



Introduction

George Robinson, Owner and President of South Jersey Yacht Sales, South Jersey Yacht Sales & Service Center, Chart House Marine electronics and outfitting, & Atlantic Horizon Capital, a yacht lending firm. Our family business represents 6 premium sportfishing centric boat builders for the New Jersey region. Our boat builders operate out of Opa Locka Florida, New Berry County South Carolina, Edenton North Carolina, New Gretna New Jersey, Egg Harbor City NJ, and Palmetto Florida. Chart House Marine Electronics & Outfitting represents many companies providing top technology navigation, Safety, and communication devices. Collectively, our companies employ 50 employees split between sales, administration, marine electrical experts, certified engine technicians, yard workers and finance bankers. Many companies in our industry close for the winter months in November, while we stay open as our client's fish and use their boats well into January and start their next season March/April. We pride ourselves as being the largest new and brokerage dealer in New Jersey. Since I acquired the business in 2017, we have enjoyed solid growth in all facets of our operating units. Many Sr. associates suggest, the marine space is growing back to where it should be if not for the financial collapse of 2008. South Jersey Yacht Sales is also a member of the NMMA and NJMTA New Jersey Marine Trades association. South Jersey Yacht Sales and our related entities are a significant factor in New Jersey's \$6.6B economic engine. As part of our corporate social responsibility program, we financially support our local police, veterans, Special needs childrens causes, Manasquan River Marlin Tuna Club, Beach Haven Marlin Tuna Club, Ocean City Marlin Tuna Club, Avalon Invitational offshore fishing Tournament which is a fund raiser for finding a solution for Neurofibromentosis, Cape May Marlin Tuna Club, Mid Atlantic Tournaments with a purse in 2023 \$5.8M, Ocean City Maryland White Marlin Open, the worlds richest Marlin tournament paying out over \$10.M in 2023. As you can tell, our financial reach is very broad and touching on markets from within the US and abroad. Suffice it to say, I have the support of the boards of these clubs for the arguments I'm about to make.

Over the past 5-10 Years, with advancements in hull design, Engine performance, speed & performance improvements, electronics capabilities, and the increased populations of late season game fish, the New Jersey recreational fishery has extended from a traditional end the season in October, to extend into January. Game fish such as Bluefin tuna migrate the coast line following the robust population growth of menhaden, Stripe bass, a very popular game and table fare fish, due to conservation efforts has not become a near year round sport, but now fishermen are record fishing. Offshore species like Tile fish and Swordfish are now popular destinations due to all the aforementioned including anglers better understanding fishing techniques.



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Recreational fishermen are good stewards of the sea and are truly the conservationists in the ocean. Recreational fishermen have followed new catch rules, hook regulations, Season of open and closed fisheries, have practiced safe catch and release, bring home their trash, clean up plastics such as balloons and bottles that have drifted among our Sealife, practice safe boating and navigation.

For the record, interviews I have conducted with other NJ dealers, Marina owners & boat yards, and significantly, and 2 prominent propeller and running gear repair facilities in NJ and MD, all said in their over 30 years of experience, they have never been witnessed a boater suffering consequences from a whale strike. Upon a whale strike at any speed for a recreational boat, damage to propeller and running gear from lower units on outboards to drive systems on larger boats will occur, yet, in my discussion, this simply has not been witnessed.

Our sales of new and used boats from 2020 to today range from 35' to 72' in length. Many of the boats we sell are in the range of sizes proposed in the legislation. Several subsets of boaters/fishermen fall into one of several categories.

Since 2020, South Jersey Yacht Sales has sold 166 boats into our market in the range of 35 to 72. Other boat sales not reflected here are either co-brokered out of state or are co-brokered into the state by another dealer.

35-40' 74 Units
41-50' 59 Units
51-60' 20 Units
61-70' 11 Units
Over 71' 2 units

Boats we sell in these size ranges typically sell from \$200K up to \$7M, not including outfitting such as marine electronics, safety equipment, provisioning, repairs, upgrading, fishing tackle, satellite subscriptions and so on.

For discussion purposes, allow me to categorize our clients into 3 subsets.

Subset 1.

Avid recreational fishermen who fish anywhere from the coastline to 80 miles offshore to fish the Canyons and continental shelf for species such as Tile Fish, Grouper, Big Eye Tuna, Swordfish, Mahi Mahi, and Wahoo.

Subset 2.

Subset 1 and transient boaters who take their boats from New Jersey to southern states, mostly Florida. These boats run to Florida on their own bottom, vs over the road as they are too large and wide for interstate highways.

Subset 3.

These are yachts that owners tend to cruise and live on both in New Jersey and transit to southern states during the winter and return to NJ in the spring.

Impacts of the regulation to subsets:

1. Fishermen using recreational boats will likely lose interest having to travel 10 knots to destinations as far as 70-80 miles, for fishing from November thru January. In addition, during the months of enforcement, weather windows to run offshore are short, and if weather changes, safety can and will be compromised. This too will impact local economies in terms of sales of fishing equipment, food, bait, fuel, hired help such as captains and mates, reduced service calls for our business units. For our larger broker boat deliveries from November to May, these buyers will likely have a more difficult decision to purchase their boats from Southern Regions as to avoid the 10 knot regulations to transport their boat

from NJ to Florida for the winter. We anticipate a 25-30% drop in sales revenue in the 40' and over who transit to Florida each winter.

