

# LEGISLATIVE UPDATE

*MAY 2020*



## **Congress Enacts \$2 Trillion Dollar Stimulus Package in Response to Economic Downturn from COVID-19 Outbreak**

On March 27<sup>th</sup>, Congress unanimously passed and the President signed into law a \$2 trillion stimulus package to provide emergency economic relief in response to the COVID-19 outbreak. The legislation represents the largest spending bill in American history in response to the coronavirus' devastating impact on the stock market, health, business operations and record-breaking unemployment rate. The new law provides financial assistance to businesses and workers in the form of increased unemployment benefits, direct cash payments, low-interest business loans for continued payroll, and payments to state and local governments. 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 law does not provide a corporate “bail-out” of the foreign-flagged cruise ship industry nor waives the Jones Act for any foreign-flagged vessels. M.E.B.A. along with several other maritime unions have made repeated calls to the Trump Administration and Capitol Hill opposing various efforts to waive the Jones Act that would exploit the public health crisis to the advantage of foreign flag companies over American maritime industry.

## **Maritime Labor Outlines Legislative Priorities in Response to COVID-19 Pandemic in Letter to Congressional Leaders**

On April 14<sup>th</sup>, M.E.B.A., joined by several maritime labor unions and organizations (AMO, MFOW, MM&P, MTD, SIU, SUP, and TTD) sent a letter to House and Senate committee leaders urging Congress to take action on a number of issues affecting the domestic maritime workforce as they consider future legislation to address the COVID-19 pandemic. Among those issues, maritime labor urged the relevant committees to:

- Enable vessels enrolled in the Maritime Security Program (MSP) to continue receiving the annual operating stipend without interruption by suspending the requirement that vessels must operate for a minimum of 320 days within a year

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should a vessel be laid-up or idle, due to loss of cargo or other circumstances during the global health crisis, while maintaining full employment of the crew.

- Require that 100 percent of all government-generated cargoes shipped by federal agencies and departments are reserved for U.S.-flag commercial vessels.
- Ensure COVID-19 testing kits be available aboard U.S.-flag vessels and that the crew also have access to the personal protective equipment to prevent the spread and exposure of the virus.
- Rescind the civil service mariner liberty restriction imposed by the Military Sealift Command (MSC) that unfairly applies to CIVMARs but not to military personnel, MSC shoreside personnel, shipyard workers, and private contractors.
- Support ferry operations and ensure funding is available to adequately address future operating costs and expenses in response to reduced ridership.
- Oppose any waivers to the Jones Act that would unjustly benefit foreign-flag companies over American companies and maritime workers

### **USA Maritime Coalition Urges Emergency Relief Funding for Maritime Security Program Vessels Impacted by COVID-19**

The USA Maritime coalition, which is comprised of maritime labor unions and U.S. flag shipping companies operating and crewing vessels enrolled in the Maritime Security Program (MSP), recently sent a letter to House Speaker Nancy Pelosi and Senate Majority Leader Mitch McConnell urging action to provide emergency relief funding in response to the impact of COVID-19 on the U.S. flag maritime industry. The letter highlights the direct economic impact the virus is having toward the loss of revenues associated with the declining carriage of commercial and government cargoes, and the ability of the industry to provide the sealift readiness capability and surge support relied upon by the Department of Defense.

To that end, the letter urges Congress to provide, as necessary, nearly \$220 million in the form of emergency relief payments of \$1.8 million to each of the sixty enrolled MSP vessel for up to a full calendar beginning April 1, 2020. The relief payment on top of the existing authorized funding will allow MSP vessels to remain in a constant state of operational readiness that includes the continued full employment of a vessel's crew. As you may recall, M.E.B.A. successfully advocated for a 10-year extension of the Maritime Security Program from fiscal years 2025 through 2035, that was signed into law last year.