



2020 Virtual American Boating Congress

May 14, 2020





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BoatingIndustry

wsia
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Secretary Eugene Scalia

Department of Labor



Gabrielle Quintana Greenfield

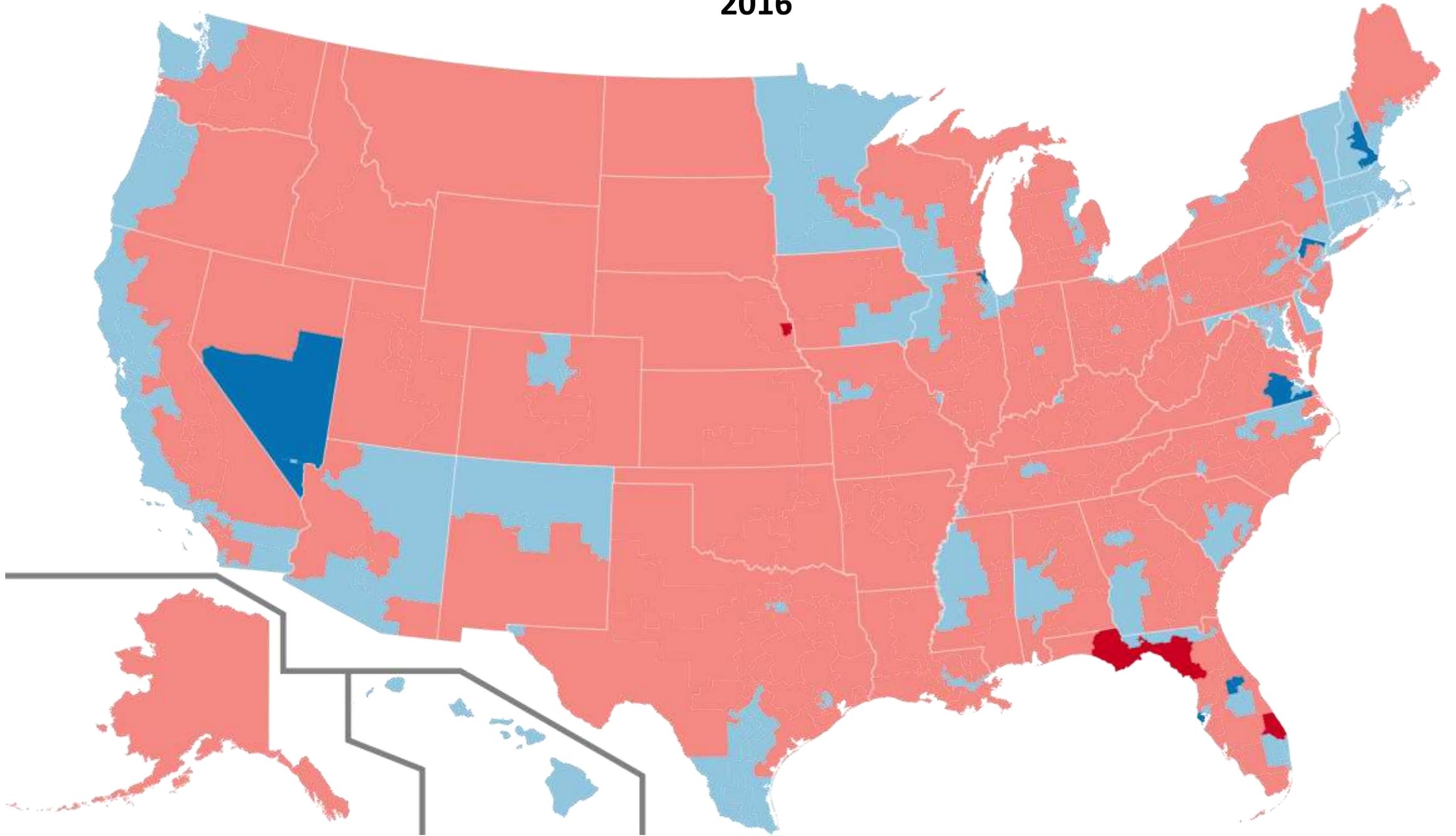
Battlefield Director, Democratic Congressional Campaign



