

SUPPORT AMERICA'S SHIPYARDS

If anyone doubts the abilities of American workers to compete in a global marketplace, we'd promptly invite them to take a good look at the more than 100 shipyards across the United States.

These facilities, many of them union yards, continue to lead the way with technological advances that help ensure crew safety, protect the environment, and further open doors to alternative fuels.

Every month last year, at least one union-crewed vessel was either christened or delivered. Most of them are Jones Act ships; a few are civilian-crewed, government-operated military support vessels. This doesn't include the many other vessels that were constructed or repaired domestically, including passenger ferries, tugboats and ATBs.

The immediate future remains bright. There are existing orders for tankers, containerships and military support vessels that will keep the yards humming throughout the year.

Shipbuilding is hardly a niche market. As reported by the Maritime Administration, the U.S. shipbuilding and repair industry supports jobs in all 50 states, with a total of more than 110,000 jobs nationwide, and contributes \$37.3 billion dollars to the national GDP.

Those numbers reflect great value in both the commercial and military sectors. We cannot be a maritime nation, nor a top military power, without the ability to build our own ships at facilities including union-contracted Philly Shipyard, General Dynamics NASSCO and Ingalls Shipbuilding – among others.

On that note, we will continue to fight back against any and all attempts to weaken or eliminate the U.S.-build provision of the Jones Act. This is a fairly regular battle; we intend to remain undefeated.

In short, America's shipyards collectively are a great example of ingenuity, productivity, reliability and value. They support family-wage jobs. They boost our economy. They are a staple of national security.

And, we note with pride, some of the biggest and best employ union workers, including members of MTD affiliates.



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PROTECTING MIDDLE CLASS JOBS

(Submitted by the Bakery, Confectionery, Tobacco Workers and Grain Millers International Union)

Despite a surging stock market, working families continue to bear the brunt of misguided corporate policies that place the needs of wealthy investors over those of workers and the communities in which they reside.

Jobs that supported generations of families and allowed American communities to thrive have been shipped to low-wage nations that allow multinational companies to exploit cheap labor and weak regulatory regimes.

For over a year, the MTD-affiliated Bakery, Confectionery, Tobacco Workers and Grain Millers International Union (BCTGM) has been challenging this corporate model in its campaign with one of the largest snack food companies in the world: Nabisco, a division of Mondelez International.

Through decades of changing corporate ownership, the company's executive leadership began a corporate strategy of closing unionized plants and moving that production to Mexico or to non-union co-manufacturers.

When the \$30 billion company announced in July 2015 that it would be laying off 600 workers at the iconic Chicago bakery and sending that production to a new \$400 million bakery in Mexico, the Bakery Workers chose to launch a far reaching campaign to fight this company and its anti-worker policies.

With the active support of the labor movement, including the MTD, and progressive organizations throughout the United States, the BCTGM launched a *Check the Label* campaign to educate consumers about the importance of not purchasing Made in Mexico Nabisco products and supporting American-made Nabisco brands.

The BCTGM then launched the *Nabisco 600* speaking tour, which featured laid off workers from the Chicago bakery telling their personal stories about losing their jobs. These workers have spoken in front of union conventions, meetings, and conferences. In fall 2016, the *Nabisco 600* speakers began a Campus Tour educating students and faculty at colleges and universities across the country about the impact of outsourcing, trade deals gone bad, corporate greed and worker exploitation.

The MTD, its affiliates and its Port Maritime Councils, reaffirm our fraternal support for our Sisters and Brothers of the BCTGM in its campaign against Nabisco-Mondelez.



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CARGO PREFERENCE

American-flagged cargo ships are an integral part of both the nation's economy and security. This is an undeniable fact, and one of the most well-defended aspects of the Jones Act by our allies on Capitol Hill and in the Pentagon.

In order to keep a steady supply of cargo on those vessels - and thereby insuring a steady number of well-trained mariners - the industry relies on the nation's series of cargo preference programs. These measures oversee the administration of and compliance with U.S. cargo preference laws and regulations, which require shippers to use U.S.-flag vessels to transport certain government-impelled oceanborne cargoes.

Most of the time when we talk about cargo preference, we mean the 1954 Food for Peace initiative, specifically governing the shipment of agricultural goods and government aid programs. However, it also includes the Military Cargo Preference Act of 1904, which dictates that 100 percent of military cargoes are shipped under the Stars and Stripes. And, it includes Public Resolution 17 (enacted in 1934) which requires all cargo generated by the U.S. Export-Import Bank be shipped via U.S.-flag vessels unless granted a waiver by the U.S. Maritime Administration.

