

March 20, 2020

The Honorable Nancy Pelosi, Speaker  
United States House of Representatives  
1236 Longworth House Office Building  
Washington, D.C. 20515

The Honorable Mitch McConnell, Leader  
United States Senate  
317 Russell Senate Office Building  
Washington, D.C. 20510

The Honorable Kevin McCarthy, Leader  
United States House of Representatives  
2468 Rayburn House Office Building  
Washington, D.C. 20515

The Honorable Charles Schumer, Leader  
United States Senate  
322 Hart Senate Office Building  
Washington, D.C. 20510

Dear Speaker Pelosi and Leaders McConnell, McCarthy and Schumer:

On behalf of the undersigned organizations representing the recreational boating industry, we are writing about the potential for a federal aid package to support small businesses and industries affected by the coronavirus (COVID-19) pandemic. Our collective members appreciate the work that is being done to keep our communities and employees safe and request you consider the following measures to further protect employees, support small businesses, and allow the U.S. marine industry to reinvest in America.

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. The vast majority—84 percent—of recreational boat manufacturers are small businesses, and in fact, 95 percent of the boats that are sold in the U.S. are made in the U.S. 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.

MRAA is the leading trade association of North American small businesses that sell and service new and pre-owned recreational boats, operate marinas, boat-yards, or accessory stores. Recreational boating is a significant contributor to the U.S. economy, adding over \$170 billion annually. In a March 19, 2020 survey to our membership, we found that nearly half of businesses were closed in some capacity, while nearly all are facing significant declines in new potential revenue streams and business leads.

The Association of Marina Industries (AMI) is a non-profit membership association representing marina and boatyard owners and operators. AMI has over 1,000 members who support over 26,000 employees and over 1 million boaters who access the water through AMI member facilities. The marina industry supports 105,000 jobs and is a sector of a broader, recreational boating industry representing an additional 600,000 employees.

We respectfully ask that you consider the following measures to protect small businesses and employees across the country.

### **Small Business Financial Certainty**

Our industry is concerned with the drastic declines in new revenue now at the beginning of the season when recreational boat dealerships are holding their highest value in inventory, and when boat floor plan loan payments are coming due. Without additional income, dealers across the country will quickly find themselves in a bind trying to pay overhead costs. MRAA recommends Congress implement the following solutions:

- Approve a form of floor plan interest subsidies until 60 days past the expiration of the National Emergency to help major unit inventory retail locations make up for the economic losses from declining revenue in our industry, and allow them to continue to hold inventory that is actively depreciating, and continue to and take in new inventory.
- Approve the Treasury Department's proposed Small Business interruption loans, to provide small businesses with the capital to support their employees who may need to utilize emergency PTO, and other liquidity issues.
- Implement an income tax holiday from April 1, 2020 to December 31, 2020 for small businesses in order to provide much-needed liquidity to dealers in our industry, and reduce the strain on business owners and employees who are faced with potential layoffs.
- Make available low or no interest loans for small businesses, and cut through red tape with the SBA to allow for speedy application and approval for companies with solid credit.

### **Tax Credits During Time Businesses are Forced to Temporarily Close**

Our first and foremost priority is the health and safety of our direct employees and the hundreds of thousands of Americans who work for the recreational marine industry; thus, we must ensure that workers have continued access to adequate health care in the event of lay-offs from an economic downturn.

- We applaud Congress' recent efforts to provide resources and assistance – including tax credits – for employers who continue to pay workers who are quarantined and encourage you to extend that support during periods that a business is forced to temporarily close.

### **Establish Small Business Sustainability Program to Support Employee Retention**

Using the Washington State Employment Security Department (ESD) SharedWork Program as a model, establish a national program to protect businesses and keep workers employed. By using the ESD SharedWork Program, small businesses avoid layoffs by retaining employees at reduced hours, while employees collect partial unemployment for hours lost. This program assisted many businesses in surviving the recession and has proved successful in saving payroll and retaining skilled workforce

### **Establish a Small Business Czar**

Assist in the response for small businesses by recommending the administration appoint a small business “czar” to help small businesses navigate the opportunities and measures that will aid their recovery.

### **Remove Section 301 and 232 Tariffs**

NMMA is concerned with supply chain uncertainty as more and more overseas manufacturing plants temporarily shutter their facilities. Disruptions in the supply chain and exorbitant tariffs on \$360 billion worth of products and aluminum and steel tariffs have prevented U.S. small

businesses from expanding capital in the U.S. Our small businesses rely on a global supply chain and should not be subjected to steep tariffs for utilizing their long-standing relationships or wholly-owned facilities.

- We strongly urge Congress and the administration deliver a federal aid package that eliminates Section 301 Chinese tariffs and Section 232 aluminum and steel tariffs to promote and protect American jobs.
- We also encourage other countries to follow suit and suspend their own retaliatory measures to ensure further global economic loss is not exacerbated.

**Keep federal lands and waters open and accessible within CDC guidelines.**

Outdoor recreation businesses – and the communities they support – rely on access to public lands and waters to survive. Given the significance of recreation in driving local economies, reopening access to recreation will be essential to bouncing back from economic downturn.

- Congress should direct federal agencies to keep outdoor areas open and accessible if it can be done within CDC guidelines.
- Work with local private partners before making closure decisions to solicit support and help.

Sincerely,



T. Nicole Vasilaros, Esq.  
Senior Vice President, Government and Legal Affairs  
National Marine Manufacturers Association



Matt Gruhn  
President  
Marine Retailers Association of the Americas



Adam Fortier-Brown  
Government Relations Manager  
Marine Retailers Association of the Americas



Chris Petty  
Chairman of the Board of Directors  
AMI



Eric Kretsch  
Legislative Coordinator  
AMI