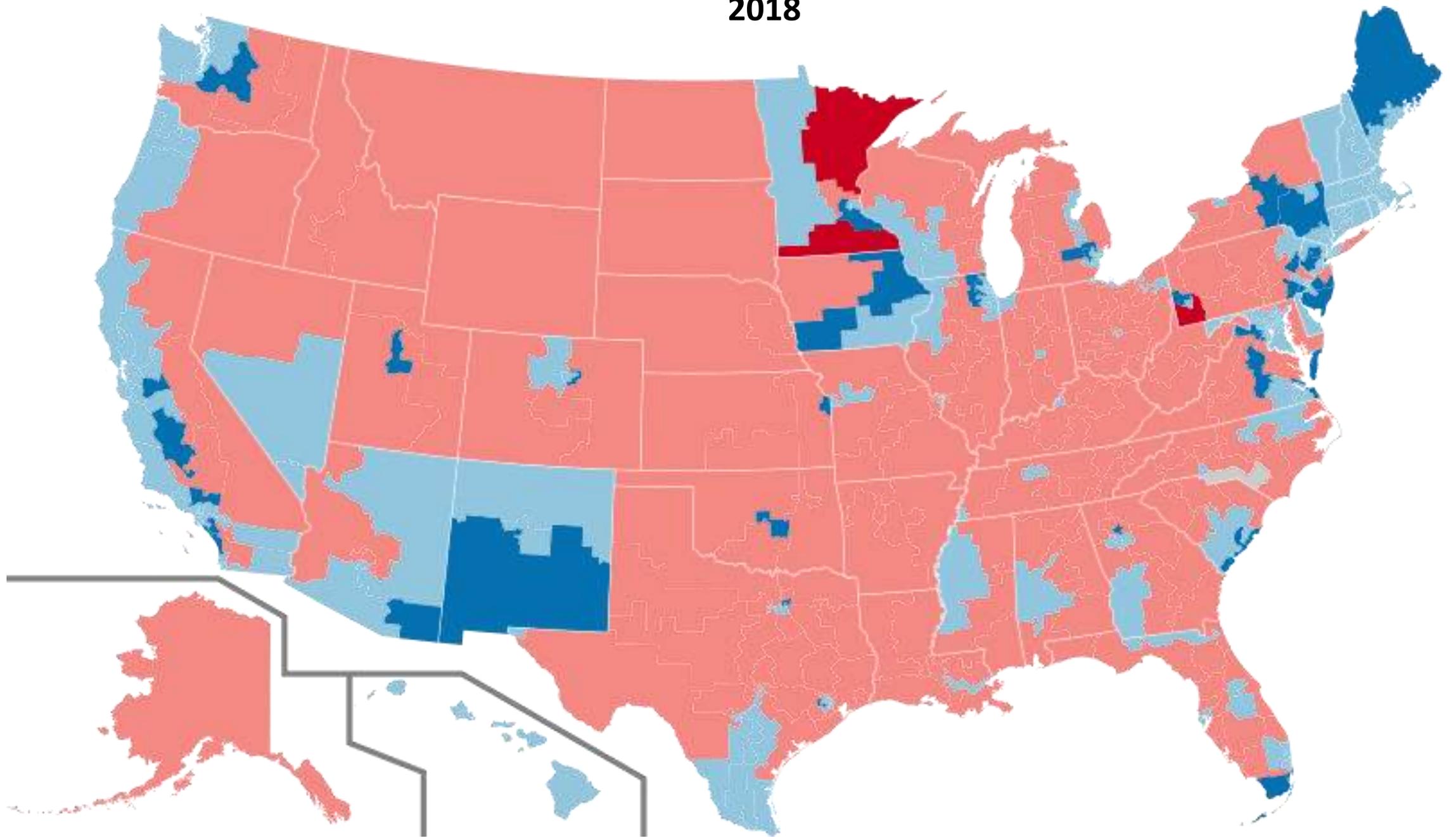


DCCC 2020 BATTLEFIELD UPDATE

2016



2018

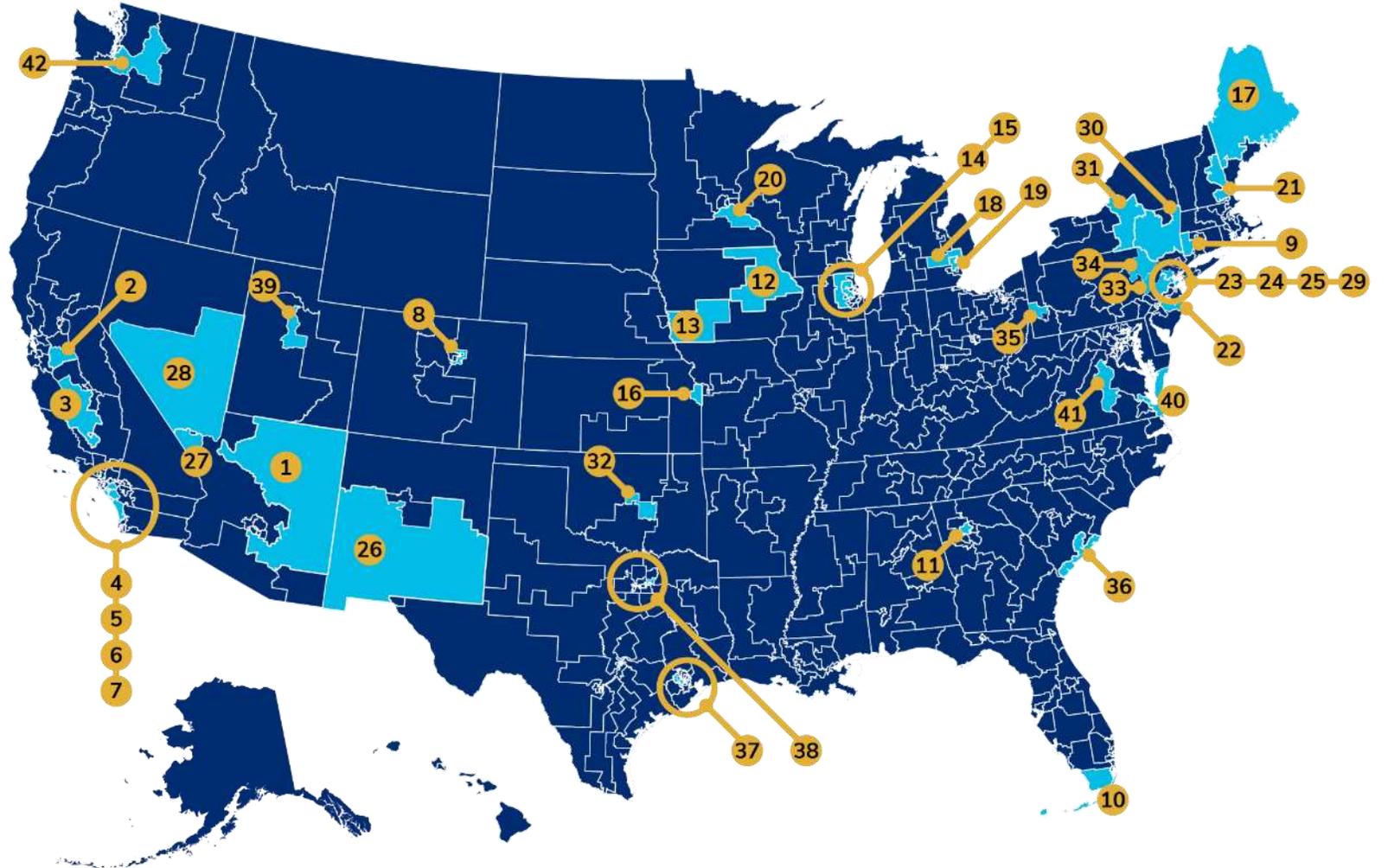




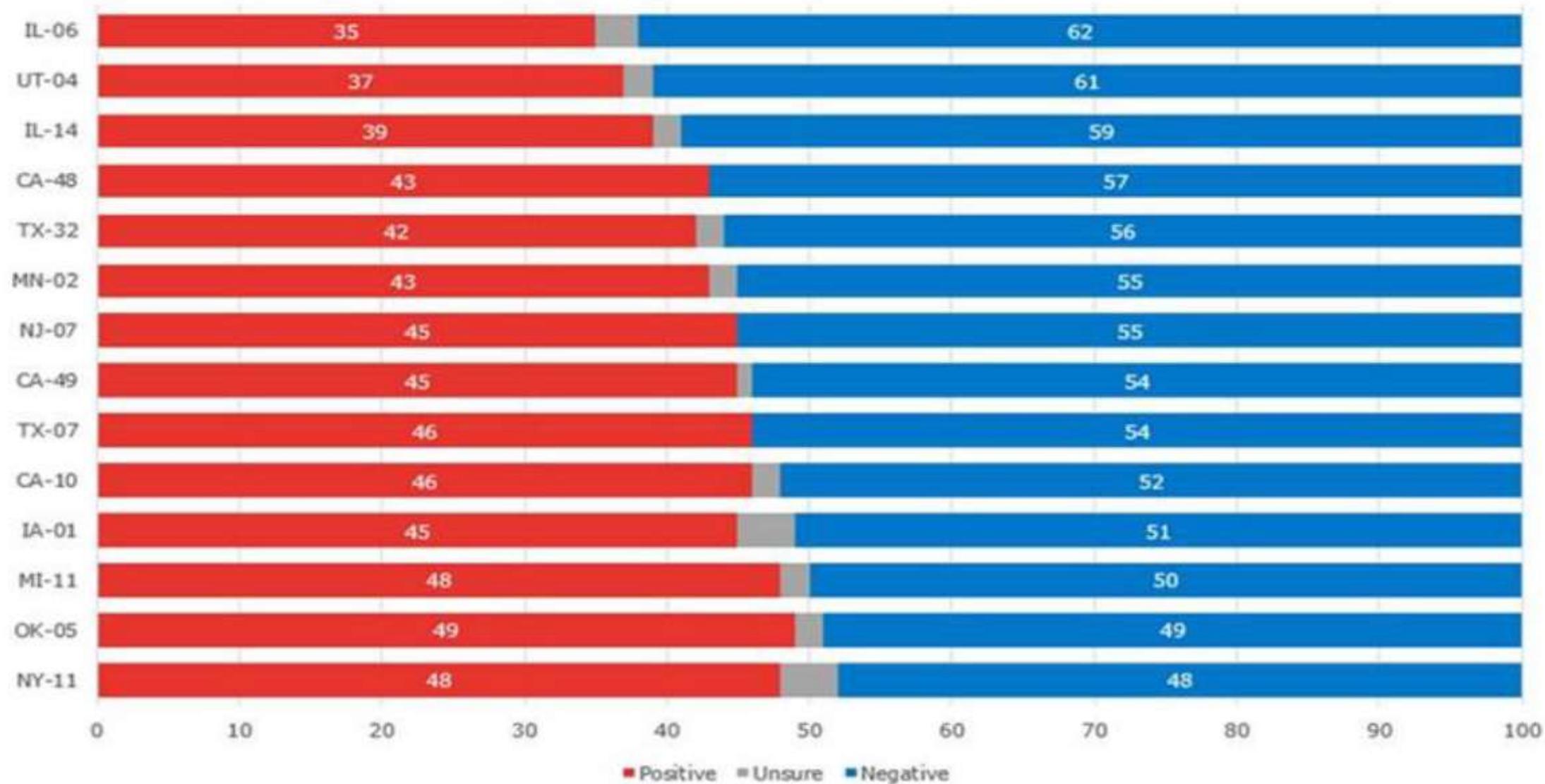
Frontline

FRONTLINE DISTRICTS

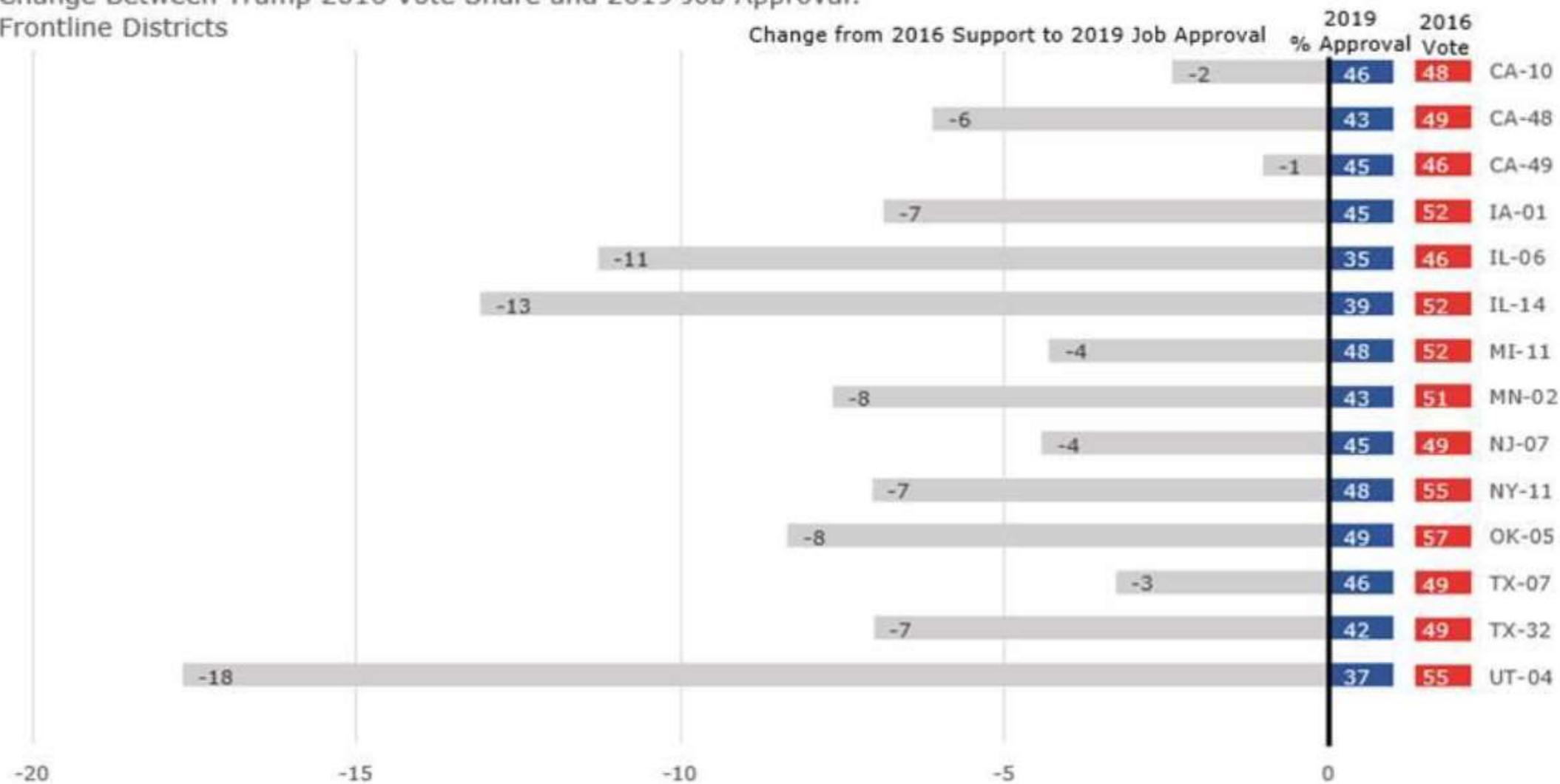
- | | |
|---------------------------------|------------------------------|
| 1 AZ-01 O'Halleran | 23 NJ-05 Gottheimer |
| 2 CA-10 Harder | 24 NJ-07 Malinowski |
| 3 CA-21 Cox | 25 NJ-11 Sherrill |
| 4 CA-39 Cisneros | 26 NM-02 Torres Small |
| 5 CA-45 Porter | 27 NV-03 Lee |
| 6 CA-48 Rouda | 28 NV-04 Horsford |
| 7 CA-49 Levin | 29 NY-11 Rose |
| 8 CO-06 Crow | 30 NY-19 Delgado |
| 9 CT-05 Hayes | 31 NY-22 Brindisi |
| 10 FL-26 Mucarsel-Powell | 32 OK-05 Horn |
| 11 GA-06 McBath | 33 PA-07 Wild |
| 12 IA-01 Finkenauer | 34 PA-08 Cartwright |
| 13 IA-03 Axne | 35 PA-17 Lamb |
| 14 IL-06 Casten | 36 SC-01 Cunningham |
| 15 IL-14 Underwood | 37 TX-07 Fletcher |
| 16 KS-03 Davids | 38 TX-32 Allred |
| 17 ME-02 Golden | 39 UT-04 McAdams |
| 18 MI-08 Slotkin | 40 VA-02 Luria |
| 19 MI-11 Stevens | 41 VA-07 Spanberger |
| 20 MN-02 Craig | 42 WA-08 Schrier |
| 21 NH-01 Pappas | |
| 22 NJ-03 Kim | |



Trump Job Approval in Frontline Districts



Change Between Trump 2016 Vote Share and 2019 Job Approval:
Frontline Districts



Freshman Dems Fortify House Advantage With Massive Q2s

More than 30 newly elected members raised over \$500,000 each in the second quarter.

2020 ELECTIONS

Vulnerable Democrats hoard campaign cash for 2020 House battle

By ZACH MONTELLARO and SARAH FERRIS | 07/17/2019 06:40 PM EDT | Updated 07/18/2019 12:53 PM EDT

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Neither two dozen presidential candidates nor post-2018 complacency could slow the torrent of campaign cash raised by the congressional Democrats who delivered the House majority last year.

