



International Propeller Club of the United States

Promoting the Maritime Industry Since 1927

January 2022 Newsletter

Message from the President



As the International Propeller Club and the maritime industry as a whole transition back to pre-COVID in-person activities and look forward to a worldwide shipping environment that is no longer characterized by an international crew crisis and supply chain disruptions, it is time to take a close look at lessons learned and to discuss what steps should and should not be taken to mitigate against

such situations in the future.

It is imperative that those who seek to capitalize on the shipping supply chain disruptions by advancing programs and policies that do little more than enrich themselves be turned away. There are those in the United States, for example, who seize any and every opportunity, including the current supply chain problems, to blame America's domestic shipping requirements as the cause. Such individuals and organizations, who conveniently ignore the positive impact the U.S. coastwise shipping laws continue to have on America's economic, military, and homeland security, instead propose a weakening or repeal of existing requirements and promote schemes that would result in currently non-compliant vessels entering into the domestic trades. Despite the rhetoric, such schemes will do little more than outsource American mariner jobs to foreign mariners and penalize American shipping companies that have played by the rules.

We should not pretend that a weakening of a national flag, the loss of jobs for a nation's mariners, and a loss of business for a nation's shipping companies - whether in the United States or overseas - is somehow a positive solution. Rather, we would instead encourage maritime interests overseas as well as in the United States to work with us and other organizations that share our goals and objectives in the promotion of the maritime industry and maritime commerce. We encourage the U.S. Congress and Administration to develop a national maritime strategy that results in a more robust U.S.-flag fleet to bolster, strengthen, and protect the nation's shipping supply chain and increase the share of foreign trade carried by U.S.-flag vessels.

We understand there will be those who will consider such a proposal as naïve and who will reject out of hand the idea that such a policy can and will be developed and implemented. We disagree. The importance of the maritime industry worldwide has been on the front pages and dominating news programs throughout the past two years. This awareness, coupled with the likely consequences of failing to act, provides an opportunity for the maritime industry to move forward.

C. James Patti
International President

From the Executive Vice President

This year is off to a good start with a round of calls to each of our Regions and their Port Presidents. We've found these calls very helpful in understanding how various clubs have coped with the coronavirus, and what their plans are for 2022. It has also opened up channels of discussion for the Port Presidents to learn what Propeller Club Headquarters is doing and can do for them. One thing is clear from our calls so far: even with the Omicron strain, most clubs are starting to meet and are planning many events for their members. And that's a great thing!



Our next big event will be the Salute to Congress on May 17 in Arlington, VA. There we will recognize a member of Congress who has been a strong supporter of the merchant marine and the maritime industry. A committee will be meeting shortly to select this year's awardee. The Salute to Congress is always a large event and I encourage Port Presidents not only to attend but to take some time and visit your Congressman or Senator. They need to hear what the important issues are for your Propeller Club members. If you need help in setting that up, give us a call at Headquarters.

We are planning a European Conference in the coming months (date to be determined) and we're looking to our friends overseas to identify topics of particular relevance to them. And don't forget to mark September 20-22 for our 96th Annual Convention and Port Presidents Meeting. The Propeller Club of Piraeus is already deep into the planning, so keep an eye out soon for registration details.

We are also re-energizing our committees, and especially need help on our Membership and Communications committees. Any Propeller Club member can be on our committee, and we need some professional help in communications, marketing, and social media. Call if you can help!

Here's to a great 2022!

Joel Whitehead
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MEMBER SPOTLIGHT - NIELS AALUND Port of Houston

Niels Aalund, our immediate past International President, serves as Senior Vice-President of the West Gulf Maritime Association in Houston, Texas. There he advocates with local, state, and federal agencies on behalf of member companies (stevedores, steamship agents, vessel owners, and industry stakeholders). From organizations such as the Washington, D.C.-based National Association of Maritime Organizations, to the commercial sector, Niels has provided leadership for a variety of maritime-related positions.

Besides his recent service as the International President of the Propeller Club, he serves on 11 regional or national committees and boards, including as Director at Large, Houston Ship Channel Security District, the Lone Star Harbor Safety Committee, Area Maritime Security Council, South East Texas Waterways Advisory Committee, Corpus Christi Harbor Safety Committee, National Association Maritime Organizations, North American

Marine Environment Protection Association, and the University of Houston, College of Technology Dean Advisory Board where he was recognized as a Distinguished Alumnus.

