



The American boating industry provides recreation for 89 million Americans, with nearly 35,000 recreational boating businesses employing more than 300,000 American workers. There are more than 12 million registered boats—with a wide range of sizes and types—in the United States providing a family-friendly activity for Americans to enjoy on all types of water around the country. It is an integral part of our nation's economy and social fabric, and dependent on the continued support of Congress.

It is our hope that you will consider joining 110 of your colleagues by becoming a member of the Congressional Boating Caucus and stand up for the industry, your boating constituents and its millions of supporters across the country.

The Boating Caucus is an informal, bipartisan group concerned with issues that affect boating, recreation and the marine industry. There are no dues to join the Boating Caucus and minimal scheduling requirements in order to participate. This important coalition helps ensure the continued vitality of our nation's boating industry for the millions of Americans who participate in recreational boating every year and serves as a vital resource for your office on topics ranging from boater access to manufacturing to fishing to fuel policy.

The goals of the Congressional Boating Caucus are simple:

- To support the protection of the environment and boater access to public waterways.
- To promote recreational fishing and uniformity of standards.
- To ensure sound science-based regulatory policies.
- To oppose the imposition of new taxes on marine-related goods and manufacturing.
- And, to endorse strict enforcement of laws prohibiting dangerous navigation, including reckless and intoxicated operation.

The bipartisan caucus is chaired by Senators Richard Burr and Joe Donnelly and Representatives Candice Miller and Patrick Murphy.

We thank you for supporting local businesses and your boating constituents, and hope that you will consider joining the Congressional Boating Caucus. For more information on the activities of the Caucus, and to join, please contact **Lindsay Esson with Rep. Candice Miller's office at lindsay.essons@mail.house.gov**.

Sincerely,

A handwritten signature in black ink, appearing to read "Tom Dammrich".

Thomas J. Dammrich
National Marine Manufacturers Association

A handwritten signature in black ink, appearing to read "Matt Gruhn".

Matt Gruhn
Marine Retailers Association of the Americas

A handwritten signature in blue ink, appearing to read "Margaret B. Podlich".

Margaret Podlich
BoatUS

Magnuson-Stevens Act: A Vision for Saltwater Recreational Fisheries

The Magnuson-Stevens Act (MSA) is the primary law governing marine fisheries management in the United States. The law was last reauthorized in 2006. Since its original passage in 1976, MSA has made notable progress in ending overfishing, rebuilding depleted fish stocks, protecting essential fish habitat and a variety of other improvements to the nation's marine resources. Congress is currently gearing up for another try at reauthorization.

Despite its growing popularity, saltwater recreational fishing is still not sufficiently reflected in MSA or resulting federal marine fisheries management process. In February 2014 at the Progressive International Miami Boat Show, the Morris-Deal Commission released its report titled "A Vision for Managing America's Saltwater Recreational Fisheries. The Commission was co-chaired by Johnny Morris (Bass Pro Shops) and Scott Deal (Maverick Boats). Since then, the recreational boating and fishing communities have used that document to guide discussions with House and Senate members to help craft MSA reauthorization legislation.

We ask Congress to reauthorize the MSA this year and to incorporate the following recommendations:



- 1. [Adopt a revised approach to saltwater recreational fisheries management.](#)**
 - Manage recreational fisheries on long-term harvest rates, not strictly on poundage-based quotas.
 - Direct the National Marine Fisheries Service (NMFS) and regional councils to consider alternative strategies to commercial management for appropriate recreationally valuable fisheries.
- 2. [Allocate marine fisheries for the greatest benefit to the nation.](#)**
 - Must consider conservation and socioeconomic output
 - NMFS must enhance its existing economic program for mixed sector fisheries.
 - Require that regional fishery management councils develop procedures for allocation reviews and adjustments based on those guidelines to occur at regular intervals.
- 3. [Create reasonable latitude in stock rebuilding timelines.](#)**
 - Adopt National Academy of Science recommendation to provide the regional councils and fisheries managers greater latitude to rebuild stocks in a timely and reasonable manner.
- 4. [Codify a process for cooperative management.](#)**
 - Require regional councils to develop a process to determine on a stock-by-stock basis which management entities are most appropriate and capable of successfully managing the stock.
- 5. [Manage for the forage base.](#)**

For more information contact: Jeff Gabriel at jgabriel@nmma.org

Deferred Importation

Deferred Importation

The current policy surrounding the sale of foreign flagged boats to U.S. residents in U.S. waters restricts economic growth. There are legislative efforts that seek to remove restrictions in the cruising license as it stands now. NMMA supports the ease of these restrictions. A Cruising license, normally valid for one year, is obtained from U.S. Customs and Border Protection (CBP) at the first port of arrival in the U.S. and exempts pleasure boats of certain countries from having to undergo formal entry and clearance procedures.