These mean that every time the military needs to send a battalion of tanks and supplies to an overseas base, or an Export-Import Bank customer ships U.S.-produced goods to their customers, they do so on a U.S.-flagged, U.S.-crewed vessel. These same ships also carry half of the cargoes generated by government aid programs, delivering food and other supplies to impoverished nations across the globe.

Without these cargoes, the U.S.-flag fleet wouldn't be able to respond as quickly to a sudden activation in time of war. That would have a severely negative impact on our nation's ability to support our troops overseas, as seen during Operation Iraqi Freedom, when over 90 percent of military troops, cargoes and supplies were transported on American ships. Additionally, these programs provide for thousands of U.S. shoreside and transportation-related jobs.

If the United States is to retain its position as the world's principal trading nation and its prestige as a superpower, the dramatic decline of its maritime industry must be halted. Steps must be taken to restore American-flag shipping to its rightful place among the world's leading fleets. For too long, America has taken its maritime strength for granted. For too long, this vital asset has been allowed to shrink to a point where national interest



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and national security are now threatened. To preserve America's role as the world's strongest nation, our leaders must take a stand and develop a maritime policy that ensures a viable, balanced and dependable ocean transportation capability.

The Maritime Trades Department, AFL-CIO, its affiliates and its Port Maritime Councils will continue to defend the cargo preference programs, and push to restore the American fleet with a steady stream of cargo.

PORT MODERNIZATION/DREDGING

Seaports and waterways play a vital role in the North American economy, jobs and supply chain. These facilities, each of which are international trading hubs, are vital economic engines to their community, their region and their nation.

In the U.S. alone, seaport cargo activity accounts for 26 percent of the economy, generating nearly \$4.6 trillion annually in total economic activity. It also supports some 23 million American jobs and produces more than \$321 billion in federal, state and local tax revenues annually.

As the global supply chain proliferates and the United States and Canada gear up for the increased seaborne traffic created by the Panama Canal expansion, ports increasingly will become a growing concern for the U.S. and Canadian economies and industrial real estate markets. The growth of e-commerce, logistics, on-shoring and near-shoring of manufacturing to the United States, Canada and Mexico will demand bigger and faster cargo ships. The expanded Panama Canal lock system is allowing the movement of container ships that are three times larger than those that were in use—bringing major changes to North American ports as well as inland transportation systems.

With their increased size, ships will need improved navigation channels to enter and leave ports efficiently, quickly, and safely. Few rivers or harbors are naturally deep enough to handle these mammoth vessels meaning that increased dredging will become paramount. Without it, many harbors and ports would be unusable to cargo ships as well as passenger liners.

The international importance of port maintenance can be seen in the Canadian unions' fight to stop the possible outsourcing of dredging jobs through the Canadian-European Union Comprehensive Economic Trade Agreement. Through the Canadian Maritime & Supply Chain Coalition – headed by our own Jim Given – these workers are pushing back foreign concerns to take their jobs.

With infrastructure investment now high on the national agendas, the call for improvements to bring our ports into the modern era should be loud and unyielding. The American Association of Port Authorities earlier this year sent its freight transportation



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infrastructure policy and funding recommendations to the Trump Administration and Congressional leadership.

Among its proposals were ways to eliminate bottlenecks and expand capacity through landside investments, modernize and fully maintain federal navigation channels through waterside investments, secure America's ports and borders, enhance the coastal environment and build resilience.

The Maritime Trades Department, AFL-CIO, its affiliates and its Port Maritime Councils join the call to secure funding to implement port modernization. Almost without exception, the nations' seaports are showing obvious signs of neglect. The continued lack of needed upgrades and substantial investment ultimately will lead to the highly disturbing reality that our nations will be left behind as the world's increasingly dynamic global economy moves on.

STATE OF THE ECONOMY

The Dow Jones Industrial Average may be up, but the state of the economy for union members and other working people is a much more complicated story. With the current political climate in the midst of a dramatic upheaval, it has become increasingly difficult to predict what changes may take effect in the near future.

The U.S. Labor Department's Bureau of Labor Statistics (BLS) just released its annual report on union membership, which showed a loss of 240,000 union jobs compared to 2015. National union membership in 2016 was 10.7 percent of the workforce, down from 11.1 percent the year before.

