

# MARINE ENGINEERS' BENEFICIAL ASSOCIATION (AFL-CIO)

*"On Watch in Peace and War since 1875"*



## **M.E.B.A. TELEX TIMES**

*The Official Union Newsletter – "The Word to the Wise"*  
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### **OSG INKS DEAL FOR TWO KOREAN NEWBUILDS**

OSG has announced a binding agreement with South Korean shipyard Hyundai Mipo to construct two 50,000 deadweight ton class product chemical tankers. OSG anticipates that these vessels, following delivery, will participate as US-flag vessels in trades served by existing company vessels, though the newbuilds won't be Jones Act compliant.

Sam Norton, Overseas Shipholding Group's President and CEO said, "While the contractual flag to which these vessels will be built is the Marshall Islands, it is our intention that following delivery we will seek to enter these two vessels into the non-Jones Act US-flag registry where we see various options for future employment opportunities."

The company anticipates they will take delivery of the two newbuilds in the second quarter of 2019.

The 50,000 deadweight ton class product chemical tankers will comply with Nitrogen Oxide MARPOL Annex VI Regulation 13 Tier III standards. In addition, each vessel will have exhaust gas cleaning systems (scrubbers) installed to meet MARPOL Annex VI Regulation 14 standards regarding sulphur oxide emissions.

"OSG is committed to maintaining a leading presence in the US-flag petroleum transportation sector," said OSG's Norton. "Our initiative to pursue construction of modern, efficient and environmentally responsible vessels sends a strong signal to our customers, our stockholders and our employees that we are confident in achieving our commitment and that we have the resources and unique skill sets to enable us to do so. We look forward to the contribution that these vessels will make to our long-term success once delivered."

### **REPORT REFUTES NOTION THAT JONES ACT JACKS UP PUERTO RICO PRICES**

Economists from Boston-based Reeve & Associates and San Juan-based Estudios Técnicos, Inc. released a joint report, "The Impact of the Jones Act on Puerto Rico," that concluded the Jones Act has no impact on either retail prices or the cost of living in Puerto Rico. In addition, the report found that the state-of-the-art maritime technology, Puerto-Rico focused investments, and dedicated closed-loop service offered by Jones Act carriers provide a significant positive economic impact to the island, at freight rates lower or comparable to similar services to other Caribbean Islands.

The report analyzed the impact on consumers by evaluating the competitiveness of freight rates in the U.S./Puerto Rico market, the quality of service provided by the Jones Act carriers, and the impact of the carriers' freight rates on the prices of goods shipped between the United States mainland and Puerto Rico.

“There has been much debate about the impact of the Jones Act on Puerto Rico, particularly following Hurricane Maria,” said John Reeve, the principal in Reeve & Associates and the lead economist on the study. “The findings of our analysis show that reliable, efficient, and regular Jones Act services benefit consumers and businesses on the island, and no evidence suggests that exempting Puerto Rico from the Jones Act would reduce consumer prices in Puerto Rico. On the contrary, such an action may well increase prices.”

“The results were overwhelmingly conclusive regarding the economic contributions of the Jones Act to Puerto Rico. Their detailed, fact-based analysis found that Puerto Rico received very similar or lower shipping freight rates when compared to neighboring islands and that the transportation costs have no impact on retail prices on the island,” said Matt Woodruff, Chairman of the American Maritime Partnership. “Moreover, the study found that prior claims and press reports that questioned the value of the Jones Act to Puerto Rico were erroneous and their validity completely undermined when compared to the economic facts at hand.”

You can view the full report at this link: <https://tinyurl.com/JonesActReport>

### **MARITIME DEREGULATION DOCKET EXTENDED; MEMBER INPUT NEEDED TO NEGATE WRONG-HEADED JONES ACT, CARGO PREFERENCE CRITICISM**

The Office of Management and Budget has announced a 45 day extension of its comment period concerning maritime industry deregulation. They will now be accepting input on how the Federal government can better manage regulatory costs imposed on the maritime sector until August 30, 2018. Specifically, relating to the multiple Federal agencies that regulate the industry, OMB is interested in industry comment on related agency requirements that should “be modified or repealed to increase efficiency, reduce or eliminate unnecessary or unjustified regulatory burdens, or simplify regulatory compliance while continuing to meet statutory missions.”

Disturbingly, a view of the docket reveals that some of the commenters have called for an end to the Jones Act while others used the opportunity to savage cargo preference requirements. The Jones Act and cargo preference programs, along with the Maritime Security Program, make up the so-called “three-legged stool” that helps keep the U.S. Merchant Marine stabilized.

Members are encouraged to add their comments to the docket to help counterbalance the short-sighted input offered by such commenters with little regard for U.S.-flag shipping. You can visit the docket online and preview submitted comments. Other commenters recommended amendment to ballast water regulations, burdensome regs implemented in the wake of the 9/11 attacks and TWIC requirements. In addition, some commenters called for altering Coast Guard Inspection criteria on U.S.-flag vessels and ironing out redundancies in documentation or Government agency functions.

The Request for Information appeared in the May 17<sup>th</sup> *Federal Register* and can be viewed at <https://tinyurl.com/RFIOMB>. You can submit comments by any of the following methods: Federal Rulemaking Portal: <http://www.regulations.gov> (Search for Docket ID: OMB-2018-0002). Follow the instructions for submitting comments. You can also email them to:

OMB.DeregulatoryRFI@OMB.eop.gov. Include “Maritime Regulatory Reform RFI” in the subject line of the message.