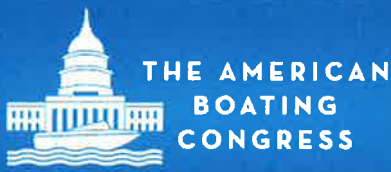
- The current cruising license policy is discouraging about \$2.46 billion in U.S. economic activity that could be generating thousands of well-paying American jobs.
 - Typically there are 300-400 used boats on the market (valued in excess of \$2 billion) that cannot be offered for sale to U.S. residents while in U.S. waters.
 - Each of these boats spends an average 10% of its value annually on labor, goods, services, and maintenance contributing about \$200 million yearly to the local economy.
 - New buyers typically spend an additional 13% of the selling price on upgrades and improvements in the first year post-sale generating about \$260 million locally.
- Currently, boats under a cruising license, while in U.S. waters, are forbidden to offer their boats for sale to U.S. residents until the boat is imported and duty is paid on the appraised value.
 - Pre-sale duty is assessed on an appraised value rather than on the actual selling price. (This is like listing your house for sale and paying the transactional doc stamp taxes for an appraised value the day you offer it for sale instead of when it is sold).
 - Only U.S. residents are prohibited from viewing these boats while in U.S. waters. This is like having your house for sale only to foreign buyers while prohibiting American buyers the ability to view or purchase the house.
 - When a boat is sold to a non-U.S. resident or doesn't sell while in U.S. waters, duty is not due. (Currently owners have to import and pay duty on a boat in order to offer it for sale then export it to apply for duty drawback to receive a refund of the customs duty paid)
- A less restrictive cruising license, which allows used foreign flagged boats to be offered for sale to U.S. residents while in U.S. waters would benefit American marine industry workers and generate additional state and federal tax revenue.

Deferred Importation

- Removing the restriction to offer for sale will encourage more used foreign-flagged vessels to visit the U.S., offering their vessels for sale creating well-paying American jobs.
- Importation and payment of duty for used foreign flagged boats ***should be*** due the day a boat is **sold**, rather than the day it is offered for sale.

Ask Congress to:

Pass legislation which allows used foreign flagged boats with a valid cruising license to be offered for sale to anyone including U.S. residents while in U.S. waters as specified in [19 CFR 4.94](#).



Access

National Parks and Marine Sanctuaries are important access points for the 88.5 million boaters in the United States. These federally managed waters should be maintained for the use and enjoyment of the public. Boating and fishing are important contributors to local economies and robust access increases visitation to our park's and sanctuaries. When developing management plans for federally managed waters, resource conservation must be balanced with robust visitor access.

We ask Congress to protect boating and fishing access at Biscayne National Park, Everglades National Park and the Florida Keys National Marine Sanctuary!

Ask Congress to:

1. Stop a Marine Reserve from being implemented at Biscayne National Park:

- The National Park Service is poised to walk away from several years of negotiation with the Florida Fish and Wildlife Conservation Commission (FWC) and implement a 10,000 acre marine reserve in Biscayne National Park.
- FWC, boaters, and anglers all oppose creation of a marine reserve along the most popular reef track in the park.
- Far less drastic measures are available to balance resource protection and angling access, including: size limits, bag limits, quotas, and gear restrictions.
- Establishing a marine reserve at Biscayne National Park will unnecessarily limit public access and significantly impact the local economy that relies on strong angling and boating participation in the park.

2. Keep Boating Affordable and Accessible at Everglades National Park:

- Everglades National Park maintains one of the most unique marine landscapes of the park system—but proposals to implement extensive pole and troll zones in Florida Bay will serve as de facto closures of the park waters.
- The Park plans to increase fees on boaters by upwards of 200%—costing visitors \$50 for a weekly launch and vehicle pass and \$125 for an annual permit. Fees assessed on boaters should go towards boating infrastructure improvements including: boat ramps, navigational markings, and increased law enforcement.
- Plans to require boaters to complete an additional boating safety course to operate in park waters place an added barrier on boating access, especially for short term visitors. While education is important, it should voluntarily supplement state boater education laws.

3. Ensure Robust Boating and Fishing Access in Florida Keys National Marine Sanctuary:

- Both the sanctuary and its advisory council are undergoing a multi-year review of marine zones and boundaries.
- Boating and fishing are the lifeblood of the Florida Keys economy and must be allowed robust access to sanctuary waters.