This decline in union membership is only part of a larger picture, with so-called Right-to-Work (RTW) legislation being passed in more states. The numbers reflect those working without a union contract make less in the median weekly earnings (\$802) than those covered by a union pact (\$1,004). Now, a bill introduced in the U.S. House of Representatives threatens the possibility of a national RTW law.

Responding to the legislation, AFL-CIO President Richard Trumka said, "Right to work is a lie dressed up in a feel-good slogan. It doesn't give workers freedom – instead, it weakens our right to join together and bargain for better wages and working conditions. Its end goal is to destroy unions."

As any union member can tell you, belonging is more than a bigger paycheck. Being in a union means that someone is fighting for your rights in the workplace and always has your back. It means decent benefits and the protection of a union contract ensuring a fair wage for a fair day's work.

RTW laws are not used to protect workers from being forced to join a union or contribute to a political cause they do not support. Under federal law, no one can be compelled to join a union as a condition of employment, and workers cannot be forced to pay dues used for political purposes. RTW legislation instead entitles employees to free load off the benefits of a union contract without paying any of the cost.

Most Americans do still support unions. A new Pew Research Center survey shows that about 60 percent of adults today have a favorable view of labor unions. According to the survey, favorable opinions of unions are at their highest level in nearly a decade.



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Yet, there have been some recent wins for union workers, such as the defeat of the Trans-Pacific Partnership or TPP. The TPP would have jeopardized tens of thousands of union jobs, lowered wages, and pushed those union membership numbers even lower. With the defeat of that trade agreement, unions get another opportunity to remind lawmakers we aren't against all trade deals, just the ones that fail to protect workers.

While the economy had been showing some preliminary signs of wage growth after years of stagnation, the Labor Movement realizes more must be done. Across the nation, in communities large and small, workers are standing up for higher minimum wages. The current national minimum wage of \$7.25 does not come close to providing for even a three-person family which faces regular increases in food, rent and transportation needs.

We are not fooled by the argument that the minimum wage is only for teenagers entering the job market. Among those making minimum wage (or just above) are millions in retail sales, home and hotel housekeeping, janitorial, and fast-food.

Despite talk that America no longer needs a minimum wage, years of experience have shown workers at the lowest end of the pay scale must be protected.

The MTD and the AFL-CIO are ready to work with anyone—business, government, investors—who wants to create good jobs, restore America's middle class and ensure a bright future for American workers.

THE EXPORT-IMPORT BANK

Last year, at this meeting, we touted the passage of the Fixing America's Surface Transportation Act in December 2015, which reauthorized the Export-Import Bank through 2019. Through grassroots action initiated by our Port Maritime Councils, the MTD and its affiliates met with members of Congress to remind them how important the Ex-Im Bank is for workers and the American economy.

After 81 years of dedicated service, the bank's charter had been allowed to expire at the end of June 2015. After that date, it could not conduct its normal business of extending credit to American companies – small and large – to provide goods and services around the world. Opponents of the bank claimed it was bilking treasury through “corporate welfare” despite the proven fact that the Ex-Im Bank operates at no cost to U.S. taxpayers.

As for U.S.-flag shipping, we'll let MTD President Michael Sacco's words during the 2015 fight speak for themselves: “The program's significance for our industry is that cargoes generated by Ex-Im funding must be transported aboard U.S.-flag vessels. In that light, the program is important not only to U.S. economic security but also national security, because it helps sustain the U.S. Merchant Marine and American-flag vessels.”

While the measure's passage did show that Congress could act in a bipartisan fashion to meet an important need, the body returned to its bickering ways through 2016 by failing to approve presidential appointees to fill the bank's three empty board seats. Under the rules of the bank, it can only finance projects of \$10 million or less when operating with less than a majority on its board of five.

What is at stake was noted by the Ex-Im Bank's Fiscal Year 2015 Annual Report which highlighted its support of more than \$17 billion in U.S. exports and an estimated 109,000 American jobs. In addition, the bank declared it had transferred \$431.6 million in deficit-reducing receipts to the U.S. Treasury's General Fund.

Once again, the MTD, its affiliates and its Port Maritime Councils call on the White House and the Congress to work together in a bipartisan fashion to allow the Export-Import Bank to fully perform its mission. We call upon President Trump to quickly nominate three qualified people for the Ex-Im board and for Congress to properly vet and approve such nominees. The Ex-Im Bank has proven itself to be highly successful and beneficial to America's economy and workers.



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FOOD FOR PEACE

With the start of a new White House administration comes the opportunity to solidify support for one of the nation's most successful foreign aid programs – Food for Peace.