Reports filed with the Federal Election Commission ahead of this week's deadline show Democrats stockpiling cash to protect their 19-seat majority — but Republicans are also gearing up to shore up their remaining vulnerable members and mount strong campaigns to challenge Democrats for the majority in 2020.

CONGRESS

House Democrats drowning GOP in money chase

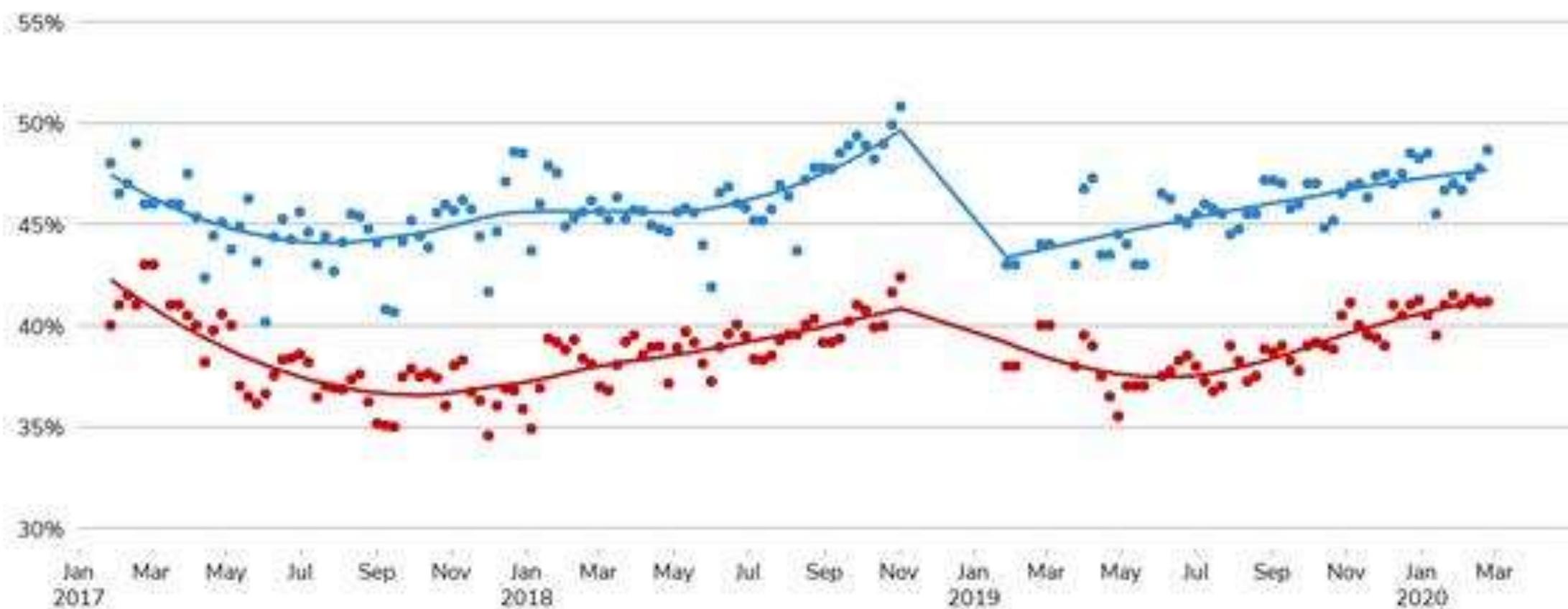
Democrats' financial advantage is dimming Republicans' chances to win back the chamber in this year's elections.



GENERIC HOUSE SUPPORT TRENDLINE

DEMOCRAT

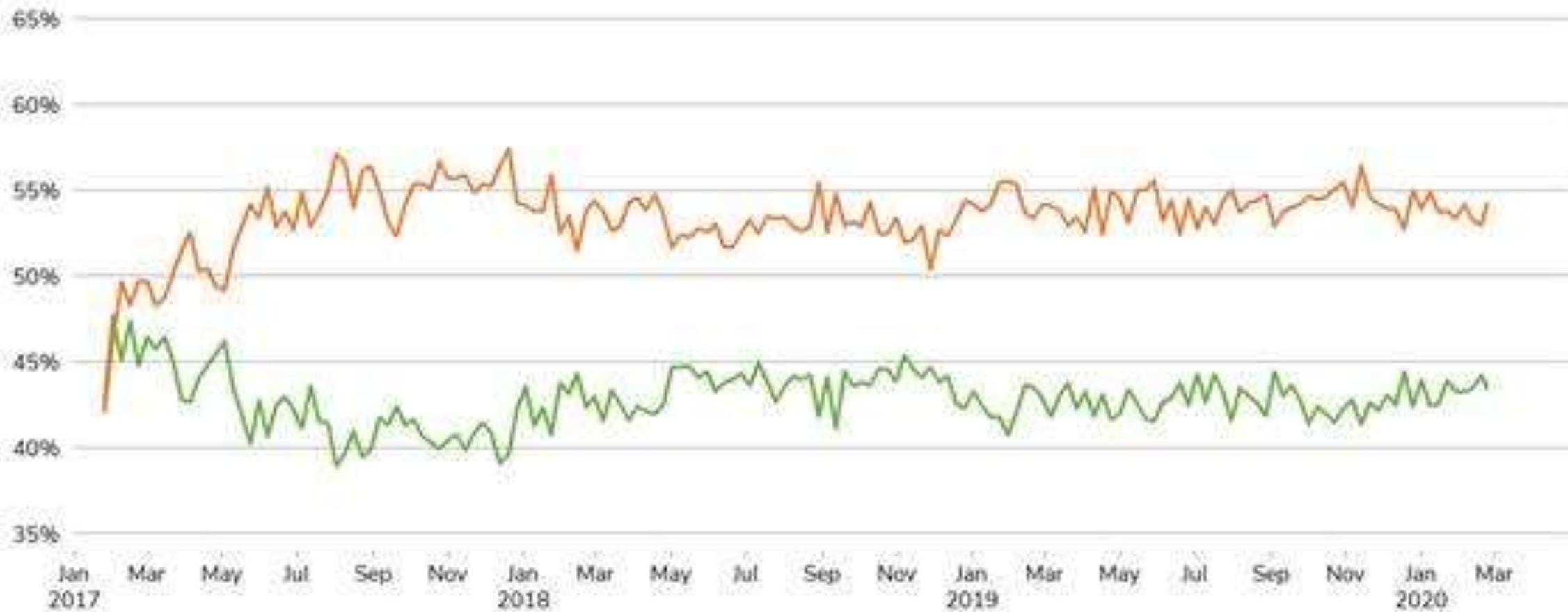
REPUBLICAN



TRUMP APPROVAL TRENDLINE

— APPROVE

— DISAPPROVE

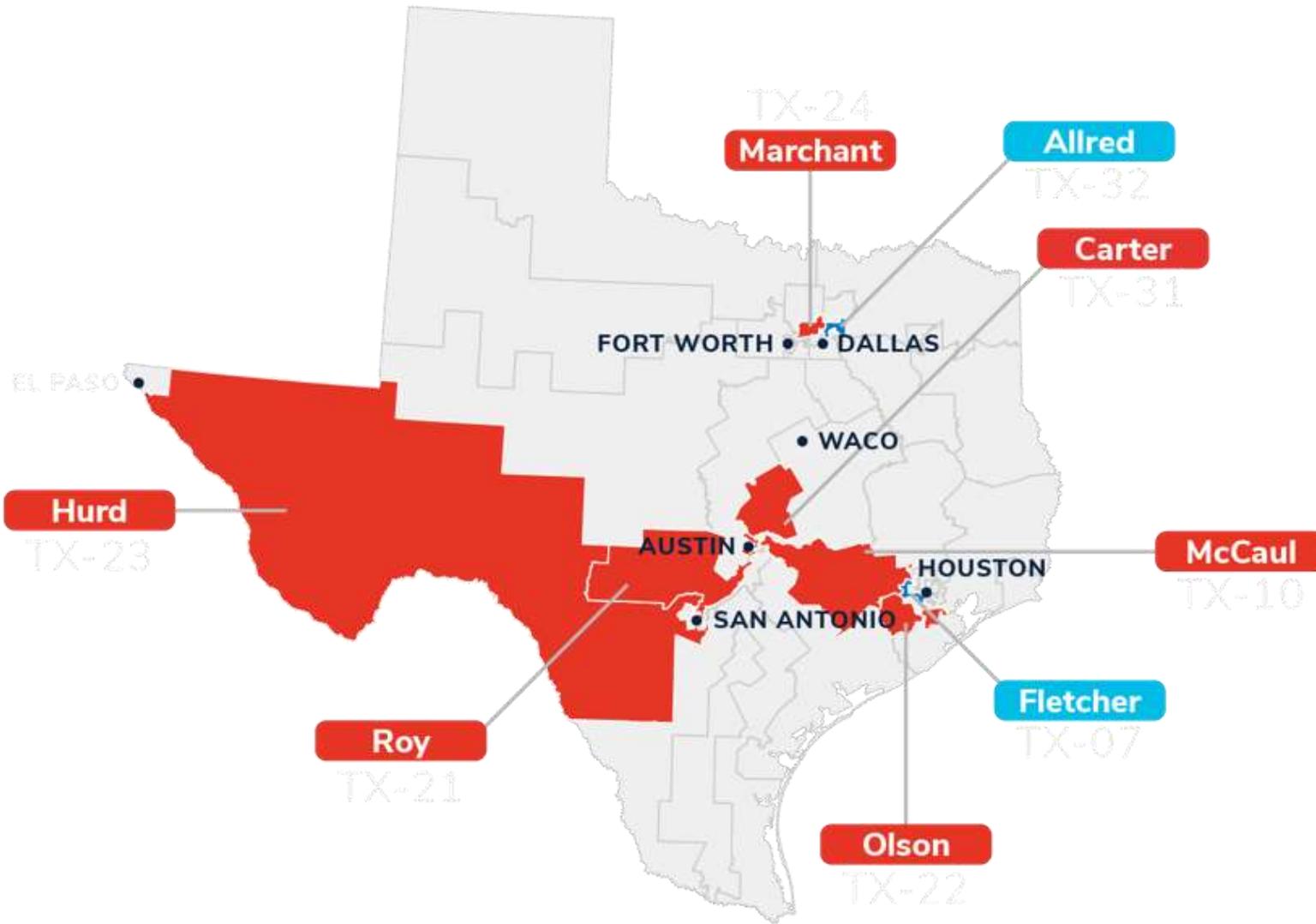




Going On Offense

republican retirement watch list





@DCCC



/ElectDemocrats



@DCCC



DCCC

Secretary David Bernhardt

Department of Interior





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PARTNERS

U.S. Economic Overview

Current Standing and Future Outlook

www.forbes-tate.com



Current State of the Economy



GDP 2020

In Q1, GDP was down 4.8%



UNEMPLOYMENT RATE

April 2020, Bureau of Labor and Statistics reported that unemployment rose to 14.7%



NUMBER UNEMPLOYED

April 2020, the number of persons on nonfarm private sector payrolls fell by over 20 million



JOBLESS CLAIMS

Since the April jobs report data was collected, an additional 7 million unemployment claims have been filed

Government Aid Set to Expire

Paycheck Protection Program

Set to expire June 30, 2020

a loan to incentivize small businesses to keep workers on their payroll

Enhanced Unemployment Benefits

Provisions (under the CARES Act)

set to expire December 31, 2020

If individuals remain unemployed after they have exhausted unemployment benefits, they can receive up to 13 weeks of additional unemployment

Main Street Lending Program

Set to expire September 30, 2020

The Federal Reserve's loan plan which will provide \$600 billion in financing for small and medium-sized businesses

Government Aid in the Future

COVID-19 Response, Phase 4

Many partisan divides over next aid package with Republicans expressing less urgency over its passage.

