



# The International Propeller Club of the United States

Promoting the Maritime Industry Since 1927

## July 2020

of which at least \$1.5 billion would be available for port authorities.

The maritime industry is vital to the movement of commerce and the economic recovery that the world needs. The United States cannot afford to have large segments of this industry go bankrupt. The 650,000 men and women that keep our commerce moving are important for our economic and national security and contribute more than \$154 billion to the U.S. economy annually.

We hope that all of our members will write their Member of Congress and Senators in support of this \$3.5 billion request. A web page has been set up with the Navy League that provides a letter and automatic message to your elected officials. Please take a moment to go to this link and let Washington know how important it is for them to provide relief to the U.S. maritime industry: [Maritime Relief Letter](#)

Please be safe.

Niels Aalund  
International President  
(713) 715-6424  
[niels@wgma.org](mailto:niels@wgma.org)

## Message from the President:



COVID-19 continues to devastate the globe. Some sectors, such as the cruise industry, have been particularly impacted. A humanitarian and safety crisis is

growing due to seafarers stranded on ships unable to go home and be relieved by new crews. Most of our Clubs have been unable to meet in person and hold fundraising events which will affect their advocacy and ability to support maritime charities and scholarships.

Meanwhile, the men and women who work on ships and ashore keep commerce moving, albeit with lower volumes, risking their own health and that of their families. And no one knows when it will end. Economic relief is critical to many of the companies in the U.S. maritime community and to our members. On behalf of the International Propeller Club I have written to the leadership of the U.S. House of Representatives and the Senate requesting that they provide \$3.5 billion to support the U.S. maritime industry during the COVID-19 pandemic,

## CRITICAL ACTION !!

### \$3.5 Billion Relief Request for U.S. Maritime Industry

The International Propeller Club has requested that Congress appropriate \$3.5 billion in relief funds for the U.S. maritime industry due to the COVID-19 pandemic.

We urge our members to contact their Member of Congress and Senators to support this request. Those messages can be sent electronically by clicking on the link below or cutting and pasting the letter (below) on the message portion of the website of your Representative and Senators:

#### [Congressional Email Link](#)

#### SAMPLE LETTER

Dear:

On behalf of the Propeller Club of \_\_\_\_\_, I ask that you support a request for \$3.5 billion for the relief of the U.S. maritime industry from the impact of the COVID-19 pandemic. The U.S. maritime industry employs over 650,000 men and women that are vital to our national and economic security and contribute over \$150 billion to the U.S. economy annually.

The COVID-19 pandemic has had a significant impact on the U.S. maritime industry. People have lost jobs, companies have furloughed and laid off personnel both on shore and at sea. Yet this industry is critical to the economic recovery of the United States because more than 90 percent of our trade moves by sea.

In the next stimulus or COVID-19 recovery appropriations, it is vital that the needs of the U.S. maritime industry be met by appropriating \$3.5 billion, of which \$1.5 billion is available for ports such as the Port of \_\_\_\_\_.

Respectfully,

## Executive Vice President Column:

The Board of Directors has approved a plan to expand the number of Committees of IPCUS. This will provide us the opportunity to increase our advocacy, provide better guidance to clubs, improve communications, and expand our education programs.

In addition to the current Committees, the Board approved the establishment of the following Committees and Subcommittees:

- Membership Development – which includes these subcommittees:
  - New Port Development (International)
  - New Port Development (United States)
  - Port Operations & Resources (to develop a Port Operations Manual and provide guidance for a successful port.)
  - Student Ports (to help expand our Student Port Program)
  - Women in the Maritime Industry (to help mentor, educate, and recruit women in the maritime industry)
- Maritime Promotion – which includes these subcommittees:
  - United States Maritime Promotion (to develop an advocacy program to promote the U.S. maritime industry)
  - International Maritime Promotion (to develop an advocacy program to promote the international maritime industry)
- Sponsorship and Financial Resources (to help develop new sponsors and other revenue generating activities)
- Education (to develop a maritime education program for schools, develop training materials for those programs, and encourage

local Clubs to provide financial assistance for these programs.)

