

# MARINE ENGINEERS' BENEFICIAL ASSOCIATION (AFL-CIO)



*"On Watch in Peace and War since 1875"*  
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## **HAPAG/MAERSK TEAM UP ON INTERCONNECTED OCEAN NETWORK**

Maersk and Hapag-Lloyd have agreed on an operational collaboration that they say will allow them to offer more frequent and flexible services, making their operations more efficient and reliable. Called the "Gemini Cooperation," the interconnected ocean network is set to begin in February 2025.

In support of the new Cooperation, Hapag-Lloyd USA will redeploy the five US-flag, M.E.B.A.-crewed vessels currently serving in the Trans-Atlantic AL3 service to a new Trans-Pacific service. Those vessels include the DELAWARE EXPRESS, COLORADO EXPRESS, HUDSON EXPRESS, MISSOURI EXPRESS, and POTOMAC EXPRESS. This service will include LA/Long Beach, Yokohama, Busan and Ningbo and will include one U.S.-flagged Maersk Line Ltd. vessel for a six-vessel string operating weekly service.

Hapag said the new cooperation will comprise a fleet pool of around 290 vessels with a combined capacity of 3.4 million containers (TEU); Maersk will deploy 60% and Hapag-Lloyd 40%.

"We are pleased to enter this cooperation with Hapag-Lloyd, which is the ideal ocean partner on our strategic journey," said Maersk CEO Vincent Clerc. "By entering this cooperation, we will be offering our customers a flexible ocean network that will be raising the bar for reliability in the industry. This will strengthen our integrated logistics offering and meet our customers' needs," he said.

As a part of the agreement, the two companies have set the ambitious target of delivering schedule reliability of above 90% once the network is fully phased in. As well as improved service quality, the companies said customers will benefit from improved transit times in many major port-to-port corridors and access to some of the world's best connected ocean hubs.

## **DOJ FILES SUIT AGAINST “NEGLIGENT” DALI OWNER, OPERATOR CALLING VESSEL “UNSEAWORTHY”**

Claiming that the owners and operators of the ill-fated container ship that destroyed Baltimore’s Francis Scott Key Bridge in March prioritized profits over safety, the Justice Department has sued the Singaporean-based corporations for over \$100 million along with punitive damages. The DALI, bound for Sri Lanka, lost power shortly after leaving a Baltimore port on March 26, resulting in a collision that destroyed the bridge and killed six workers.

The Justice Department’s civil claim was filed with the U.S. District Court for the District of Maryland against DALI owner Grace Ocean Private Limited and operator Synergy Marine Private Limited.

Acting Deputy Assistant Attorney General Chetan Patil explained, “This accident happened because of the careless and grossly negligent decisions made by Grace Ocean and Synergy, who recklessly chose to send an unseaworthy vessel to navigate a critical waterway and ignored the risks to American lives and the nation’s infrastructure...With this civil claim, the Justice Department is working to ensure that the costs of clearing the channel and reopening the Port of Baltimore are borne by the companies that caused the crash, not by the American taxpayer.”

The replacement of the bridge could cost nearly \$2 billion and take more than four years. The City of Baltimore has already taken legal action against the owner blaming them for the bridge collapse. Meanwhile, Grace Ocean has made a filing to limit their total liability for the bridge collapse and recovery effort to just \$43.7 million.

Recently, Congressmen John Garamendi (D-CA) and Hank Johnson (D-GA), introduced legislation to force the DALI owners to shoulder a greater financial burden for the victims and the loss of the bridge. Their bill would increase Grace’s liability to almost \$1 billion in the incident.

The investigation is ongoing. However, DOJ said they have learned enough so far to proceed with the suit. They noted, “The owner and operator of the DALI were well aware of vibration issues on the vessel that could cause a power outage. But instead of taking necessary precautions, they did the opposite. Out of negligence, mismanagement, and, at times, a desire to cut costs, they configured the ship’s electrical and mechanical systems in a way that prevented those systems from being able to quickly restore propulsion and steering after a power outage.” The suit alleges, “They retrofitted the transformer with anti-vibration braces, one of which had cracked over time, had been repaired with welds, and had cracked again. And they also wedged a metal cargo hook between the transformer and a nearby steel beam, in a makeshift attempt to limit vibration...As a result, when the DALI lost power, a cascading set of failures led to disaster.”