Republicans are pushing for liability protections for businesses. Democrats are calling for a package that would deliver aid to state and local governments, save the Postal Service, and provide another stimulus check to Americans.

The package could cost up to \$2 trillion based on some estimates.



Elements of Job Loss

77%

of Americans laid off or furloughed expect to be rehired by their previous employer once the stay-at-home orders in their area are lifted

52%

of Americans cut their spending in response to the pandemic.

13.1%

The U.S. personal saving rate as a percentage of disposable personal income, as of March 2020.

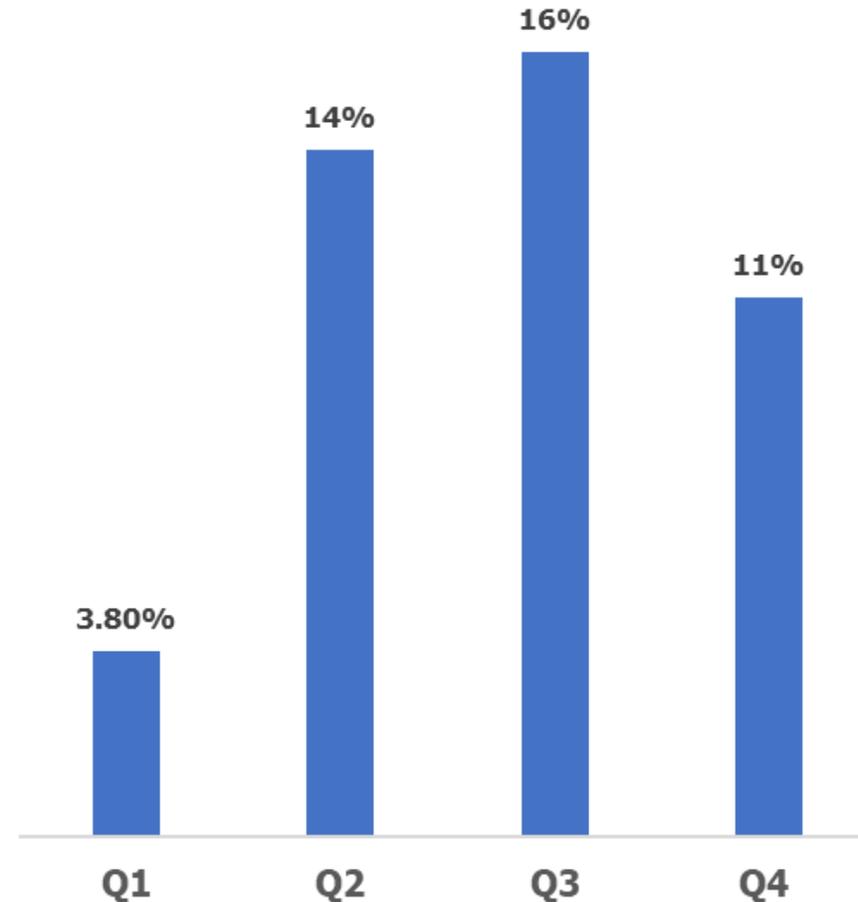
OUTLOOK

Economic Outlook for Q3 and Q4

If economic activity resumes by end of May, Q3 could see GDP growth to 20% with Q4 settling back down to 5%

The Congressional Budget Office Predicts the unemployment rate will reach 16% in Q3, and a rate of 11.7% for Q4

2020 UNEMPLOYMENT RATE (Predictive)



What's Happening to Oil?

Oil prices have been hit hard
This is traditionally a good sign for recreation

Lower gas prices make it cheaper for Americans to boat and take road trips

Construction and manufacturing costs generally get less expensive

Oil is going through a significant restructuring that should keep prices lower for longer



What Do the Markets Tell Us?

While GDP outlook is weak for Q2 and Q3, markets are forward looking. With stocks continuing to rise, investors are forecasting an economic recovery.

UNDERLYING ECONOMY

The economy shrank 4.8% in the first quarter, and 20.5 million lost their jobs in the last month

In the second quarter GDP will decline by 12%



EQUITY MARKETS

In April, the S&P 500 logged its best month in 33 years, gaining 12.7%

The small-cap Russell 2000 index rose 13.7%

What to Watch For



Historically, in a crisis there is a seizing up of the M&A market

People will cease doing deals and hold on to cash

It's generally a short pause, and eventually, money starts to reemerge

People will be looking for ways to combine and deal flow is likely to pick back up in Q3 and Q4

What Shape will the Recovery Take?

A "V-shaped" recovery across all sectors of the economy may be too much to ask, but certain segments are better positioned than others to snap back quickly

Recovery will be dependent on effective treatments and vaccines

Scientists and public health experts agree that the only way to end the devastating effects of COVID-19 is to develop, produce at scale and widely distribute an effective vaccine or treatment



CONTACT

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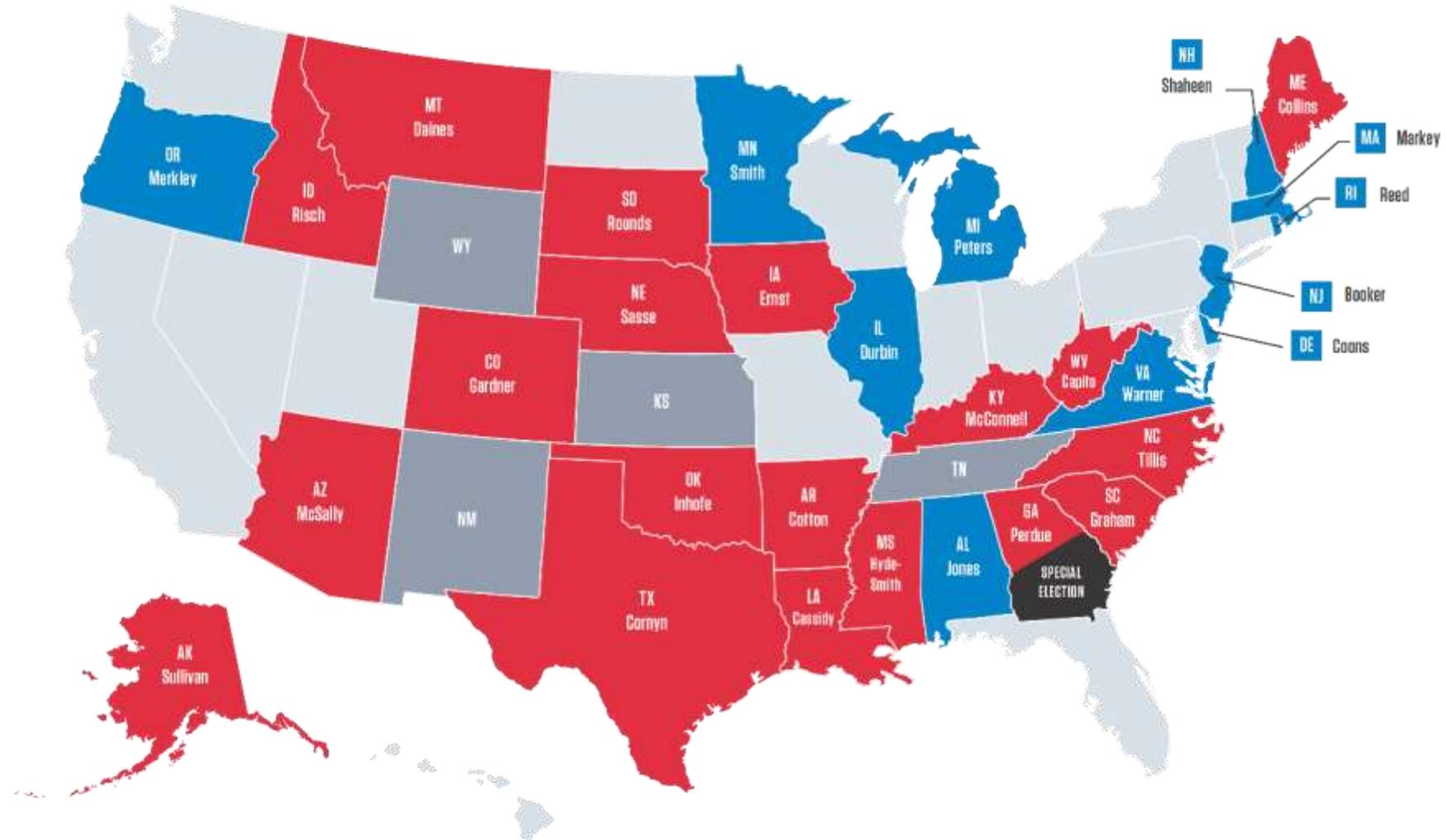
ADDRESS

