

MARINE ENGINEERS' BENEFICIAL ASSOCIATION (AFL-CIO)

"On Watch in Peace and War since 1875"



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JONES ACT UNDER ATTACK: CUSTOMS PROPOSAL WOULD GIVE NICHE TO FOREIGN VESSELS IN OFFSHORE TRADES

The U.S. Customs and Border Protection (CBP) has issued a proposal that would modify rules affecting offshore oil and gas production intending to provide relief for U.S.-flag vessels regarding movement of vessel equipment. But the recently issued Customs Bulletin also includes a determination that redefines the meaning of offshore "lifting operations." That revision would clarify that "certain lateral movements do not constitute transportation under the Jones Act," an interpretation that would clear the way for certain foreign-flagged vessels to perform work formerly restricted to U.S.-flag vessels with American mariners.

The Customs Bulletin can be accessed by visiting <https://tinyurl.com/y6q5g8wo>

The Chairman of the House Committee on Transportation and Infrastructure Peter DeFazio (D-OR) issued a statement expressing alarm over the CBP announcement. "While I applaud the U.S. Customs and Border Protection for concluding their decade long process, I have very serious concerns about new determinations on the application of the Jones Act to the offshore oil and gas industry. To be clear, any Administrative action or determination that serves to weaken the Jones Act is unacceptable. As I continue to work through the "Customs Bulletin Notice" to understand the full scope of its effect on the Jones Act, I urge CBP to reconsider any ruling that undermines the American shipping industry."

The Offshore Marine Service Association (OMSA) believe the rule modification aspect of the CBP action will benefit U.S. mariners and shipyards. However, they strongly criticized the lifting operations re-interpretation that, they say, "will unfortunately create new loopholes." OMSA noted, "The Jones Act does not allow for the lateral movement of merchandise by foreign flagged ships and no amount of interpretive guidance changes that."

EX-IM BANK RE-AUTHORIZATION BILL MOVES TO FULL HOUSE

The House Financial Services Committee approved a bill this week that would renew Export-Import Bank operations for another ten years and increase its lending authority while making a series of reforms to the Bank. The Committee passed the bill (H.R. 4863) in a 30-27 vote. It will next move to the Floor of the House of Representatives for a vote.

The Ex-Im Bank is a key source of cargo for U.S.-flag shipping and enjoys strong bipartisan support. Importantly, a portion of cargo generated by the Bank is required to be transported aboard U.S.-flag ships. In addition, for transactions above \$20 million, 100% of all cargo financed by the Bank must be carried on US-flag vessels.

The Senate version of the bill is still in Committee and hasn't yet been acted upon.

TENTATIVE AGREEMENTS END CHICAGO TEACHERS' STRIKE

Kids in Chicago go back to school tomorrow (Friday, Nov. 1) after tentative agreements were reached with two unions representing city educators.

30,000 Chicago school system employees represented by the Chicago Teachers Union (CTU) and SEIU Local 73 walked off the job two weeks ago to bring attention to the school system's disregard for spiraling class sizes, lack of staffing and low pay and benefits among other problems. CTU represents about 25,000 educators, paraprofessionals and clinicians. SEIU Local 73 represents about 7,000 special education classroom assistants, bus aides, custodians and school security officers.

On Monday, the SEIU Local announced they had reached a tentative agreement for their members. Ratification meetings and votes took place soon after and the Local said the vote had been successful. "This is a victory for working people in Chicago and shows what is possible when we unite and take action," said SEIU Local 73 President Dian Palmer. "The lowest paid support workers who are the backbone of our schools are going to see raises that mean their families won't have to struggle living in an expensive city where costs keep going up."

CTU reached a tentative agreement with the school system, but a final issue concerning compensation for make-up school days was only just resolved today. School employees represented by CTU return to work tomorrow and will put the new tentative agreement to a ratification vote in the coming days.

CALIFORNIA MARITIME ACADEMY EVACUATES FOLLOWING FIRES

California Maritime Academy remained closed throughout the week as firefighters battled the flames threatening to consume the campus. It appears CMA is out of danger though crews were keeping a wary eye on the situation and clearing smoldering trees to prevent the blaze from reigniting. The fire burned about 140 acres of land, destroyed a structure and caused damage to a dozen homes on Academy property. The crisis began on early Sunday morning when spreading fires jumped I-80 and the flames began licking CMA property in Vallejo. Though apparently out of danger, the clean-up continues on campus and power issues have been reported. CMA is hoping to reopen to students following a campus inspection on Monday.

UAW RATIFIES GM AGREEMENT; REACHES T.A. WITH FORD

The United Auto Workers reached a tentative agreement with Ford Motor Company this week which, if ratified by membership, will keep 55,000 union employees on the job for another four years.

Sources said the agreement shares many of the same terms that were part of the new contract reached with General Motors – an agreement that was accomplished only after a 40-day strike. Members ratified that contract late last week covering over 46,000 UAW employees represented by the union.