Niels has been a member of several Propeller Clubs in different ports for over 39 years and has served on the IPC Board or Executive Committee since 2018. Niels continues to recognize the value of the International Propeller Club when he said *“The Propeller Club is truly an international organization of maritime professionals. Spanning 31 countries and over 80 port locations, this makes for a tremendous venue for networking locally or in other ports. You will find gatherings of diverse international business executives dedicated to the promotion of the maritime industry, inland marine commerce, and global trade.”*

Niels will be retiring from WGMA at the end of this month to pursue new adventures in the maritime industry. He will be sorely missed at WGMA, but we are blessed to have his sage advice on our Executive Committee and Board of Directors.

Does your Port have an outstanding member we can highlight in our newsletter?
Let [Joel](#) know!

International Propeller Club's Inaugural Webinar for 2022: A Conversation with John Porcari, Port Envoy to the Supply Chain Disruption Task Force

Porcari outlines Biden Administration's initiatives to reduce port congestion

12 Jan - John Porcari, the Biden-Harris Administration's Port Envoy, warned that long-standing shortfalls in U.S. infrastructure spending going back generations have created a reliance on an infrastructure “that our grandparents built.”

Porcari told an International Propeller Club of the United States audience via Zoom that a series of measures including \$17 Billion in infrastructure bill funds for ports are part of the Biden Administration's initiatives to reduce port congestion and supply chain disruptions.

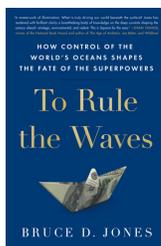
In a White House briefing on January 5th Porcari stated:

“With the passage of the Bipartisan Infrastructure Law, some of the physical infrastructure upgrades to infrastructure that was built by your parents and grandparents can actually be updated through that infrastructure program.

When bottlenecks emerge in the global supply chain, it can take more time for goods to reach store shelves, which can lead to price increases. That's why the President has taken such aggressive action to alleviate these blockages, and we've seen significant progress.” See Mr. Porcari's detailed comments here: [AJOT](#).

This webinar and future ones can be found on the International Propeller Club website under "News" and "Webinars" [here](#).

Around our Propeller Club Ports



Propeller Club Port of Northern California

In an exclusive Zoom presentation for the Propeller Club Port of Northern California, author Bruce Jones describes the Rise of China as a Maritime Power. Jones is Director and a Senior Fellow in the Project on International Order and Strategy of the Foreign Policy program at the Brookings Institution. He also works with the Center for East Asia Policy Studies. In his talk, Jones describes how containerization

facilitated China's rise, Shanghai as a super-port, China's "Belt & Road" expansion, and U.S. national security Implications. Jones is the author of the newly published book [To Rule the Waves](#). You can watch this fascinating presentation on Youtube [here](#).



Propeller Club Port of Tampa

Jan 14 - The Propeller Club Port of Tampa held their 2nd Annual Sporting Clays Tournament at the Tampa Bay Sporting Clays & Archery with over 80 shooters competing. It was a cold but beautiful day to shoot. Admiral, Captain, and Breakfast Sponsors helped make this Tournament great.



Propeller Club of Port Canaveral

5 Jan - At their January Luncheon, incoming President Liz Alward took a look ahead at the Propeller Club of Port Canaveral's plans for 2022. The Club's partners for 2022 also had the opportunity to introduce themselves and say a few words about their businesses.

Maritime News

Why the Next Generation Should Want to Work in Shipping

31 Dec - One year ago, I wrote a post about who would shape the next generation of shipping. But who shapes the next generation depends entirely on the why. Young talent have more options than ever. From big tech to fast-growing startups, to starting their own business, young innovators have choice — so why should they choose shipping?

The university students I speak to tell me how old-fashioned the industry is. Compared to hot new tech companies, it seems kind of... boring. But looks can be deceiving. Shipping offers complex and intriguing innovation challenges at a global scale. Beyond tech alone, the innovation challenges cover operations, logistics, IT, and commercial areas that affect economic development in all corners of the world.

