MARINE ENGINEERS' BENEFICIAL ASSOCIATION (AFL-CIO)



"On Watch in Peace and War since 1875"

M.E.B.A. TELEX TIMES

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REPORT: AMERICA HAS LOST THE SEAS, GRIP ON GLOBAL POWER

This week, a searing new report by transportation policy analyst Arnav Rao sounded the alarm on the decline of U.S.-flag shipping with a blunt message: the United States has surrendered control of the seas — and the consequences are dire. The report, *Charting a New Course: Steering U.S. Maritime Policy Towards Security and Prosperity*, released in tandem with a feature in *The Atlantic*, was sponsored by the Open Markets Institute, a non-profit research organization promoting fair competition.

Rao chronicles a century of deliberate policy neglect that has hollowed out America's maritime strength, leaving the nation perilously exposed at a time of rising global instability. Today, although nearly 80% of the nation's international trade by weight depends on ocean shipping - and close to 90% of military supplies move by sea - the U.S. constructs just 0.13% of the world's large commercial vessels. Meanwhile, China has emerged as the unchallenged maritime superpower, building 60% of all new ships and commanding critical choke points in global logistics - from shipyards and container production to the towering cranes at the world's busiest ports.

Invoking the words of ancient Greek general Themistocles - "He who commands the sea has command of everything" - Rao warns, "By that standard, the United States commands very little."

The report traces the collapse of U.S. maritime strength to policy changes in the 1980s, when deregulation effectively transformed ocean shipping from a public utility into a playground for foreign-owned megacarriers. The resulting consolidation gave international shipping alliances the power to sideline American-flagged operators and deny smaller U.S. exporters, farmers, and manufacturers fair access to global markets.

This vulnerability became strikingly clear during the COVID-19 pandemic. Foreign carriers, seeking higher returns, rejected massive volumes of U.S. agricultural exports in favor of Chinese-bound cargo - leaving American produce to rot at ports while overseas shipping firms reaped enormous profits.

Even more alarming is the shortage of U.S.-flagged vessels and trained civilian mariners needed to support national defense. In 2024, the U.S. Navy had to idle 17 Military Sealift Command auxiliary ships due to crew shortages. In a potential Pacific conflict, America would need over 100 fuel tankers but currently has access to fewer than 15.

Rao critiques recent federal proposals — such as tariffs on Chinese carriers and incentives for domestic shipbuilding — as insufficient to meet the scale of the crisis. "This isn't just about money or market tweaks," Rao asserts. "We need to reestablish maritime shipping as a system governed by the public interest — something we did effectively throughout much of the last century." Among the key policy recommendations in the report are:

- Significant public investment in ship construction, port modernization, and mariner training;
- Restoration of competitive trade rules under a revitalized Federal Maritime Commission;
- Rebuilding a U.S.-flag commercial fleet robust enough to support both economic resilience and national defense;
- Strong antitrust measures to dismantle the dominance of foreign shipping alliances.

The report presents a blueprint to reclaim America's maritime independence — framing the issue not just as economic policy, but as a matter of national survival. You can check out the report <u>here</u>.

M.E.B.A. PART OF HANWHA PHILLY SHIPYARD/PORT TOUR

As part of our continued collaboration with Hanwha, the M.E.B.A. and American Maritime Congress were on hand earlier today with a delegation touring the shipyard in Philadelphia which has several U.S.-flag ship construction projects underway. M.E.B.A. President Adam Vokac was part of the group with Federal Maritime Commissioners Daniel Maffei and Max Vekich as well as several Hanwha, Matson and Saltchuk/TOTE officials. M.E.B.A.'s Government Affairs Director Erick Siahaan as well as AMC President Fair Kim and AMC Government Affairs Manager Caitlyn Tierney also participated.

The event helped allow the FMC to collect insight into American maritime capabilities, challenges, and growth opportunities, especially in light of the President's Executive Order on the maritime industry, as well as the introduction of the bipartisan SHIPS for America Act.

Hanwha Philly Shipyard is constructing three 3,600 TEU LNG-fueled containerships for Matson and are also working on the next three National Security Multi-Mission Vessels (NSMV), training ships for the maritime academies. Following the Hanwha tour, the Delegation continued onto the Port of Philadelphia where they toured the breakbulk and container facilities and met with officials.