BILL TO MAKE FULL USE OF HMT FUND PASSES IN HOUSE

This House of Representatives passed a bill this week that would fully utilize the Harbor Maintenance Trust Fund (HMTF), a longtime priority for ports and shipping interests.

Over \$9 billion has accumulated in the Fund since 1986 when the Harbor Maintenance Tax (HMT) was implemented. The HMT is a long-established charge on imports that funds the operation and maintenance of America's large and small ports. However, only a portion has been used for port maintenance and dredging and instead has been reserved by lawmakers to offset the deficit.

The bill (H.R. 2440), was passed by a 296 to 109 count and now heads to the U.S. Senate for consideration.

"We're very pleased with the outcome today in the House for the Full Utilization of the Harbor Maintenance Trust Fund," said William Doyle, Chief Executive Officer of Dredging Contractors of America. "Where the government collects taxes from taxpayers, and that tax is codified into federal law to be used for a specific purpose, then the tax must be used for that specific purpose. It's very simple. The Harbor Maintenance Tax receipts are collected from shippers and are to be used for harbor maintenance dredging."

The HMT is directly levied on importers and domestic shippers using coastal or inland ports as a 0.125 percent ad valorem tax on the value of imported cargo (e.g., \$1.25 per \$1,000 value) and is typically passed along to U.S. taxpayers on the purchase of imported goods or services. These revenues are deposited into the Harbor Maintenance Trust Fund within the U.S. Treasury from which Congress currently appropriates funds to the Corps for harbor maintenance dredging.

TTD UNIONS FIGHTING FOR NATIONAL INVESTMENT IN TRANSPORTATION SYSTEM

As a renewed wave of worker activism sweeps the country, the leaders of 33 transportation unions focused on ways to improve the lives of working families by creating and protecting middle-class transportation jobs, investing in infrastructure, and enhancing on-the-job safety during the Executive Committee meeting of the Transportation Trades Department, AFL-CIO (TTD). M.E.B.A. is a founding member of the TTD which represents 32 unions in the maritime, aviation, rail, transit, trucking, highway, longshore, and related industries.

Transportation labor leaders called for robust investments in surface transportation, passenger rail, and our nation's seaports that put working people first. They vowed to uphold fair trade rules that govern the aviation industry, and mitigate fatigue among cargo pilots. Union leaders are also taking a strong stand against a dangerous, Wall-Street backed business model that threatens good jobs and safety in the freight rail industry.

TTD's Executive Committee discussed these and other priorities with Rep. Brian Fitzpatrick (R-PA), a member of the House Transportation and Infrastructure Committee, and Sen. Sherrod Brown (D-OH). "A safe, efficient transportation system is a source of pride, a hallmark of American freedom, and the fuel that drives our economy," Fitzpatrick said. "I look forward to working with TTD and its 33 unions to find common-sense solutions to our most pressing transportation challenges."

"Something is wrong when corporate profits go up and CEO pay soars, but wages for working people barely budge," Brown said. "You can't say you're for workers individually if you aren't willing to stand

with workers collectively. I am proud to stand with transportation labor as we fight together to put power back in the hands of working people.”

“Anyone who works for a living deserves fair wages, safe working conditions, and the ability to retire with dignity,” said TTD Secretary-Treasurer Greg Regan. “Transportation labor is committed to fighting for policies that will uphold these basic civil liberties and enhance the rights of working people everywhere.”

DAYLIGHT SAVING TIME ENDS THIS WEEKEND

Daylight saving time will end at 2:00 a.m. on Sunday, Nov. 3 so remember to turn your clocks back an hour (fall backwards) before you go to sleep on Saturday night. The time change is also a great reminder to make sure smoke detectors have working batteries and are functional. The next time clocks change will be on Sunday, March 8, 2020 when we “spring forward” an hour. Certain states and territories do not observe Daylight Saving Time including Hawaii, Arizona (except for Navajo tribal land), American Samoa, Guam, the Northern Mariana Islands, Puerto Rico and the Virgin Islands. Time zones were first used in the United States in 1883 by the railroads to standardize their schedules. In 1918, Congress made the railroad zones official under federal law and assigned the responsibility for any changes that might be needed to the Interstate Commerce Commission. In the Uniform Time Act of 1966, Congress established uniform dates for daylight saving time and transferred responsibility for the time laws to the U.S. Department of Transportation.

REGULAR MONTHLY MEMBERSHIP MEETINGS

Monday, November 4 – Boston@1200; Seattle (Fife)@1300;
Tuesday, November 5 – CMES@1430; Charleston@1400; Houston@1315; Oakland@1230;
Wednesday, November 6 – Jacksonville@1300; New Orleans@1315;
Thursday, November 7 – L.A. (San Pedro)@1230; NY/NJ@1300; Norfolk@1300; Tampa@1300;
Friday, November 8 – 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. Visit us on Facebook. For publication and related inquiries contact Marco Cannistraro, M.E.B.A. Special Projects & Communications – marco@mebaunion.org Visit us on Facebook, follow us on Twitter and check us out on Instagram.