From opening up local markets to global economies to employing masses of people, and enabling the improvement of infrastructure — shipping has a truly global impact. In this post, I hope to shatter the boring perception and share why I think shipping is a great choice for young innovators. [Hellenic Shipping News](#)

New Coalition Aims to Mobilize Support for the Jones Act

American Maritime Voices is a new forum created by the American Maritime Partnership, the industry-wide coalition dedicated to promoting and supporting the domestic maritime industry. It seeks to bring together individuals from all corners of the maritime industry who want to use their voices to fight for a strong American maritime future.

The new forum will focus on generating and mobilizing support for the domestic shipping industry, especially when the industry and its programs, including the Jones Act, are under attack by those in and out of government who choose to ignore the critical contributions that the domestic maritime industry makes to our nation's economic, homeland and military security. To find out more go to: americanmaritimevoices.org

Congestion hits Port of New York and New Jersey as Covid cases spike

10 Jan - “We have seen a spike in the number of labour going out into quarantine,” Port of New York and New Jersey Authority Director Sam Ruda, told Bloomberg in an interview.

According to the port authority’s website average waiting time for containerships at the port had increased to 4.75 days in the last week of 2021 compared 1.6 days as an average for the year. The number of longshoremen unavailable for work was reported to be running at about 350 per day.

Related: Ports of LA/LB hold off container dwell fee for another week

As of 7 January, the port authority said 11 containerships were currently at anchor waiting to call its terminals. Two of the vessels had been waiting since 1 January. [Seatrade](#)

On the supply chain and freight fluidity: Enforcement, not reformation

27 Dec - It’s not hard to guess the catalyst that sparked the recent House-approved Ocean Shipping Reform Act (H.R. 4996), its expected companion bill currently under development in the Senate, and a smattering of other supply-chain-related bills working their way through Congress. Here’s a hint: legislators are drawn to this six-months-long reported issue and are seeking to instill reforms to both prevent reoccurrences and protect U.S. consumers and businesses. The answer is obviously supply chain disruptions – so what do we do?

Notwithstanding a genuine appreciation for Congress’ concerns, seaports are not convinced that new regulations curtailing freight fluidity charges serve the public interest. First, seaports support strengthening the Federal Maritime Commission’s (FMC) mandate, coupled with stepped-up funding, which will enable the agency to execute its mission surgically and expeditiously and address any presumed unfair or deceptive practices. This, in particular, is a foremost and legitimate concern for bipartisan congressional supporters of the Ocean Shipping Reform Act. However, seaports encourage Congress to avoid burdensome new regulations without a full understanding of the consequences to freight movement. [The Hill](#)

“No room for complacency” despite advancement in shipping safety

17 Jan - The past decade has seen significant progress in shipping safety as the number of vessel casualties has declined at the same time as the size of the global fleet has grown, according to analysis from Lloyd’s List Intelligence and DNV. But it also highlights how emerging safety risks from new fuels and digital technologies need to be tackled. The comprehensive analysis, “Maritime Safety 2012–2021: a decade of progress”, shows the number of annual casualties declined from 1,922 in 2012 to 1,537 so far in 2021 and losses resulting from casualties dropped 56% from 132 in 2012 to 58 in 2020. [Hellenic Shipping News](#)

2021’s Impact on the Logistics Sector

6 January - With 2021 behind us, it’s important to look back on some of the developments that occurred through the year and reflect on their long-term impact on the logistics sector. The industry has gone through some challenging times with all that was happening in the world, but many companies managed to find a way to stabilize their performance and come out on top. The sector seems to be picking up, with various companies reporting positive developments in the last quarter.

With more consumers focusing on online shopping and the eCommerce sector going through a major boom, this has had a noticeable impact on the logistics sector and bulk shipment trends. Interestingly enough, the overall volume of shipped goods doesn’t seem

to have shifted in any unexpected ways, but the actual distribution of those goods is now a bit different from previous years. It's not clear if this trend will continue through 2022 and beyond, or if it was a sign of the pandemic looming over. [AJOT](#)

What impact will COP26 have on the shipping sector?

31 Dec - COP26 – the UN's climate change conference – was held in Scotland in October/November 2021. Reviews of the global gathering have been mixed with some observers, including many environmental lobbyists, believing there was an overall failure to set sustainable climate goals. From our perspective here at ParrisWhittaker, a leading shipping law firm in the Bahamas, it was notable that shipping featured high on the agenda at COP26.

