



The International Propeller Club of the United States

Promoting the Maritime Industry Since 1927

April 2020

Message from the President

Niels Aalund



As we carry on during this global pandemic, I would recognize our members for the essential services they do every day to keep commerce moving. I commend you for the unheralded work you do to support the U.S. and global economy.

May 22, 2020 is National Maritime Day that commemorates the 201st anniversary of the crossing of the steamship Savannah – the first transatlantic crossing by a motorized vessel. (above) This historic event revolutionized maritime transportation. No longer were ships subject to the vagaries of the wind – they could deliver goods on a fixed schedule.

Technology is continuing to improve our maritime industry and has revolutionized the method and economics of shipping goods globally. Over time, shipping evolved into an intermodal transportation system which links ships, ports, highways, and railroads into a national transportation system. Today, 60% of the world's goods (by value) are shipped by container.

Ships are also vital to the U.S. industrial base. Iron, coke, coal, and other minerals are shipped across the Great Lakes in 1,000-foot ships destined for the steel mills and other heavy industries in the heartland of America. Meanwhile, thousands of tugs and their barges are shipping grain and other agricultural products down the Mississippi River System for export and bringing oil and other chemicals upriver to support cities and communities in that region.

The tanker trade accounts for almost 30 percent of the volume of maritime trade globally.

In the United States, tankers moved over 70 billion ton-miles of crude and refined product each year.

But most all National Maritime Day is about people. The men and women who leave their families to operate ships both in the United States and around the globe for weeks and

months at a time. Without their sacrifice, trade would come to a standstill.

Those that risk their lives to move military supplies deserve particular praise. On March 13, 2020, President Trump signed into law the “Merchant Mariners of World War II Gold Medal Act of 2020.” This resolution recognizes the vital contributions that merchant mariners made to the Allied victory in World War II. Later this year the leaders of Congress will present the Gold Medal to the American Merchant Marine Museum on behalf of all of the mariners who sailed during World War II.

Few people know how dependent they are the maritime industry for the products that they use in their everyday life. And it is our job to help tell that story.

National Maritime Day represents an opportunity for our Clubs to help educate the public about the maritime industry. Those of us that work in the industry understand its importance. But just 10 miles inland many people see ships without knowing how important they are for both our national defense and global economy.

This year it may be difficult for your club to hold a National Maritime Day event in your community due to the Corona virus pandemic. However, share the story of our industry through editorials and social media promotions. While the volume of shipping may have decreased during the pandemic – the maritime industry is continuing to work and deliver vitally important products. And when the pandemic is over, the maritime community will yet again help countries around the world recover by delivering goods where and when they are needed.

Again, thank you for what you do to keep transportation moving around the globe in support

of manufacturers, farmers, consumers, passengers, and all who depend upon the maritime transportation system.

Please be safe.

Niels

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Covid-19: Business Not as Usual

As you have seen in your local Ports, almost all events have been cancelled, postponed or have become virtual events. We have had to do the same thing here at national headquarters. For the first time in the history of the International Propeller Club we have cancelled the April Salute to Congress and the Annual Conference which was to be held in Greece, hosted by the Propeller Club Port of Piraeus.

The Executive Board and staff have been meeting weekly to come up with new ways of bringing value and services to you during these times. We have begun calls with all of our regional Port Presidents to find out what is happening at the local Ports and for them to hear what is happening at national headquarters.

At national headquarters, along with the leadership, we have begun to put together a Professional Development Conference on leadership development in the fall this year. The purpose of the conference will be to provide leadership development in the ports as well as personal development for members for your career enhancement. We will keep you informed as details become available.

At the national level we will be conducting surveys to all our Ports, and at the local level Ports will be conducting surveys to all their members to ensure that we meet the benefits and services of all

members. We need your input when you receive these surveys so that moving forward, we can develop programs and services that will be of benefit to you.

Through all these changes I believe we will find that we can come out of this with some new ways of doing things that will be of benefit to all of us. In the meantime, stay safe and stay healthy.

Maritime Policy Education

To effectively promote the maritime industry, individuals need a basic working knowledge about maritime policy. This column will focus on one particular issue: Inland Waterways Infrastructure.



Inland Waterways Infrastructure: 101

Last month's column focused on the funding for dredging projects for seaports in the United States. This month we will examine the construction and maintenance of infrastructure on the inland waterways of the United States – such as dredging and the construction and expansion of locks and dams.