777 6th Street NW
8th Floor
Washington, DC 20001

Betsy Ankney

Political Director, National Republican Senatorial Committee

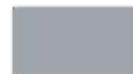




DEMOCRAT INCUMBENT



REPUBLICAN INCUMBENT



OPEN SEAT

Secretary Wilbur Ross

Department of Commerce



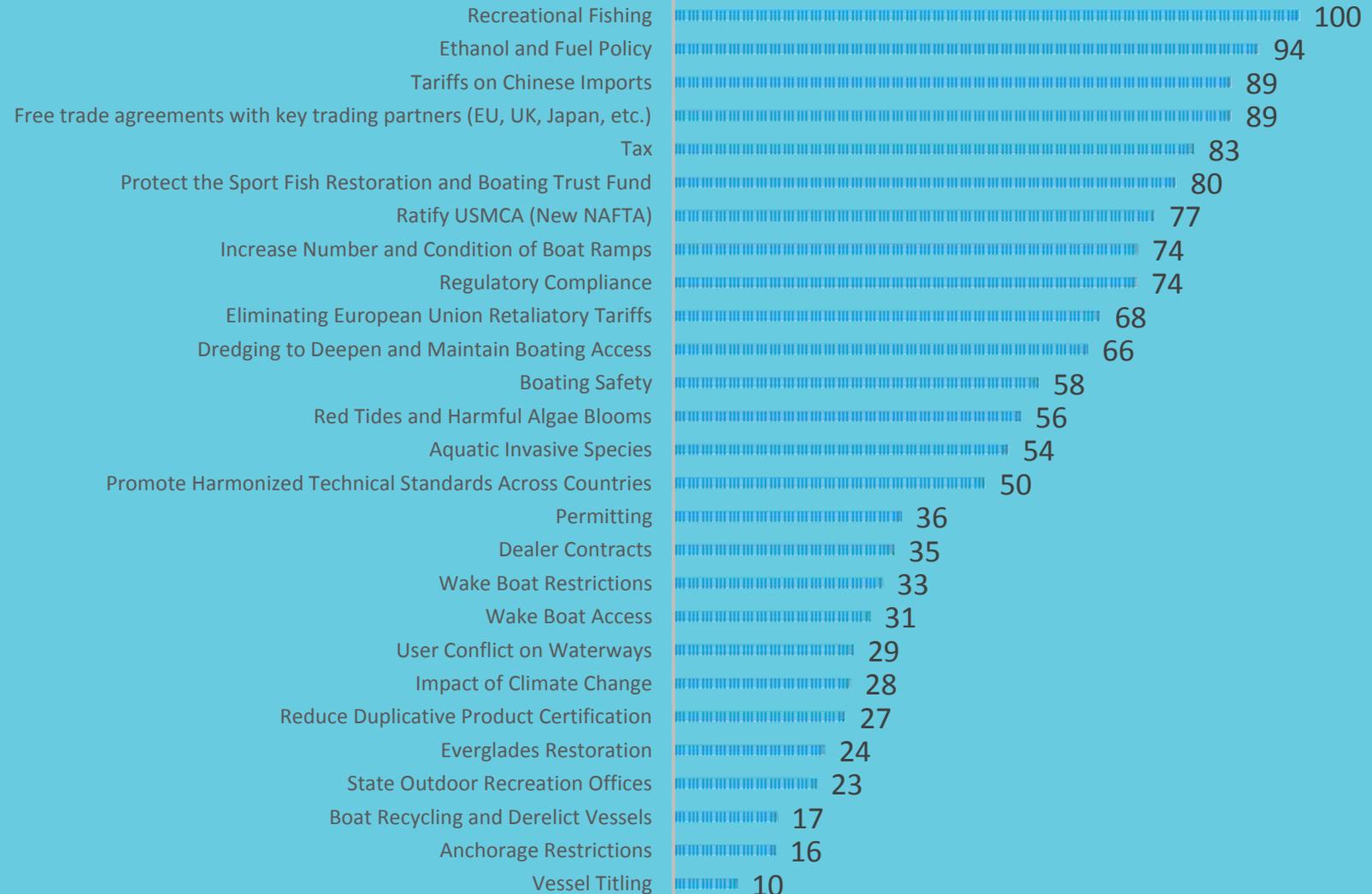


2020 Policy Priorities



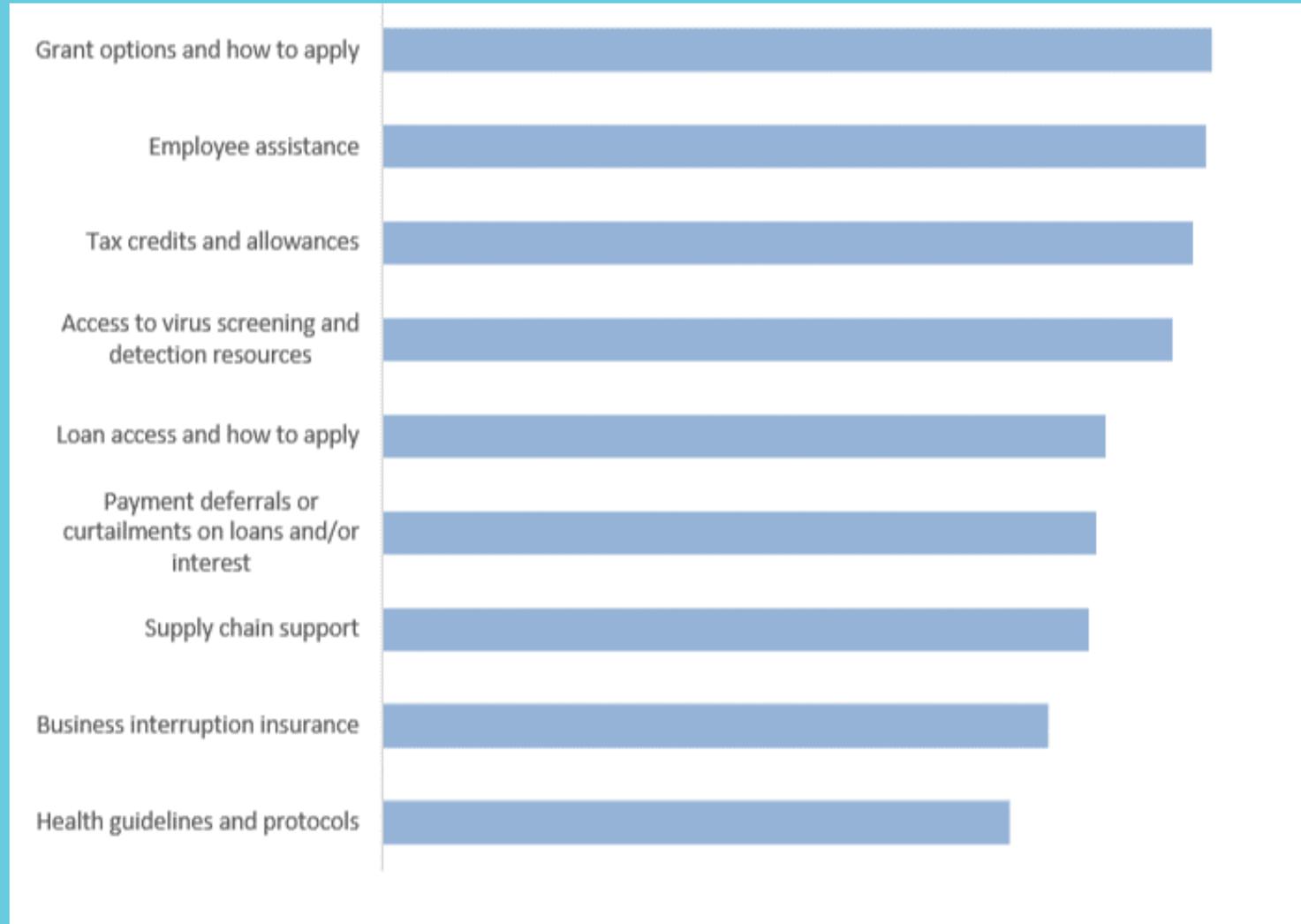
January 2020: Key Industry Priorities

Indexed Responses





May 2020: Key Industry Priorities





4 Pillars of NMMA's Advocacy Strategy

Monitor

Monitor federal and state guidance regarding “essential business” operations. Advise industry on best practices for meeting “essential business” criteria and develop guidelines for re-opening facilities that ensure the health and safety of the workforce and reduce employer liability.

Support

Support robust boating access in state and local jurisdictions. Advise local decision makers on best practices for social distancing while boating.

Influence

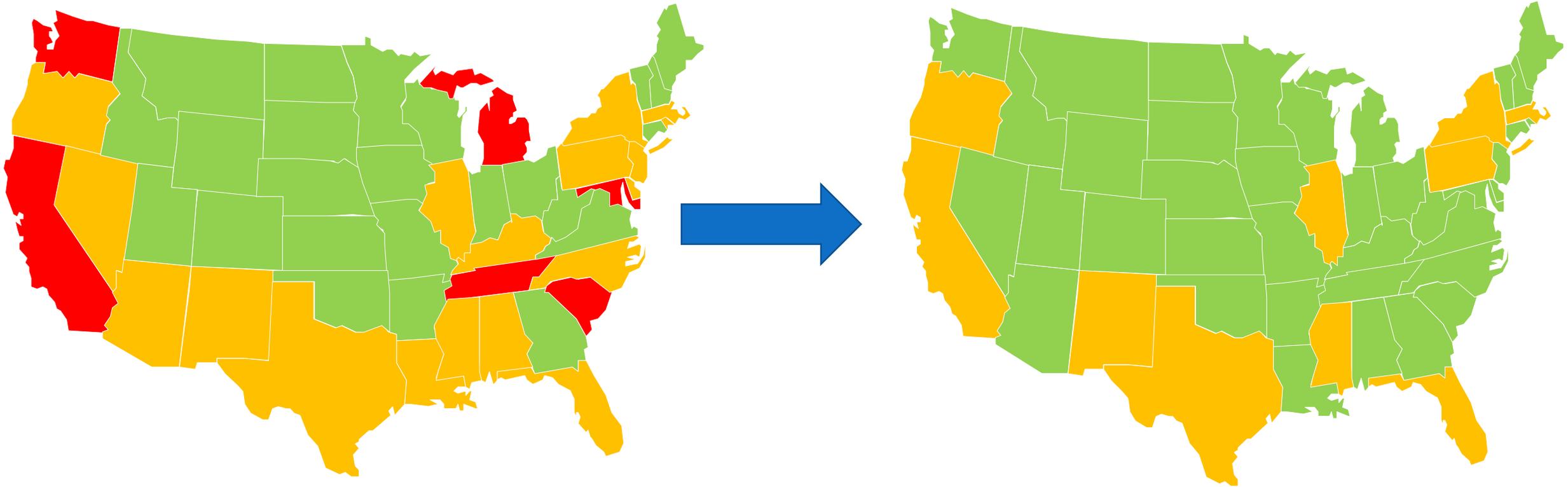
Influence expansion of federal loan forgiveness programs to 501c6 organizations, to ensure NMMA continues to serve member needs, and ensure financial relief for impacted boat show operations and sound guidance for large public gatherings.

Advocate

Advocate for federal assistance programs to support recreational marine businesses. Counsel member companies on available loan, grant and tax programs that will benefit their business during forced closures and economic slowdowns.



Support: Boating Access



Disseminate Best Practices

NMMA National Marine Manufacturers Association

NMMA SUGGESTED BEST PRACTICES FOR RESUMING OPERATIONS

The following resource is intended as a set of best practice guidelines to help navigate through this rapidly changing environment, this is not intended to be industry standards. Please be advised that some or all of the information contained in this document may not be applicable to all businesses or places of work. We strongly recommend that before implementing any of the ideas contained herein you carefully consult with regulators within the appropriate jurisdiction, as well as evaluate and consult with outside legal counsel as appropriate, the legality, applicability and potential efficacy of this information in your place of business. All facilities must comply with all applicable laws meaning that if there is a conflict between the recommendations in these best practices and the applicable law, the facility must follow the applicable law.