ITF LENDS SUPPORT TO FMC FOC PROBE

The International Transport Workers' Federation (ITF) issued a statement in support of the recently announced Federal Maritime Commission (FMC) domestic investigation into vessel flagging laws, including the long-abused practice of Flags of Convenience (FOCs). The FMC announced its probe last week, citing serious concerns that states operating FOCs are enabling a "race to the bottom" in global maritime regulations.

Seafarers International Union President and ITF Seafarers' Section Chair, David Heindel said, "The FMC is absolutely right in its assessment of Flags of Convenience and the permissive environments they create for unscrupulous shipowners and operators. The very existence of the FOC system continues to stain the integrity of the maritime industry. This system thrives on weak oversight, allowing bad actors to exploit seafarers and shirk responsibility. We strongly support the FMC's efforts to identify practical steps to introduce greater accountability across the world's ship registries. As the ITF knows all too well, it is seafarers who pay the highest price for the egregious practices on FOC

vessels. Governments, legitimate flag states, responsible shipowners, and insurers must unite to support the International Maritime Organization (IMO) in ending this shameful system."

The FMC investigation will examine whether "the laws, regulations, and practices of foreign governments, or the competitive methods employed by owners, operators, agents, or masters of foreign-flagged vessels," violate U.S. maritime law. The Commission has warned that this regulatory race to the bottom directly undermines "efficiency, reliability and safety", threatening the ocean shipping supply chain.

ITF Maritime Coordinator Jacqueline Smith said, "There is no doubt that the expansion of FOC registries has weakened the IMO's ability to enforce meaningful change. The IMO must be empowered and supported to lead on restoring integrity in vessel flagging."

The ITF continues to call for international enforcement of UNCLOS Article 91, which mandates a "genuine link" between a vessel and its flag state. Without it, FOCs – and the shadow fleets they enable – will remain a dangerous loophole in the global maritime system.

RECOGNITION FOR WWII MARINERS AT WEST COAST MEMORIAL

The M.E.B.A. took part in a Maritime Day ceremony in San Francisco last week where an inscription honoring merchant mariners who lost their lives off the Pacific Coast in World War II was unveiled and dedicated. The marker is at the West Coast Memorial within the Presidio in San Francisco overlooking the Pacific Ocean. M.E.B.A. Executive V.P. Max Alper spoke at the ceremony which was also attended by several other M.E.B.A. members including Oakland Patrolman Chris Coombs and Chief Engineer Christian Yuhas.

In 1992, an inscription was approved to be added to the American Battle Monuments Commission (ABMC) West Coast Memorial to recognize the merchant mariners who lost their lives off the Pacific coast in World War II. For unknown reasons, the addition to the memorial was never completed. Dru DiMattia, the outgoing president of the American Merchant Marine Veterans, reached out to ABMC about the inscription and the work began to rectify the oversight. The East Coast Memorial in the Battery in New York City already carries an inscription, added in 1991, that honors the Merchant Marine.

World War II Merchant Marine veterans were in attendance at the ceremony including John Laughton, Frank Mendez, Charles Mills, Claude Perasso as well as Dave Yoho who shared remarks on behalf of his comrades. Yoho and DiMattia placed a wreath on the memorial under the new inscription, which reads: "1941-1945, in addition to the 413 American servicemen honored here who lost their lives in her service and who sleep in the American coastal waters of the Pacific Ocean the United States of America honors the U.S. Merchant Mariners, their shipmates from the U.S. Navy Armed Guard, and the Seamen of the U.S. Army Transport Service who lost their lives during World War II maintaining vital supply lines in the Pacific Theater."

According to the Maritime Administration, "during World War II more than 250,000 members of the American Merchant Marine served their country, with more than 6,700 giving their lives, hundreds being detained as prisoners of war and more than 800 U.S. merchant ships being sunk or damaged."

NY/NJ AREA MEMBERS SHOULD ATTEND JUNE FAMILY FUN DAY

Members and applicants in the NY/NJ area are invited to take part in M.E.B.A family fun day at the Monmouth Race Park in New Jersey on June 7. The Union has a trackside picnic area reserved - and we are honoring Tony Galante, a former Staten Island Ferry Captain who died of 9/11-related cancer in December of 2022. Tony was one of the many M.E.B.A. members who worked tirelessly after the fall of the World Trade Center to help survivors escape the devastation and to bring first responders to the scene.

