



April 26, 2021

Valdis Dombrovskis
Executive Vice-President for an economy that works for people – Trade
European Commission B-1049
Brussels, Belgium

Rupert Schlegelmilch
Director for the Americas, Agriculture and Food Safety (TRADE.D)
European Commission B-1049
Brussels, Belgium

Dear Vice-President Dombrovskis and Director Schlegelmilch,

On behalf of the European Boating Industry (EBI), the International Council of Marine Industry Associations (ICOMIA) and the U.S. National Marine Manufacturers Association (NMMA), we welcome the constructive exchange incurred in the last few months to rebuild the positive trade relations between the European Union (EU) and the United States (U.S.).

As we expressed in our previous exchange with you in September 2020, and in a letter sent in December 2020 to the then President-Elect Biden, the U.S. and the EU are natural trade partners and have a history of exchanges based on a joint tradition of recreational boating. Recreational boating is a significant contributor to the European and American economy, contributing \$41 billion in annual US sales through 700,000 jobs across 35,000 businesses. For the EU, the boating industry accounts for over 32,000 businesses directly employing more than 280,000 people and generating an annual turnover of nearly €20 billion.

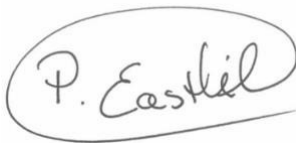
Our organisations support principles of free and fair trade and view tariffs on recreational vessels as creating unnecessary barriers for small and medium sized companies (SME). With a strong maritime manufacturing base in both the EU and U.S., free market principles incentivize trade and mutual growth. The U.S. Section 232 steel and aluminium tariffs caused a ripple effect not only increasing the price of raw materials for manufacturers, but also resulting in retaliatory action. Since 2018, the EU responded by placing a 25 percent retaliatory tariff on U.S. boat exports, disrupting retail sales and distribution networks across the Atlantic.

As you are aware, starting on 1 June 2021, the EU may increase its tariff on U.S. imports from 25 to 50 percent, effectively imposing a heavier burden on EU and U.S. businesses. As already expressed in our letter of September 2020, the burden of this additional tariff would make it difficult for our industry to fully recover, even more so in the aftermath of the global COVID-19 pandemic. In your remarks on the trade policy review to the European Parliament's International Trade Committee on 24 February 2021, you expressed the European Commission's intention to rapidly "restore EU-U.S. leadership" and to work bilaterally "to remove the tariffs imposed by the Trump administration". Since the date of 1 June 2021 is quickly approaching, we wanted to ask you where the EU currently stands in its negotiations with its U.S. counterparts to effectively remove the tariffs.

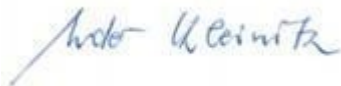
Our organisations fully support this intention and believe that the Section 232 and retaliatory tariffs should be repealed as soon as possible, in order to avoid the increase on 1 June 2021 and to allow a full recovery for the businesses involved. We would urge you to pause these second-stage tariffs to allow for a negotiation to take place, without escalating the trade war that would negatively affect businesses in the U.S. and EU. This is especially crucial given the background of the COVID-19 pandemic that is negatively impacting supply chains and has impacted companies.

Our organisations remain available for a joint dialogue and a virtual meeting. We hope that we can achieve a shared solution together, allowing the recreational boating industry to thrive and support economic growth and jobs on both sides of the Atlantic.

Sincerely,

A handwritten signature in black ink, reading "P. Easthill", enclosed within a hand-drawn oval.

Philip Easthill,
Secretary General
European Boating Industry (EBI)

A handwritten signature in blue ink, reading "Udo Kleinitz".

Udo Kleinitz
Secretary General
International Council of Marine Industry Associations (ICOMIA)

A handwritten signature in purple ink, reading "Clayton Crabtree".

Clayton Crabtree
Director, Federal Government Relations
National Marine Manufacturers Association (NMMA)