Signed into law by President Eisenhower in 1954, Food for Peace (also known as PL-480) has provided American-grown food to hungry people around the world. These goods are delivered aboard U.S.-flag, U.S.-crewed vessels, making it not just a foreign aid program, but also one providing jobs from farmland to seaports for Americans.

Since its implementation, Food for Peace has fed more than 3 billion people in more than 100 countries. The food is grown by American farmers. It is moved by American transportation workers via truck, rail and/or barges to American ports where dock workers load it onto American ships. This process directly involves nearly 45,000 workers. If the other domestic jobs related to PL-480 are included, that number swells to around 100,000.

In January, a coalition of U.S.-flag ship owning companies, maritime unions and maritime trade associations wrote President Donald Trump seeking his administration's support for Food for Peace. Known as USA Maritime, this coalition pointed out PL-480 has maintained strong bipartisan support throughout its 60-plus years "because it yields a domestic economic benefit by promoting American jobs while also serving to help others abroad. For decades the program has been working well as it was originally intended despite relentless attacks on the agricultural and maritime communities."

Among those attacks was a pilot program a couple years ago to take some of the money used for Food for Peace and simply ship it overseas with a minimum of oversight and accountability. As USA Maritime noted in its letter, "Continuation of such policies would be disastrous for American jobs and American workers."

When PL-480 cargo arrives at its foreign destination, the food is contained in bags and boxes marked with American flags and proudly stating "A Gift from the American People." These offerings can only help the image of the United States as the beacon of hope and freedom.

In addition to the domestic jobs supported by the program, military leaders have noted it is essential to maintaining a strong and viable U.S.-flag merchant fleet which is essential to providing for America's national defense sealift capability.



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The Maritime Trades Department, AFL-CIO, its affiliates and its Port Maritime Councils will continue to fight for the Food for Peace program. It is a proven winner – here at home with good American jobs and national security implications, and overseas with food given by the American people to those in need.

INFRASTRUCTURE

If there was one unifying theme from last year's raucous election season, it was the need to rebuild America's infrastructure.

And this call was not limited to just the United States as the voters in the 2015 Canadian parliamentary elections also cited the need to address that nation's substructure.

The problems are obvious with every tire blow-out caused by a pothole, with each child coming home from school ill due to a heating or air conditioning breakdown, with every late arrival to work because a subway track is cracked, with every food item thrown away thanks to an electrical grid failure.

While the situation in Flint, Michigan, and other communities around our two nations are well documented, our industry faces different issues dealing with water – ports and harbors need to be dredged, inland waterways need to be retrofitted to meet the transportation needs of the 21st century, the Great Lakes navigation system needs a new lock to handle the increasing traffic between Lake Superior and the lower lakes.

We could go on and on creating an infrastructure equivalent of the old bubble-gum card checklist. But stating the obvious hasn't gotten the job done.

The Maritime Trades Department, AFL-CIO, its affiliates and its Port Maritime Councils stand ready to assist any and all elected officials from the local, state, provincial and federal levels to rebuild our nations. We don't care who gets the credit because the time for action is now.

Our unions have the men and women ready to go to work, trained through joint labor-management apprenticeship programs so they know what is required and how to perform safely and efficiently.

All we ask is that our work be rewarded at the scale that is required for quality craftsmanship, through prevailing wages (like those prescribed by Davis-Bacon) with decent benefits like health care and retirement.

The United States and Canada deserve the best maritime systems, highways, schools, railroads, drinking water, electrical grids and airports. We offer the best men and women to get the job done – and done right. Let's get started.



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MARITIME SECURITY PROGRAM

The benefits of the Maritime Security Program (MSP) are so obvious, the program has been nearly universally praised by every Secretary of Defense, TRANSCOM Commander and Maritime Administrator since the MSP's inception. The program is also routinely defended by members of Congress, including a vote last year that saw 383 Representatives vote to protect this important measure.

That vote, on whether or not to study the MSP based on a series of dubious and debunked questions, was just the most recent attempt to dismantle a critical component of the U.S. military's capability. Enacted in 1996 as part of the Maritime Security Act, the MSP ensures that Department of Defense has access to a fleet of U.S.-crewed, U.S.-flagged, militarily useful vessels in times of war or national emergencies. Experts have estimated that it would cost the government billions of dollars to replicate the assets it receives through the MSP and its related Voluntary Intermodal Sealift Agreement – and that's not including the intangible value of well-trained, loyal, reliable, U.S.-citizen crews who deliver the goods for the troops wherever and whenever needed.

