MINUTES OF THE USA MARITIME BOARD MEETING

MARCH 10, 2021

The meeting was called to order by the Chairman at 3:00 pm. A quorum was present.

- The Chairman recognized USA Maritime's newest member, Patriot Contract Services, and its CEO, Ryan Pereyda. Patriot's application for membership was approved by a two-thirds vote of the membership as required by our bylaws. USA Maritime now has twenty dues paying members.

- The Chairman acknowledged Meredith Malarkey who was retained by the Board at our February 2021 meeting to work with Secretary-Treasurer Chris Johnsen.

- Chris Johnsen reported that Meredith sent a monthly financial report to each member prior to today's meeting and one will be distributed prior to each monthly meeting. He noted that there are presently six organizations that have not paid their first quarter 2021 dues and as stipulated in our bylaws, organizations more than 30 days in arrears will not be able to vote on Coalition issues until payment is made.

- Chris further reported that Meredith will be sending out invoices at least two weeks prior to the start of a quarter.

- The Vaccine Priority Task Force reported that our efforts to achieve prioritization for mariners through the Department of Defense have not been successful and that there is no likelihood that the CDC will change and elevate the group status for mariners. On the other hand, it was reported by Augie Telez and Ed Hanley that efforts by the unions and carriers to persuade the individual states to provide priority status for mariners are proving more successful, citing Alaska, Hawaii and Puerto Rico as examples where programs have been or are being put in place to vaccinate mariners. They also noted that a similar effort is underway in California and Virginia.

- The Task Force emphasized that as more vaccines become available to all Americans under the schedule set forth by President Biden it is imperative that all mariners and employees be encouraged to get the vaccine.

- Brian Schoeneman, Chair, Legislative Committee announced that Senators Mazie Hirono and Roger Wicker have approved the Senate "dear colleague" letter supporting FY'22 appropriations for MSP. All those who volunteered to ask Senators to sign the letter should begin their outreach now.

- Brian further reported that the companion House letter is under review by House Seapower Subcommittee staff.

- Brian reported that the effort to secure funding for the Tanker Security Fleet program is being complicated by opposition to funding in the Senate. Some Senate staff are urging that funding be delayed until FY'23.

    1. **Action Item**: A Special Subcommittee of the Legislative Committee was established to consider changes to the TSF that will better ensure it achieves its stated objectives, brings in additional ships to the U.S.-flag and creates new job opportunities for American mariners. A meeting will be scheduled with HASC staff to discuss possible changes to the TSF as well as the FY'22 funding issue.

- Brian reported that Members of the House and Senate have sent letters to the Federal Maritime Commission supporting its investigation into the container availability issue raised by agricultural interests. It was agreed that USA Maritime would not engage in this issue while the investigation is ongoing.

- Sara Fuentes, Chair, Regulatory Committee, reported that her Committee met with the Maritime Administration to discuss a number of issues. First, Marad stated they did not propose the change in the application of the "fair and reasonable rate" language as included in the FY'21 NDAA. Second, the appointment of the so-called "Buy America" czar will significantly affect the enforcement of cargo preference as called for by President Biden. Finally, Sara reported that MARAD is precluded by OMB from soliciting vessels for the tanker program until appropriations are made available.

- Charlie Papavizas, Chair, Strategic Planning Committee, reported that his Committee is focusing on changes to and/or additions to the tax code as the primary means to provide more cargo to U.S.-flag vessels, to bring additional vessels under the U.S.-flag, and to create more jobs for American mariners. The main item under consideration is the use of tax credits or other tax incentives to encourage shippers to use U.S.-flag ships.

    2. **Action Item:** In order to obtain the requisite revenue impact information needed to move forward on a maritime tax proposal, it was agreed that a Special Committee would be established to interview firms that provide such a service and to make a recommendation at our April 2021 meeting. The Chairman appointed Charlie Papavizas, Chris Johnsen, James Henry, Jim Caponiti and himself to serve on this Committee.

- Sara Fuentes volunteered to draft a "climate white paper" outlining the actions being taken by USA maritime companies to address the green energy/climate change policies and priorities of the Biden Administration. She asked that all carriers provide information to her. Adam Peterson volunteered to work with Sara on this project and other volunteers are welcome.

- The Chairman announced that the maritime unions were hosting a fundraiser for THUD Subcommittee Chairman Senator Brian Schatz that evening. The the unions have scheduled an event for Senator Tammy Duckworth on April 15 and for Congresswoman Elaine Luria on April 28. Meetings with staff for newly-elected Senators Mark Kelly and John Hickenlooper have been held and similar meetings are being scheduled with staff for newly-elected Senators Raphael Warnock, Jon Ossoff, Ben Ray Lujan and Alex Padilla.

- The Chairman announced that our next meeting is scheduled for Wednesday, April 14 at 1:30 pm.