

Friday, December 18, 2020

President-Elect Joseph R. Biden Jr.
1401 Constitution Avenue NW
Washington, D.C. 20230

Dear President-Elect Biden:

On behalf of the National Marine Manufacturers Association (NMMA), we congratulate you on your election as the next president of the United States. As a group that represents over 1300 manufacturers in North America, the recreational boating industry stands ready to support your administration's top priorities – including the nation's COVID-19 response, broader economic recovery efforts, investment in sustainable manufacturing and sound environmental practices, and promotion of racial equity.

By way of background, NMMA is the leading recreational marine industry trade association in North America, representing boat, engine, trailer and accessory manufacturers. NMMA members collectively produce more than 80 percent of the recreational marine products sold in the United States. Recreational boating is a significant driver of the U.S. economy, employing nearly 700,000 people across 35,000 U.S.-based marine businesses, while contributing \$170 billion in annual economic impact.

The boating and fishing industry is the largest driver of the outdoor recreation economy, which according to the Bureau of Economic Analysis, contributes 2.1 percent to the overall U.S. GDP. Outdoor recreation also generates \$788 billion in economic output, supporting 5.2 million jobs in regional economies around the nation. To put this impact into perspective, outdoor recreation surpasses industries such as agriculture and mining in terms of overall economic output.

As you consider bold actions in your first 100 days to jumpstart the economic recovery, NMMA offers the following recommendations that support your priorities:

- 1. Tariff Relief:** Rescind section 232 aluminum and steel tariffs with the European Union and United Kingdom, and ensure removal of subsequent retaliatory measures on U.S. boat exports which have devastated American-made recreational vessel exports. Reset trade discussions with China, that provide a reprieve for U.S companies through tariff exclusion extensions and renewed reevaluations.
- 2. Comprehensive Infrastructure Package:** Work with Congress to pass comprehensive infrastructure legislation that invests in modernizing our aging waterways and outdoor recreation infrastructure to keep up with the challenges of growing demand and climate change.

- 3. Support Outdoor Recreation:** Re-establish the Federal Interagency Council on Outdoor Recreation with a White House lead to ensure efficiencies and coordination among federal agencies. Given the important role of outdoor recreation to the U.S economy, coordinated action will support robust economic recovery.

In addition to these bold actions, NMMA offers the following recommendations that support each pillar of your administration's efforts. These recommendations will help local and state economies recover from the impacts of the coronavirus pandemic, enable American manufacturers to pursue next-generation technologies, ensure Americans have robust and equitable access to healthy habitats, and grow a diverse workforce that will meet the needs of the recreational boating community.

A. Addressing the COVID-19 Pandemic

Like many businesses, marine manufacturers were forced to temporarily close earlier this year due to state and local orders and varying applications of essential business status. As manufacturers returned, they implemented robust procedures to ensure the safety of their employees. Marine manufacturers also answered early calls to pivot resources for front-line workers by donating over 400,000 pieces of personal protective equipment for first responders and the medical community. As businesses continue their recovery, a national strategy is needed to better manage the pandemic, including robust testing that supports manufacturing operations.

To ensure the continued viability of the U.S. marine manufacturing industry, below are some COVID-related measures for your consideration:

- 1. Invest in Testing, Childcare, and Masks:** Since reopening, the recreational boating industry has taken steps to ensure the health and safety of its employees through measures such as social distancing, temperature checks, and daily health evaluations. However, manufacturers remain deeply concerned with the state of the workforce.
 - i. We estimate at least 10 percent of our workforce remains out of work at a given time due to COVID and delays in test results — an increased investment in rapid testing and quick analysis is needed to ensure employees remain safe and healthy and can return to the workforce more quickly.
 - ii. Our manufacturers indicate that at least 20 percent of their employees remain out of the workplace due to absenteeism, primarily due to childcare facilities shuttering, schools conducting virtual classrooms, and general fear of contracting the virus. Prioritizing safety in our education system directly supports the manufacturing workforce. NMMA supports a national mask mandate to help keep our employees and consumers safe, a critical step towards controlling the pandemic while allowing the manufacturing economy to operate.
- 2. Assist with Trade Show and Large Event Cancellations:** Event and show production industries like ours have been decimated due to the inability to host large public

gatherings. Specifically, NMMA owns and operates 13 consumer boat shows, which have been cancelled this season due to health and safety concerns--leading to a 70 percent reduction in association revenue. These revenue losses make it more difficult to serve our 1,300 member companies, 84 percent of which are small businesses, by providing them with valuable resources on product certification, safety, and government assistance. Additionally, boat shows are the lifeblood of sales generation for our industry, generating 50 percent of all sales and supporting \$51.1 billion in economic value for local and state economies each year. As you look at depressed industries, please consider how targeted relief for event and show producers could provide a necessary bridge until large gatherings are safe. Without federal financial assistance, the economic fallout will continue to inhibit our ability to produce safe and high-quality events even after the pandemic, resulting in closures of nonprofit organizations and cascading economic impacts for local communities and surrounding hospitality and travel businesses.

