UNITED STATES MARITIME ALLIANCE, LTD.



# **ABOUT USMX**

The United States Maritime Alliance, Ltd. (USMX) is a non-profit incorporated membership association headquartered in Lyndhurst, New Jersey and representing longshore industry employers on the U.S. East and Gulf Coasts, including container carriers, marine terminal operators and port associations. USMX serves as the maritime Management group's representative in Master Contract bargaining with the International Longshoremen's Association, AFL-CIO. Other responsibilities of USMX include the articulation of various industry positions on regulatory and safety issues; the oversight of coastwide safety and training, retraining and certification/ recertification programs; and the administration of coastwide fringe benefit funds and programs that are part of the Master Contract.

# MISSION STATEMENT

The mission of USMX is to preserve and protect the interests of its members in matters associated with the maritime industry, including all labor relations issues affecting longshore and related activities, and, in particular, in the realm of collective bargaining. The Alliance shall carry out this mission for its members and customers, with due consideration of the interests, safety and well-being of the workers and their representatives. Likewise, it understands the importance of its commitment to maintaining labor peace in order to meet and exceed the crucial demands of a global economy.

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# USMX MEMBER ORGANIZATIONS

#### **CARRIERS**

**Atlantic Container Line (ACL)** 

APL

**CMA CGM Group** 

Columbia Group

**COSCO SHIPPING Lines Co., Ltd.** 

**Evergreen Line** 

Hamburg Süd North America, Inc.

Hapag-Lloyd, LLC

HMM Co., Ltd.

"K" Line

Maersk, North America

MSC Mediterranean Shipping Company, S.A.

**Ocean Network Express (ONE)** 

**Orient Overseas Container Line (OOCL)** 

**Turkon Line** 

Wallenius Wilhemsen

**Yang Ming Marine Transport Corporation** 

**ZIM Integrated Shipping Services Ltd.** 

#### **PORT ASSOCIATIONS**

**Boston Shipping Association, Inc.** 

**Georgia Stevedore Association, Inc.** 

**Hampton Roads Shipping Association, Inc.** 

**Jacksonville Maritime Association, Inc.** 

Midgulf Association of Stevedores, Inc.

New York Shipping Association, Inc.

Ports of the Delaware River Marine Trade Association, Inc.

South Carolina Stevedores Association, Inc.

Southeast Florida Employers'Port Association, Inc.

**Steamship Trade Association of Baltimore, Inc.** 

**West Gulf Maritime Association, Inc.** 

#### **DIRECT EMPLOYERS**

**APM Terminals North America, Inc.** 

**Ceres Terminals Incorporated** 

Cooper/Ports America, LLC (C/PA)

CP&O, LLC

**GCT USA** 

**Maher Terminals, LLC** 

**New Orleans Terminal, LLC** 

**Ports America** 

SSA Atlantic, LLC

Virginia International Terminals, LLC

# US ANNUAL REPORT 2021

# CONTENTS

Chairman and CEO 's Message	2
Board of Directors	3
Government Actions Summary	5
Master Contract Tonnage Manhours	6
Labor Relations	9
Safety Initatives	11
Training Program	1!
USMX-ILA Joint Trust Funds Overview	17
MILA Managed Healthcare	17
Container Freight Station (CFS)	19
Container Royalty 5 (CR5)	2
USMX-ILA Money Purchase Fund	
& Savings Plan (MPP)	2
COVID Pandemic Relief Fund (CPR)	2
Container Royalty Central Collection (CRCCF)	2
SIMAS	2
Report of Counsel	2
CCC Service Corporation	3
USMX Officers & Staff	3
	Board of Directors Government Actions Summary Master Contract Tonnage Manhours Labor Relations Safety Initatives Training Program USMX-ILA Joint Trust Funds Overview MILA Managed Healthcare Container Freight Station (CFS) Container Royalty 5 (CR5) USMX-ILA Money Purchase Fund & Savings Plan (MPP) COVID Pandemic Relief Fund (CPR) Container Royalty Central Collection (CRCCF) SIMAS Report of Counsel CCC Service Corporation





# THE MIDDLE YEAR

It is reasonable to view 2021 as the "Middle Year" of the COVID-19 pandemic.

At the start of 2020, through the collective hard work of all the industry stakeholders, we learned to live and work through the pandemic, even as we saw significant cargo shortfall due to world-wide lockdowns resulting from various COVID influences.

We knew, immediately, that we had to focus on keeping our workforce and management teams safe and healthy, both physically and financially. The safety protocols jointly established by management and labor in 2020 continued to serve us well throughout the rest of the pandemic. The ILA-USMX partnership was also well-served by the jointly-administered COVID Pandemic Relief (CPR) Fund. The CPR Fund was a hugely significant undertaking by the parties, but it was critical during the crisis to ensuring that our workforce could be confident that we were as focused on their financial well-being as we were on their on-the-job health and safety.

2021 was a markedly different year. The structure of the U.S. economy changed significantly due to the nature of the pandemic response. Services suffered because of lockdowns while consumption flourished. We saw the highest cargo volumes ever recorded by USMX to that point, while continuing to be challenged by the pandemic.

The fact that the maritime industry had such an outstanding year in 2021 is a tribute to the extraordinary efforts of all our USMX members, our partners in the ILA, and our various Port Authority colleagues.



David F. Adam
Chairman of the Board
and Chief Executive Officer



David F. Adam US Maritime Alliance, Ltd.



Roy Amalfitano Evergreen Shipping Agency (America) Corp.



David Daly Ocean Network Express (North America), Inc.



Patrick Dolan
Ports of Delaware River
Marine Trade Assoc.



Thomas Engel Hapag-Lloyd (America), LLC



Albert V. Gebhardt Maersk, North America



Dan Hall
Charleston Stevedoring
Company, LLC-



James R. Gray, Jr. Jacksonville Maritime Association, Inc.



John J. Nardi New York Shipping Association, Inc.



Kurt Mittenzei CMA CGM Group



Paul Nazzaro
COSCO SHIPPING Lines
(North America) Inc.



Christopher J. Parvin Mediterranean Shipping Co. USA, Inc.



James Pelliccio
Ports America



John A. Walsh SSA Atlantic, LLC



# 2021 GOVERNMENT ACTIONS SUMMARY

**January 2021** ushered in the new Biden-Harris Administration and Democratic control of both the House of Representatives and Senate albeit with only a 5 vote majority in the former and a 50-50 tie in the latter (when a tie vote occurs in the Senate, the presiding officer, in this case Vice President Harris, breaks the tie). The year was dominated by four issues of vital importance to the maritime industry: the response to the COVID pandemic; the Nation's infrastructure crisis; disruptions in the supply chain; and growing concerns over port congestion.

