

# LEGISLATIVE UPDATE

*JUNE 2020*



## **Fight Continues for U.S.-Flag Shipping as House Reveals Relief Bill**

On May 15<sup>th</sup>, the House of Representatives approved a \$3 trillion COVID-19 relief bill, known as the Health and Economic Recovery Omnibus Emergency Solutions (HEROES) Act, by a 208-199 vote. The nearly 2,000 page expansive legislation reserves \$875 billion in general aid to state and local governments, increases hourly wages for frontline workers, and provides more than \$30 billion in transportation funding that includes a number of hard-fought provisions important to transportation labor.

In response to declining government and civilian cargo volumes because of COVID-19, M.E.B.A. and pro-U.S. shipping interests continually advocate that any economic relief bill should include emergency relief funding for the Maritime Security Program to help ensure the nation's sealift readiness. Unfortunately, the HEROES Act did not include emergency funding for the Program but does stipulate a waiver of the minimum 320-vessel operating day requirement so that participating vessels can continue to receive the existing stipend and fully employ their crews.

The HEROES Act also contains several provisions that would help protect and support transportation industry workers including an M.E.B.A.-supported provision that allows all maritime union vocational training facilities to be eligible for assistance under the Paycheck Protection Program and enables certain ferry boat and facility funding to be used for administrative and operating expenses related to coronavirus response. Among many other things, the House bill also provides relief and workplace protections for longshore and harbor workers who contract COVID-19.

Because Senate leadership has stated that it is not onboard with the House relief bill, any final economic relief package will likely be very different than the HEROES Act as timing of future negotiations remain unclear.

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## **Bipartisan House Letter Requests Emergency Relief Funding for MSP**

A bipartisan letter headed up by Chairman Rep. Joe Courtney (D-CT) and Ranking Member Rep. Rob Wittman (R-VA) of the House Armed Services Subcommittee on Seapower was sent to House and Senate leaders requesting emergency supplemental funding for the Maritime Security Program (MSP) in the next economic COVID-19 relief package. Enrolled vessels face protracted lay-ups due to declining civilian and government cargo volumes. The letter was signed by 63 members of the House from both parties. The letter is included in this meeting packet and follows this Legislative Update.

Specifically, the letter calls for \$219 million in relief funds to be distributed as follows:

- \$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.

Furthermore, the letter requests temporarily suspending the requirement that MSP-enrolled vessels operate for a minimum 320-days in the year, while maintaining full employment, given the decline in commercial cargo volume and demand. The request to waive the 320-day minimum operating requirement was ultimately included in the recent House-passed HEROES Act. Lastly, a letter by the United States Transportation Command (USTRANSCOM) echoed similar requests from the U.S.-flag industry that calls for a suspension of the 320-day operating requirement and that 100% of all government-impelled cargoes, defense and non-defense, be transported on U.S. flagged vessels. M.E.B.A. continues to work with our allies on Capitol Hill to promote these emergency relief requests on behalf of the membership and the U.S.-flag industry, as Congress grapples with the next steps to take in responding to the COVID-19 pandemic.