Many shipping industry commentators believe the initiatives taken both at COP26 and at the subsequent IMO Marine Environment Protection Committee (MEPC) in London do not go far enough. Whether or not that's the case, we think that the announcements made and initiatives taken will ultimately significantly affect all stakeholders – large and small – operating across the global maritime sector. Here we look at the reasons why the shipping industry is being forced to look at its current practices and being urged to review them in the context of global warming. We also examine some of the measures the international community signed up to at COP26. [Hellenic Shipping News](#)

New Studies Find Unprecedented Impact from Supply-Chain Turmoil

8 Jan - International shipping costs have swung far more sharply during the pandemic and amid recent supply-chain disruptions than in the wake of the financial crisis over a decade ago, according to a report by the Federal Reserve Bank of St. Louis.

The St. Louis Fed's analysis seeks to measure the impact the turmoil of the past two years has had on an increasingly critical piece of the global economy.

Prices for moving goods by ocean from China to the U.S. West Coast swung more than 72 percentage points from an early-pandemic low to a peak in 2021's third quarter of more than 50% above the long-term trend for container shipping rates, researchers at the regional Fed bank wrote in the report released this week.

That compares with a 41 percentage-point swing in the aftermath of the recession triggered by the 2007-2008 financial crisis, when shipping prices peaked in 2010 at just over 14% above the long-term trend, according to the report, which used import data from the Commerce Department's Bureau of Economic Analysis and an index of freight rates from a shipping service provider. [Hellenic Shipping News](#)

Exodus of Seafarers Could Add to Supply Chain Disruption in 2022

31 Dec - It has been a year of new records for the shipping industry. Carriers' profitability during this year was so phenomenal that it favorably compared to that of the four most prominent American tech monopolies, collectively known as FANG (Facebook, Amazon, Netflix and Google). However, the people behind this tremendous success have been left vulnerable - and sometimes forsaken - by the same industry they power.

Seafarers have faced endless challenges due to the Covid-19 pandemic and its many variants. Arbitrary government protocols aimed at reducing the spread of the virus have resulted in complicating seafarers' repatriation.

Out of the 1.5 million seafarers serving at sea, barely a quarter are vaccinated, according to estimates by trade bodies. This means that most seafarers face procedural obstacles to crew change in many localities, as governments change immigration policies or close borders due to the omicron surge. [Maritime Executive](#)

Beijing's unwavering zero-Covid policy rattles supply chains

5 Jan - With less than a month to go until the start of the Beijing Winter Olympics there is no let up in China's zero-Covid policy with more and more cities being plunged into lockdown, creating widespread supply chain shocks.

The port of Ningbo-Zhoushan is struggling to shift containers as less than a quarter of registered truckers have the necessary new paperwork to go in and out of the three terminals at Beilun, a district that has gone into lockdown following the detection of a Covid-19 outbreak at a clothing factory over the weekend.

The city of Xian in the west of the country has been under a strict lockdown for a fortnight, while the city of Zhengzhou on the banks of the Yellow River has just ordered its 12m residents to take Covid-19 tests after a handful of cases were detected. The city has gone into partial lockdown while the 1m citizens of Yuzhou city – in the same province as Zhengzhou – have received stay-at-home orders after three asymptomatic cases.

On Tuesday, China reported 41 new symptomatic community cases, including 35 in Xian. [Splash247](#)

MSC takes world's largest container line crown from Maersk

6 Jan - Latest figures from Alphaliner show MSC edging ahead of Maersk for the first time by 1,888 teu. MSC has 645 ships with a combined capacity of 4,284,728 teu, compared to Maersk with 738 ships with 4,282,840 teu in capacity.

MSC had been expected to overtake Maersk as the world's largest container line for some time given both its large newbuild orderbook and acquisition of secondhand and chartered tonnage in recent times.

Related: [Log-In Logistica accept MSC takeover offer](#)

Both lines hold a market share of 17% at present and significantly larger than their nearest rival CMA CGM a 12.6% share and 3.17m teu of capacity.