After taking office, the Biden Administration announced plans to require all companies with over 100 employees to get their employees vaccinated and require unvaccinated employees to produce a negative test on at least a weekly basis. The federal Occupational Safety and Health Administration (OSHA) was tasked with developing the protocols for the program and announced in late October that the testing mandate deadline would be January 4, 2022 under its Emergency Temporary Standard (ETS) authority. The ETS was immediately challenged in the courts and ultimately withdrawn. Port workers were also the subject of legislation that would have deemed exposure to COVID as a covered injury under the Longshoremen and Harbor Workers Compensation Act. The House approved the legislation, but the Senate could not muster the necessary votes and the proposal died.

2021 was dominated by four issues of vital importance to the maritime industry: the response to the COVID pandemic; the Nation's infrastructure crisis; disruptions in the supply chain; and growing concerns over port congestion.

As part of its economic recovery plan, the Biden-Harris Administration proposed an ambitious infrastructure investment of \$2-plus trillion, including \$17 billion for port and waterways infrastructure improvements. A bipartisan group of Senators ultimately negotiated a slimmer package totaling \$1 trillion but retained the \$17 billion for port and waterways invest-ments. The Infrastructure Investment and Jobs Act (IIJ) was later approved by the House and signed into law by President Biden. In separate legislation (National Defense Authorization Act), a new program under the Maritime Administration was created entitled the Port Infrastructure Development Program. As part of that program, ports can apply for federal grants to address port congestion and supply chain issues.

Under the NEW leadership of Chairman Daniel Maffei the Federal Maritime Commission spent much of the year attempting to address shipper complaints over disruptions in the supply chain emanating from the Nation's ports.

Chairman Maffei and Commissioner Rebecca F. Dye revived the Commission's investigation under Fact Finding 29 into a wide range of issues, including detention and demurrage charges and export shippers' complaints regarding availability of containers for export products. The Commission also created a Shippers Advisory Committee to provide input to the Commission on both import and export customer concerns.

Congressional transportation leaders also expressed their concerns over supply chain disruptions and port congestion through the introduction of the Ocean Shipping Reform Act. The legislation would provide additional authority to the FMC to investigate and enforce discriminatory practices and allow aggrieved third parties to seek relief from the Commission.

Finally, after many years to failed attempts to address the multiemployer pension plan crisis, Congress passed and President Biden signed into law, the American Rescue Plan that provides "such sums as are necessary" to guarantee the pension benefits of workers and retirees covered under multiemployer plans. The newlycreated "Special Financial Assistance" program will provide funding to ensure plan insolvency through 2052.

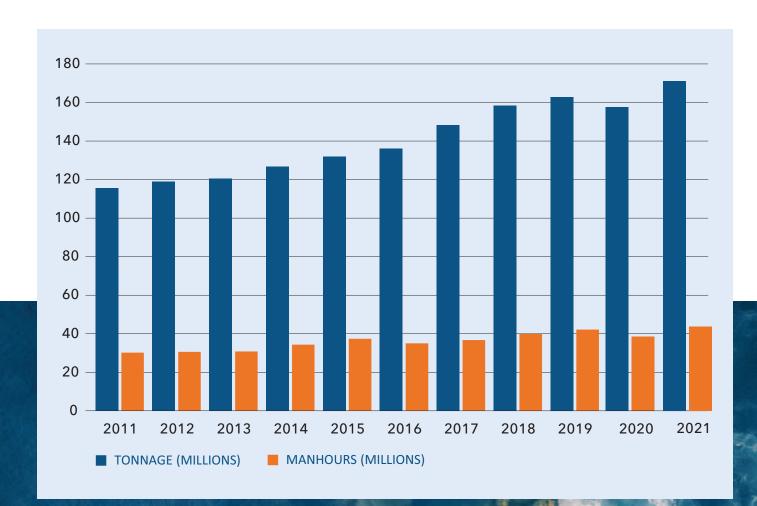
# MASTER CONTRACT TONNAGE & MANHOURS 2011 - 2021

**2021** was considered a rebound year in terms of tonnage and man hours. Almost all USMX member Ports from Maine to Texas saw a return to pre-pandemic levels, many seeing an unprecedented surge in cargo. Overall tonnage was up 10% compared to Contract Year Ending 2020, marking a full recovery from the 2020 impacts of COVID.

Manhours are inclusive of all MILA-eligible ILA manhours, and thus each mode of cargo experienced a different rate of rebound from from the prior year. Non-container volume finally began to return to normal during Contract Year Ending 2021, with the hardest hit sector, Cruise, starting back up. Overall Manhours experienced an increase of 13% year over year.

Contact Year Ending	Tonnage
2011	116,578,825
2012	120,997,356
2013	121,498,166
2014	126,979,694
2015	134,988,382
2016	142,932,773
2017	147,015,963
2018	157,019,573
2019	162,250,963
2020	157,493,933
2021	173,252,754

Contact Year Ending	Man Hours	
2011	30,149,629	
2012	30,593,687	
2013	31,213,492	
2014	34,326,785	
2015	37,363,225	
2016	35,095,041	
2017	36,696,418	١
2018	39,878,394	
2019	42,153,398	
2020	38,542,343	
2021	43,685,581	





# 2021 LABOR RELATIONS YEAR IN REVIEW

**2021** was a demanding year. COVID protocols were in full effect and cargo was surging. We tackled cargo demands and a shortage of labor. The CPR Fund was being utilized in every port from Maine to Texas and by the end of the year 917 applications were received and processed. Then in the fourth quarter we met with the ILA in Florida to plan how to return to some sense of normalcy in 2022. That meeting lead to conversations about early bargaining. And these topics were the crucial issues:

- Audit of Jobs Created by Technology
- Issue of Control
- Batching
- Security Yards
- Genset Model status
- Technology
- Absenteeism
- LIGC Grievances

#### MIS

Was proceeding and Charleston Stevedoring implemented the full solution.

# Port of Discovery (POD)

The Jurisdiction Committee and ILA started the development of central location for collecting every port POD from Maine to Texas System to track major damage boxes.

#### **Navis Training**

The USMX, Direct Employers and the ILA developed a NAVIS training module for the ILA.

#### **LIGC Grievances**

The process in some ports became flawed and the ILA began to suggest the process needed to change to help resolve problems in a more efficient manner.