Background

NMMA: The National Marine Manufacturers Association (NMMA) is the leading trade association representing the recreational boating industry. NMMA represents over 1,300 members that manufacture boat, engine, trailer, and accessory parts.

Industry: The recreational boating industry uniquely American—95 percent of boats sold in the U.S. are made in the U.S. While some may consider boating as purely a pastime, this industry has a \$170 billion annual economic impact. Additionally, the industry supports over 690,000 jobs through 35,000 marine businesses across America.

Our Commitment

NMMA has a longstanding unwavering commitment to safety. Now more than ever, it is important to uphold that commitment to safety as the industry moves forward. It is important to protect the industry's employees, suppliers, and customers as we navigate re-opening the economy. The best practices below are guidelines we encourage manufacturers to implement moving forward.

Best Practices

Personal Responsibility

- Educate employees on understanding what COVID-19 is, what the symptoms are, how it spreads, and how they can take precautions against it.
- Communicate to employees clear expectations for adhering to social distancing guidelines (maintaining 6 feet distance from others), PPE requirements and temperature checks.
- Encourage employers to establish a COVID-19 Personal Responsibility Code of Conduct, which each employee should read, sign, and abide by.

Gradual Return of Employees, Customers, and Suppliers:

- Encourage employers to create a COVID-19 Response Management Team to oversee all new plans and protocols.
- Phase-in schedule for employees returning to work; initially only bring back essential employees.
- Allow vulnerable employees to work remotely as long as possible.
- Office and non-essential production personnel should remain working remotely as long as possible; phase-in when appropriate.

Last Updated: April 22, 2020
www.nmma.org | @nmmaofficial

Social Distancing When Boating



Only boat with those in your immediate household.



No beaching your boat right next to someone else.



Maintain your distance at the fuel dock – and remember to wash your hands.



No rafting up – keep your distance on the water.

No guests on your boat!
This includes family members not in your immediate household or your closest boating buddies.

Go right from your house to the boat and back –
no unnecessary contact with anyone.

Enjoy your boat, the water and the fresh air;
but enjoy it while boating responsibly.

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Social distancing is the best way to stay safe. **SEA TOW**

Influence: Trade and Consumer Shows

Re-Opening America

- Expand PPP to cover 501c6 organizations
- Participate in state re-opening task forces for large public gatherings
- Work with state and local governments to reduce show costs





Advocate: Federal Business and Employee Relief

March 6

- \$8.3 billion emergency coronavirus spending package

March 18

- \$100 billion Families First Coronavirus Response Act

March 27

- \$2.2 trillion CARES Act

April 24

- \$484B CARES 2.0

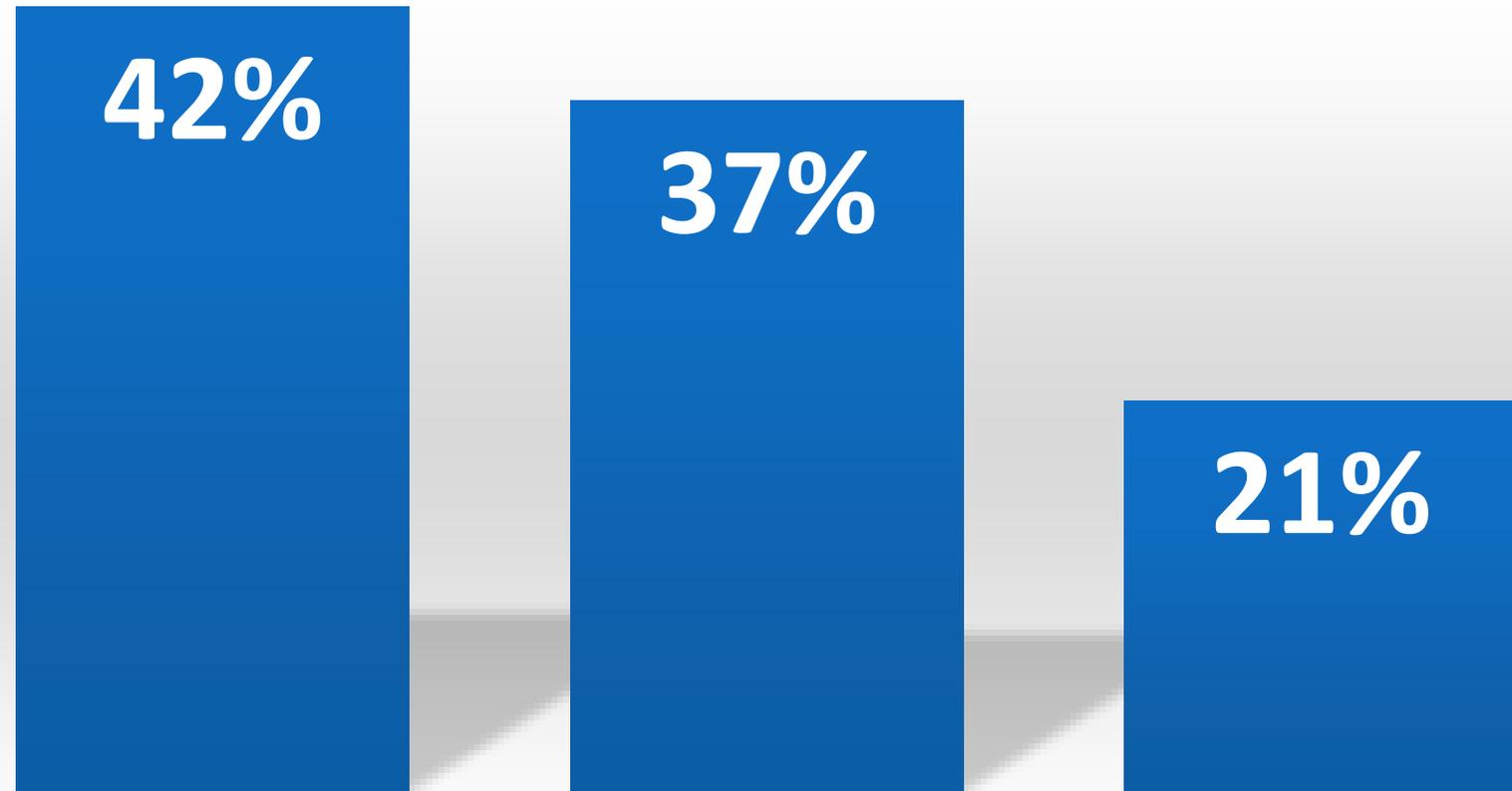


Boating Industry Wins

- ✓ \$760 billion in small business loans
 - SBA small business standard for boat builders <1,000
 - Clarification for seasonal employer calculation
- ✓ Expanded federal CISA guidance to include marina and repair operations
- ✓ Delayed payment of social security payroll taxes
- ✓ Established Employer Retention Tax Credit
- ✓ Modified net operating losses to provide more cash flow
- ✓ Full funding for state short-term compensation programs
- ✓ Established Main Street Lending Program targeted at medium-sized businesses (500-15,000 employees)



Paycheck Protection Program



Successfully Received PPP

Rejected/Pending Approval

Have Not Applied for PPP



Main Street Lending Program

Eligibility

- < 15,000 employees, or
- < \$5 billion in 2019 annual revenues
- Borrowers that receive a PPP loan can also be eligible for MSLP loan

Requirements

- Maintain payroll and retain workers
- Meet all compensation, stock repurchase, and dividend restrictions that apply to direct loans under the CARES Act

Amount

- \$500,000- \$200 million
- Four-year, low-cost, non-forgivable loans

Main Street Lending Program Loan Types

Loan Type	New Loans	Priority Loans	Expanded Loans
Minimum Loan	\$500,000	\$500,000	\$10 million
Maximum Loan	Lesser of \$25 million or an amount that, when added to outstanding and unused available debt, does not exceed 4x adjusted 2019 EBITDA	Lesser of \$25 million or an amount that, when added to outstanding and unused available debt, does not exceed 6x adjusted 2019 EBITDA	Lesser of \$200 million, 35% of existing outstanding and unused available debt or an amount that, when added to outstanding and unused available debt, does not exceed 6x adjusted 2019 EBITDA
Rate	LIBOR, plus 3%	LIBOR, plus 3%	LIBOR, plus 3%
Payments	<ul style="list-style-type: none"> – Year 1: automatic deferral – Years 2-4: 33.33% annually 	<ul style="list-style-type: none"> – Year 1: automatic deferral – Year 2-3: 15% annually – Year 4: 70% 	<ul style="list-style-type: none"> – Year 1: automatic deferral – Year 2-3: 15% annually – Year 4: 70%



Priorities for Upcoming Relief Packages

Small Business Relief

- Expand PPP duration and eligibility.
- Allow small businesses to refinance existing SBA loans.
- Provide common-sense guidance and clarify ambiguity with implementation.

Additional Business Relief

- Establish the National Institute of Manufacturing to promote a comprehensive assistance and strategy effort.
- Provide tax credits to businesses for PPE, R&D, and Employee Retention.
- Provide limited and rational safe harbor protection for employers operating during the pandemic.
- Require Business Interruption Insurance cover losses incurred specifically from the COVID-19 pandemic.
- End Section 232 and 301 tariffs which present an unnecessary tax burden on U.S companies.

Employee Assistance

- Testing and screening options
- Health coverage for COVID-19 and retained benefits



Don't Forget about Infrastructure

Surface Transportation Reauthorization

Great American Outdoors Act (S. 3422): Tackle the \$20 billion backlog for our federal lands and waters system, including docks, boat ramps, campgrounds, trails, and roads, and fully fund conservation efforts that improve recreation access.

Sport Fish Restoration and Boating Trust Fund (H.R. 4828): Reauthorize this \$650 million annual user pay-user benefit system that is the backbone of conservation and recreational boating infrastructure.

Water Resources Infrastructure Reauthorization

Water Access:

Shore Act (H.R. 5832): Ensure that the economic benefit of recreation is part of the calculation for small and emerging harbor investment and maintenance.

Water Quality:

Aquatic Invasive Species (AIS): Stop and reverse the spread of AIS - a national problem that costs the U.S. \$5.4B/year.

Harmful Algal Blooms (HABs): Expand federal research efforts to detect and mitigate HABs.

Everglades Restoration: Secure \$250 million in annual federal funding for Everglades Restoration.



..... And Fisheries, Too!