With the failure at the number 1 step-down transformer, all power stopped flowing to the ship’s 440-volt electrical panel. The bridge and engine room went completely dark, the crew could not steer, and the main engine stopped, which caused the propeller to stop turning. At that point, the power should have transferred automatically to the backup number 2 step-down transformer within just a few seconds, while there was still ample time to steer away from the bridge. But this automation, a safety feature tailor-made for the occasion at hand, had been recklessly disabled. The engineers were left struggling in the dark to manually reset the tripped circuit breakers for the number 1 step-down transformer. This took them a full minute, wasting critical time to regain

control of the ship. In the interim, the DALI's emergency generator also should have turned on automatically and restored power so that the ship could be steered. Maritime regulations require this to happen within 45 seconds. But it did not.

Even when the crew finally did manage to regain power, the DALI lost power again, this time likely because the vessel had been using an improper fuel pump, known as a "flushing pump." This was another legal safety requirement that the DALI failed to follow, in order to cut costs and save time. They stated, "Because power could not be restored, there was no way to steer the ship. And problems with the DALI's anchor and bow thruster thwarted even last-ditch emergency efforts to avert the disaster."

DOJ points out the DALI experienced a power loss the day before the encounter with the Key Bridge – which required the Coast Guard to be notified "immediately after addressing the resultant safety concerns." However, DOJ points out, it was not reported.

"This tragedy was entirely avoidable," they stated. "The electrical and mechanical systems on the DALI were improperly maintained and configured in a way that violated safety regulations and norms for international shipping...In sum, this accident happened because of the careless and grossly negligent decisions made by Grace Ocean and Synergy, who recklessly chose to send an unseaworthy vessel to navigate a critical waterway and ignored the risks to American lives and the nation's infrastructure."

### **SUPPLY CHAIN GROUPS NERVOUS ABOUT IMPENDING ILA STRIKE**

A White House official said that President Joe Biden has no plans to invoke federal law to prevent a potential strike at ports if dockworkers don't have a new labor agreement by the October 1 deadline. The International Longshoremen's Association, representing workers at approximately 36 U.S. ports from Maine to Texas, which handle nearly half of the nation's ocean imports, reiterated its warning this week that its members are ready to halt operations when the contract expires in ten days.

A letter signed by 197 supply chain organizations aired their dire concerns over the stalled negotiations and asked the administration to intervene and help resume negotiations to avoid economic damage.

The groups noted that a strike would further compound ongoing global supply chain challenges that include Houthi attacks on vessels in the Red Sea and Suez Canal. They say a strike would severely impact the economy, especially as inflation is declining, making immediate government involvement critical. The letter asked that the administration shepherd the parties back to the bargaining table and help prevent a coastwide shutdown if a strike or disruption takes place.

### **M.E.B.A. ELECTION: DUPLICATE BALLOT INFORMATION**

TrueBallot, Inc. is serving as the Impartial Administrator for the 2024 M.E.B.A. Election. If you are an M.E.B.A. member and did not receive a ballot – or yours has been lost or destroyed – you can request a duplicate ballot in writing. Contact the Impartial Administrator at: TrueBallot, Inc.; 3 Bethesda Metro Center; Suite 700; Bethesda, MD 20814. *Email: 0212401@trueballot.com*

Please make sure you include your address to send the duplicate ballot. *As stated in the M.E.B.A. By-Laws, if the original ballot and duplicate ballot are both cast, neither ballot shall count.* If you have any questions, please feel free to contact M.E.B.A. Headquarters.

### **HOUSE COMMITTEE DEEMS CHINESE CRANES AN ESPIONAGE THREAT**

A new report from the House Committee on Homeland Security highlights major cybersecurity and national security risks at U.S. ports due to the widespread use of Chinese-made container cranes. The report points to Shanghai Zhenhua Heavy Industries (ZPMC), which provides nearly 80% of the cranes in U.S. ports, as a potential “Trojan horse” for the Chinese Communist Party (CCP) and military to exploit maritime technology. ZPMC’s parent company, China Communications Construction Company (CCCC), is tied to militarization efforts in the South China Sea and includes CCP-linked board members.