# Leatherman Terminal (Charleston SC) Dispute

A dispute between the ILA and the South Carolina Port Authority (SCPA) arose when the SCPA built and opened the Hugh Leatherman Terminal in January 2021. The ILA claimed all work at any new terminal will be ILA ONLY. However, currently South Carolina is what is referred to as a hybrid model of labor where the ILA and South Carolina Port Authorities (state workers) both work at the terminals with the State workers operating the equipment (STS Cranes, empty handlers etc..) SCPA filed NLRB charges against USMX and the ILA in January and the following is the timeline of events.

#### ■ January 7, 2021

SC and SCSPA filed charges with the NLRB against USMX and the ILA

#### ■ March 30, 2021

First container arrived at Leatherman

#### ■ April 9, 2021

First vessel called at Leatherman

#### ■ April 22, 2021

The ILA filed a lawsuit against USMX and Hapag-Lloyd in New Jersey State Court

# ■ April 24, 2021

Second vessel called at Leatherman

#### ■ April 26, 2021

The ILA amended its lawsuit to add OOCL

#### April 26, 2021

USMX, SCSPA and SC filed charges with the NLRB concerning the ILA's lawsuit

#### ■ May 5, 2021

The lawsuit was removed to New Jersey Federal Court

#### ■ June 1, 2021

The Federal Court action was administratively terminated

# ■ June 9-10, 2021

NLRB Hearing

### ■ July 15, 2021

All parties filed post-hearing briefs

# **■** September 16, 2021

The ALJ issued a Decision: USMX positions upheld

# ■ November 12, 2021

The ILA filed exceptions to the ALJ's Decision



# ILA-USMX JOINT SAFETY COMMITTEE

In 2014, recognizing the need to formalize a collaborative, proactive approach toward occupational safety and health (OSH) issues, the ILA-USMX Joint Safety Committee (JSC) was established in the Joint Resolution on Port Safety & Health. The committee is comprised of ILA members and one (1) ILA-USMX Co-chairman, USMX members and one (1) USMX Co-chairman, and a technical facilitator.

The responsibilities of the JSC include providing guidance and knowledge on OSH issues to the ILA, its local unions, and USMX members. The JSC maintains close collaboration with the National Maritime Safety Association (NMSA), ILA local unions, port associations, and direct employers on safety processes, training, and communicating best practices among them, with the goal of "a safe place for all employees to work".

Thanks to the close collaboration the JSC has achieved since its inception in 2014, they were able to guickly switch to a remote team when COVID hit in 2020. Thanks to the coverage gained through the years, the JSC were able to have members in each division of the East Coast and Gulf that were able to both communicate and respond quickly

to the many changes and questions that affected not only the whole group, but even more specific issues happening in certain regions. We were then able to share these as a group and spread best practices and ideas to all ILA personnel and member ports as per the original mission of the JSC.

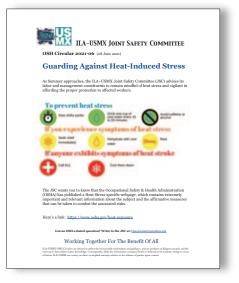
The JSC worked tirelessly through 2020 and 2021 to ensure the facts were distributed as they became known and that the real data on both guarantined and positive ILA members were tracked and communicated to the industry. This allowed us to see trends and concentrate our efforts with guidance and PPE accordingly. Many questions the JSC were presented with included the proper PPE needed to combat the spread of COVID, ever evolving CDC protocols on distancing, masks and quarantining, protocols for when testing Positive, what to do when considered a close contact, PHMSA & HAZMAT Training, and OSHA's Emergency Temporary Standard which created many questions for the ILA and ports. While we couldn't anticipate going into a second year with the pandemic, we were fortunate to have the JSC in place to continue guiding the ports and workforce.

At the onset of the pandemic the JSC was able to use two of its mainstays, OSH Alerts & Circulars, to communicate COVID related guidance to the industry quickly and effectively. The information came from many different sources, and it had to be scrutinized, summarized, and then distributed quickly to keep everyone as safe as possible.

In 2021 the JSC produced and distributed multiple OSH Circulars in which the JSC praised the ILA and USMX members for their actions during COVID. The JSC also produced and distributed several Urgent OSH Alerts, circulars, and Q&A documents. All the JSC's published alerts and circulars can be found on the USMX website www.USMX.com.







### 2021 SAFETY DATA INITIATIVE

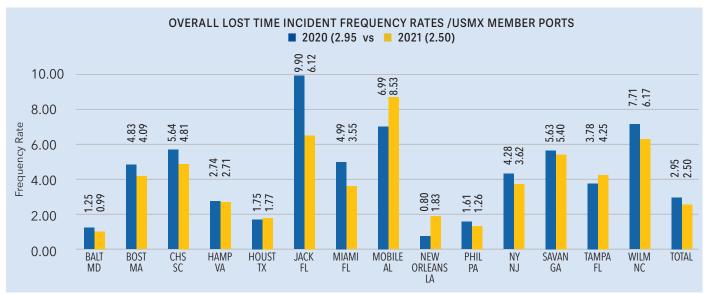
The JSC Safety Data Initiative (JSC-SDI) is another tool used by the group to collect and communicate data and to focus the efforts of the JSC. The data consists of total manhours and incidents. The incident is recorded by craft, type, and location and is collected by the USMX bi-annually (January through June and July through December), uploaded into a database and then disseminated in a useful format to all ILA, ILA Locals, and USMX members. We use the manhours and incidents to calculate the Lost Time Incident Rate (LTIR), which is based upon Occupational Safety and Health Administration (OSHA) recordkeeping. The formula considers the number of lost time incidents and illnesses occurring in a workplace and the hours worked during the time. It is based on a workplace of 100 workers averaging 2,000 hours per year. The LTIR is calculated by taking the total Lost time injuries & illnesses multiplying that by 200,000 and dividing that by total hours worked. The information can be used to see trends in overall incidents, incidents by port, craft, type, and location. This high-level data can then be used to focus attention locally, help plan safety initiatives, and training, advancing the JSC's goal of making our ports a safe place for all employees to work.

As illustrated in the following charts, the data shows that despite over a 15% increase in manhours, unprecedented cargo increases, and an ongoing pandemic, the LTIR still decreased by over 15%. As the LTIR continues to trend downward since safety data collection was instituted in 2013, from a high of 4.85 to the current 2.50 in 2021, this positive result continues to illustrate the value of this initiative to our industry and worker safety, which is the single most important undertaking we have at USMX with our partners at the ILA.

