

Testimony submitted by: National Marine Manufacturers Association

Agencies addressed: U.S. Army Corps of Engineers, U.S. Bureau of Reclamation

June 9, 2021

The Honorable Dianne Feinstein
Chairwoman
Subcommittee on Energy and Water
Development
United States Senate
331 Hart Senate Office Building
Washington, D.C. 20510

The Honorable John Kennedy
Ranking Member
Subcommittee on Energy and Water
Development
United States Senate
383 Russell Senate Office Building
Washington, D.C. 20510

Dear Chairwoman Feinstein and Ranking Member Kennedy,

On behalf of the National Marine Manufacturers Association (NMMA), I thank you for convening this hearing to review the FY22 budget submission for the U.S. Army Corps of Engineers (USACE) and the Bureau of Reclamation (USBR). The Biden Administration and 117th Congress face perhaps the most daunting challenges of our generation: rebuilding our country from the health and economic crisis brought on by the COVID-19 pandemic and addressing the global climate crisis. As the subcommittee looks to bolster the economy and address climate change through the FY22 appropriations cycle, we stress that USACE and USBR, leaders in providing public access for water-based recreation opportunities, have the resources and funding necessary to manage and build more resilient public recreation access, protect vulnerable communities, and rebuild local economies through facilitating recreation economic activity.

NMMA is the trade association for the U.S. recreational boating industry, representing nearly 1,300 marine businesses, including recreational boat, marine engine and accessory manufacturers. NMMA members collectively manufacture more than 85 percent of the marine products sold in the U.S. Furthermore, the recreational boating industry has a significant impact on our nation's economy and in communities across the country, employing nearly 700,000 American jobs across 35,000 U.S.-based marine businesses.

Led by the recreational boating industry, the outdoor recreation economy is a major contributor to the U.S. economy, accounting for 2.1% of GDP, \$788 billion in economic output, and 5.2 million American jobs. The role of recreational boating in our economy has only grown more significant as Americans flocked to new outdoor activities amidst the COVID-19 pandemic, with sales of new powerboats in the U.S. increasing last year by an estimated 12% compared to 2019, reaching a 13-year high. Over 44,000 new boat buyers entered the market between March and June 2020, representing 10% year-over-year growth. There are many encouraging aspects of this new growth including that roughly 30 percent of the industry's growth was made up of new buyers, many of which were younger and more diverse.

While this rise has showcased the popularity of such activities as a safe and fun way to spend time with loved ones, it has also illuminated one of the most pressing issues facing the industry: the need for adequate, sound, and up-to-date infrastructure that meets demand. Given that a majority of public recreation access infrastructure is already in need of significant maintenance and modernizations, our aging access points and facilities are particularly vulnerable to the effects of climate change. From rapidly changing water levels to increased frequency and intensity of flooding events and natural disasters in coastal and inland waterway areas, public waterways and outdoor recreation infrastructure need bolstered resilience. Without robust investment in our country's outdoor recreation infrastructure, these economic contributions – along with pastimes enjoyed by the vast majority of Americans – will be in jeopardy.

Considering that boating and fishing are the top contributing segments within the recreation economy and USACE and USBR together offer the majority of water-based recreation opportunities, significant potential to grow the outdoor economy – and the entire U.S. economy – can be achieved through elevating these agencies' role in supporting recreation, which must be reflected in the appropriations cycle. Higher prioritization of these agencies recreation-oriented activities can be achieved through ensuring adequate funding from existing programs and funding authorities and reforming antiquated project prioritization processes that neglect to recognize the significant economic, environmental, societal, and health benefits generated by recreation.

For example, USACE has over 5,000 sites in 43 states, generating over \$10 billion in economic impact and supporting 189,000 total jobs, yet a majority of access infrastructure managed by USACE is in poor condition. Of note, there were 256 million visits to USACE lake and river projects in 2020 compared to the 237 million visitors NPS hosted. Providing USACE and USBR with the necessary tools and resources to better manage and support recreation access will go a long way towards preserving the nation's lakes, reservoirs, rivers, waterways and the economic impact of outdoor recreation.

