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## Legislative Update

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By Rob Nixon, Princeton Public Affairs Group. Inc.

With the annual Budget Recess of the Legislature over, the Senate and Assembly will spend the month of June engaged in trying to balance the State Budget in light of significant structural deficits that exist for the upcoming State Fiscal Year.

As was reported in the last *Tradewinds*, the Governor has proposed a number of tax and fee increases to go along with hundreds of millions in spending cuts for this year and for next year (including a \$1 million raid of I BOAT NJ Funds and a \$50,000 cut to the Office of Maritime Resources). It was hoped that these cuts, coupled with federal dollars from the President's Stimulus Package, would ease the pressure on the State. However, tax return figures for sales, income and corporate taxes dropped more than expected in April which leaves the Governor and Legislature searching for cuts and "revenue enhances" to balance the books. The actual bill proposed in the Legislature for a balanced budget for FY 2010 won't be introduced until late June and it is expected that a number of possible tax and fee increases will be discussed over the next few weeks. MTA/NJ will be actively monitoring these proposals for any tax or spending cut that would further damage the recreational boating economy.

MTA/NJ also remains deeply engaged in the Public Access debate in Trenton. This includes working with the Governor and legislators on the appointment of the Public Access and Marina Safety Task Force. The Task Force membership is close to complete but an official appointment of the members must be made by the Governor.

The results of the Task Force are highly anticipated in Trenton. The DEP continues to attempt to mandate deed restrictions on permits, though the moratorium law prohibits them from doing so. Business and Industrial groups are also currently waging a battle to prevent forced public access on certain waterfront properties and are moving legislation to prevent the mandate.

When the Legislature passes the Budget at the end of June they will begin a prolonged recess which should last until November. The 80 member General Assembly is up for election this year, as is Governor Corzine. New Jersey's Governor is the only Governor facing re-election in 2009 and the race is expected to generate significant attention around the nation. The June 2, 2009 Republican Primary will determine if Corzine faces Chris Christie, Steve Longan or Rick Merkt.

### On The Federal Front

#### **TAKE ACTION – URGE EPA TO DENY ETHANOL INDUSTRY'S E15 WAIVER!**

As you may know, a pro-ethanol lobbying organization called Growth Energy and 54 ethanol manufacturers recently submitted a formal petition to the EPA requesting a waiver under the

Clean Air Act to increase ethanol blend levels in gasoline up to 15 percent (E15) by volume. As is required by law, EPA on April 21 published a Notice for Comment in the Federal Register, beginning a 30-day public comment period. **On May 15, EPA extended the comment period.** The original public comment period was slated to end on May 21, 2009 but will now be extended to **July 20, 2009**. There is enormous political pressure on federal agencies to allow a high blend level despite well-known problems with mid-level ethanol gasoline.

The industry is asking all interested parties to submit comments to the EPA arguing that the waiver petition be denied. Although NMMA has been working with the EPA and DOE to initiate testing on marine engines and equipment and has formally submitted a test plan for our sector, there has been no testing to date by any federal agency on the impacts of mid-level ethanol blends on marine products. As you all know, marine engines are designed and certified to run on not more than E10, the current legal allowable blend limit. Increasing the limit will likely bring marine engines out of compliance with federal clear air laws, damage marine engines due to higher temperatures, pose safety risks to boaters and sportsmen and likely mean warranties will be voided.

Please support a science-first approach and urge the EPA to deny the ethanol industry's E15 waiver request unless and until independent and comprehensive scientific testing is completed on a full range of marine engines and other products. Ethanol Advocates are mobilizing their forces to submit 20,000 favorable comments to the EPA requesting that the Agency grant a waiver for E15.

Let's beat them at their own game. There are 18 million boats currently in operation in the U.S., and none of them have been designed, certified or warrantied to run on anything above E10, the current maximum legal blend level. Boaters know very well that increased ethanol blends will cause performance problems with their boats and engines, increase maintenance costs, potentially pose safety risks and increase air pollution.

And yet, neither the EPA nor any other federal agency has done a single test on the impacts of E15 on marine engines, fuel systems or components. Marine engines and fuel systems are not designed, calibrated or certified to run on anything above 10 percent ethanol. We ask you to support a science first approach and urge the EPA to deny the ethanol industry's E15 waiver request unless and until independent and comprehensive scientific testing is completed on a full range of marine engines and other products.

Please, go to the Take Action website below and submit comments:  
<http://capwiz.com/nmma/home/> . If you can, please encourage your customers to submit comment as well.

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