- Communications (to increase the name recognition of the IPC and develop a communications strategy with our members and the maritime community)

The complete Committee program for the IPC can be found on our website at this link: [IPC Committees](#)

To join one of these Committees please fill out the questionnaire at this link: [IPC Committee Questionnaire](#)

Please check out our new web page at:

<https://propellerclub.us/>

## Upcoming from International Headquarters

The International Propeller Club is pivoting during these times of Covid-19. In spite of the “new normal” we are pleased to continue to move forward and provide value to the members of the Ports.

We have been making regional Zoom calls to leaders to stay in touch with all our Clubs. We are in the process of making our second round of virtual meetings. We have found that they are valuable to the Ports as well as us and will help us to improve our services and advocacy for the maritime industry. We plan on continuing these into the future.

Plans are well underway to hold a virtual Maritime Leadership Conference, October 20-22. This conference is designed as a professional development conference which will help you grow as a business leader, not only within your Port, but

as a leader in business, the industry and the community. You will gain industry information and insight to support effective business planning and decision making. Look for further information to register for this.

In conjunction with this meeting we will hold the Port President’s Meeting which is traditionally held at our annual conference.

As mentioned in the article about committees, we are looking for volunteers who have experience or are interested in the various committees the board has approved. All the work of these committees will bring us closer to meeting the goals of our strategic plan which was developed with the input of Ports and members domestically and internationally.

When you sign up to be part of a committee you will be working on specific areas that the committee goals have been divided into.

The work of each of you on a committee will come together to enable us to reach these goals as we work as a team. Please take the time to review the committee structures and sign up here. [IPC Committee Questionnaire](#)

If you have any questions, reach out to Cheryl at [cheryl@propellerclubhq.com](mailto:cheryl@propellerclubhq.com)

## Maritime Policy Education

To effectively promote the maritime industry, individuals need a basic working knowledge about maritime policy. Previous columns may be found on our web page under the Fact Sheets Tab. This column will focus on the growing issue of Zero Emission Vessels (ZEV)

## ZERO EMISSION VESSELS (ZEV)



- Monitoring, reporting and verification of CO<sub>2</sub> emissions from large ships.
- Greenhouse gas reduction targets
- Further measures, such as market-based measures.

In November 2018, the Transport and Environment issued a study titled “Roadmap to decarbonizing European Shipping”. This study found that EU shipping is responsible on average 200 Metric Tons of GHG per year. The study identified how pathways that may be feasible to decarbonize shipping “would likely affect the future EU renewable energy supply needs.” It found that initiatives such as improvements in ship design efficiency will not meet the fuel efficiency improvements needed to decrease emissions to the levels needed. Therefore, “The decarbonization of shipping will require changes in on-board energy storage and use and the necessary accompanying bunkering infrastructure.” The main findings and recommendations of the study were:

- Prioritize battery-electric and hydrogen technologies.
- The investment required for additional renewable electricity production, transmission grids, shoreside charging station, hydrogen production plants, and new vessel propulsion and energy storage systems must be evaluated.
- The least additional demand on the European renewable energy supply would likely come from decarbonizing EU short-sea shipping because these are usually smaller vessels engaged on shorter voyages. The study found that “The technology is readily available to start this process and range can be extended as technology matures.”

There is a global drive to decrease carbon dioxide (CO<sub>2</sub>) as well as Green House Gases (GHG). According to studies by the International Maritime Organization (IMO) international shipping accounts for 2.2% of the global CO<sub>2</sub> emissions and could grow between 50% and 250% by 2050 primarily due to the growth of international shipping. IMO has established a goal to reduce CO<sub>2</sub> emissions by 40% below 2008 levels by 2030 and by 85% by 2050. Domestic vessel emissions may be required to have Zero emissions by 2050. Given the lifespan of a vessel – that could mean that many vessels built after 2030 will have to have zero emissions if they are to operate beyond 2050 – particularly if they operate in an Emission Control Area (ECA). There are several technologies available for Zero Emission Vessels (ZEV) including battery, ammonia, hydrogen, and fuel cells. The technology that is appropriate for any vessel may be dependent upon the size of the vessel, length of the voyage, amount of time in port, and the area of operation of the vessel.

