



July 25, 2017

The Honourable Wayne Easter, MP (Malpeque)
Chair, House of Commons Standing Committee on Finance
House of Commons
Ottawa, Ontario
Canada
K1A 0A6

Subject: 2018 Pre-Budget Consultation

Dear Mr. Easter,

The National Marine Manufacturers Association (NMMA) Canada is the national association representing the recreational boating industry in Canada. NMMA member companies produce more than 80 percent of the boats, engines, trailers, accessories and gear used by North American boaters. Representing nearly 100 members in Canada and over 1,300 in the United States, our association is committed to growing our industry through public policy dialogue with government, market research initiatives, product quality assurance and marketing communications and public awareness programs. For more information you can visit www.nmma.ca.

The recreational boating industry contributes significantly to the Canadian economy generating \$10 billion in revenues with a GDP of \$5.6 million and employing 75,000 people across Canada. New boat and engine sales in Canada totaled \$2.3 billion in 2016, approximately 43% of Canadians went boating last year and there are an estimated 8.6 million boats in use in Canada. Further, our industry is an important contributor to the Canadian export market, generating over \$200 million in international sales.

On behalf of NMMA's members across Canada, I am very pleased to provide the following recommendations for consideration as part of the House Standing Committee on Finance's consultations in advance of the 2018 federal budget.

- 1. Investing in Infrastructure:** Funding towards improved infrastructure in areas such as parks, local waterways and ports is of critical importance to NMMA and its members. Infrastructure funding to increase access (more boat launches and marina slips where environmentally feasible) for recreational boaters will only help to grow our industry and help others that rely on

it. Funding opportunities to promote the recreational boating industry and NMMA members is also important.

NMMA supports Parks Canada waterway infrastructure improvements outlined under the federal government investment priorities. As you may know, in April 2017, the federal government announced an investment of \$330 million to rehabilitate the infrastructure of the Trent-Severn Waterway. These kinds of investments are crucial to ensuring that there will continue to be growth and long-term viability in the recreational boating sector.

- 2. Maximize Canadians' Water Access:** NMMA Canada supports the federal government's actions to maintain Parks Canada length of season/hours of operation, particularly on the Rideau Canal and Trent Severn Waterway. Doing so is crucial for sustaining the recreational boating sector and many businesses, including marinas, tourism operators, and hotels among others that directly and indirectly rely on such initiatives.

NMMA Canada hopes that these kinds of initiatives continue and that continued financial investments in marinas and boat launches are maintained to allow greater access to Canadian waterways for the boating public. This could be through the use of fees collected at these locations to ensure they are used to stimulate the economy and support our industry. Fees for boating access are also important in keeping Canadians on the water. Lock fees and mooring charges must remain reasonable in order to continue to attract boaters. Parks Canada has helped to get more people on the water through its Canada 150 free seasonal lockage permits for 2017 and NMMA would like to congratulate them for making this possible.

Our industry also welcomed the recent announcement by Prime Minister Justin Trudeau, Premier Kathleen Wynne & Mayor of Toronto, John Tory, for their combined investment of \$1.185 billion for Waterfront Toronto remediation and development. We urge the government to consider improvements and access for recreational boating as part of this initiative, which could include projects like new docks, boat launches and mooring spaces for boaters wishing to enjoy the waterfront in downtown Toronto.

- 3. Supporting Canada's Tourism Sector:** As the New Tourism Vision moves forward, we look forward to providing input on the value and importance of recreational boating as it relates to the stated priorities of the Vision, including stronger and more sustained marketing and support for Canadian tourism businesses and operators as they work to upgrade their offerings with new, innovative products and services.

The recreational boating industry supports not only the Canadian tourism sector, but more broadly the Canadian economy. In a recent study done by Statistics Canada, it was found that in total, boaters spent \$7.4 billion while on boating trips. Canadians spend an average of \$400 per trip, while international visitors spend \$2,750 per trip. While such expenditures can be attributed to the economic impact of the tourism industry writ large, which includes accommodations, transportation, food and beverage, etc, boating is among one of the significant attractions that encourage Canadians and international visitors to travel in Canada.

NMMA believes it is important to continue promoting Canadian waterways and recreational boating which will positively impact the Canadian economy. NMMA also believes recreational boating should continue to be supported through federal program funding, policy initiatives, tourism sector participation on government trade missions, and regulatory harmonization.