It's important to note that USACE and USBR accounts that support recreation are historically underfunded and both agencies are more often than not completely excluded from or benefit considerably less than other agencies through significantly impactful federal lands and waters policy and funding mechanism such as the Federal Lands Recreation Enhancement Act (FLREA) and the Great American Outdoors Act (GAOA). For instance, While USACE manages recreation visitation and transportation infrastructure asset catalogues on scale with the National Park Service (NPS), U.S. Fish and Wildlife Service (FWS), and the U.S. Forest Service (FS), these three agencies 1) are able to retain a portion of recreation fee revenue to reinvest in recreation infrastructure through FLREA authority, 2) are all GAOA recipients, with NPS receiving 70 percent of total GAOA deferred maintenance funding, and 3) receive direct set asides from the Federal Lands Transportation Program (FLTP) that takes up a majority of the programs funding leaving USACE, USBR, and BLM (another GAOA recipient) to compete for any remaining funding to go towards maintaining infrastructure that provides access to high-visitation.

On the navigation side of USACE activities, small recreation-based ports are critical access points for inland and coastal communities where businesses depend on marine recreation-based

economic activity. Yet, the benefit cost ration (BCR) criteria used to prioritize USACE navigation projects only recognizes commercial activity in assessing project economic benefits, failing to account for the value created by access for recreation activities leaving our economy at a disadvantage. Additionally, without sufficient dredging in recreation-based harbors and waterways, some recreational boaters are forced to use high traffic commercial channels, which can lead to potential user conflicts and safety concerns. The federal government has a responsibility to maintain all of nation's ports, harbors, and waterways, yet for too long water infrastructure projects that support recreation access have gone underappreciated and neglected.

does not consistently account for recreation within the scope of economic benefits a project provides. Additionally, given that 84 percent of the U.S. recreational boating industry is made up of small businesses, this commonsense modernization of an antiquated process for prioritizing water infrastructure projects will reenergize Main Street in coastal communities across the country. BCR reform that would require USACE and the Office of Management and Budget (OMB) to account for recreation as an economic impact in project prioritization would exercise a more comprehensive approach that ensures critical water infrastructure projects are funded on an equitable, sustainable, and needs based system.

Systemic underfunding of these agencies' recreation facilities and management, combined with USACE's lack of authority to reinvest recreation fees into revenue-generating infrastructure assets, have allowed this infrastructure to decay in the face of rising demand. Maintaining this status quo jeopardizes the safety and viability of recreation opportunities managed by the leading providers of water-based public recreation access. Solutions that can be taken through the FY22 process to address these deficiencies include:

- An additional investment of \$40 million in the Operations & Maintenance account allocated to USACE Natural Resources Management (NRM) to continue the operation, maintenance, and repair of existing recreation facilities and public access including unfunded infrastructure maintenance needed to sustain existing facilities at full capacity,
- Direct the Government Accountability Office (GAO) to conduct a survey to provide an inventory of all federally managed recreational boating infrastructure and facilities; an assessment of annual operation and maintenance needs associated with these sites; deferred operation and maintenance needs for such infrastructure and facilities to operate safely at full capacity; opportunities to expand capacity at existing access points; and the economic impact of recreation on regional economies and benefits of sustaining and improving public access at recreational infrastructure and facilities.
- Dedicated Federal Lands Transportation Program (FLTP) set-aside funding for USACE and USBR at amounts commensurate with each respective agencies' public transportation improvement needs and visitation demand.
- Extension of recreation fee retention authorities under FLREA to USACE to provide a much-needed revenue source to improve the quality of recreational assets and services and address the backlog of maintenance needs.

- Reform BCR criteria to require USACE and OMB to account for recreation as an economic impact to establish an equitable, sustainable, and needs-based system for prioritization USACE navigation projects.

On behalf of our members, I thank you for your leadership in preparing FY22 appropriations legislation and appreciate the opportunity to provide comments on how recreation infrastructure can play an important role in economic recovery. NMMA stands ready to work with you ensure adequate funding for federal land and water agencies integral to providing public recreation access, and better enable the thriving outdoor sector to get Americans back to work and revive local economies across the country.

Sincerely,

Callie Hoyt
Director, Federal Government Relations
National Marine Manufacturers Association