



A bold voice for transportation workers

May 6, 2020

The Honorable Mitch McConnell
Majority Leader
United States Senate
S-230, The Capitol
Washington, DC 20510

The Honorable Nancy Pelosi
Speaker of the House
United States House of Representatives
H-232, The Capitol
Washington, DC 20515

The Honorable Charles E. Schumer
Minority Leader
United States Senate
S-221, The Capitol
Washington, DC 20510

The Honorable Kevin McCarthy
Minority Leader
United States House of Representatives
H-204, The Capitol
Washington, DC 20515

Dear Leader McConnell, Speaker Pelosi, Leader Schumer, and Leader McCarthy:

On behalf of the Transportation Trades Department, AFL-CIO (TTD) and our affiliated maritime unions whose members crew U.S.-flag seagoing vessels, we call on you to include emergency supplemental funding for the Maritime Security Program (MSP) and to amend cargo preference requirements in the next COVID-19 aid package. These proposals will help protect the jobs, wages, and benefits of U.S. mariners and support a critical sector of the economy.

The Maritime Security Program is an indispensable component of the nation's military sealift capability and ensures that trained U.S. citizen mariners will be available in times of peace, war, or national emergency. By providing a modest stipend to the operator of each vessel enrolled in MSP, Congress is able to support military readiness, the continued health of a U.S. flagged commercial fleet, and an active pool of trained and experienced U.S. citizen mariners.

Unfortunately, the commercial maritime industry, both domestically and internationally, is not immune to the global economic devastation caused by the spread of COVID-19. In recent weeks, we have seen reductions in the commercial seaborne trade as well as in shipments of government cargoes, and we expect these decreases to become more drastic over time.

A severe downturn in the industry threatens the livelihood of thousands of U.S. Coast Guard qualified mariners who face layoffs as trade slows and vessels are removed from service and laid up. Further, any protracted lay-up of vessels or lay-off of vessel crew causing a reduction in available U.S. citizen mariners will result in an attendant decrease in the military readiness that MSP is statutorily designed to provide for.

Transportation Trades Department, AFL-CIO

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Larry I. Willis, President / Greg Regan, Secretary-Treasurer

To avoid these detrimental outcomes and to support the readiness of the U.S. active mariner pool, the U.S.-flag fleet, and essential sealift capacity, we call on Congress to authorize and appropriate emergency relief stipends for the MSP fleet. This emergency stipend will serve to close the increasing gap between operating costs and revenue during the crisis as cargo volumes drop, to ensure that the U.S.-flag fleet can be preserved. Specifically, we call on Congress to provide approximately \$219 million in relief funds, distributed as following:

- \$109.8 million for the period of April 1, 2020 to the end of the current fiscal year, for an emergency stipend of \$1.83 million per vessel
- \$109 million for the period of October 1, 2020 to March 31, 2021, for an emergency stipend of \$1.82 million per vessel

In addition, these funds must be granted conditionally on MSP carriers' agreement to maintain 100% employment of their crews for the entire period covered by the emergency appropriation, whether the vessel is in service or temporary lay-up. By doing so, Congress can maintain the full employment of the vessel's crew throughout the period covered by this emergency appropriation which will ensure that the enrolled vessel is maintained in the requisite state of operational readiness required by the Department of Defense. We note that the requirement for full crew employment as a condition for receiving the emergency assistance will also ensure mariners remain connected to their employment, wages, and benefits during these challenging times and that they will remain available when the economic climate improves. This position is supported by maritime labor and management, as stated in a letter you received from the USA Maritime coalition on April 28th.

In conjunction with emergency MSP relief, we urge Congress to amend the Cargo Preference Act of 1954 and Public Resolution 17 to ensure that 100 percent of all government-generated cargoes shipped by Federal agencies and departments are reserved for U.S.-flag commercial vessels for the duration of the global pandemic. This will support the continued operation of vessels under the U.S. flag as well as the ongoing employment of American merchant mariners as commercial cargoes continue their decline. This increase in the share of government-generated cargo carried by U.S.-flag vessels would remain subject to the availability of U.S.-flag vessels at fair and reasonable rates as required by existing law.

We hope that you will give due consideration to the inclusion of this necessary support for the U.S.-flag fleet, and we look forward to working with you on issues impacting the industry throughout the duration of the crisis.

Sincerely,



Larry I. Willis
President