

July 17, 2014

John Murphy
Economic Classification Policy Committee
Census Bureau
Room 8K157
Washington, DC 20233

Dear Mr. Murphy:

The National Marine Manufacturers Association (NMMA) appreciates the opportunity to provide comments on the proposed revision of the 2017 North American Industry Classification System (NAICS).

By way of background, NMMA is the nation's leading recreational marine industry association, representing 1,400 boat, engine, and accessory parts manufacturers. NMMA members collectively produce more than 80 percent of all marine products manufactured in North America. With 12 million registered boats and 88.5 million recreational boating participants in 2013, the boating industry is a significant contributor to the US economy and a substantial job creator for the US market.

NMMA supports revision of the NAICS which better reflect the depth and breadth of the marine industry. We understand, this request for comments does not seek to open the entirety of the classification, but believe the significant impact and continuing growth of the marine industry warrants consideration.

In 2012, NMMA, in conjunction with Michigan State University's Recreational Marine Research Center, conducted a study of the recreational marine industry's impact on the US economy. The study estimates, the recreational marine industry has a \$121.5 billion impact on the US economy from direct, indirect, and induced economic value. There are 34,833 recreational boating industry businesses, which support 338,526 marine jobs. The size of the recreational marine industry is matched by the depth and diversity of its businesses and supporting jobs. Recreational boating includes those businesses and jobs related to: manufacturing, sales, service and repairs, to name a few. From the US based manufacturing of parts and accessories, to the marine engine design and engineering, to the construction of the vessel itself, the manufacturing component of the marine industry is intensive. The products manufactured range from thirteen foot personal watercraft, to aluminum fishing boats, to two-hundred foot mega-yachts. Though the range of jobs in this industry is diverse, the industry remains united in the purpose of the product it produces.

NMMA, its members, and industry associates support the reevaluation of the NAICS system, as it relates to the marine industry. The current classification system identifies eighteen separate marine industries by code. These NAICS codes include: fishing, ship building and repairing, boat building, transportation equipment merchant wholesalers, sporting goods merchant wholesalers,

boat dealers, deep sea freight transportation, deep sea passenger transportation, inland water freight transportation, inland water passenger transportation, scenic and sightseeing transportation, port and harbor operations, marine cargo handling, navigation services to shipping, other support for water transportation, and marinas. Under the current system, some marine jobs fall under the manufacturing sector (31-33); while others are classified in sectors which include retail trade (44); arts, entertainment and recreation (71), and wholesale trade (42).

The complexity of the NAICS code makes it difficult for employers and jobs seekers to identify marine-industry related jobs, as it crosses so many varied and unrelated sectors. This makes a true statistical calculation for the marine industry difficult to fully capture. In addition, the nature of marine industry employment is such that many positions are filled by independent contractors, who, because of the current system, are not captured in the economic analysis. These independent contractors include such professions as yacht brokers and service repairs. The cohesiveness of a marine-specific NAICS code would allow for a comprehensive portal to capture the varied segments of marine employment as well as independent contractors.

For employers and employment seekers, it is difficult to properly promote marine jobs because of the complication of the industry sectors. Job placement and job seeking opportunities are missed because of a NAICS system that does not categorically comport with the breath, yet cohesiveness, of the marine of the industry. Estimates of 338,526 marine jobs, likely do not fully capture the entirety of the marine industry. This impedes businesses looking to enter or expand into the marketplace. As the marine industry continues to grow, the desire for job seekers is stifled by a lack of easily identifiable employment codes. This leaves employment seekers without an accurate viewing of the available job listings and employers with the inability to effectively reach qualified job seekers.

The marine industry is a distinct type of economic activity which should be better reflected in the NAICS. With so many categories of the marine industry left out of a traceable NAICS system, the entire industry suffers. Accessory manufacturing, repair services, dealers, and marinas are in NAICS categories untraceable to the marine industry. A more holistic view of the marine industry will not only aid the businesses that rely on continued economic growth, but the already hundreds of thousands of employees, as well as educational institutions and career development centers seeking to place qualified skilled laborers into the marine industry. Improvement of the NAICS will allow for the continued support of the robust and growing marine industry.

NMMA appreciates the opportunity to provide comments on the proposed NAICS revision. For further questions, please do not hesitate to contact Nicole Vasilaros at nvasilaros@nmma.org or 202-737-9763.



Sincerely,

T. Nicole Vasilaros

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