MSC is set to considerably extend its lead over Maersk in capacity in the coming years with an orderbook of 60 newbuilds, just shy of 1m teu in capacity, or 23% of its current fleet. By contrast Maersk's orderbook stands at 6% of its current fleet with 25 ships totalling 255,100 teu in capacity. [Seatrade](#)

Did MEPC 77 deliver for decarbonisation?

Jan 8 - The Glasgow Climate Pact was agreed at COP 26, emphasising the urgent need for a rapid and sustained decline of global greenhouse gas (GHG) emissions. The IMO's Marine Environment Protection Committee's 77th meeting (MEPC 77), held two weeks after, was considered by many as a key test of IMO's ability to act upon the Paris Agreement targets by delivering a number of GHG reduction measures.

The shipping industry waited with bated breath for the IMO to consider a revision of its strategy on GHG emissions at MEPC 77 in November 2021. The meeting agenda included a number of important and substantive items, with discussions covering:

- Reduction of GHG emissions from shipping
- Air pollution prevention and energy efficiency
- Ballast water management and anti-fouling systems
- Marine plastic litter from ships
- Exhaust gas cleaning systems
- Black carbon in the Arctic

[Hellenic Shipping News](#)

US LNG exports top rivals for first time on shale revolution

Jan 4 - The U.S. was the world's biggest exporter of liquefied natural gas last month for the first time ever, as projects ramped up production and deliveries surged to energy-starved Europe.

Output from American facilities edged above Qatar in December due largely to a jump in exports from the Sabine Pass and Freeport facilities, according to ship-tracking data compiled by Bloomberg. Cheniere Energy Inc. said last month that it achieved its first cargo from a new production unit at its Sabine Pass plant.

A shale gas revolution, coupled with billions of dollars of investments in liquefaction facilities, transformed the U.S. from a net LNG importer to a top exporter in less than a decade. U.S. natural gas production has surged by roughly 70% from 2010 after a combination of horizontal drilling and hydraulic fracturing unlocked supplies from shale formations across the country. [Bloomberg](#)

Omicron having increasing impact on labour force availability across global supply chains

Jan 7 - Congestion has been an issue affecting global supply chains for much of the pandemic, and system-wide labour shortages look set to exacerbate the problem. Business leaders and government health officials are warning that the omicron will increasingly have an impact on labour availability.

Commenting on this issue on LinkedIn, Lars Jensen, CEO of liner consultancy Vespucci Maritime, said: "With the new wave of Covid more people get tested positive. This means more people have to call in sick from work – and that, of course, goes for all kinds of jobs – including port workers, truck drivers, warehouse staff etc."

John Porcari, port envoy to the White House Supply Chain Task Force, said on January 5 that US ports are experiencing "some increased outages from longshore workers and others" that have so far not affected operations. However, the US reported more than a million new cases of Covid on January 3; with that rate of spread, it is inevitable that ports and the players they interact with will begin to feel the effects of the highly transmissible Omicron variant. [Splash247](#)

On Deck



European Maritime Safety Agency

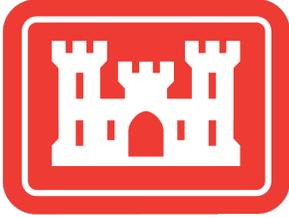
European Maritime Safety Agency

EMSA Publishes its report "COVID-19 – Impact on Shipping"

The ongoing global outbreak of the Coronavirus (COVID-19) is having an impact on global shipping, affecting all shipping sectors from passenger ships to container ships and oil tankers. The coronavirus crisis escalated to unprecedented levels in Europe in March 2020, with a severe impact on health, people, and the economy. Many countries have responded to the pandemic by imposing lockdowns or restricting movement in the last months. The European Union is responding to the outbreak of COVID-19 and its consequences by adopting a wide range of measures in many areas (health, economy, research, border, mobility, etc.). Since the start of the COVID19 crisis, the Commission, the Member States, and the shipping industry have been taking measures to ensure the continuity of operations and thus the security of supply. Get the report [here](#).

Army Civil Works Studies, Projects, and Programs to Be Accomplished with Bipartisan Infrastructure Law Funding

9 Jan - The U.S. Army announced today the Civil Works



studies, projects and programs that the Corps would implement in Fiscal Year 2022 with the \$22.81 billion in

laws — the Infrastructure Investment and Jobs Act; and the 2022 Disaster Relief Supplemental Appropriations Act.