### Europe

Vessel emissions account for approximately 13% of greenhouse gas emissions from the transportation sector in the European Union in 2015. The European Community has been planning on the eventual use of Zero Emission Vessels for several years. In 2013, the EC established a 3-step strategy for vessel emissions:

In July 2019 the British government announced a “Clean Maritime Plan” which required vessels ordered beginning in 2025 must have zero-emission capabilities. They also launched a \$1.25 million

competition to find new ways to cut maritime emissions.

In December 2019, the International Chamber of Shipping (ICS) announced plans for a \$5 billion fund to design zero emission ships. They said that \$2.00 should be levied on each ton of ships fuel to support research into clean engines. ICS has said that this initiative is supported by owners of 90% of the international merchant fleet.

In March 2020, the EU Transport Ministers signed a declaration that targets “a carbon-neutral and zero pollution waterborne transport sector” in the EU by 2050. There is not a consensus in Europe regarding whether the EC should simply follow the IMO standards or whether they should adopt their own measures to ensure that the IMO goals are met.

### United States:

The Federal Government does not have a plan or program to evaluate zero emission technologies for vessels or assist the maritime industry in transitioning to these technologies. Individual vessel owners are having zero emission vessels designed and built. These are mostly small passenger vessels such as ferries and tour boats. The largest project to date is the plan for the Washington State Ferries in Seattle to transition to a zero-emission ferry fleet by using funds from the Volkswagen settlement fund.

To facilitate and expedite the development of zero emission vessels in the United States the Federal Government should:

- Develop a Zero Emission Vessel Strategy that includes an evaluation of the available technologies that may be appropriate to be used on various vessel types and classes such as ferries, harbor tugs, dinner cruises, and towing vessels.

- Provide grants to U.S. shipyards and vessel owners for series construction of 10 zero emission vessels to help decrease the life-cycle cost of ZEV and shoreside energy refueling equipment.
- Allow the use of Capital Construction Funds ([46 U.S.C. 53501](#) et seq.) for ZEVs to help vessel owners finance the construction of these vessels.

## On Deck:

**Our previous column “Along the Potomac” has been replaced with “On Deck” to include more international maritime activities.**

### United States

**WRDA** - On July 30, 2020, the House of Representatives passed H.R. 7575, the Water Resources Development Act of 2020. Among other changes to the current law, WRDA 2020 would change the cost sharing for inland waterways projects from 50/50 Federal /Inland Waterway Trust Fund (IWTF) to 65% Federal / 35% IWTF; expand the regional dredging pilot program; authorizes all 34 pending projects recommended by the Army Corps of Engineers; authorizes 35 feasibility studies; directs 5 comprehensive river basin studies; authorizes appropriations for the current surplus in the Harbor Maintenance Trust Fund of \$10 billion. The full text of H.R. 7575 can be found at this link: [HR7575EH](#) The Senate bill has been reported from the Committee on Environment and Public Works but has not yet been taken up by the Full Senate.

**H.R. 6395** – On July 21, 2020 the House of Representatives passed H.R. 6395, the National Defense Authorization Act (NDAA) for FY 2021. This bill was amended on the House Floor to include several important pieces of maritime legislation including the text of H.R. 3409 (The Coast Guard Authorization Act of 2020); H.R. 7515 (the Maritime Transportation System Emergency Relief Act(MTSERA)(see below)); and H.R. 7464 (The Elijah E. Cummings Mariner Workforce Development Act (see below)). The House Committee on Transportation and Infrastructure issued a [press release](#) explaining these amendments. The NDAA also included other provisions relating to and supporting the maritime industry such as increasing training opportunities for merchant mariners, to authorizing a new competitive grant program for projects at smaller ports and terminals, and establishing a National Shipper Advisory Committee to give U.S. importers and exporters a formal process to interact with the Federal Maritime Commission.