Tell Congress:

Protect boating access at Biscayne National Park and stop a marine reserve from shutting the public out of public waters!

For more information contact: Nicole Vasilaros at nvasilaros@nmma.org

Preventing Aquatic Invasive Species

Fishing, boating, and tourism are harmed by aquatic invasive species. After years of using education and laws to get boaters to do their part to protect waterways from aquatic invasive species infestation, state and federal officials now are looking to marine manufacturers for help. Robust federal, state, local, and private action needs to be taken to tackle this issue.

Protect the enjoyment of boating while still reducing the spread of AIS

- AIS/Boat Design and Construction Summit
 - Coordinated by ABYC and held in January 2014,
 - Nearly 100 industry and government representatives met to better define the problem, and to consider ways to simplify prevention efforts required of boaters.
- State DNR issues
 - Boater fees and taxes help fund DNR budgets in most states
 - However, as DNR budgets are reduced, their ability to build infrastructure, ensure safety and manage waterways also declines,
 - Voluntary “clean, drain, dry” initiative is increasingly important to consumers.

Nationwide there are immediate and substantial AIS needs

- Mandatory inspections at state borders, professional decontaminations when leaving infested waterways, and the impoundment of trailered boats whose owners cannot provide proof of decontamination;
- Blocked public access by waterfront owners for fear that “outsiders” will bring infestations of quagga/zebra mussels, milfoil and other aquatic plants;
- Enforcement is always a challenge because of the thousands of access points used by freshwater boaters.

Ask Congress to:

Co-Sponsor Legislation to prevent the spread of Asian Carp.

- Representative Candice Miller (R-MI), chairwoman of the Congressional Boating Caucus, recently introduced HR 1135, the Defending Our Great Lakes Act of 2015.
- Senator Debbie Stabenow (D-MI), introduced the Senate version of the Defending Our Great Lakes Act of 2015, S 589.
- Both pieces of legislation would provide immediate measure control the spread of aquatic nuisance species from the Mississippi River basin to the Great Lakes basin and to inform long-term measures to prevent the transfer of aquatic nuisance species.

For more information contact: David Dickerson at ddickerson@nmma.org



THE AMERICAN
BOATING
CONGRESS

Cuba

In December 2014, President Obama announced sweeping changes to diplomatic relations between the United States and Cuba. The announcement works to re-establish diplomatic relations, ease travel restrictions, authorize expanded export sales, allow Americans to import additional goods to the US and initiate new efforts to increase Cuban's access to communication. While many of the changes in relations are still in development, improved relations provide U.S. citizens and businesses with, new opportunities in Cuba.

NMMA has not taken an official position on the ease of diplomatic relations between the U.S. and Cuba due to the political sensitivities of the issue. As relations evolve, we ask Congress and the Administration to consider:

1. Eased travel restrictions to Cuba should provide parity for air and sea transportation:

- There are currently 12 categories in which US citizens can travel to Cuba under a general license. Travel is still restricted to air only. As regulations develop, US citizens should have the opportunity to travel by both land and sea, as many desire to use their recreational vessel to travel the short distance from Florida.

2. Allow US flagged vessels to participate in Cuban fishing tournaments and boat races:

- US flagged vessels are currently prohibited from operating within Cuban waters. As diplomatic policies change, recreational vessels should be allowed to participate in athletic and other competitions allowed under the "general license" provision of travel.

While NMMA does not officially support ending the Cuban embargo, you may be interested in discussing this issue with your elected official. There are several bills currently under consideration including:

- S. 299 and HR 644, "Freedom to Travel to Cuba Act of 2015", a bipartisan bill to end the travel ban for all U.S. Citizens
- S. 491, "Freedom to Export to Cuba Act of 2015", a bipartisan bill to lift the trade embargo on Cuba

For more information contact:

Nicole Vasilaros at nvasilaros@nmma.org

Ethanol: E15 Hurts Boating

The introduction of E15 into the marketplace poses one of the greatest threats to recreational boating. EPA has approved partial waivers permitting the use of E15 for cars and light truck model years 2001 and newer. EPA prohibits E15 for marine engines, but it has taken no steps to ensure E10 remains an available fuel for those that require it including the recreational boating industry. E15 is proven to damage marine engines and pose serious human safety, environmental, and technology concerns.

We ask Congress to **reform** the Renewable Fuel Standard and **protect** recreational marine products and consumers!