- 3. Protect State and Local Agencies:** There are countless reports throughout the country of state and local governments being forced to make difficult decisions to cut funding or reallocate resources from already depleted budgets. This can lead to staff furloughs, recreational access closures, and reduced law enforcement. At a time when boating remains one of the critical drivers of economic recovery, as well as a safe activity for families and mental health reprieve, state and local governments should not be forced to close public access points or unable to have law enforcement on the water to help ensure a safe boating experience. Additionally, recreational access closures result in lost state revenues, through registrations and fishing licenses, creating a cascading economic impact. Together, we are optimistic your administration and Congress can work with us to address the growing financial needs of state and local economies and ensure recreational activities remain safe, healthy, and accessible options for all American communities.

B. Ensuring a Robust Economic Recovery

Recreational boating can serve as a driver of economic recovery, through proper investment in manufacturing and a recognition of the role of outdoor recreation in distressed urban and rural communities. While our industry has recovered better than most, forced operational closures in the spring due to state orders resulted in approximately 15 percent of facilities permanently ceasing operations and 25 percent reducing their workforce. This summer, however, Americans significantly shifted their spending and time habits, choosing recreational boating and outdoor recreation as a safe and enjoyable activity to spend time with their family. This has spurred an estimated 10 percent growth year-over-year for manufacturers and sustained state agencies with record boat registration and fishing license sales.

- 1. Continue Investing in Outdoor Recreation:** Recreational boating and fishing make up the largest portion of the outdoor economy, and while the industry is experiencing 10 percent growth this year, continued investments in access to our public lands and

waters are needed as more Americans seek out opportunities for safe recreation. Investing in infrastructure and access programs provides a smart conduit to supporting recreation jobs and local economies that rely on recreation activity. Sadly, many of the roads, trails, marinas, campgrounds and other recreation infrastructure our industry depends on are worn out or desperately in need of maintenance and modernization. Simply put, we have Eisenhower-era recreation infrastructure at a time when visitors depend on secure infrastructure and the ability to social distance. Investing in the outdoor sector provides a win-win for both the economy and the environment, as it furthers conservation dollars that are reinvested back into outdoor recreation resources. NMMA offers the following opportunities for recreation investment:

- i. Implement the Great American Outdoors Act (GAOA) to address the deferred maintenance backlog in a transparent and sustainable manner. GAOA provides an incredible opportunity to expand recreational access and support the economic engine that manufacturers recreational products.
- ii. Establish sound and efficient permitting processes that remove barriers to recreation. Passing the Recreation Not Red Tape Act would create a consistent permitting process for outfitters and guides and would direct federal agencies to make recreation a priority.
- iii. Reauthorize and modernize the Sport Fish Restoration and Boating Trust Fund (Trust Fund) to ensure recreational boating infrastructure and access projects can continue throughout all 50 states. The \$650 million Trust Fund — which is paid for by recreational boaters and anglers — serves as the backbone for state conservation and recreational infrastructure projects. Created in 1950, the Trust Fund needs to be modernized to address new resource demands, such as derelict vessels, boat recycling, and expanded non-motorized user groups.

2. Build a Strong U.S. Manufacturing Presence: The marine industry is uniquely American-made, with 95 percent of boats sold in the U.S. made in the U.S. NMMA supports your Made in America agenda, and offers the following opportunities for expanded manufacturing growth.

- i. Establish a National Institute of Manufacturing that focuses on research and development (R&D) for small manufacturers. A national institute of manufacturing – based on a model similar to the national institutes of health – would serve as a hub for all federal manufacturing programs in the executive branch and would coordinate federal manufacturing policy across agencies.
- ii. Create a small business grant program to assist manufacturers with repatriating manufacturing jobs back to the U.S. Many small companies are eager to expand and bring more of the manufacturing process to the U.S. However, they lack working capital to transition and find the current loan process overly burdensome.