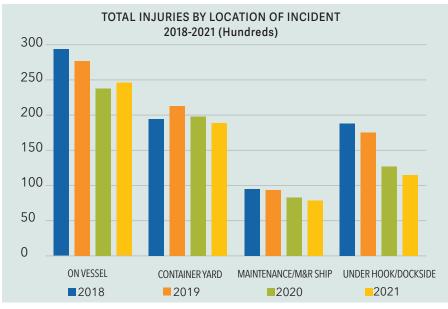
LT1 BY CRAFT	2018	2019	2020	2021
Lasher	152	173	165	153
Yard Tractor / Hustle Driver	111	134	111	84
Crane / Rtg Operator	27	14	13	14
Pit Operator / Other	98	93	67	67
Mechanic	121	100	99	110
Foreman	15	19	15	21
Clerk / Checker	20	32	30	30
Laborer	110	106	91	82
Holdman / Dockman	109	96	65	82
LT I BY TYPE	2018	2019	2020	2021
Slips / Trips / Falls	215	215	182	188
Struck By Cargo	22	26	18	21
Struck By Vehicle	57	58	41	51
Strain	202	175	153	148
Struck By Cargo Handling Equipment	73	113	62	64
Jostling	74	64	76	70
Working At Height	3	10	4	2
Hearing - Long Term	3	1	31	13
Other	114	105	89	86
LT1 BY LOCATION	2018	2019	2020	2021
On Vessel	279	260	238	247
Under Hook - Dock Side	194	188	139	126
Container Yard	197	229	200	193
Maintenance / M&R Ship	93	90	79	77

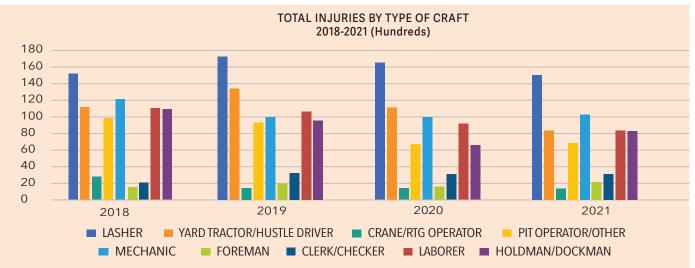


# 2021 SAFETY DATA INITIATIVE









# TRAINING PROGRAM OVERVIEW

TRAINING EXPENSES	2020	2021
USMX Training Expense	\$9,025,276	\$18,337,204
Port Association Training Expense	\$17,365,459	\$14,929,656
TOTAL MANHOURS	38,516,702.00	45,730,893
USMX Training Expenses Per Man-hour	\$0.23	\$0.40
Port Association Training Expense Per Manhour	\$0.45	\$0.33
CALENDAR YEAR TOTAL TRAINING EXPENSE	\$26,390,734.60	\$33,266,860
CALENDAR YEAR TOTAL PER MHR COST	\$0.69	\$0.73



### TRAINING PROGRAM OVERVIEW

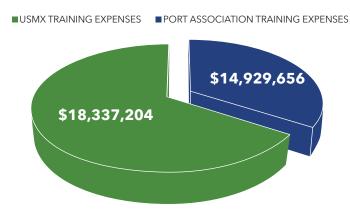
**USMX** carriers pay \$0.25 per ton on containers to support the training, safety and CFS programs, with over \$18 million going directly to training in 2021. During 2020, only \$9 million went to training due to the lull in training caused by the COVID pandemic. Between the Port Associations and the carriers, almost \$46M was spent in 2021 on training. \$41 million spent in 2018, \$43 million in 2019, and \$38 million in 2020, showing just how negatively the first year of the pandemic affected our programs.

Like many of our functions, training was greatly disrupted by the pandemic, and even completely halted for months during 2020. The ILA and our member ports had to change the way in which we train, just as we had to change many other processes we had in-place prior to COVID, to ensure we continued working safely. With the combination of outdoor classrooms, proper sanitization of equipment, proper use of PPE, online services, and other changes, we were able to resume training, ensure new workers were ready for the fastpaced environment found on the waterfront, and seasoned workers had the ability to keep certifications current.

The USMX-ILA Joint Training Committee (JTC), consisting of three ILA representatives and three USMX representatives, worked closely with the local ILA unions and USMX members to ensure funding for training was available to do what whatever was necessary within the training rules and standards to safely train workers during the ongoing pandemic. New training processes that could be implemented safely at each port was communicated to the industry to see if they could be implemented at other ports. The JTC also worked closely with the JSC for training guidance.

While training expenditures from both the USMX and USMX member ports were substantially reduced due to the pandemic, as noted, and training began to ramp back up towards the end of 2020 and well into 2021. With the 2022 training budget being prepared, and the continuation of many new hires expected in all crafts and at most facilities, another increase in training is forecasted for 2022.

#### 2021 TOTAL TRAINING EXPENSES: \$33,266,860

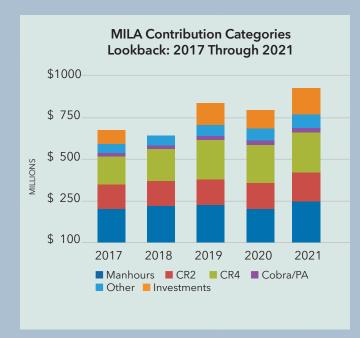


# 2021 TOTAL PER MANHOUR TRAINING EXPENSES Based on 45,730,893 mhrs @ \$0.73/MHR

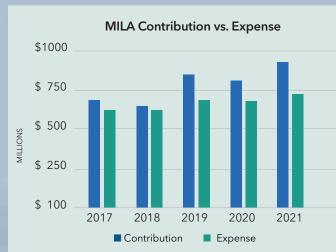




The USMX-ILA Joint Training Committee (JTC), consisted of three ILA representatives and three USMX representatives, working closely with local ILA unions and USMX members.







The Management-ILA Managed Healthcare Trust Fund (MILA) is a collectively-bargained, multiemployer health plan.



# USMX-ILA TRUST FUNDS OVERVIEW

#### **OVERVIEW**

Under the 2018-2024 USMX-ILA Master Contract, there are six trust funds that are jointly-managed by Trustees from the ILA and from USMX to ensure proper management of collected assessments. The table below describes the major funds, their purpose and the pages where you can find more information about each within the context of this annual report.

# MILA Managed Healthcare Trust Fund 2021 Update

The Management-ILA Managed Healthcare Trust Fund (MILA) is a collectively-bargained, multiemployer health plan. Its Board of Trustees, with representation from both management and labor, administers the MILA National Health Plan to provide medical, dental, vision and behavioral health coverage, as well as prescription drug benefits for more than 75,000 people (active and retired ILA members, their qualified dependents, and certain other non-bargaining unit employees who pay a premium for their coverage, as established by the MILA Trustees). Per the Master Contract, MILA coverage is based on prior year hour qualifications. Due to the severe impact of COVID-19 on volume, man hours, and safety of the ILA members, the bargaining parties agreed to extend MILA benefits for qualified members into 2021.