- 4. Trade & Regulatory Harmonization:** NMMA supports the elimination of trade barriers which hinder Canadian recreational boat manufacturers from exporting their best-in-class products. NMMA supports the federal government in its continued open dialogue with the United States in order to ensure that through NAFTA renegotiations growth opportunities for Canadian manufacturers and importers/dealers are provided. Barriers to trade will negatively impact North American trade and as such, NMMA believes Canada and the U.S. need to establish a level playing field under the renegotiation of NAFTA.

NMMA has been the recipient of federal funding in recent years from the Government of Canada's *Global Opportunities for Associations* program housed under Global Affairs Canada. Through this, NMMA Canada members have had the opportunity to promote their businesses internationally and seen first-hand markets such as Australia, China, the UAE, and others are eager to access Canadian-made recreational marine products.

NMMA would also like to see regulatory harmonization across all transport modes (including marine) resulting in greater productivity and cross-border business opportunities for our industry. Regulatory harmonization will result in greater productivity and cross-border business opportunities for our industry and many others which would help in the creation of more jobs for Canadians.

- 5. Abandoned and Derelict Vessels:** NMMA is supportive of Transport Canada's program that helps to remove abandoned and derelict vessels. We believe that vessel owners should be made responsible and liable for the cost of any vessel clean-up. This can be achieved through improving the accuracy of vessel owner identification as well as promoting education and

outreach activities to inform owners of their responsibilities. NMMA would like to work with all levels of government to support the clean-up of small high-priority vessels as well as take a more proactive approach on hazardous vessels. We believe a list of problem vessels needs to be created in order to understand the scope, scale and risks of this issue and to assist Transport Canada in its efforts.

- 6. Transport Canada Regulatory Cooperation:** NMMA works closely with Transport Canada (TC) staff on many projects. One specific project which has been held up due to funding constraints at TC is of particular interest to boat manufacturers across North America. It is an agreement between TC and NMMA which builds on the foundation for collaboration outlined in the mandate of the Regulatory Cooperation Council (RCC) Marine Transport Working Group which focuses on the alignment of the regulatory environment between Canada and the U.S. by enhancing technical collaboration, the mutual recognition of standards and joint work sharing. We have been waiting for a number of years for TC to implement this agreement which would accept NMMA boat inspection reports as an alternative to Transport Canada's construction requirements. This will take the burden off of TC to manage this requirement, save the government money, while also improving construction standards as our certification program is widely respected. We urge the government to move ahead on this important initiative supporting the work of the RCC.

- 7. Ethanol Fuel – E15:** NMMA and the recreational boating industry support renewable fuels and innovation in the fuel supply and is supportive of sound conservation policies to protect Canada's lands and waterways. In the U.S., one of the greatest concerns facing the recreational boating industry today relates to the Renewable Fuel Standard, specifically the introduction of E15 into the marketplace. E15 is a fuel that is 15% ethanol in volume. The introduction of E15 is a great concern to the recreational boating industry as it has been proven to be a dangerous risk to boater safety and boating performance.

The potential for consumers to use fuel with a percentage of ethanol above 10% in boat engine is detrimental to the recreational boating industry, an important economic driver for large parts of the country. There are serious and well-documented human safety, environmental, and technological concerns associated with ethanol blends over 10% in recreational boat fuel tanks and engines. NMMA has conducted a number of tests to prove this fact and moving forward, NMMA would like to be a part of the discussion of a renewable fuel policy as it relates to communicating to the public the ill-effects of E15 to their off road and boat engines before they fill up their tanks.



8. Marine Protected Areas (MPAs): As the federal government considers expanding MPAs, NMMA hopes the following points be taken into account and legislation moves forward:

- a. NMMA fully supports sound environmental policies to protect Canadian heritage and Canada's wonderful waterways
- b. National parks and marine conservation areas are important access points for more than 12 million adult Canadian boaters
- c. Federally managed waters should be maintained for the use and enjoyment of the public
- d. Visitation pays! Boating and fishing are important contributors to local economies and robust access increases visitation to our parks and conservation areas

As in previous years, I would be pleased to appear before your Committee (either in Toronto or Ottawa) to address NMMA's pre-budget recommendations in person. I can be reached directly at sanghel@nmma.org and by phone at (905) 951-4048.

Thank you in advance for your consideration of our recommendations and best of luck to you and your Committee colleagues with your deliberations.

Sincerely,

A handwritten signature in black ink that reads "Sara Anghel".

Sara Anghel
Executive Director
National Marine Manufacturers Association (Canada)