3. Support Marine Manufacturers through free and fair trade: As a uniquely American industry, recreational marine manufacturers have been at the center of tit-for-tat trade

wars and retaliatory tariffs. American businesses – who rely on global supply chains – should not be subject to steep tariffs for utilizing their long-standing relationships. Particularly as businesses struggle with the pandemic, additional tariff payments further exacerbate economic recovery and negate any federal assistance programs previously offered. Tariffs make U.S. companies less globally competitive and have hurt relationships with long-standing allies. NMMA recommends aggressive action in the first 100 days to address the U.S. trade difficulties, including:

- i. Work with the EU to normalize relations by ending 232 metal tariffs and the subsequent 25 percent retaliatory tariff on U.S. boats and other products.
- ii. Strike a comprehensive agreement with China that eliminates Section 301 tariffs and protects American businesses. While negotiations are taking place, provide immediate relief to U.S. companies through tariff exclusion extensions and renewed reevaluations.
- iii. Secure a trade agreement with the U.K. that eliminates U.S. metal tariffs and prevents further retaliatory measures on American products.
- iv. Work with allies to address non-tariff barriers, such as regulatory cooperation, technical barriers to trade and standards harmonization. Global alignment supports small and medium size businesses, by reducing the complexity of exporting their products overseas and minimizing adjustments so one product can be shipped globally.

C. Environment and Climate Change

Boaters and recreational boating businesses, including dealers, manufacturers and marinas, rely on clean water, healthy ecosystems, and abundant fish populations. Combating the environmental challenges facing the entire recreational boating community—rising sea levels, ocean acidification, water pollution, and more—requires bold action.

To ensure future generations can enjoy our natural resources and time on the water, the marine manufacturing industry is using a three-pronged approach to lessen its impact and protect the environment: sustainable manufacturing, clean product innovation, and advocacy for critical conservation and restoration initiatives that ensure healthy ecosystems.

Through strong, science-based natural resource management we can ensure the outdoors and fish and wildlife are healthy and sustained for current and future generations. Additionally, through climate resilient technologies and mitigation efforts, we can rebuild our nation's crumbling outdoor recreation infrastructure in ways that bolster our environment and create jobs.

Marine manufacturers have been utilizing renewable energy to power their facilities and prioritizing waste reduction and recyclable materials while eliminating the use of hydrofluorocarbons in floatation foams. As your administration looks to tackle the daunting impacts of climate change, NMMA supports efforts to rejoin the Paris Climate Accord. We understand reduced greenhouse gas emissions are critical in tackling climate change. Marine

manufacturers have been leading the way in reductions, reducing emissions 75 to 95 percent over the past 20 years and increasing fuel efficiency by more than 40 percent. All marine manufacturers have installed technology that prevents any spill back of fuel from entering the water when fueling, further ensuring the safety of our surrounding ecosystem. Additionally, manufacturers of bowrider and ski boats have begun utilizing electric propulsion to create 100 percent electric boats with zero fuel, and thus, zero emissions. Industry partners have been researching and exploring the use of hydrogen cell and electric battery technology to power recreational boats. Marine manufacturers have been at the forefront of innovation but urge your administration to find reasonable regulatory solutions that reduce carbon footprint while supporting business growth and the necessary time for technological development.

- 1. Invest in Next Generation Marine Propulsion and Facility Technology:** Marine manufacturers are constantly innovating to make both the manufacturing process and end product cleaner. Investments in alternative fuels and the manufacturing process continue to be made, and marine manufacturers are at the forefront of researching and developing new technologies. However, these technologies cannot be adapted overnight, and much work remains to ensure the infrastructure and safety considerations for maritime-based use are considered. NMMA suggests the following to bolster innovation while providing sufficient runway for development.
 - i. Partner with the marine industry to research and advance next-generation marine propulsion technology through the Department of Energy and Environmental Protection Agency research grants.
 - ii. Create a federal program that partners with the marine manufacturers to research and utilize existing and next-generation technologies to reduce emissions while conserving energy and resources at their facilities.
 - iii. To help expedite more sustainable manufacturing, we ask that your administration support expanding tax credits and incentives to expand R&D and the use of renewable power sources in manufacturing facilities. NMMA urges the permanent repeal of R&D amortization, which starts in 2022. The administration should allow businesses to fully expense the cost of R&D in order to reduce the cost of investment and increase economic output.

