

Tuesday, June 30, 2020

President Donald J. Trump
The White House
1600 Pennsylvania Avenue NW
Washington, D.C. 20500

Rt. Hon. Justin Trudeau
Office of the Prime Minister
80 Wellington Street
Ottawa, ON K1A 0A2

Dear President Trump and Prime Minister Trudeau:

On behalf of the National Marine Manufacturers Association (NMMA) and the entire North American recreational boating sector, we write to express our grave concern about the news that the United States may reinstate tariffs on aluminum imports from Canada by July 1, 2020.

As the leading North American trade association representing boat, marine engine, and accessory manufacturers, NMMA is a strong supporter of the new United States-Mexico-Canada Agreement (USMCA), which will bring many benefits to millions of businesses and workers. The recreational boating industry depends on the free flow of goods and services between the U.S. and Canada and, like the auto sector, we rely on highly integrated cross-border supply chains. From an American standpoint, Canada and Mexico together account for 40 percent of the U.S. industry's annual boat and engine exports and 20 percent of boat and engine imports. At the same time, about 85 percent of boats sold in Canada come from the U.S.

Bringing back tariffs on aluminum imported from Canada – along with retaliatory counter-tariffs on U.S. goods – would badly damage the close trade relationship our two countries enjoy. It would also severely hurt recreational boating companies and workers on both sides of the border. These effects would be felt immediately in regions already struggling under the weight of economic closures and historic job losses due to coronavirus.

The recreational boating industry learned painful lessons when Section 232 steel and aluminum tariffs and subsequent retaliatory measures were imposed in spring 2018. Following the implementation of these tariffs, U.S. boat exports to Canada dropped by 26 percent, which continued throughout the period the tariffs remained in place. In the U.S., boat manufacturers suffered a significant decrease in sales to their largest international market. Similarly, Canadian dealers faced an uphill battle selling inventory and some were eventually forced to write-off unsold 'tariffed inventory,' resulting in lost revenue for marine businesses and the government's coffers. In the end, the Canadian government removed U.S. boats from the counter-tariffs list because of the severe damage it was doing to the industry and economy. However, several side effects from these actions continue to linger and a relapse to these failed policies will only create more economic hardship and uncertainty on both sides of the border.

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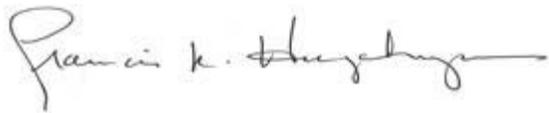
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NMMA

The 2018-19 experience showed that the path to economic prosperity for the U.S. and Canada continues to be through free and reciprocal trade. As President Trump remarked this past January: “the USMCA is the largest, fairest, most balanced, and modern trade agreement ever achieved.” We urge you to build on this long-standing relationship and avoid the perils of protectionism that only end up hurting American and Canadian workers alike. In these troubling times, we must do everything possible to stimulate the economy and protect peoples’ livelihoods.

Thank you for your consideration.



Frank Hugelmeyer
President
National Marine Manufacturers Association



Sara Anghel
President
National Marine Manufacturers Association Canada

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