Those who are trying to weaken MSP must not fully understand just how vital that sealift capability is to America's warfighting efforts, but the nation's top brass certainly recognize the MSP fleet for what it is: a win-win situation for both the military and the U.S.-flag fleet.

In testimony given last year to the House Subcommittee on Seapower and Projection Forces in 2016, Lt. Gen. Stephen Lyons, the Deputy Commanding General of U.S. Transportation Command (USTRANSCOM), said that "the case for a U.S.-flag fleet is compelling" and that several mobility capability studies done by USTRANSCOM have repeatedly reaffirmed the need for a 60-ship Maritime Security Fleet.

Ex-Maritime Administrator Chip Jaenichen also testified, saying that the Maritime Security Fleet's "60-ship capability is extremely important" and that foreign-flagged ships, which might be cheaper, cannot be relied upon for critical national security missions.

In a separate testimony before the House Armed Services Committee's Readiness Subcommittee, USTRANSCOM's Commanding Officer Gen. Darren McDew stated, "The nation is still a maritime nation.... I can deliver an immediate force anywhere on the



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planet tonight. But to deliver a decisive force it takes a fully fledged, competent maritime fleet. And that's what the MSP provides us."

With friends like these, MSP will continue to enjoy the overwhelming support that has kept the program afloat for more than 20 years.

The Maritime Trades Department, AFL-CIO, its affiliates and its Port Maritime Councils will continue to repel any attacks on the MSP program, and attempt to expand the program wherever possible.

NATIONAL MARITIME POLICY

Brothers and sisters, you have not gone back through a time warp, today is not Groundhog Day, and you are not listening to a recording of last year's winter meeting or the year before, or the year... you get the picture.

We need a national maritime policy.

If those words induce at least a tinge of frustration, it is worth noting that we may in fact be closer than ever to reaching this long-overdue milestone. Considerable progress has been made in the last few years. We anticipate strong supportiveness from the new Secretary of Transportation, the parent agency tasked with developing the policy. We've helped sustain a long drive of information gathering, industry feedback and recommendations. Now it is the time to bring this safely into port.

You may recall that in addition to a decades-old longing across the board for a national maritime strategy, there also was a congressional mandate for creating one as recently as 2014, contained within the Coast Guard and Maritime Transportation Act. Some of the statistics in the bill's summary were eye-popping then and remain so now. Among them:

- The U.S. maritime industry employs more than 260,000 Americans, providing nearly \$29 billion in annual wages, and there are more than 40,000 commercial vessels currently flying the American flag.
- The vast majority of these vessels are engaged in domestic commerce, moving more than 100 million passengers and \$400 billion worth of goods between ports in the United States on an annual basis.
- Each year, the U.S. maritime industry accounts for over \$100 billion in economic output.
- However, over the last 35 years, the number of U.S.-flagged vessels sailing in the international trade has dropped from 850 to well under 100. In the same period, we have lost more than 300 shipyards and thousands of jobs for American mariners.



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Despite the somewhat lighthearted introduction to this statement, we know the seriousness and urgency of this situation. We also know it's rarely easy to accomplish something on this large a scale, with so many components and viewpoints to consider.

But the time has come. As the aforementioned bill pointed out, "Preserving and strengthening our nation's maritime industry is important to our economy and vital to our national security."

That's a concise summary of why the MTD stands ready to fulfill this mission. Having a national maritime policy will make it far more efficient to maintain, boost and revitalize all segments of American maritime, from the shipyards to the docks to the vessels – and on shore, too, in the many jobs directly related to the industry.

The dream lives, brothers and sisters. We're not giving up.

SHORE LEAVE

One of the ongoing challenges in our industry – not just in North America but around the world – is shore leave or shore access for mariners.

It's a regular topic at MTD meetings because it affects so many lives and, frankly, because it's complicated. There are as many variables as there are port facilities and governments.

To cite a recent example, many individuals from different segments of the maritime industry were scrambling to figure out what the president's executive order on immigration meant not only for mariners on foreign-flag ships calling on American ports, but for green-card holders employed on U.S. vessels.

Here's another example that's also currently in play. Less than two months ago, leaders from seven American maritime unions wrote to the commissioner of the U.S. Customs and Border Protection agency urging action on behalf U.S. mariners. Specifically, they detailed the adverse effects of the current way a program named Advanced Qualified Unlading Approval (abbreviated as "Aqua") is being implemented. The guidance in question pertains to U.S.-flag ships engaged in foreign trade, their cargo operations, and how quickly their respective crews can go ashore.