For further information contact Shannon Joyce, Office of Information and Regulatory Affairs, 725 17th Street NW, Washington, DC 20503. Phone: (202) 395-5897.

### **ATTACKS ON LABOR CONTINUE AS DOL “PERSUADER RULE” IS RESCINDED**

This week, the Trump administration rescinded the Department of Labor’s “persuader rule” requiring companies to disclose any consultants or lawyers contracted for anti-union persuasion efforts. The most recent in a series of anti-worker regulatory rollbacks, the decision has drawn harsh condemnation from union leaders and working people.

When the Labor Department issued its persuader rule in 2016, it was hailed as a win for workplace transparency. Workers would have the right to know when their bosses hired outside union-busters to influence organizing decisions. Then-Secretary of Labor Tom Perez explained it would “ensure that workers have the information they need to make informed decisions about exercising critical workplace rights....Informed decisions are the best decisions.”

AFL-CIO National Media Director Josh Goldstein slammed the Trump administration’s decision to shield the “sinister practices of employers and their hired guns.” He said, “By repealing the persuader rule, the Department of Labor is siding with corporate CEOs against good government and transparency. They have thrown a dark veil over the shady groups employers hire to take away the freedoms of working people.”

### **USNS MERCY PART OF HUMANITARIAN/DISASTER RELIEF EXERCISE**

The Military Sealift Command hospital ship USNS MERCY conducted a humanitarian assistance and disaster relief (HADR) exercise in Hawaii last week in Pearl Harbor as part of MSC’s ongoing participation with the Rim of the Pacific (RIMPAC) exercise. The HADR scenario featured the fictional nation of Griffon and the national disaster situation found in the aftermath of a 7.1 earthquake and a follow-on tsunami. Victims of the disaster were brought to a field treatment area for assessment and triage. Many of these patients were then transported to MERCY either by U.S. Coast Guard helicopter or by small boats from a Coast Guard cutter and Japanese destroyer helicopter ship. Once onboard, the military treatment facility (MTF) conducted assessment and treatment protocols that included chemical decontamination and orthopedic injuries.

According to Capt. Brian Mershon, MERCY’s civilian mariner master, while the MTF tested its skills, MERCY’s civilian mariner crew played a major role in the exercise, delivering the ship to the exercise area, conducting flight and small boat operations, all that ensured patients made it safely to the ship for medical care. In addition, the approximately 70 civil service mariners who crew the ship, navigated, conducted ship handling and technical maneuvering while underway, provided the fresh water and electricity needed to run the shipboard hospital and to support the mission personnel living and working aboard.

### **SUPPORT THE 4MF – PURCHASE A RAFFLE TICKET!**

Tickets for the raffle in support of the M.E.B.A. Merchant Marine Memorial Foundation (4MF) are available at each of the Union halls as well as Headquarters, M.E.B.A. Plans and at the Calhoun M.E.B.A. Engineering School (see Trish). POID members can contact April who has a block of tickets. Members, applicants, retirees and everyone else are strongly encouraged to support the 4MF

which provides upkeep and improvements to the Memorial Park located at the Calhoun M.E.B.A. Engineering School (CMES). The Memorial honors fallen mariners who helped blaze the proud tradition our members continue today. The winning raffle ticket (\$2 apiece) will be drawn on October 9, 2018 at the CMES during the monthly membership meeting. You do not need to be present to win. The grand winner will receive a princely sum - 50% of the proceeds from raffle sales – so plan to purchase a thick stack of tickets. Members are urged to keep M.E.B.A.'s Memorial in mind all year long and support it when they can.

### **SIGN UP FOR M.E.B.A. VACATION PLAN DIRECT DEPOSIT**

Designed for convenience, M.E.B.A. members can help themselves by taking advantage of the Vacation Plan Direct Deposit that will help save them time and ease Plans processing costs. Authorization forms are available from the Plans Office, Plans Outport Offices and at the Plans' website – [www.mebaplans.org](http://www.mebaplans.org) (Forms & Documents, Vacation Plan Forms). Complete details are available on the Plans' site as well. Contact (800) 811-6322 or [vacation@mebaplans.org](mailto:vacation@mebaplans.org) for more info.

### **REGULAR MONTHLY MEETINGS**

Monday, August 6 – **Boston@1200; Seattle (Fife)@1300;**

Tuesday, August 7 – **CMES@1430; Charleston@1400; Houston@1315; Oakland@1230;**

Wednesday, August 8 – **Jacksonville@1300; New Orleans@1315;**

Thursday, August 9 – **L.A.@1230; NY/NJ@1300; Norfolk@1300; Tampa@1300;**

Friday, August 10 – **Honolulu@1100.**

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*The M.E.B.A. is the nation's oldest maritime labor union, established in 1875. M.E.B.A.'s expertise and proven track record of readiness, safety, and loyalty in answering America's call to action in times of both peace and war is unrivaled in the world. M.E.B.A. HQ – Phone: (202) 638-5355; [mebahq@mebaunion.org](mailto:mebahq@mebaunion.org). Visit us on Facebook. For publication and related inquiries contact Marco Cannistraro, M.E.B.A. Special Projects & Communications – [marco@mebaunion.org](mailto:marco@mebaunion.org)*