Congress

Support America's Conservation Enhancement Act (H.R. 925/S.3051)

Forage Fish Conservation Act (H.R. 2236)

DESCEND Act (H.R. 5126)

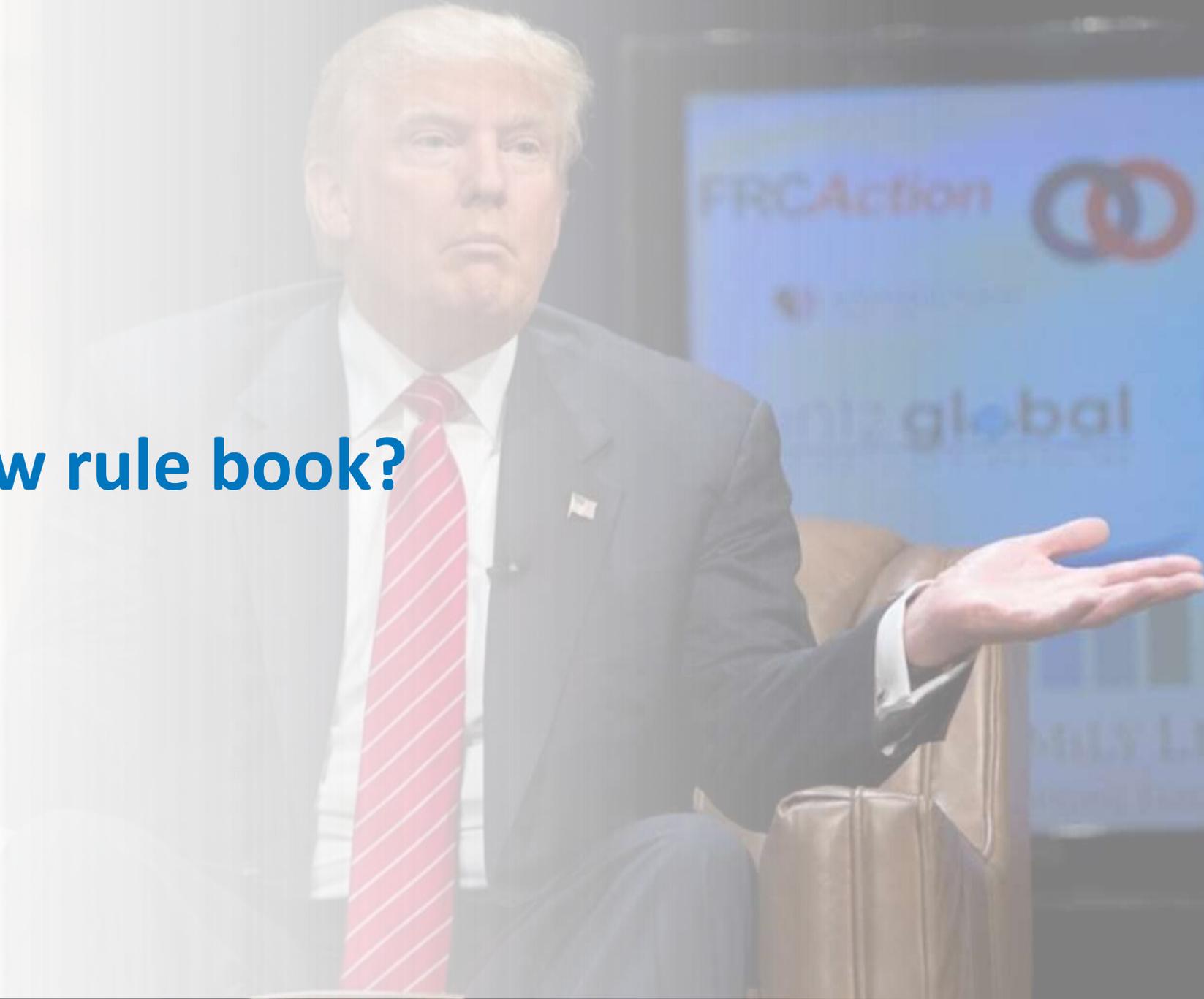
Regulatory

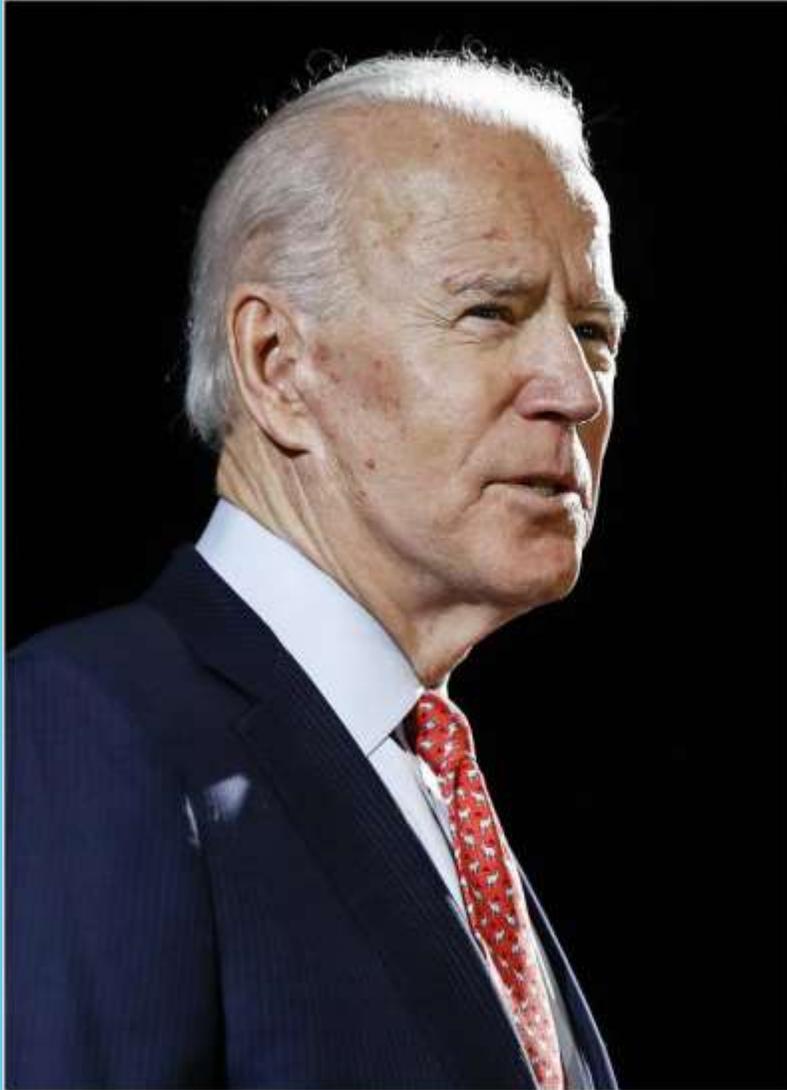
Expand reasonable and responsible access for South Atlantic red snapper, Atlantic striped bass, and Atlantic menhaden

Implement the Modern Fish Act

Support recreational fisheries businesses distressed by COVID-19

2020: Is there a new rule book?





Preparing for November



Strong relationships with administration officials
Opportunities to build upon public access wins
Strong appetite for infrastructure



Campaign and transition team engagement
Opportunities to advance conservation priorities
Reset Trade Policy
Prepare for more climate focused policies



Continue building broad bipartisan support for the outdoor sector
Position industry to be an asset in economic revival
Rebuild Congressional Boating Caucus

Incumbent presidents have generally fared well. Do those past “rules” still apply?

Since 1900, 15 of 20 incumbents running for re-election have been successful

Those who lost tended to face one of two conditions:

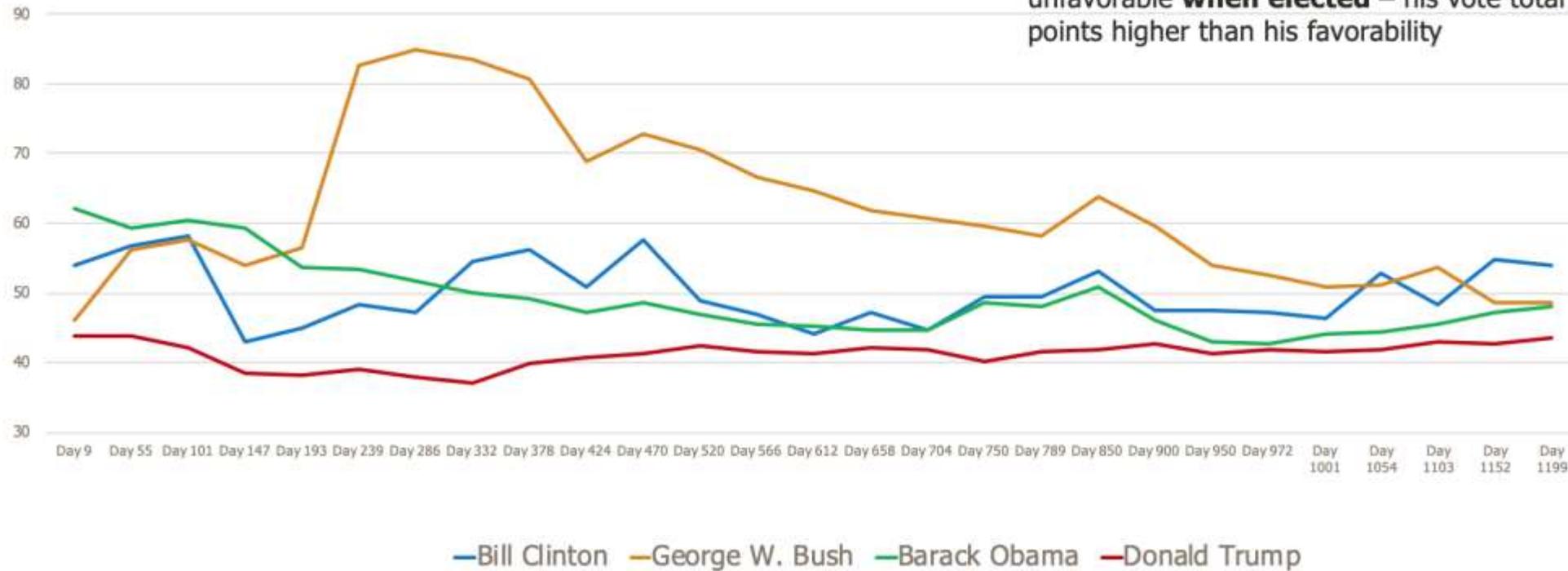
- Poor economic performance
- Long periods of party control of the Oval Office

Will those structural conditions help or harm President Trump?