**H.R. 7416** - On June 30, 2020, Representative Bost (R-IL) introduced H.R. 7416 a bill to allow the Administrator of the Maritime Administration to provide assistance to the owners and operators of certain ports and terminals, and for other purposes. The text of the bill can be read at this link: [HR7416IH](#)

**H.R. 7456** - On July 1, 2020, Representative Garcia (D-TX) introduced H.R. 7456 to establish a grant program for domestic maritime workforce training and education, and for other purposes. The text of the bill can be found at this link: [HR7456IH](#)

**H.R. 7464** - On July 1, 2020 Representative Sean Patrick Maloney (D-NY) introduced H.R. 7464 a bill that directs the Secretary of Transportation to establish a merchant mariner education loan program. The text of the bill can be found at this link: [HR7464IH](#)

**H.R. 7515** - On July 9, 2020 Representative DeFazio (D-OR) introduced H.R. 7515, a bill to authorize maritime transportation emergency relief. The text of this bill can be found at this link: [HR7515IH](#)

**H.R. 7575** - On July 13, 2020 Representative DeFazio (D-OR) introduced H.R. 7575, the [Water Resources Development Act of 2020](#) (H.R. 7575) to provide for improvements to the rivers and harbors of the United States, to provide for the conservation and development of water and related resources. The text of this bill can be found at this link: [HR7575IH](#)

**S. 3930** - On June 10, 2020, Senator Wicker (R-MS) introduced S. 3930, the [Maritime Administration Authorization and Improvement Act](#) to reauthorize the Maritime Administration and to reauthorize the National Oceanic and Atmospheric Administration Commissioned Officer Corps Act of 2002. The text of the bill can be found at this link: [S3930IS](#) In addition to authorizing Appropriations for MARAD, this bill:

- Makes changes to the Marine Highway (Short Sea Shipping Program) (Sec. 102)
- Creates a “Tanker Security Program” modeled after the Maritime Security Program (Sec. 104)
- Amending the Port and Intermodal Improvement Program (Sec. 105)
- Amends the Centers of excellence for domestic maritime workforce training and education program to allow MARAD to provide grants to these institutions to develop or improve their training programs. (Sec. 111)
- Requires MARAD and the National Academy of Sciences to establish a joint committee to make advice on supply chain transportation vulnerabilities and how to minimize them in the event of emergencies and disasters. (Sec. 118)

This bill will probably be considered as part of the deliberations on H.R. 6395, the NDAA (see above).

**S. 4046** - On June 23, 2020 Senator Merkley (D-OR) introduced S. 4046, the [Climate Smart Ports Act](#) to direct the Administrator of the Environmental Protection Agency to establish a program to award grants to eligible entities to purchase, and as applicable install, zero emissions port equipment and technology, and for other purposes. The text of this bill can be found at this link: [S4046IS](#)

**S. 4023** - On June 22, 2020 Senator Markey (D-MA) introduced S. 4023, the [Enhancing Maritime Cybersecurity Act of 2020](#) a bill to enhance maritime cybersecurity. The text of this bill can be found at this link: [S4023IS](#)

**S. 4025** - On 22 June, 2020 Senator Markey (S-MA) introduced S. 4025, the [Expanding Maritime Environmental and Technical Assistance Program](#) a bill to authorize appropriations for the maritime environmental and technical assistance program. The text of this bill can be found at this link: [S4025IS](#)

**S. 4150** - On July 2, 2020 Senator Reed (D-RI) introduced S. 4150 to require the Secretary of the Treasury to provide assistance to certain providers of transportation services (including US-flag passenger vessel operators) affected by the novel coronavirus. The text of the bill can be found at this link: [S4150IS](#)

**S. 4395** - On July 30, 2020, Senator Merkley (D-OR) introduced S. 4395 a bill to authorize maritime transportation emergency relief, and for other purposes. The text of the bill is not yet available. However, Senator Merkley issued a [press release](#) explaining the measure. This is the Senate companion bill to H.R. 7515 (see above) and included in the House passed H.R. 6395 (see NDAA above).