Basically, foreign cargo can be moved from ship to shore before Customs agents come aboard, but American crewmembers – who have been vetted numerous times in order to have proper credentials to sail – must remain on ship until an agent clears them. This process takes away precious hours that could be spent with family or conducting business.

It's another example of the law of unintended consequences and overregulation. The upshot is that the interpretation punishes U.S. citizen mariners who already hold credentials issued by the Coast Guard and the Transportation Security Administration. Perhaps ironically, they must undergo screening and vetting that far exceeds the requirements for some foreign nationals to enter the U.S.

As we've said in the past, shore leave and terminal access aren't just matters of convenience – they're crucial to maritime safety and the general wellbeing of mariners. They should also be considered part of the cost of doing business as a maritime terminal.



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The International Transport Workers' Federation (ITF) puts it in very clear and concise terms: "Shore leave is not a luxury. It is essential for seafarers who spend many weeks cooped up at their workplace, with only work mates and managers for company. Those who work at sea need to get on shore to access phones and the internet to contact family, to seek welfare, social, medical or psychological support if needed, and to have a break from the work environment."

No matter the complications, the MTD will continue working with the ITF, the International Maritime Organization, the International Labor Organization, plus any and all agencies, terminal operators and welfare organizations involved in this issue. Our bottom line is that the men and women who go down to the sea in ships also have a right and a need to go down the gangway to spend at least a little time ashore. Prompt, regular, affordable access to shore leave boosts morale, reduces mariner fatigue, and increases retention rates in an industry that's already facing a manpower shortage.

Lastly, we emphasize that this goal is reachable without compromising security considerations. The vast majority of the world's seafarers are just doing their best to make a living. It's time they were treated more like regular workers and less like suspected threats.

THE JONES ACT

When one issue is brought up during two different cabinet confirmation hearings, you know it must be important.

Yet, this issue never was uttered during a national newscast or mentioned in any major print news stories during last year's elections. It never came up during any of the numerous debates. And it wasn't even on the lips of most voters.

But Senators wanted to know where two nominees stood on this particular issue, and those two selected to serve were quick to respond:

"The Jones Act is a very important program that secures national security," stated now U.S. Transportation Secretary Elaine Chao when she was being vetted by the Senate Commerce, Science and Transportation Committee on January 11.

"The Jones Act is a fact," declared current Commerce Secretary Wilbur Ross before the same committee four days later.

The MTD applauds the strong support the nation's freight cabotage law received in these first days of the Trump administration. Since its inception within the Merchant Marine Act of 1920, the Jones Act has received solid bipartisan support from the White House and Capitol Hill.

Simply stated, the Jones Act affirms that goods travelling from one domestic port to another must be moved aboard a U.S.-built, U.S.-flagged, U.S.-crewed and U.S.-owned vessel. While there are many benefits to this law, one that shouldn't be overlooked is the fact that it helps maintain a pool of well-trained, reliable, American-citizen crews who can sail aboard military support ships, delivering materiel to U.S. troops deployed around the world during times of crisis. Additionally, many Jones Act vessels themselves could be militarily useful and undoubtedly would be made available to the Defense Department in an emergency.

The Jones Act also provides a strong economic boost to the country. A major independent study revealed the law helps maintain nearly a half million American jobs while contributing billions of dollars to the U.S. economy.



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And let us not forget several of its other benefits, including border protection, homeland security and prevention of illegal immigration. The Jones Act ensures that vessels plying America's inland waterways are truly domestic. Crews are carefully screened before receiving their credentials, and vessel owners work with the U.S. Coast Guard and other federal law enforcement agencies.

The United States is not alone among the countries of the world in enforcing cabotage laws, like our Jones Act. More than 40 major trading nations have similar decrees on their books.

And the United States also is not alone in facing efforts to weaken its cabotage laws. Our friends to the north – Canada – continue to fight against a trade pact with Europe that seeks to open some of that country's jobs to foreign workers at the expense of Canadians. The MTD is proud to be a partner in their fight to preserve good Canadian maritime jobs for Canadians.

The Maritime Trades Department, AFL-CIO, its affiliates and its Port Maritime Councils remain committed in our support for the Jones Act. We will continue to repel any and all attacks designed to weaken this important measure. And, we will stand with our Canadian brothers and sisters in their battle to maintain and strengthen their cabotage laws.