Approximately 11,000 miles of the inland waterways of the United States that are maintained by the Army Corps of Engineers (Corps). While

everyone knows that this system includes the Mississippi River system – it also includes the Columbia and Snake River system as well as the Atlantic Intracoastal Waterway and the Gulf Intracoastal Waterway.

It is the Corps responsibility to maintain a channel depth of 9 feet in the inland waterway system to accommodate commercial tug and barge traffic. Dams have been constructed to help maintain this channel depth during period of high and low water flow. Locks at the dam allow the tugs and barges to bypass these dams.

Between 2006-2017, the Corps obligated \$690 million annually for Operations and Maintenance (O&M) on the inland river system. In addition, the Corps has obligated approximately \$240 million annually for new construction and rehabilitation projects.

Economic benefits of inland waterways system: Cargoes transported on the inland waterway system include grain and soybeans, coal, petroleum, and chemicals. According to the Corps, the value of these commodities exceeds \$194 Billion. There are more than 541,000 jobs that are related to the inland waterways system – valued at more than \$29 billion. The inland waterways system is the most environmentally friendly method of transporting goods. One ton of cargo can be moved 647 miles on a one gallon of fuel and eliminate million of truck movements that would be required if the inland waterways system is not maintained.

Infrastructure Funding:

Funding for infrastructure on these waterways come from 2 sources: The General Revenues of the United States and the Inland Waterway Trust Fund.

- The General Revenues (Treasury) of the United States pays for 100% of the operation and maintenance (O&M) costs on these waterways.

- Construction and major rehabilitation projects for locks and dams that cost more than \$20 million are funded from 2 sources: 50% from the General Revenues of the U.S. and 50% from the Inland Waterways Trust Fund (IWTF).

The IWTF is funded by a tax on the fuel used by commercial vessels on the 11,000-miles inland IWTF system. In 2014 the tax was increased from \$.20 per gallon to \$0.29 per gallon. The revenues to the IWTF annually is approximately \$116 million. The Corps prioritizes projects based on the projected costs and benefits of the projects.

The Inland Waterways User Board (IWUB) is a Federal advisory board created to make recommendations to the Corps and Congress on investment priorities for projects funded from the IWTF. The IWUB issues an annual report that includes their recommendations for the prioritization of projects on the inland river system. The 2019 report can be found at this link: [IWUB 2019 Report](#)

ISSUE BEFORE CONGRESS:

Some users believe that construction and major rehabilitation projects can be completed in a shorter time period if the General Revenue (i.e. Corps budget) pays for 65% of the project cost and the IWTF pays for 35% (rather than the current 50/50 cost split). Other users of the inland waterway system are concerned that if more funding for these projects must come from the general Corps budget – then there will be less funding available from that budget for other Corps projects such as flood control projects.

CONGRESSIONAL ACTION:

Legislation regarding Inland Waterways Infrastructure is typically included in the Water Resources Development Act – which is acted upon on a 2-year cycle.

The leadership of the Senate Committee on Environment and Public Works released a draft of their proposed legislation on April 21, 2020.

Read the one page summary of the draft legislation [here](#).

Read the text of the draft AWIA 2020 [here](#).

Read the section-by-section of the draft AWIA 2020 [here](#).

Additional information can be found at:

[National Waterways Conference](#)
[Waterways Council, Inc.](#)

Along the Potomac

Protection of U.S. Cabotage Laws (Jones Act)

- On April 2, 2020 IPCUS joined over 230 maritime leaders including the presidents of maritime trade associations and corporations in writing a letter to President Trump urging him not to issue a waiver of the coastwise trade laws if it is requested by the U.S. oil industry. The complete letter can be read at this link: [Letter opposing coastwise waiver](#)
- In addition, on April 3, 2020, IPCUS sent out a call to all of our members urging them to send an email to President Trump asking him to oppose any waiver of the coastwise trade laws (Jones Act) that may be requested by the U.S. oil industry. To accomplish this, we sent out a link to an email messaging system that was sponsored by the Navy League. While it is difficult to determine how many of our members added their voice to the Navy League effort – **the posting of this information and link on Facebook received the highest number of engagements and shares that we have ever received!** Thanks to all of our members that took the time to send a message to the President supporting the maritime industry. We hope to do more of this type of advocacy for the maritime industry in the future.