With the on-going pandemic, 2021 continued to be an atypical year for healthcare. While most healthcare resumed, there were still restrictions on care, and we continued to see the impact of COVID-19 on our members and their families. The roll-out of vaccines was initially state driven, but as the vaccine became more readily available MILA ensured our members had easy access through our pharmacy and medical providers. Throughout 2021 the MILA administrative staff continued to worked tirelessly with our ILA members and ports to met their healthcare needs.

## MILA Funding

As part of the 2018-2024 **USMX-ILA Master Contract** agreement, MILA is funded

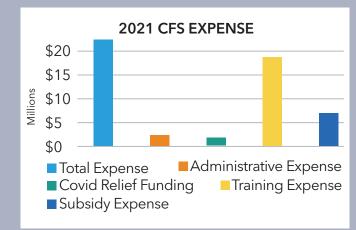


through a \$5 per manhour assessment on all manhours worked by ILA employees, and through a \$2.50 per ton assessment on all containerized cargo moving through USMX member ports on the U.S. East and Gulf coasts.

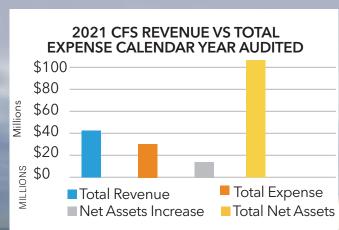


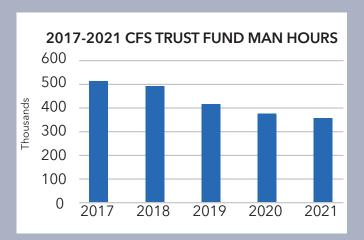
The MILA Administrative Staff: Front, L to R: Angelina Kishore, Member Support Representative; Sharleka Millington, Administrative Assistant and Member Support Representative; Rear, left to right): Robin Csabon, Director of Accounting; Glenn Vanish, Receptionist; and LaVerne Thompson, Executive Director

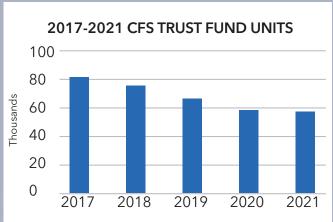
USMX-ILA MASTER CONTRACT TRUST FUNDS				
TRUST FUND NAME	TRUST FUND PURPOSE	PAGE NO.		
Management-ILA Managed Healthcare (MILA)	Execution and Management of Healthcare Benefits	17		
Container Freight Station (CFS)	CFS Subsidy and Credit; Distribution of Yearly Training Budget	19		
Container Royalty 5 (CR5)	Automatic Payments and Local Welfare Funds Subsidy; Based on Yearly Application Review/Approval	20		
USMX-ILA Money Purchase Fund & Savings Plan (MPP)	Centralized Defined Contributon Retirement Plan for Ports Without an Existing Plan as of 10/1/18	20		
COVID Pandamic Relief Fund (CPR)	Supplementary Income	21		
Container Royalty Central Collection (CRCCF)	Centralized Collection of All Master Contract Tonage Assessments	23		

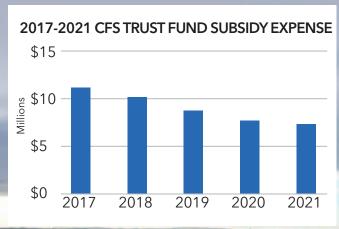














# **Container Freight Station (CFS) Trust Fund**

The CFS Trust Fund program was implemented in 1989, and guided by the following objectives:

- to promote employment opportunities for ILA members
- to subsidize CFS operators using ILA labor exclusively to compete with CFS operators using non-ILA labor
- to encourage the stuffing and stripping of LCL, LTL, FCL, vendor consolidation and other cargo not presently handled at waterfront facilities by deep-sea labor
- to help open container freight stations in container ports
- to create a dedicated ILA workforce in each port to productively and efficiently stuff and strip containers
- to conduct ongoing reviews and audits, per the CFS Trustees, of all CFS stations to ensure that every CFS operator adheres to the requirements set forth

Though the program is charged with maintaining all stations currently operating in the USMX member ports, it is always open to new opportunities for expansion.

With a six-year Master Contract currently in place, the CFS subsidy rate will be \$21.00 per hour for most CFS stations from October 1, 2018, thru September 30, 2024.

# 2021 CFS Update

During 2021, at 23 CF stations, the ILA worked nearly 358,000 manhours, with \$7.4 million in expenses to the CFS Fund.

Nearly 58,000 containers handled while also maintaining a safe operation with COVID, social distancing, masking requirements and other restrictions. Assessments collected on each ton of cargo are used to fund these CFS operations. In 2020, the assessment remained (from previous years) at \$0.25 per ton.

In 2019, there was a substantial decline in cargo at the stations. The stations were aggressive in trying to recapture some of lost cargo for 2020 but then the pandemic hit, as was the ability to grab the cargo back in 2020 & 2021.

Due to COVID, all station audits were conducted remotely for 2020 and 2021. The CFS Trustees ensured the stations continued to operate within the guidelines of the program.

#### **CFS Carrier Credits**

In the Master Contract, all containers that are stripped or stuffed at an authorized CFS station qualify for a Container Royalty credit if they were discharged or loaded from a USMX Carrier vessel. If these criteria are met, the Carrier will get a full credit. During calendar year 2021, USMX Carrier members received Container Royalty credits totaling almost \$6 million.

