



**Policy Paper for Meeting with Commerce Department Presidential Transition Team  
Via the Joint Oceans Commission Initiative (JOCI)  
December 11, 2008**

---

The National Marine Manufacturers Association (NMMA), the nation's leading recreational marine industry trade association, represents nearly 1,700 boat builders, engine manufacturers, and marine accessory manufacturers who collectively produce more than 80 percent of all recreational marine products made in the United States. With more than 59 million boaters nationwide, the recreational boating industry is a major consumer goods industry with expenditures on recreational marine products and services of \$37.5 billion in 2007 alone. Recreational boating has an overall economic impact in the country of over \$100 billion annually.

The U.S. boating industry is comprised mostly of small- and medium-sized businesses, and our products are primarily made in America by American workers. In 2007, recreational boating directly and indirectly impacted 337,758 U.S. jobs with a labor income of \$10.4 billion. Nearly 19,000 boating businesses employ more than 154,000 U.S. workers. Additionally, our consumers are middle-class Americans—75 percent of boat owners earned an annual household income of less than \$100,000, and 95 percent of boats in use are less than 26 feet in length (in other words, trailerable boats).

- **The Viability of the U.S. Recreational Marine Industry.** The credit and housing crises, the collapse of consumer confidence, and the weakening export market have resulted in sales for our industry declining an average of 26 percent so far in 2008 and 40 percent since the housing crisis and falling consumer confidence began, with much higher declines in certain segments. More than 80% of companies in our industry have implemented cost-saving measures in response to the economic slowdown, with 64% having laid-off employees and/or closed facilities (both permanent and temporary). Payrolls have been reduced by 1/3 since January, 1, 2008 and executives today anticipate an additional 1 in 10 jobs will be lost in 2009. Plant closures are now a daily occurrence, and thousands of jobs are being lost. There is an enormous need to increase the flow of credit to qualified consumers and marine dealers in order to sustain and shore up the U.S. manufacturing sector. NMMA would urge the Commerce Dept. Transition Team to weigh in strongly with the incoming Treasury Dept. team to ensure that the broader American manufacturing sector is aggressively supported by the federal government to avoid the further erosion of U.S. manufacturing. Credit must flow down to consumers as well as the businesses which are the very backbone of the American economy.
- **Water Infrastructure Projects, Brownfields, and CZMA.** NMMA encourages the incoming Administration to consider dedicating federal funding as part of any stimulus effort to a broad array of water infrastructure projects for coastal communities, including boating and fishing access, navigational dredging, and the conversion of Brownfield sites to Working Waterfronts and livable communities. Many coastal communities are home to former industrial sites along ports, harbors and other coastal areas that now lay abandoned. Local communities surrounding Brownfields sites often see higher unemployment rates, lower property values and increased health problems. Redevelopment of waterfront Brownfields is an opportunity to stimulate the economy of these communities, bolster the national economy, contribute to the conservation of natural resources, and provide recreational opportunities. Reauthorization of Coastal Zone Management Act (CZMA), which is long-overdue, with specific language to provide grant authority to allow for recreational boating access—included in bipartisan legislation introduced in the 110th Congress, would also provide much-needed incentives to positive coastal community development.
- **Climate Change & Offshore Energy Development.** Climate change is a complex matter and NMMA joins its ocean community partners in supporting additional federal funding for oceans-specific climate change scientific research. We also strongly encourage the new Administration to dedicate a portion any new revenues derived from the potential auction of carbon credits to state and federal natural resource adaptation programs, including NOAA's coastal and habitat programs, to remediate the effects of climate change on fish, wildlife and their habitats. While NMMA supports further environmentally-sensitive domestic energy development, we would urge that a portion of royalties paid to the federal government by energy companies for off-shore leasing should be directed back into marine habitat conservation.