

LEGISLATIVE UPDATE

APRIL 2020



\$2 Trillion Spending Package Approved

Late last month, the President signed a \$2 trillion economic stimulus package to provide emergency aid to fight the rapidly growing COVID-19 outbreak. The legislation represents the largest spending bill in American history. It includes financial assistance to workers, schools, small businesses, hospitals, airlines, and several impacted entities in the form of grants, loan programs, unemployment insurance, and even direct cash payments. Amid a growing death toll and a volatile stock market, the comprehensive package represents enduring negotiations between the White House and Senate Democrats in last ditch-efforts to mitigate the alarming rate of unemployment claims, supply chain disruptions, and an overburdened health care industry.

Within the expansive package includes \$3.1 million for the Maritime Administration to “prevent, prepare for, and respond to coronavirus” of which \$1 million will be directed to the U.S. Merchant Marine Academy and \$1 million directed to the state maritime academies, for the same purposes. Additionally, the legislation provides flexibility for ferry operators who receive grants under the Federal Transit Administration (FTA) to use their funds to support operating expenditures. Lastly, the legislation does not provide a corporate “bail-out” of the foreign-flagged cruise ship industry nor waives the Jones Act for any foreign-flagged vessels. Recently, the M.E.B.A. along with several other maritime unions penned a letter to Capitol Hill opposing various efforts to exploit the public health crisis to the advantage of foreign flag companies over the American maritime workforce. A copy of the letter can be found on the M.E.B.A. website (www.mebaunion.org).

Cruise Companies Seek Bail-Out

Efforts by the flag-of-convenience cruise ship industry to receive bail-out money in the recently enacted stimulus bill fell flat, but they are angling for another attempt aided by Florida lawmakers.

There is only one large U.S.-flag cruise ship in operation – NCL’s PRIDE OF AMERICA, the rest are largely registered under flags of convenience to shield themselves from paying U.S. taxes while skirting U.S. labor and environmental regulations.

Cruise ship companies are setting their sights on the next Congressional stimulus package. 15 lawmakers from the Florida delegation, representing both Republicans and Democrats, signed onto a letter sent to Senate and House leadership, asking for assistance to their industry that has been devastated by the pandemic. "...We urge you to provide the same level of support to the workers in this industry that is being provided to every other American worker," the letter that was headed up by Rep. Frederica Wilson (D-FL) stated.

The lawmakers said the industry accounts for a huge amount of supply chain spending including port fees, and serves as a boon for travel agents, hotels and local goods and services. But U.S.-flag shipping interests were not swayed. "If cruise ship operators want our tax dollars, fly under our flag," a statement released by the MM&P asserted.

"They're taking advantage, locating in another country to fly a flag of convenience to not pay U.S. taxes," said Steve Ellis with Taxpayers for Common Sense. "If they want to be incorporated in Bermuda, Liberia and Panama, why don't those countries do the bail-out for them?"

U.S.-Flag Interests Urge President Not to Waive the Jones Act

U.S.-flag shipping interests, represented by almost 200 signatories, sent a letter to President Trump asking him to keep the Jones Act strong and not issue any waiver. The President had planned to meet with oil and gas executives who were expected to point to the ongoing pandemic as a reason for waiving the Jones Act.

M.E.B.A. signed onto the letter which noted that supplanting U.S.-jobs with foreigners is always a bad idea, but especially now during the ongoing crisis. Demand for petroleum products has eased dramatically with fewer people driving and flying, and there is no shortage of U.S.-flag bottoms to perform such work, they said. "A Jones Act waiver in these circumstances – replacing American mariners and American ships with foreign mariners and foreign ships in our home waters – is unnecessary and contrary to our collective need to come together as a nation to fight this virus," the letter says. A copy of the letter can be found on M.E.B.A.'s website located at www.mebaunion.org.