Expense         \$18,944,044         \$28,498,540           inistrative Expense         \$1,630,466         \$1,911,440           d Relief Funding         \$655,000         \$1,050,000           ing Expense         \$9,025,276         \$18,337,204           sidy Expense         \$7,633,302         \$7,199,896           REVENUE         2020         2021           Revenue         \$38,451,321         \$41,595,581           ssment Revenue         \$38,102,415         \$41,436,430           er Revenue         \$348,906         \$159,151           TOTAL REVENUE VS. TOTAL EXPENSES           ENDAR YEAR AUDITED         2020         2021           Revenue         \$38,451,321         \$41,595,581           Expense         \$18,944,044         \$28,498,540           Assets Increase         \$19,507,277         \$13,097,041	USMX ILA TRUST FUND CONTAINER FREIGHT STATION DATA				
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d Relief Funding         \$ 655,000         \$ 1,050,000           sing Expense         \$ 9,025,276         \$ 18,337,204           sidy Expense         \$ 7,633,302         \$ 7,199,896           REVENUE         2020         2021           Revenue         \$ 38,451,321         \$ 41,595,581           ssment Revenue         \$ 38,102,415         \$ 41,436,430           er Revenue         \$ 348,906         \$ 159,151           TOTAL REVENUE VS. TOTAL EXPENSES         ENDAR YEAR AUDITED         2020         2021           Revenue         \$ 38,451,321         \$ 41,595,581           Expense         \$ 18,944,044         \$ 28,498,540           Assets Increase         \$ 19,507,277         \$ 13,097,041	Total Expense	\$18,944,044	\$28,498,540		
\$ 9,025,276 \$ 18,337,204 sidy Expense \$ 7,633,302 \$ 7,199,896 REVENUE 2020 2021  Revenue \$ 38,451,321 \$ 41,595,581 ssment Revenue \$ 38,102,415 \$ 41,436,430 str Revenue \$ 348,906 \$ 159,151 TOTAL REVENUE VS. TOTAL EXPENSES ENDAR YEAR AUDITED 2020 2021  Revenue \$ 38,451,321 \$ 41,595,581 Expense \$ 18,944,044 \$ 28,498,540 Assets Increase \$ 19,507,277 \$ 13,097,041	Administrative Expense	\$ 1,630,466	\$ 1,911,440		
sidy Expense         \$ 7,633,302         \$ 7,199,896           REVENUE         2020         2021           Revenue         \$ 38,451,321         \$ 41,595,581           ssment Revenue         \$ 38,102,415         \$ 41,436,430           er Revenue         \$ 348,906         \$ 159,151           TOTAL REVENUE VS. TOTAL EXPENSES         ENDAR YEAR AUDITED         2020         2021           Revenue         \$ 38,451,321         \$ 41,595,581           Expense         \$ 18,944,044         \$ 28,498,540           Assets Increase         \$ 19,507,277         \$ 13,097,041	Covid Relief Funding	\$ 655,000	\$ 1,050,000		
REVENUE         2020         2021           Revenue         \$ 38,451,321         \$ 41,595,581           ssment Revenue         \$ 38,102,415         \$ 41,436,430           er Revenue         \$ 348,906         \$ 159,151           TOTAL REVENUE VS. TOTAL EXPENSES           ENDAR YEAR AUDITED         2020         2021           Revenue         \$ 38,451,321         \$ 41,595,581           Expense         \$ 18,944,044         \$ 28,498,540           Assets Increase         \$ 19,507,277         \$ 13,097,041	Training Expense	\$ 9,025,276	\$ 18,337,204		
Revenue       \$ 38,451,321       \$ 41,595,581         ssment Revenue       \$ 38,102,415       \$ 41,436,430         er Revenue       \$ 348,906       \$ 159,151         TOTAL REVENUE VS. TOTAL EXPENSES         ENDAR YEAR AUDITED       2020       2021         Revenue       \$ 38,451,321       \$ 41,595,581         Expense       \$ 18,944,044       \$ 28,498,540         Assets Increase       \$ 19,507,277       \$ 13,097,041	Subsidy Expense	\$ 7,633,302	\$ 7,199,896		
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tr Revenue         \$ 348,906         \$ 159,151           TOTAL REVENUE VS. TOTAL EXPENSES         ENDAR YEAR AUDITED         2020         2021           Revenue         \$ 38,451,321         \$ 41,595,581           Expense         \$ 18,944,044         \$ 28,498,540           Assets Increase         \$ 19,507,277         \$ 13,097,041	Total Revenue	\$ 38,451,321	\$ 41,595,581		
TOTAL REVENUE VS. TOTAL EXPENSES           ENDAR YEAR AUDITED         2020         2021           Revenue         \$ 38,451,321         \$ 41,595,581           Expense         \$ 18,944,044         \$ 28,498,540           Assets Increase         \$ 19,507,277         \$ 13,097,041	Assessment Revenue	\$ 38,102,415	\$ 41,436,430		
ENDAR YEAR AUDITED         2020         2021           Revenue         \$ 38,451,321         \$ 41,595,581           Expense         \$ 18,944,044         \$ 28,498,540           Assets Increase         \$ 19,507,277         \$ 13,097,041	Other Revenue	\$ 348,906	\$ 159,151		
Revenue       \$ 38,451,321       \$ 41,595,581         Expense       \$ 18,944,044       \$ 28,498,540         Assets Increase       \$ 19,507,277       \$ 13,097,041	CFS TOTAL REVENUE VS. TOTAL EXPENSE	S			
Expense         \$ 18,944,044         \$ 28,498,540           Assets Increase         \$ 19,507,277         \$ 13,097,041	CALENDAR YEAR AUDITED	2020	2021		
Assets Increase \$ 19,507,277 \$ 13,097,041	Total Revenue	\$ 38,451,321	\$ 41,595,581		
	Total Expense	\$ 18,944,044	\$ 28,498,540		
Net Assets \$ 87,921,332 \$ 101,018,373	Net Assets Increase	\$ 19,507,277	\$ 13,097,041		
	Total Net Assets	\$ 87,921,332	\$ 101,018,373		

#### **CONTAINER ROYALTY 5 (CR5) TRUST FUND**

#### **About the CR5 Trust Fund**

Effective with the Master Contract extension agreement covering Contract Years 2009 through 2012, the CR5 Trust Fund was instituted to address the economic downturn that dramatically affected the ability of the local ILA benefit funds to meet their obligations under the Master Contract and Local Contract.

CR5 allows the Master Contract the ability to direct necessary resources, based on a list of criteria, to those local welfare funds that demonstrate a shortfall. A key criterion of CR5 restricts the application amount to be used for funding Pension funds or an increase in local benefits of any kind. Additionally, the criterion puts a strong focus on the allocation of assessments to ensure proper distribution among local benefit funds. CR5 also replaced the automatic payments that were made to the ports under the previous Master Contract's Container Royalty CAP Program. Jointly administered by Trustees from USMX and the ILA, the CR5 Fund is financed through a \$0.70 per ton assessment paid by USMX's carrier members.

The CR5 Trust Fund is an essential resource for our member ports whose local benefit funds experience a shortfall that renders them unable to meet their Local Contract obligations. The demand for CR5 monies has varied over the years due to increases in Vacation and Holiday benefits driven by wage increases; fluctuations in investment performance of local funds; and, in some areas, stronger revenue due to volume and/or manhour increases.

CONTAINER ROYALTY 5 TRUST FUND ANNUAL PAYOUT 2017-2021				
2017	\$98.4M	2020	\$88.M	
2018	\$87.7M	2021	\$84.4M	
2019	\$81.8M			

#### CR5 2021 Update

In the Contract Year that ended on September 30, 2021, the CR5 Trust Fund paid out approximately \$21 million dollars in assistance applied for by our member ports, in addition to the automatic payments (approximately \$63.4 million dollars) made as required under the Master Contract. While most

ports saw their volume and man hours return to prepandamic levels, CR5 remained a vital financial source for a few key ports.