M.E.B.A. is sponsoring the first race at the track (at 12:30 pm) in Tony's honor and family members will get to go into the winner's circle for photos with the winning horse and jockey. All are welcome including children. You can get further details from M.E.B.A.'s Patrolman in the NY/NJ hall Capt. Kenny Smith. Call the hall or email him at ksmith@mebaunion.org

INDIA LAUNCHES \$10 BILLION PUSH TO BUILD TANKER FLEET

India is rolling out a \$10 billion plan to acquire 112 crude oil tankers by 2040, aiming to reduce its reliance on foreign shipping and boost energy security, according to people familiar with the matter. The effort, led by the petroleum and shipping ministries, will begin with an initial order for 10 tankers this year. Only vessels built in India — potentially with foreign partners — will qualify. The country has aspirations of being a top-10 shipbuilding nation by 2030 and a top-5 player by 2047.

Currently dependent on chartered ships, India seeks to modernize its aging fleet amid rising domestic and global demand for refined products. The country's refining capacity is set to surge from 250 to 450 million tons annually by 2030. To support this expansion, the government wants a larger share of the fleet built locally, targeting 7% by 2030 and a sharp rise to 69% by 2047.

The initiative is part of a broader maritime strategy that includes a 250 billion-rupee fund to strengthen domestic shipbuilding and reduce dependence on Chinese-built vessels. India also plans to expand shipping capacity for coal, steel, and fertilizer using homegrown ships.

GOVT. FLEET MARINERS URGED TO AVOID LOSING UNION PROTECTION

MSC and Army Corps mariners will LOSE all future union protections and benefits if their dues lapse. The Union will continue to provide critical safeguards and exclusive pathways to essential benefits that our Government Fleet mariners expect. Continued membership is a lifeline to maintain the collective strength needed to preserve fair treatment and help protect your sailing career during uncertain times.

MSC and Army Corps members are urged to check in with our Norfolk Union hall to verify contact information and speak with our Government Fleet Representatives who are keeping the fleet apprised of the latest developments. Affected members should check in with M.E.B.A. Government Fleet Representative Craig Moran at the Norfolk Union hall at (757) 440-1820 or govtfleet@mebaunion.org. Assistant Representative Ola Lassley can be reached at the same number or via email at Norfolkdispatcher@mebaunion.org.

Members in those fleets should maintain their good standing by using M.E.B.A.'s online payment portal at https://meba.workingsystems.com. The Membership Department at Headquarters can provide assistance with any technical issues by phone at (202) 638-5355 or via email at membership@mebaunion.org. Those enrolling in the M.E.B.A. Payment Portal must have an email

address on file with Headquarters that correlates to their payment portal i.d., so make sure the HQ records match. Payments can also be made in person at any M.E.B.A. Union hall or office. To ensure continuity, members are advised to complete payments through the fourth quarter.

NEXT MONTHLY MEMBERSHIP MEETINGS (All times are local)

Monday, June 2 – Boston@1200; Seattle (Fife)@1300.

<u>Tuesday, June 3 – CMES@1430; Charleston@1400; Houston@1315; Oakland@1230.</u>

Wednesday, June 4 - Jacksonville@1300; New Orleans@1315; Online HQ "Town Hall"

Meeting@1300 (No Voting) - Register by emailing mebahq@mebaunion.org

<u>Thursday, June 5</u> – **L.A. (San Pedro)@**1230; **NY/NJ@**1300; **Norfolk@**1300; **Tampa@**1300.

Friday, June 6 – **Honolulu**@1100

-----FINISHED WITH ENGINES-----



M.E.B.A. does not tolerate assault, or harassment of any kind.

If you see something, say something – The M.E.B.A. Emergency Hotline can be reached at 1-888-519-0018.

The M.E.B.A. is the nation's oldest maritime labor union, established in 1875. M.E.B.A.'s expertise and demonstrated 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. Website: www.mebaunion.org For publication and related inquiries (and to send photos & hot news tips) 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. The Calhoon M.E.B.A. Engineering School can be contacted at (410) 822-9600 or www.mebaschool.org. M.E.B.A. Plans is at (410) 547-9111 or www.mebaplans.org