- 2. Support Clean Product Innovation and Recyclable Solutions:** Not only are manufacturers making the process cleaner, but the recreational boating industry is focused on making a better boating experience for the end user.
 - i. Phase out the use of hydrofluorocarbons by 2024 while providing state preemption and exclusions for marine products without a current viable alternative. A 2024 phase-out will allow the technology and application for replacements to develop in the marine sector.
 - ii. Research and create a national boat recycling program that addresses derelict vessels and incentivizes boat recycling, serving as a model for states to implement their own initiatives and for the international community to adopt. The Rhode Island Marine Trade Association has led the way with an innovative program that encourages boat recycling, and Congress recently passed

legislation to identify how this program could be expanded nationally. With nearly 12 million registered boats and an average boat life cycle of 20 years, NMMA supports boat recycling, incentivizing repurposing the scrap, and identifying additional opportunities to recycle boats for energy usage such as cement kilns.

- 3. Prioritize Resilient Infrastructure:** Recreational boaters rely on easy access to their local boat ramp or dock to get out on the water. However, with changing water levels and more frequent extreme weather, it is critical that we invest in resilient projects that will protect boating access and local economies, while adapting to water level rises in the surrounding environment.
 - i. Improve recreation opportunities in National Marine Sanctuaries by increasing investments in access and navigation infrastructure. National Marine Sanctuaries are treasured designations that unfortunately lack sufficient resources for resource protection and robust visitor access.
 - ii. Invest in projects that develop climate resilient water infrastructure and coastlines. Support small businesses to invest in pre-disaster mitigation efforts and bolster opportunities for public-private partnerships to tackle the impacts of climate on coastal and inland lake communities.
 - iii. Reduce permitting barriers that have stymied marina improvements in the Pacific Northwest, and instead incentivize maintenance that reduces ecological footprint and utilizes green technologies.

- 4. Restore Critical Ecosystems and Recognize the Difference Between Recreational Fishing and Commercially Extractive Activities:** From harmful algal blooms to aquatic invasive species (AIS), healthy, sustainable fisheries and habitats are under constant attack. Robust investments are needed, not only to restore and conserve these critical ecosystems, but to protect the local economies that depend on healthy habitats for recreational boating and fishing.
 - i. Stop and reverse the spread of aquatic invasive species through targeted funding and improved coordination between federal agencies.
 - ii. Provide \$725 million for Everglades restoration and \$335 million for the Great Lakes Restoration Initiative to preserve these critical water ecosystems.
 - iii. Implement 30x30 protections that maintain reasonable and responsible access to recreation, while recognizing the unique contributions of recreation
 - iv. As our community did with the Obama administration, we ask that your administration partner with the recreational boating and fishing communities, so they have a seat at the table for marine national monument discussions. Recognizing the inherent difference between commercial and recreational usage is an important baseline for designation discussions. Unlike other extractive activities, recreational fishing supports conservation.

D. Racial Equity

We must significantly improve equitable access to nature for the health of all Americans. Revitalizing our outdoor recreation infrastructure represents an extraordinary bipartisan opportunity to advance signature green and blue recreation infrastructure projects to improve federal road and water systems. These projects connect our communities, improve safety, enhance quality of life, and support environmental justice in rural and urban areas alike.

As the recreation boating economy continues to grow, there is a tremendous opportunity to build upon our diverse workforce. By expanding career and technical education, and supporting small businesses with apprenticeship programs, we can build a diverse, equitable, and highly skilled workforce ready to meet the needs of a 21st century outdoor recreation economy. For the past five years, NMMA has hosted various “career days” targeted at low-income and minority communities at our regional boat shows. These opportunities seek to introduce maritime manufacturing to high school students and match job seekers with employers.

NMMA remains committed to ensuring equitable access to the water, supporting national efforts through the Recreational Boating and Fishing Foundation (RBFF), and its “Vamos a Pescar” campaign. Initiated in 2014 with a donation from Bass Pro Shops Founder and CEO Johnny Morris, the George H.W. Bush Vamos A Pescar™ Education Fund is a grant program to fund state and local initiatives that focus on engaging Hispanic families in fishing, boating and conservation activities. Combined with the “Take me Fishing” campaign, the boating industry is committed to increasing efforts in diverse regions to promote easily accessible recreational boating and fishing opportunities. Your administration can build upon these programs, and we stand ready to spearhead efforts that bring more diversity to our natural resources.

Lastly, federal agencies should consider launching a National Workforce Development Consortium for the Outdoor Recreation Economy. This consortium would provide research, national education and training standards, curriculum development, and life-long learning opportunities to support the outdoor recreation economy, accelerating innovation and progress for businesses, employees, green jobs, and diverse communities.

We appreciate your consideration of these recommendations and look forward to working with the Biden-Harris administration to promote outdoor recreation as a catalyst for recovery and equity.

Sincerely,



Frank Hugelmeier
President
National Marine Manufacturers Association