# **USMX-ILA MONEY PURCHASE FUND & SAVINGS** PLAN (MPP)

As part of the 2018-2024 Master Contract, the parties agreed to create a coastwide, centrally-managed defined contribution retirement plan for qualified employees working hours under the Master Contract in ports that do not have local defined contribution plans. Qualification thresholds and disisbursements for qualified individuals were agreed upon by USMX and the ILA. The Master Contract MPP contributions shall be made as follows:

- Effective 10-1-18, qualifying employees shall receive a \$1.00 per hour contribution.
- Effective 10-1-20, qualifying employees shall receive an additional \$1.00 per hour contribution.

As of October 1, 2021, seven Ports were included in the central USMX/ILA MPP and Savings Plan. Charleston, Tampa, New Orleans, and Mobile began in the plan October 1, 2018. Savannah and Wilmington joined the plan October 1, 2020. Jacksonville joined the plan October 1, 2021, the final port to join. All 14 Ports now have a Defined Contribution plan in place for Master Contract work. In addition to the Master Contract contributions, three of the ports have also negotiated contributions on local cargo.

MPP CONTRIBUTATIONS BY PORT				
Effective 10/1	/2020			
Port	Master Contract	Break Bulk	Auto	Cruise
Charleston	\$2.00	\$1.50	\$2.30	\$2.00
Charleston			\$2.30	
Tampa	\$2.00	\$1.50	_	\$2.00
New Orlean	s \$2.00		_	_
Mobile	\$2.00	_	_	
Savannah	\$1.00	_	\$0.50	_
Wilmington	\$1.00	_	_	_
Jacksonville	\$1.00	_	_	_

# USMX-ILA TRUST FUNDS OVERVIEW **COVID PANDEMIC RELIEF FUND (CPR)** The COVID Pandemic Relief Fund (CPR), created in April 2020, was instrumental in providing supplementary income to ILA members who fell ill with COVID-19 or were forced to quarantine due to direct contact. By the end of 2021 the fund had approved over 1,200 applications and paid out over \$1.6M. CPR APPLICATIONS RECEIVED/APPROVED/PAY OUT 180 160 140 120 100 Pay May My My Pago Sero Orio Mayo Dero Pay, Pero, Mero, May My My My Pago, Sero, Orio May, Dero Total Approvel Amount Total Approved Applications USMX 2021 ANNUAL REPORT & 21

\$180,000

\$160,000

\$140,000

\$120,000

\$100,000

\$80,000

\$60,000

\$40,000

\$20,000

# **CONTAINER ROYALTY CENTRAL COLLECTION FUND (CRCCF)**

#### **About the Fund**

This jointly-managed Fund was tasked with the development of a comprehensive system to automate the intake of carrier shipping reports; track carrier delivery tonnage on incoming / outgoing vessels; invoice carriers on a per-voyage basis; and collect and allocate carrier payments to appropriate funds. The Fund application is an innovative platform that benefits all areas of the Maritime Industry, created to capture actual and accurate movement of all vessel and voyage activity along the U.S. East and Gulf Coasts.

# **About the System**

The end state is a system that processes files uploaded by USMX carrier members into a standardized electronic format and integrates them into a database; interfaces with reporting mechanisms capable of generating management dashboards from that data and analyzing it in any number of ways; prepares timely and accurate carrier invoices; and tracks and manages the Container Freight Station (CFS) Program by processing station subsidies and carrier credits.

The current system, now under the 2018-2024 Master Contract, enables the ILA and local port management to more effectively schedule and manage manpower at the ports and to define work associated with container verification on both incoming and outgoing vessels. The system also provides USMX members and affiliated invoice accuracy of carrier reporting with real checks, directly executed by members at the ports.

#### **CRCCF 2021 UPDATE**

Contract year ending September 30, 2021, marked the close of the sixth full year of operations of the CRCCF system. This year was focused on providing training modules for our Carrier partners as well as the ILA members inputting valuable data into our system. All training materials are easily accessible in our Application for All User groups. Additionally, we focused our efforts on optimizing our system performance, the development of Cyber Security policies and incident response as well as improved customer support services. CRCCF continues to roll-out system enhancements to improve the end-user experience and to ensure optimization of out platform.

With the retirement of Charles Flynn, effective May 1, 2021, Paul McCarthy took the role of CRCC President. Jason Kohler joined the group in May as well.



**Charles W. Flynn** President (Retired 5/21)



Paul J. McCarthy President



Eileen M. Mackell



**Jason Kohler** 



# USMX 2021 ANNUAL REPORT

# SHIPPING INDUSTRY MUTUAL ASSURANCE ASSOCIATION (SIMAS)

#### **PURPOSE**

The Shipping Industry Mutual Assurance Association Limited (SIMAS) was created in 1981 by special act of the Legislature of Bermuda to provide insurance coverage to the maritime industry that was unavailable in the commercial marketplace. This Financial Injury Coverage indemnifies USMX and its Carrier members for the legal costs incurred as a result of the implementation and enforcement of the USMX-ILA Master Contract or any other labor contract negotiated by USMX. Financial Injury Coverage is provided in the following instances:

- Court Actions and Adjudicatory Proceedings before maritime or labor-related agencies
- Third-Party Claims against the Insureds
- Arbitrations Strikes

■ Work Stoppages

Excess Directors' and Officers' (D&O) Coverage is provided by SIMAS to the Directors and Officers of USMX and CCC Service Corporation.

Excess Fiduciary Liability Coverage is provided by SIMAS to the Management Trustees of the Management-ILA (MILA) Managed Health Care Trust Fund.

A 2005 civil RICO action still pending in the U.S. District Court for the Eastern District of New York is the subject of a claim under this coverage.

