Equipment Institute (2016)

Help Wanted: Building Jobs in America

Skilled Manufacturing Workers Needed to Support the U.S. Boating Industry

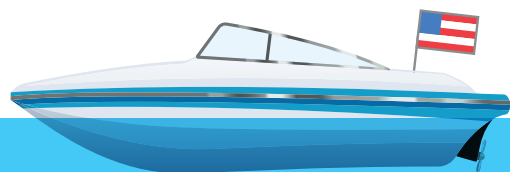
Recreational boating is proudly made in America. However, many of our companies are struggling to find and retain qualified workers who will continue to ensure that America remains the gold standard in the manufacturing of recreational boats, marine engines and marine parts, accessories and components.

▶ U.S. marine manufacturing supports:

650,014 JOBS

34,833 BUSINESSES

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



ACTIONS FOR LEADERS TO TAKE

1 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.

2 Create a modernized, pro-business immigration system that works.

- ▶ Implement high-skilled visa reforms, including increasing green cards, temporary visas and making improvements to existing programs.
- ▶ Create a program for workers who are not categorized as highly-skilled.
- ▶ Have a secure compliance system in place to ensure employers have confidence they are hiring legal workers.

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.

Boating Safety

Priorities to Keep Our Nation's Boaters and Waterways Safe

Engine Cut-Off Devices

Mandatory wear of engine cut-off devices is supported by manufacturers, dealers, the boating safety community, state law enforcement, and boaters.

- ▶ 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.
- ▶ Require operators of boats under 26 feet in length to wear an engine cut-off device when: (a) the vessel is operating on plane or above displacement speed and (b) the engine cut off switch is factory equipped. Cabin cruisers under 26 feet should be excluded.

Flares & Visual Distress Signals

- ▶ Most vessels operating in the U.S. must be equipped with visual distress signals to help signal for help.
- ▶ 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.
- ▶ Solutions:
 - The Coast Guard should adopt standards for alternative visual distress signals, such as LED lights, providing boaters a reliable and safe alternative to traditional flares.
 - Allow carriage of Emergency Locator Devices (EPIRBs) or Personal Locator Beacons (PLBs) as an alternative carriage for visual distress signals.

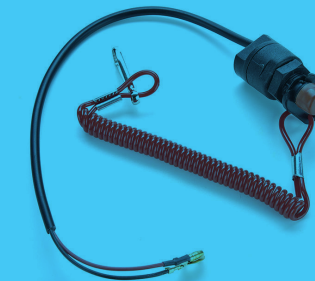
ACTIONS FOR LEADERS TO TAKE

- 1 Support boating safety legislation in the 2017 USCG Authorization that tackles: mandatory engine cut-off devices, visual distress signals, and on-water education.
- 2 Allow for carriage of alternative distress signals, such as LED lights, EPIRBs, and PLBs, which last longer and do not have disposal issues.
- 3 Increase grant funding for hands on skills training programs.
- 4 Reduce barriers for educational instructors—current “master captains license” are onerous, expensive, and inflexible for all training programs.
- 5 Require Certificates of Documentation be renewed every 5 years for recreational vessels.

EPIRBs



ENGINE CUT-OFF DEVICE



FLARE / GPS DEVICE



Conservation

BOATERS & ANGLERS ARE THE ORIGINAL CONSERVATIONISTS

Critical Infrastructure Dollars at Work: Paid by Boaters for all Americans

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.

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.

Who supports the Trust Fund?

- Boaters
- Anglers
- Accessory, Boat & Engine manufacturers



How? Taxes on motor boat fuel, fishing tackle and equipment, imported boats and fishing equipment, and small engines contribute to the Trust Fund.

Why? Boaters and Anglers pay so that all Americans can enjoy clean water, abundant fisheries, and resource protection.

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

ACTIONS FOR LEADERS TO TAKE

- 1 **Protect the Sport Fish Restoration and Boating Trust Fund as an important source of conservation for our waterways.**
- 2 **Modernize the SFRBTF to:**
 - ▶ Better Recruit, Retain, and Reactive Anglers— a critical source of state conservation dollars from fishing license fees
 - ▶ Educate the public on the Trust Fund and its important value for conservation
- 3 **Support necessary infrastructure and education funding to prevent the spread of AIS in our nation's lakes.**



Preventing Aquatic Invasive Species

- 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!

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.

Trade by the Numbers

In 2016, boat exports from the U.S. fell

13.5% to a record low \$1.2 billion

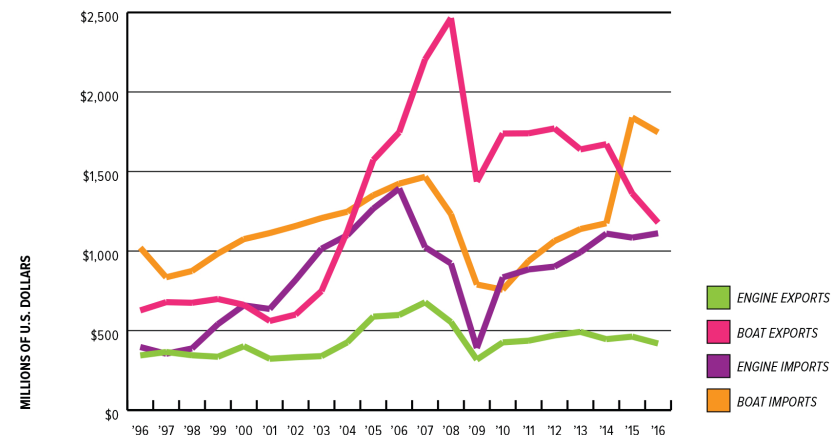
Boat and marine engine imports totaled

\$2.9 billion in 2016

In 2016, the U.S. remained a net exporter of power boats

Top Trading Partners: Canada, Western Europe and Mexico

VALUE OF BOAT & ENGINE IMPORTS & EXPORTS



ACTIONS FOR LEADERS TO TAKE

1 Re-negotiate, don't rescind NAFTA!

The #1 and #3 countries the U.S. boating industry does business with are Canada and Mexico.

Reforms proposed in the Trans Pacific Partnership (TPP) should be incorporated into NAFTA re-negotiation discussions, including: technical barriers to trade, transparent customs procedures, and regulatory coherence.

U.S. marine businesses have significant supply chain and customer base making NAFTA a critical trade agreement for domestic manufacturers

2 Continue negotiations on the Trans Atlantic Trade and Investment Partnership.

Europe is the second largest marine trading partner. Reduced technical barriers and regulatory conformity will strengthen the marine sector on both sides of the Atlantic. NMMA, ICOMIA, and the European Boating Industry (EBI) (3 international marine trade organizations) support TTIP.



3 Protect the Export-Import Bank financing to facilitate trade, open new market opportunities for small businesses, and ensure competitiveness for U.S. manufacturers.

Boating Benefits through Trade

Marine Manufacturers support trade policies which:

- ▶ Lower tariffs for recreational boats and marine engines
- ▶ Promotes harmonization of recreational vessel construction standards
- ▶ Reduces technical barriers to trade including duplicative product testing procedures
- ▶ Establish regulatory coherence mechanisms with transparency and stakeholder engagement
- ▶ Allow for transparent and uniform customs procedures
- ▶ The Gold Standard for U.S. boat manufacturing





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