TITLE XI SHIPBUILDING LOAN GUARANTEE PROGRAM

Despite being given a virtual cold shoulder for nearly a decade where federal appropriations are concerned, the Title XI Shipbuilding Loan Guarantee Program remains a valuable resource for anyone planning to build a vessel in a U.S. shipyard, or any U.S. shipyard planning a boatyard improvement project.

Administered by the U.S. Maritime Administration, the Title XI Shipbuilding Loan Guarantee program promotes the growth and modernization of U.S. shipyards and the U.S. Merchant Marine. The program also ensures the repayment of loans that ship owners obtained in the private sector for the projects in the U.S. shipyards. By guaranteeing performance on private-sector loans, Title XI approvals unlock low-cost financing for U.S. ship owners building vessels in domestic yards.

The 2015 christening and launching of two Jones Act-qualified vessels provided proof that although this seldom used asset may be under appreciated by those controlling the purse strings on Capitol Hill, it still produces very tangible and highly beneficial results.

The pair of containerships, the *Isla Bella* and her sister ship the *Perla Del Caribe*, were launched April 15, 2015, and August 29, 2015, respectively by union-contracted General Dynamics NASSCO in San Diego. Built for TOTE Maritime, both vessels were delivered two months ahead of schedule at a total combined cost of about \$375 million. And both currently sail between Jacksonville, Florida, and San Juan, Puerto Rico.

Former Transportation Secretary Anthony Foxx last year spoke on the importance of Title XI, and touted the TOTE loan as an example: “This is proof-positive that when we work to build America’s green energy economy, we can directly support the creation of meaningful jobs, supporting the president’s goal to strengthen America’s middle class. This one action significantly decreases emissions, supports jobs from one coast to the other, bolsters the nation’s manufacturing base, and continues growing our economy.”

In addition to funding new construction, Title XI’s review process has been simplified, all to the benefit of Jones Act shipbuilders. According to former Maritime Administrator Chip Jaenichen, “The Jones Act ... continues to be ... a driving force behind the tremendous renaissance of the domestic maritime industry. In fact, MarAd’s Title XI Ship Financing Office made numerous program reforms to support this progress, streamlining and



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increasing the efficiency of the full faith and credit guarantee review process, and eliminating months from the timeline to review and approve applications.”

The MTD applauds TOTE’s utilization of the Title XI Shipbuilding Loan Guarantee Program, as well as the changes made by MarAd to the process for the sake of efficiency. Going forward, we encourage other U.S.-flag entities to take advantage of the opportunities this program has to offer. We also look forward to the next project to receive Title XI funding.

SUPPORT THE TROOPS & VETERANS

Our soldiers, sailors, airmen and marines—the men and women who risked their lives for us in Iraq, Afghanistan and other hot spots around the globe since 2001 —come from America’s working families. They are our sons and daughters, our sisters and brothers, our husbands and wives.

Now that the majority of them have returned home, many struggle with unemployment, poverty, foreclosure and homelessness, not to mention a multitude of mental and physical scars of war.

The unemployment rate for the youngest generation of veterans jumped to 6.3 percent in January, the fourth time in the last seven months that group’s figure has been substantially higher than the overall veteran rate. The figures, from the Bureau of Labor Statistics, represent about 211,000 Iraq and Afghanistan era veterans looking for work. That’s almost 46 percent of the total of all U.S. veterans filing for unemployment benefits in January.

The MTD calls upon the entire labor movement—the AFL-CIO, its affiliated unions, state and local labor councils, and our allies in communities across the country—to come together to stand up for those who wore the nation’s uniforms.

These men and women are some of the best trained and most dedicated leaders that America has to offer; they richly deserve better. We must treat all returning veterans as the heroes that they are. They have always been there for us, and now it’s time for us to be there for them. Providing for these veterans by ensuring that they have access to meaningful employment is not only good for business, it’s good for the economic health of the country.

The American Maritime Partnership’s “Military2Maritime” Program (M2M), is one means through which we can achieve this objective. Launched in 2015, M2M affords veterans the opportunity to maximize their professional strengths by meeting with representatives from maritime companies, training schools, unions and others to learn about career opportunities in the maritime industry.

Since the program came online, MTD allies and affiliates have held M2M events in cities around the country including New Orleans, Jacksonville, San Juan, Houston, San Diego and Norfolk. Turnout was good at each of these events and many veterans converted



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their interactions with maritime industry representatives into jobs. The sessions are ongoing and several already are on tap for this year.