Ask Congress to:

1. Reform the Renewable Fuel Standard.

- The RFS is a broken law that sets unrealistic mandates, forcing E15 into the marketplace without consideration to its harmful effect.
- NMMA is not opposed to corn ethanol, but its widespread use has caused:
 - Engine failure at fuel ratios above 10 percent
 - Land degradation from over farming, including nutrient enrichment of waterways like the Gulf of Mexico
 - Higher food prices for feed and other food stuffs

2. Oppose the Implementation of E15.

- Fuel above E10 can pose serious problems in marine engines, including:
 - performance issues like stalling
 - corrosion leading to oil or fuel leaks
 - increased emissions and
 - damaged valves, rubber fuel lines and gaskets

3. Protect Boaters with better Misfueling Safeguards.

- 95% of boats are fueled at retail gas stations
- Misfueling of engines can void warranties and leave consumers to foot expensive repair and replacement bills
- The only protection EPA has offered consumers is a small, English-only label on gas pumps. There has been no effort to educate consumers and there is no safety valve to prevent misfueling

4. Co-Sponsor Legislation to fix the RFS. Only Congress can make permanent changes to the law.

- Representative Goodlatte, HR 703 and 704, RFS Repeal/Reform Acts of 2015
- Senators Feinstein and Toomey, S. 577, Corn Ethanol Mandate Elimination Act
- These bills accomplish comprehensive reform of the Renewable Fuel Standard, ensuring that:
 - E10 remains viable for marine and other small engine equipment as a fuel source
 - Ensuring renewable fuel levels are realistic and comport with market conditions and safe product use

For more information contact Nicole Vasilaros at NVasilaros@nmma.org

U.S. Flagging Regulations for Superyachts

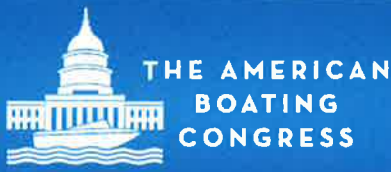
Regulatory and legislative changes are needed to ease tonnage restrictions on U.S. flagging for large recreational vessels. Currently, vessels weighing 300 gross tons or less may register as recreational vessels in the U.S. However, this limits the economic impact of the recreational sector and hurts the overall U.S. economy. The recreational vessel industry accounts for significant economic impacts in the marine trades and overall U.S. economy, and the estimated economic impact of superyachts alone in the United States is close to \$6 billion.

Ask the U.S. Coast Guard and Congress to:

1. **Increase tonnage regulations so as to facilitate more U.S. flagged recreational vessels of a larger weight and size operating within U. S. waters for longer periods of time;**
2. **Apply the same regulations for inspection, manning standards and documentation to these large recreational vessels;**
3. **Work together with one another to develop an appropriate regulatory regime for large recreational vessels of 300 gross tons under the U.S. flag.**

Superyacht Industry Facts:

- The United States accounts for approximately 20 percent of the world Superyacht market encompassing over 1100 companies employing close to 28,800 workers.
- Each large recreational vessel spins off significant benefits in additional jobs, shipyard repair and refurbishing work, provisioning, and impact on local economies.
- A large yacht (24 meters and up) spends roughly 10 percent to 15 percent of its total value each year on various services. That equates to \$500,000 to \$1 million or more in spending per year per vessel.
- The large yacht fleet is estimated to be close to 4200 vessels with an estimated 40 percent to 50 percent of those vessels owned by Americans. However the majority of those vessels are flagged outside the United States.



Sport Fish Restoration & Boating Trust Fund

The Sport Fish Restoration & Boating Trust Fund (SFRBTF) or Trust Fund, serves as the backbone for conservation funding in the United States. The Trust Fund is vital to state and national recreational fishing and boating programs, including recreational boating safety programs; fisheries management; habitat conservation; vessel pump-out stations; water and boating access infrastructure programs; and aquatic resource education programs among others.

We ask Congress to reauthorize the Trust Fund as part of the Highway Bill in 2015! Tell Congress:

User Pays & Everyone Benefits

- Funding for the Trust Fund is attained through a “user pay” system. Taxes on fishing tackle equipment, motorboat fuel, imported boats, and small engines are pooled together to create this fund.
- In turn, the funds are then allocated to federal and state programs for wetlands conservation, sport fish restoration, boating safety, boating access and facilities projects, and aquatic education and outreach.

Recreational Boating and Fishing Financial Lifeblood

- These combined excise taxes and duties on the boating and fishing communities generate nearly \$600 million annually. The bipartisan Trust Fund has existed for nearly 60 years providing vital federal aid in a cooperative effort between federal and state agencies, boaters and anglers, and has consistently been reauthorized and strengthened by Congress.
- Since its creation, the Trust Fund has been refined and expanded by Congress. It is unquestionably the most valuable federal legislation for anglers and fishery resources and boaters, delivering hundreds of millions of dollars each year to state fishing and boating programs.
- The Trust Fund provides the core funding for each state’s sport fish restoration and boating safety and education programs.