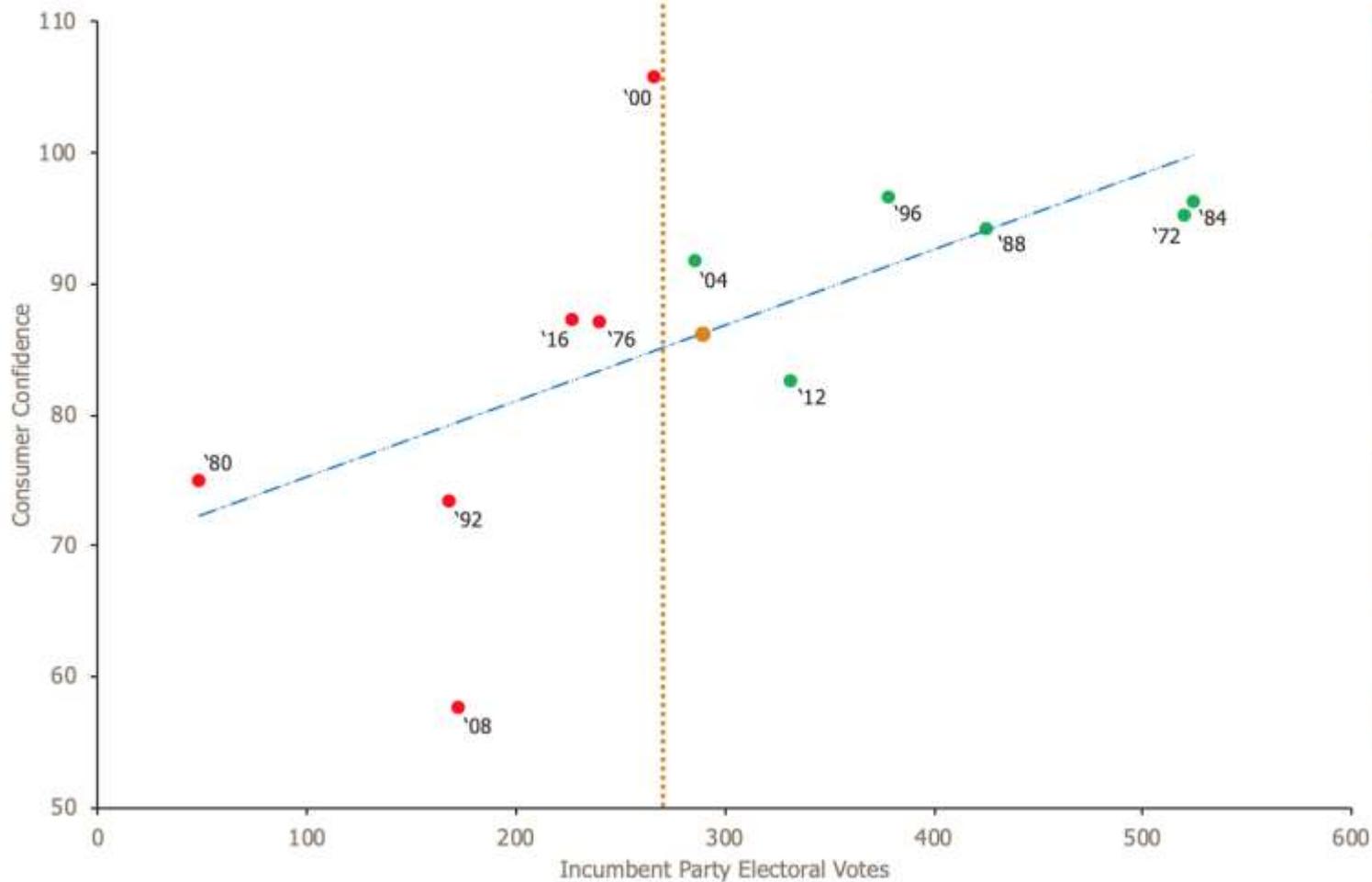
- How do standard metrics measure up?
- Democrats face an “electoral vote” problem: can they overcome it in 2020?

Trump's job approval is below that of recent successful predecessors, but his *stability* is unique

Trump's approval was 38% favorable & 60% unfavorable **when elected** – his vote total was 8 points higher than his favorability



The Trump Economy Part II: Before COVID-19, Consumer Confidence suggested a positive result for President Trump, but barely



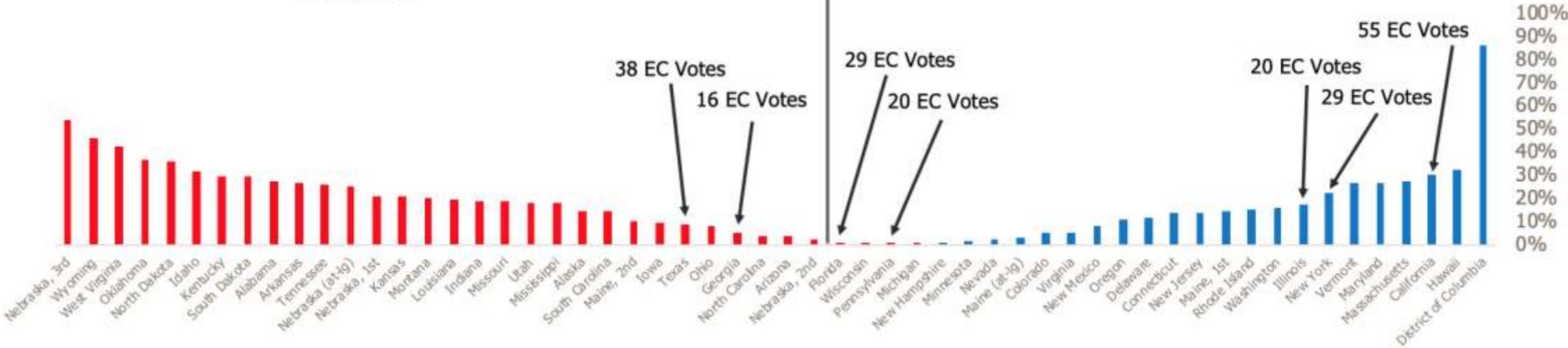
Incumbent	CC	W/L?
Clinton	96.5	W
Reagan	96.3	W
Nixon	95.2	W
Bush	91.7	W
Ford	87.0	L
Trump	86.9	?
Obama	82.6	W
Carter	75.0	L
HW Bush	73.3	L

Democrats have an electoral vote problem

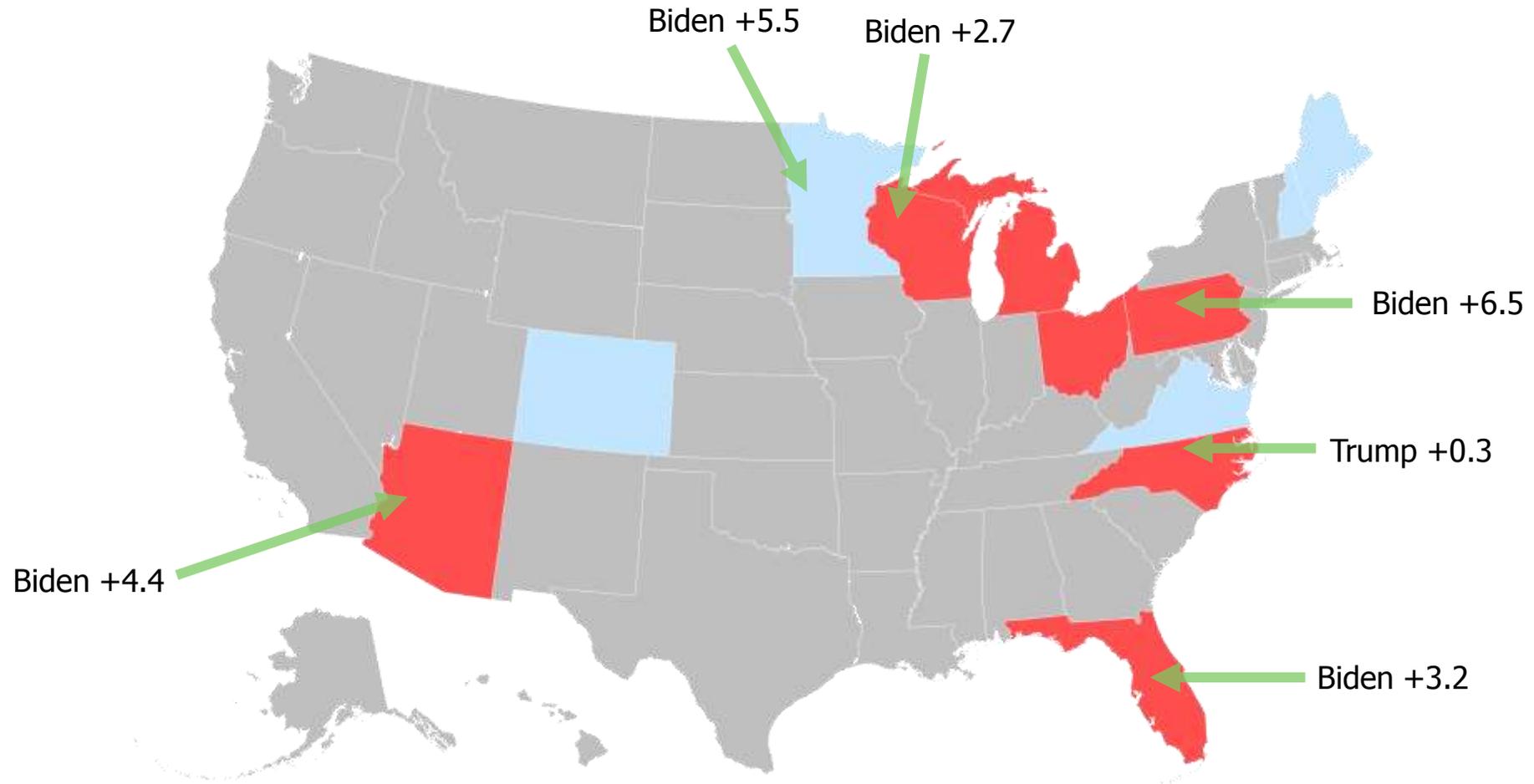
- In the last five elections, Republicans have won the presidency THREE times despite only winning the popular vote ONCE
- Why is this happening? Democrats are racking up ever-increasing leads in large states, adding votes but not electoral success
- In the meantime, Trump’s domination in rural areas – particularly in swing states – allows him to translate fewer popular votes into more electoral votes

Trump won larger states by relatively small margins....

...while Democrats are winning more lopsided victories in their larger states



The presidential map is narrow, with opportunities for both sides





Engage. Activate. Mobilize.



Advocacy ROI

13,000 emails sent to Congress

200 ABC 2019 Hill visits

23 new Congressional Boating Caucus members

5 Congressional Boating Caucus briefings

600 attendees at 2019 September Capitol Hill reception

19 plant tours with elected officials

3 state fly-ins

16 states with dedicated offices of outdoor recreation

Supported 120 tariff exclusions

Boating Champions Advocating for NMMA Priorities in Stimulus Negotiations

- 23 Congressional Boating Caucus members advocating for 501 c 6 relief
- 40 Congressional Boating Caucus members advocating for recreation infrastructure stimulus relief priorities
- Senator Rubio and Congresswoman Velazquez led efforts for Small Business relief



Let Congress Know Our Priorities

1. Economic relief for small and medium sized businesses
2. Include recreation-based infrastructure to ensure recovery
3. Prioritize recreational fishing while balancing conservation
4. Suspend tariffs on U.S business and ensure fair trade with the EU

2020 Virtual Advocacy

Text "BOAT" to 345-345
or
Visit BoatingUnited.org