Key concerns include unauthorized cellular modems on the cranes and requests from ZPMC for remote access, posing a significant cybersecurity threat. The investigation also notes that alternative manufacturers could face pressure due to ties with China, which could lead to supply-chain vulnerabilities, especially in conflicts related to Taiwan.

The report underscores the need to reduce reliance on Chinese technology and strengthen U.S. port infrastructure. While the White House has taken steps to address maritime cybersecurity, the committee warns that significant damage may already have been done and urges quicker action. The report follows earlier revelations of security threats, including FBI findings of intelligence-collection devices on ZPMC cranes at the Port of Baltimore.

Committee members and maritime industry leaders are calling for increased collaboration between federal authorities and the private sector to address these threats and secure U.S. ports from potential breaches.

### **TRANSCOM NOMINEE PLEDGES SUPPORT FOR COMMERCIAL FLEET**

At a confirmation hearing this week, the presumed incoming Commander for the U.S. Transportation Command showed his awareness about the integral role the U.S. commercial fleet plays in the nation’s force projection noting, “It is critically important that we maintain a viable U.S.-flagged sealift capability to support Department needs.”

Air Force Lieutenant General Randall Reed has been nominated to the post to succeed Gen. Jacqueline Van Ovost who has overseen USTRANSCOM since October 2021.

The Senate Armed Services Committee, including Sen. Mark Kelly (D-AZ), peppered Gen. Reed with questions seeking his view on national security risks due to the widening maritime power gap between the U.S. and China. Sen. Kelly emphasized the need for investment in the U.S.-flag fleet saying that China has over 5,500 merchant ships to the 80 internationally trading vessels under the Stars and Stripes. Gen. Reed noted that “there is no way that I can do my mission without the commercial industry” and committed to growing the U.S.-flag fleet and swelling the number of American merchant mariners.

He noted, “Most importantly, a long-term, stable and resourced strategy to increase fleet readiness, recapitalize the sealift fleet through purchasing used commercial ships for immediate readiness relief,

and procurement of new ships will ensure we maintain sufficient capacity and industrial base to meet the needs of the National Defense Strategy.”

### **VOTERS MUST BE IN GOOD STANDING FOR BALLOT TO COUNT**

Members who are not in good standing by November 15, 2024 (dues paid in accordance with the M.E.B.A. By-Laws through the end of the Fourth Quarter, as applicable) are not eligible to vote in the ongoing M.E.B.A. election.

Members are strongly urged to ensure their dues status is secured through the end of the year to guarantee their participation in this year’s officers’ election.

### **USE M.E.B.A. WEBSITE DUES PAYMENT OPTION TO IRON OUT LWOP/VACATION DUES LAPSES**

Some M.E.B.A. bargaining unit members pay dues by automatic Dues Check-Off (DCO). But when DCO members take vacation or (in the case of the Government fleet) Leave without Pay (LWOP), there are lapses in payroll where dues aren’t automatically submitted. Those members can iron out the imbalance from this link:

A “Vacation Pay” option is also available. This is useful for port Engineers and Union officials who can make these payments online. Many members and applicants think that paying online is the most efficient and advantageous manner to remain in good standing. You can get there at the following link: [www.mebaunion.org/pay-your-dues/](http://www.mebaunion.org/pay-your-dues/)

Select the bargaining unit in the “Check Off, Catch-Up” section of the Member Payment & Update Portal and make sure you remain a member in good standing.

### **NEXT MONTHLY MEMBERSHIP MEETINGS** *(All times are local)*

Monday, October 7 – **Boston@1200; Seattle (Fife)@1300.**

Tuesday, October 8 – **CMES@1430; Charleston@1400; Houston@1315; Oakland@1230.**

Wednesday, October 9 – **Jacksonville@1300; New Orleans@1315; Online HQ “Town Hall” Meeting@1300 (No Voting) – Register by emailing [mebahq@mebaunion.org](mailto:mebahq@mebaunion.org)**

Thursday, October 10 – **L.A. (San Pedro)@1230; NY/NJ@1300; Norfolk@1300;**

**Tampa@1300.**

Friday, October 11 – **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.***