Reauthorize the Trust Fund

- The Trust Fund is again up for reauthorization as part of a 2015 Highway Bill.
- As part of that reauthorization, the recreational boating industry and partners in the Angling & Boating Alliance support the reauthorization the Sport Fish Restoration & Boating Trust Fund.

Tax Reform

Tax Reform

The current United States tax code is complex and cumbersome for businesses across the country—it's inefficient and negatively impacts recreational boating businesses and their financial outlook. A bipartisan effort is currently underway in Congress to overhaul the tax code before the end of the year. It is imperative that the recreational boating industry is part of any tax reform efforts, in order to best position the industry's future growth. Comprehensive tax reform is essential to unleashing the economic power of manufacturing and making the United States the best place in the world to manufacture and attract foreign direct investment.

We ask Congress to reform corporate tax laws and regulations in 2015!

Tell Congress:

1. Lower the corporate tax rate for domestic businesses
 - A maximum corporate tax rate of 25% for domestic manufacturers that will spur the capital and investment that is necessary for sustained economic growth.
 - This will increase annual GDP by 0.3% and investment by 0.15% and create 150,000 jobs
 - The US lags behind other developed nations, hurting American companies that compete in the globalized marketplace.
 - The average corporate tax rate of its OECD member countries is 23%
2. Protect Accelerated Depreciation
 - Incentivizes investment in new equipment by allowing businesses to take a higher depreciation expense up front and defer significant tax liability to future years.
 - Accelerated depreciation has been sound economic and fiscal policy for decades and supports jobs and investment in domestic manufacturing assets and equipment
 - Relying on cuts in accelerated depreciation to pay for tax reform is a short-term fix
 - Reduces incentives to invest in American manufacturing
 - Leads to burgeoning budget deficits down the road
3. Preserve Last In First Out (LIFO) accounting method
 - An accounting method used by businesses to value inventory where the cost of goods sold matches the cost of the most recently purchased inventory.
 - The higher the costs of goods sold, the lower the profit, the lower the taxable income, the lower the tax liability
 - LIFO is an accounting method that accurately measures the income of a company. It is not a loophole, tax shelter or gimmick.
 - Retroactive repeal would be a burdensome and punitive tax increase on many American businesses.
 - Takes cash away from businesses that would be used to maintain or create jobs



USCG

USCG

The United States Coast Guard is the primary regulatory agency with jurisdiction over recreational marine vessel construction and safety. The mission of the U.S. Coast Guard's Boating Safety Division (CG-BSX-2) is to reduce loss of life, injuries, and property damage that occur on U.S. waterways by improving the knowledge, skills, and abilities of recreational boaters.

Several important recreational marine issues are under consideration by USCG which impact the ability of manufacturers and dealers to do business, products supplied, and boater enjoyment.

Ask the USCG to consider the following recreational marine priorities:

1. [Amend the definition of Model Year:](#)

- Recreational marine manufacturers and dealers negotiated an industry agreement for model year definition which allows flexibility for new product introduction while establishing a definitive model year start.
- Manufacturers and Dealers agree, model year should be defined as:
"Model year means the period beginning June 1 of any year and ending on July 31 of the following year. Each model year is designated by the year in which it ends. A manufacturer may petition for an exemption from this definition by providing a demonstrated need."
- USCG should take swift action to amend the regulatory definition of model year. It's been well over a year since the industry proposed the new definition to USCG and we have seen no substantive progress by the agency.

2. [Update boating construction standards in the Federal Register:](#)

- Recreational boating construction standards are grossly out of date in the Federal Register. NMMA sent comments to USCG in 2013 asking for an update of design construction standards and engine weight.
- While NMMA certified boats meet the most up-to-date construction standards, the requirements posted by the US Government in the CFR would lead to serious safety concerns due to their outdated weights and measurements.

3. [The Future of Aids to Navigation](#)

- USCG is integrating emerging technologies for mariner use and transitioning some physical aids to navigation from CG ownership/maintenance.
- New technology should augment not replace the physical ATON system of buoys and beacons.
- A combined system of electronic and physical aids to navigation should improve safety and efficiency on the water.

Ask Congress to:

Support the **2016 U.S. Coast Guard Reauthorization**. This legislation is critical to maintaining a strong USCG and moving forward several of the above industry objectives.

For more information contact Nicole Vasilaros at nvasilaros@nmma.org