**CRS** - The Congressional Research Service (CRS) posted a [report](#) on inland and intracoastal waterways. (7/7/20) [<https://crsreports.congress.gov/product/pdf/IF/IF11593>].

## Europe

**ECSA** - The European Community Shipowners’ Association (ECSA) provided initial input and priorities to the European Community regarding assistance to help their maritime industry recover from the impact of COVID-19. The complete report can be found at this link: [ECSACOVID](#) Recommendations include:

- EU guidance to banks on loan payment deferrals
- Increase investment in shoreside infrastructure
- A strong Research & Development Program regarding Zero Emission waterborne transportation
- Increased support for offshore wind development
- Increase digitization of information used in the marine transportation system

**EC Emissions** - The European Commission (EC) issued a [press release](#) stating that the Commission has put forward a [proposal](#) to revise the EU system for monitoring, reporting and verifying CO<sub>2</sub> emissions from maritime transport (the “[EU MRV Regulation](#)”) and bring it in line with new obligations under International Maritime Organization (IMO) to monitor emissions from 2019 and report in 2020. In the legislative report approved (62 votes to 3 and 13 abstentions), the Environment, Public Health and Food Safety Committee welcomes the proposal but wants to see more ambition and voted to include ships of 5000 gross tonnage and above in the [EU Emissions Trading System \(ETS\)](#). In addition, MEPs say that market-based emissions reduction policies are not enough, so they also introduced binding requirements for shipping companies to reduce their annual average CO<sub>2</sub> emissions per transport work, for all their

ships, by at least 40% by 2030. The announcement can be read at this link: [EC decarbonization](#)

**MAIB** – On June 30, 2020, the UK Marine Accident Investigation Branch (MAIB) issued its [Annual Report 2019](#).

**Paris MOU** – On July 1, 2020, the Paris MOU posted its 2019 ‘White, Grey, and Black’ [Performance Lists](#). It is based on the total number of inspections and detentions over a three-year rolling period for flags with at least 30 inspections during the period. The list can be viewed at this link: [PMOU2019](#)

## Around the Clubs:

**(Let us know about your Club’s activities)**

### New York Club



On July 29, the New York Club held an outdoor socially distant luncheon to discuss the current climate of the Port of New York & New Jersey and how COVID-19 has affected the local industry.

### Los Angeles[-Long Beach Club



The Los Angeles-Long Beach Club has been providing paper towels, toilet paper, sanitizing

wipes, and sanitizing spray to the Seafarer’s Center. It is a busy place – and much appreciated by the mariners.

### Jacksonville Club



The Jacksonville Club presented a \$5,000 to the University of North Florida Transportation and Logistics Society for student scholarships.

### Houston Club



The Houston Club put together a great ad for their Facebook page letting recent maritime program graduates know about our new program to waive membership fees for their 1<sup>st</sup> year in the Club.

## **Tacoma Club**

The Tacoma Club is planning on a busy season including:

- A “low risk” golf outing on September 11<sup>th</sup>.
- A virtual meeting with their county engineer to brief their members on the Canyon Road Regional Connection Program.
- Providing input on the Strategic Plan for the Port of Tacoma.

**John Cullather**, *Executive Vice President*

[john@propellerclubhq.com](mailto:john@propellerclubhq.com)

(703) 215-6658

**Cheryl Rothbart**, *Associate Executive Director*

[cheryl@propellerclubhq.com](mailto:cheryl@propellerclubhq.com)

(703) 304-5717