2. Transient boaters have limited inlets and marinas available. Enacting the 10 knot regulation will compromise safety in terms of reaching a suitable inlet and marina during a transit day. Should an emergency occur in an area with no available passable inlet, a boat could be caught offshore during a major weather event, or serious failure with the yachts systems. Much of the east coast intercoastal waterway from NY to Cape may as example do not have sufficient depth to make safe transit, hence, boaters prefer using the ocean route. We anticipate our clients leaving the state early to avoid the 10 knot regulations thus reducing economic income to the state. In a related matter, the construction of offshore industrial windfarms will compromise rescue efforts should help be needed quickly from another boat, coast guard, or agency rescue operation such as sea tow.
3. Same concerns as subset 2

Of note, our Somers Point NJ facility invested \$300,000 in our boat lift well, equipment, bulkheading, and dredging to accommodate transient boats should they need it. Our facility is only a few miles from the Great Egg Inlet.

Consequences of proposed regulation on boat & related sales.

1. Many of our larger boat clients have expressed concerns about the proposed regulation. Concerns range from not using their boats starting in November to leaving NJ in September/October to avoid the transit restrictions. This can also present several issues such as Hurricane season and marine insurance requirements for those transient boaters. Most yacht insurance companies require that the vessel be north of 30.5 degrees longitude or south of 10 degrees north latitude from July 1st to November 1st.
2. Impacts to Yacht Sales, marinas, service centers, tackle and bait etc will likely have a decline of sales to the extent of 25% per annum. Speaking with colleagues in the broader industry, they agree with this assessment.
3. New and used boat sales will be compromised by the macro economic activity of all states as the NOAA economic analysis report of March 2020 suggests. The report however indicates in section 3-24, a serious lack of data, "insensitivity" and only mentions yachts over 65', rather than the proposed regulated size from 35'- 65'. Also noted in illustration 3-20 pleasure craft has no data for economic impact. We anticipate this market segment for South Jersey Yacht Sales will have the most significant consequences because of regulation. Further detailed economic impact study is required prior to any regulatory changes.

The recreational boating and fishing community advancements.

I have been an offshore fisherman for over 40 years. As owner of several large recreational fishing boats from 45'- our latest 64' Viking with 1,000 hours of run time/year, of which 30-35% of that time at 34 knot cruise day or night as conditions allow. We install and train our captain and crew on all the latest advancements in safety and security of the operation. Our 64 Viking Demo program competes in all the major tournaments in New Jersey, Maryland and several in Florida and the Bahamas. Competing at this level, we need only the best

equipped boat possible. Equipped with Radar, New high output bar lighting systems, FLIR camera systems, our professional crew can easily navigate at cruise speeds, day or night. The exception would be a fog condition.

As owner of Chart House Marine Electronics and outfitting and because of our tournament fishing experience, we recommend to all of our boat owners all the latest technologies available to keep their family and friends safe. AIS technology as a safety advancement from other vessels as intended, FLIR or similar night vision systems, Starlink communication systems, sophisticated radar systems, all integrated and easy to use for the average experienced boaters. Adding these safety features can also lower insurance premiums.

We believe, using these technologies, should an event of an encounter with a whale, avoiding impact is near 100%. Using AIS receiving transponder technology on right whales can bring significant awareness to captains operating vessels day or night.

Fishing tournaments which are held past November 1st will cease to exist. In New Jersey, and elsewhere along the east coast. Tournaments are significant revenue generators for local economies. The tournaments equate to several hundred days on the water. Decisions for fishing clubs to stop late season tournaments will impact South Jersey Yacht Sales as well.

Summary:

1. Potential impact to South Jersey Yacht Sales and related companies approx. 25% revenue decrease
2. The proposed regulation is not supported by realistic economic figures for recreational boaters & Fishermen. Further impact studies are recommended.
3. Seasonality of vessel strikes needs further evaluation. A recent assessment of the unusual whale and cetaceans deaths along the east coast demonstrate a high mortality rate, despite recreational boats are not used all to often in the winter months.
4. There is no study results to suggest that recreational boats in this size range vs commercial vessels present any significant number of deaths of the Right Whales.
5. Reports do not indicate geographic boundaries for Canadian Right Whale. In both a 2017 & 2019 study of Right Whale mortality published by the Canadian Wildlife Health Cooperative, the data suggests higher mortalities experienced in Gulf of St. Lawrence and also admit, to lack data on right whale distribution. These data elements need further study.
6. The reports have not taken into account the economic impact to small businesses like South Jersey Yacht Sales and other boat dealers, boat yards, service facilities up and down the coast.
7. Speed enforcement using AIS which is designed for marine safety is an overreach of authority of the International Maritime laws. Supply legal precedence for such action.
8. Many boats, upwards of 80-90% in the regulated sample, do not have AIS capabilities.
9. Further detailed information gathering to impacts of small businesses should be conducted.

South Jersey Yacht Sales Supports

1. Further research detailing estimated sizes of vessels associated with the right whale strikes
2. Using technology to locate, track and monitor right whale movements.
3. Train boaters on the importance of technology and diligence to avoid whale strikes.