Section 305 of The Coast Guard Authorization Act of 2014 (titled “Opportunities for Sea Service Veterans”) is another avenue through which veterans can convert their military experience into meaningful employment. Originally introduced in the U.S. House of Representatives by Congressman Duncan Hunter (R-California), the measure significantly reduces the regulatory impediments which sea service veterans formerly had to satisfy before seeking good paying jobs on the waterways.

Further, the law requires the Coast Guard to expeditiously provide retired Coast Guard service members with the necessary paperwork documenting their sea service so they can more quickly gain access to employment in the maritime sector. Finally, the act requires the Coast Guard to increase awareness among service members about post-service employment opportunities.

The foregoing veteran opportunities have moved us closer toward our ultimate goal of a fully employed veteran’s force. As a nation, however, we must do more to aid and assist those who put it all on the line for us.

The Maritime Trades Department, AFL-CIO has a rich tradition of supporting our men and women in uniform—both active duty and retired—and their families. That tradition remains very much alive and applicable today. The MTD calls upon its affiliates and Port Maritime Councils to join in this campaign to ensure that every veteran in search of employment finds it in short order.

KEEPING AMERICA'S PROMISE TO OUR RETIRED COAL MINERS AND WIDOWS

(Submitted by the United Mine Workers of America)

In 1946, faced with the prospect of a long strike that could hamper post-war economic recovery, President Harry Truman issued an executive order directing the Secretary of the Interior to take possession of all bituminous coal mines in the United States and to negotiate with the United Mine Workers of America "appropriate changes in the terms and conditions of employment." After a week of negotiations, the historic Krug-Lewis agreement was signed in the White House with Truman as a witness.

This agreement created a welfare and retirement fund that guaranteed lifetime payments to miners and their dependents and survivors in cases of sickness, permanent disability, death or retirement. The agreement also created a separate medical and hospital fund.

The next year, the government returned control of the mines back to the owners and a new collective bargaining agreement was reached guaranteeing retirement benefits to miners and their dependents and survivors for life. For the next 70 years, miners bargained for money to be dedicated to their health care in retirement, because they knew when they retired they would be sicker than the average senior citizen, with more nagging injuries and a greater risk of black lung or some other cardio-pulmonary disease. During this period, the federal government repeatedly confirmed its role in guaranteeing retirement benefits for coal miners.

In 1992 Congress passed and President George H.W. Bush signed into law the Coal Act, which established an industry-funded mechanism for paying for the health care of retirees whose companies had gone out of business. In 2006, Congress and President George W. Bush amended the Coal Act to expand the financial resources available to the fund.

Let's turn to the present. A depression reigns in America's coalfields with tens of thousands of jobs eliminated. Multiple companies have filed for bankruptcy, and received approval from bankruptcy courts to shed their retiree obligations, leaving more than 26,000 retirees confronting the loss of their health care benefits. Like many other multiemployer pension funds, the UMWA 1974 Pension Fund lost a significant portion of its value in the 2008-09 recession and, due to the devastation of the coal industry, will not receive enough contributions from employers to make up the shortfall, leading the fund to likely become insolvent as soon as 2022.



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Last December, Congress passed a continuing resolution for federal funding that included a provision providing \$45 million for continued health care benefits for these retirees and their families until April 30, 2017. Senators Joe Manchin (D-WV) and Shelley Moore Capito (R-WV) have introduced legislation, the Miners Protection Act (S 175), co-sponsored by Republicans and Democrats, that would amend the Coal Act to allow retirees from recently bankrupt companies to get health care coverage from the UMWA Health and Retirement Funds and would repurpose the balance of an existing appropriation to provide funding to shore up the Pension Plan. Rep. David McKinley (R-WV) has introduced a similar measure, the Miners Protection Act (HR 179), co-sponsored by both House Republicans and Democrats.

America's coal miners have sacrificed much for our nation, with more than 105,000 killed on the job in the last century and more than 100,000 having died from coal workers' pneumoconiosis, or Black Lung. Yet, knowing those risks, miners have continued to go to work every day to provide for their families, build a secure future for themselves and produce the fuel that has allowed America to become the most powerful nation on earth.

The Maritime Trades Department, AFL-CIO realizes that America has an obligation to its retired coal miners for the sacrifices they have made for the nation. The MTD, its affiliates and its Port Maritime Councils call on Congress to pass the Miners Protection Act as soon as possible to provide the full measure of benefits these retirees were promised and have earned.