The spend plan supports the Administration hitting the ground running by focusing on current Fiscal Year 2022 spending. Future announcements will provide spend plans for subsequent years. Each spend plan will be in continued support of Administration goals of expanded access to America's ports through dredging, as well as building resilience in the face of global climate change, while benefitting economically disadvantaged communities and regions, and advancing environmental justice.

"The Army will work with community partners to leverage these historic Civil Works funds for investments that strengthen national supply chains through our commercial navigation mission, help communities impacted by climate change to increase their resiliency, advance environmental justice, and invest in communities that have too often been left behind," said The Honorable Michael L. Connor, Assistant Secretary of the Army for Civil Works. [USACE](#)

US Army plans \$14 billion for ports, waterways, and climate help

19 Jan - The U.S. Army plans to invest more than \$14 billion in upgrading ports and waterways and helping coastal communities deal with extreme weather and natural disasters.

More than 500 projects across 52 states and territories are planned to improve decades of underinvestment and neglect that have left infrastructure vulnerable to climate change, the White House said in a statement Wednesday.

The U.S. Army Corps of Engineers will use about \$4 billion of the \$22.8 billion in supplemental funding from the Bipartisan Infrastructure Deal and the Disaster Relief Supplemental Appropriations Act to address commercial-navigation improvements at coastal ports and on the inland waterway, it said in a separate statement. Another \$5 billion will go toward "improving community resilience in the face of global climate change," it said. [AJOT](#)

U.S. Maritime Administration



[U.S. Transportation Secretary Pete Buttigieg Announces Over \\$241 Million in Grants for America's Ports](#)

[23 Dec - The U.S. Department of Transportation Secretary today announced the award of more than \\$241 million in discretionary grant funding for 25 projects to improve port facilities in 19 states and one territory through the Maritime Administration's \(MARAD\) Port Infrastructure Development Program \(PIDP\).](#)

[These grants demonstrate rapid action on commitments in the Biden-Harris Port Action Plan, which will strengthen our supply chains to meet demand resulting from the rapid economic recovery over the past year, and help address inflationary pressures.](#)

["U.S. maritime ports play a critical role in our supply chains," said U.S. Secretary of Transportation Pete Buttigieg. "These investments in our nation's ports will help support](#)



Her Majesty's Coast Guard

Keeping you safe at the coast for 200 years: HM Coastguard celebrates landmark birthday

15 Jan - Two hundred years of saving lives along the UK coast and at sea, as well as coordinating rescues for those in distress in international waters, is being marked this year as HM Coastguard celebrates its milestone anniversary.

It was on 15 January 1822, that HM Coastguard was formally brought into existence and has been working to keep people safe at the coast and sea ever since. [Gov.UK](#)

PROPELLER CLUB FACTOID:



The International Propeller Club will celebrate its 100th Anniversary in 2027

The Propeller Club was conceived in 1922 as an ever-growing group of maritime professionals who met informally each day over lunch to discuss issues of the industry.

As the group became too large for casual conversation, speakers began to be invited to address the group. Growth continued, and in January of 1923 the “Propeller Club of the Port of New York” was formed, with thirty-three in attendance choosing the name and scheduling regular meetings.

News of the club spread to other port cities, and Propeller Clubs were formed in Boston, New Orleans, and at Yale University. On November 7, 1927, The Propeller Club of the United States as a national and international organization was formed, with individual member clubs designated as “Ports.” Ports followed in Tampa, Seattle, Jacksonville and Miami.

The membership comprises a cross-section of the maritime industry throughout the United States and in many cities overseas. The Propeller Club is particularly well equipped to promote, further, and support the merchant marine. “Propeller” in the name refers to the propulsion of ships and is symbolic of the driving force required to communicate the need for an adequate, privately-owned merchant marine for both overseas and domestic commerce.

Upcoming Events

European Propeller Club Conference – Date to be determined

Salute to Congress, May 17, 2022 in Arlington, VA

National Maritime Day, May 22, 2022

96th Annual International Propeller Club Convention, Athens, Greece, Sept. 20-22, 2022

World Maritime Day, September 30, 2022

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