Congressional Medal for Merchant Mariners of World War II

- On March 13, 2020, President Trump signed into law H.R. 4671, the [Merchant Mariners of World War II Congressional Gold Medal Act of 2020](#). This law makes a number of “Findings” that recognized the contributions of our merchant mariners to the winning of World War II. This legislation requires the Secretary of the Treasury to “strike” a Gold Medal that includes suitable emblem and inscriptions. This typically takes 6-9 months. Then the Speaker of the House and the President of the Senate will award the medal on behalf of Congress to the American Merchant Marine Museum for appropriate display at locations around the United States. Duplicate medals (in Bronze) will also be struck and available for purchase for \$40. IPCUS is working with other maritime organizations to see if medals can be purchased for these veterans and to determine if our Clubs can present these medals to the merchant marine veterans of WWII in their area.

Small Shipyard Grants

- On April 21, 2020, the Department of Transportation announced the awarding of \$19.6 million in grants to 24 small shipyards in the United States. The DoT announcement and a list of the shipyards awarded the grants can be found at this link: [Small Shipyard Grants - April 2020](#)

National Security Multi-Mission Vessel (NSMV)

- On April 7, 2020, TOTE Services, on behalf of the U.S. Maritime Administration, announced that they had selected Philly Shipyard to construct up to 5 National Security Multi-Mission Vessels (NSMVs) for use by the State maritime academies to

train future mariners and to support humanitarian assistance and disaster relief in times of need. The total cost of this program is approximately \$2.5 billion (for 5 ships).

Maritime Security Program – request for additional funding for impact of Covid-19

- The **USA Maritime Coalition** has requested that Congress appropriate an additional 4109.9 million in emergency funding assistance for U.S.-flag militarily use vessels enrolled in the Maritime Security Program (MSP). This additional funding will help compensate vessel owners and crews for additional expenses and losses incurred due to the Corona virus pandemic and will help ensure that these vessels remain operational ready to support the needs of the Department of Defense. A letter detailing this request is at this link: [MSP Covid letter](#)

Port funding for COVID-19 impact

- The American Association of Port Authorities (AAPA) has been seeking help in getting Members of Congress to sign a “dear colleague” letter to all Members of Congress supporting for funding for ports in the next relief package that is considered by Congress. The letter is being circulated by Representatives Kurt Schrader (D-OR), Alan Lowenthal (C-CA), and Randy Weber (R-TX). Their analysis of the impact of COVID-19 on ports is contained at this link: [COVID-19 & Ports](#)

Protection of Transportation Workers from COVID-19

- The Transportation Trades Department of the AFL-CIO has written to Secretary of Transportation Chao and Secretary of Labor Scalia requesting that they do more to protect the lives of transportation workers from the Corona virus including measures

such as full deployment of personal protective equipment, adequate cleaning and disinfecting protocols, and policies to ensure social distancing in the workplace. The letter can be read at this link: [TTD COVID-19 letter](#)

Around the Ports

(Let us know what about your Club's activities!)

While most of our Clubs cannot have meetings – that doesn't mean that they are not busy. Here are some examples of activities that they are doing during the corona pandemic:

Piraeus Propeller Club online counselling program for seafarers

The International Propeller Club, Port of Piraeus, has launched a free online interactive psychological counseling and coaching programme for ships' crew at sea in an initiative to support the Greek maritime community during the COVID - 19 pandemic. Titled 'Next - Working for the Future' the Piraeus-based club says the "programme encapsulates our commitment to contribute to the future of the Greek maritime industry". [Seatrade Maritime](#)

Pensacola Propeller Club

The Pensacola Propeller Club sponsored 2 meals at the Ronald McDonald House Charities of Northwest Florida. The food was provided by Four Seasons Catering and Eatery who as able to prepare and deliver the meals.

Manatee Propeller Club

The Mantee Propeller Club participated in the 2020 Giving Challenge and donated to the Boys & Girls Clubs of Manatee County and the Meals on Wheels PLUS of Manatee.

The Manatee Club also reached out to its members to see if their businesses have any jobs available to help people who had been laid-off due to the coronavirus.

John Cullather, Executive Vice President
Cheryl Rothbart, Associate Executive Director