#### **2021 LEGAL MATTERS**

During 2021, USMX Carrier members were able to avail themselves of coverage through SIMAS for the following legal matters:

- Throughout 2021 USMX worked proactively with the ILA and counsel to protect the wages and benefits of longshore workers. USMX also maintained COVID-19 safety standards for marine terminal operators in all Master Contract ports to protect their workers.
- In January 2021, the State of South Carolina, and the South Carolina State Ports Authority (SCSPA) filed charges with the National Labor Relations Board (NLRB) against USMX, the ILA, and ILA Local 1422 alleging that they agreed to boycott the newly built Hugh K. Leatherman Terminal to force the SCSPA to give the ILA the jobs performed by South Carolina state employees. In March, the NLRB

issued a consolidated complaint against USMX, the ILA, and ILA Local 1422 alleging that Article VII, Section 7(b) of the Master Contract requires USMX and the ILA to boycott the Leatherman Terminal if all the work at that terminal is not assigned to ILA members in violation of the National Labor Relations Act (NLRA). After the ILA filed a \$300 million lawsuit against USMX and two USMX carriers, USMX filed NLRB charges against the ILA. In June, a hearing was held before the NLRB Administrative Law Judge (ALJ) at which USMX Chairman David F. Adam testified regarding Article VII, Section 7(b), and the USMX-ILA bargaining history during 2012-2013. In September, the ALJ held that Article VII, Section 7(b) of the Master Contract does not violate the NLRA and it is a lawful workpreservation agreement. The ALJ also ruled that the ILA's lawsuit violated the NLRA because the ILA sought to have USMX carrier members cease doing business with the SCSPA. The parties appealed certain portions of the ALJ's decision. The matter was pending before the full NLRB at year end.

A claim was filed on behalf of the USMX carriers that call in the Port of Houston regarding the large vessel restriction in the Houston Ship Channel (HSC) imposed in 2019 by Texas which restricted the temporary one-way transit of vessels over 1,100 feet in length. The FMC commenced a factfinding proceeding to enable the industry to avoid the damage caused by the Texas vessel restriction. The FMC's concerns were mostly addressed in June 2021 when the Houston vessel pilots voted to allow larger vessels to transit the HSC under certain conditions. The FMC fact finding was still pending at year end.

#### **GOVERNANCE**

SIMAS is governed by a Board of Directors that meets annually.

- SIMAS Directors are chosen from among the USMX Board of Directors and USMX Staff.
- SIMAS is administered locally by Marsh Management Services (Bermuda) Limited.
- SIMAS premiums are funded through an assessment paid by USMX's Carrier members and are evaluated annually by its actuary.





#### THE LAMBOS FIRM ATTORNEYS

Front, L to R: Carol Notias Lambos, Esq.; Ann Marie Flynn, Esq; Rear, L to R: James R. Campbell, Esq; William M. Spelman, Esq.; Richard J. Ciampi, Jr., Esq.;

At The Lambos Firm, LLP the emphasis is on finding creative solutions to problems that plague businesses in these competitive times. Our reputation lies in our ability to bring parties together to resolve disputes without unnecessary legal intervention. This is achieved through a proactive approach to our clients' needs by seeking to protect them from potential exposure by thoughtful strategic planning. However, when litigation is un-avoidable, our clients appreciate The Lambos Firm's reputation for vigorous and tenacious advocacy. The hallmark of the firm is its proven experience in handling clients' legal matters successfully and cost-effectively.

The Firm is a full-service law firm concentrating in the areas of labor and employment, ERISA, administrative, business, and insurance law. Our clients span a broad spectrum of industries and include maritime entities; multi-employer associations; transportation companies; banking and financial services

corporations; manufacturing concerns; real estate developers and construction contractors; health care organizations; and social service agencies.

AMBOS

The Firm has an active trial practice, jury and non-jury, in federal and state jurisdictions, and an ex-tensive appellate practice, including successful U.S. Supreme Court advocacy. In addition, our attorneys are also actively engaged in nonjudicial dispute resolution forums, including arbitrations, mediations, and administrative proceedings. The Lambos Firm has close ties to the maritime community that are manifested through active participation in long-standing maritime associations and support of charitable causes important to the industry. The attorneys of the Firm are dedicated and fully committed to serving the interests of the maritime community as well as recognizing the excellence the community brings out in its own.

#### **MASTER-CONTRACT RELATED ISSUES**

#### COVID-19

COVID-19 remained the focus during 2021 all over the world, including in the ports where USMX members operate. Throughout the year USMX updated the industry's travel, quarantine, and work-related COVID-19 procedures in accordance with the recommendations issued by the Centers for Disease Control and Prevention (CDC).

In July, employers rolled back many of the COVID-19 work protocols that had been put in place in 2020: daily temperature checks, sanitizing of equipment, requiring social distancing, staggering shifts, and limiting the number of longshore workers using container-handling equipment. Each marine terminal operator coordinated the details of this rollback with their respective ILA Locals and the ILA leadership at their facilities.

At year end, USMX and the ILA issued updated guarantine requirements to be consistent with new CDC guidelines. The new requirements called for:

- Any worker who is exposed to a co-worker with a confirmed case of COVID-19 must quarantine for 5 days. If no symptoms develop in these 5 days, the employee should return to work on the 6th day after the exposure.
- Any worker who is exposed to an individual outside of work with a confirmed case of COVID-19 must guarantine for 5 days. If no symptoms develop in these 5 days, the employee should return to work on the 6th day after the exposure.
- Any worker who tests positive for COVID-19 must isolate for 5 days and, if asymptomatic at that time, should return to work on the 6th day after the exposure.
- · Workers who were exposed and/or who tested positive and return to work, if they work indoors and in close proximity to co-workers, should wear a mask for the first 5 days back to work. Masks are not required outdoors or in a shop where a worker can socially distance.
- Workers who develop symptoms during or after the 5-day quarantine period must quarantine for at least 10 days and, if symptoms persist after the 10th day, until symptoms have been gone for a full 24 hours.

#### **COVID-19 Pandemic Relief Fund (CPRF)**

The COVID Pandemic Relief Fund, a supplemental unemployment benefit plan created in 2020 under the USMX-ILA Master Contract, continued to pay benefits to eligible ILA-represented workers covered by the Master Contract to replace lost income caused by COVID-19-related absences.

The CPRF supplements state and federal unemployment benefits and other governmental and local contract benefits received by ILA-represented employees so that each eligible ILA-represented employee could receive each week two-thirds of the employee's 2019 average weekly wage or \$1,550.00, whichever was less, for the period of an approved COVID-19related absence.

The CPRF has been funded by industry assessments on an asneeded basis, which may continue until September 30, 2024, and from month-to-month thereafter. Participation Agreements are in place with various ports in connection with the payment of benefits to ensure that eligible ILA employees receive their benefits promptly.

# Illegal Secondary-Boycott Activities

In 2012, ICTSI Oregon, Inc. sued the International Longshore & Warehouse Union (ILWU) and its Local 8 for damages resulting from work stoppages and slowdowns related to two ILWU jobs that involved the plugging, unplugging, and monitoring of refrigerated containers and which caused ICTSI to leave the Port of Portland

# 2021 FEDERAL LEGISLATIVE AND REGULATORY **ACTIVITY**

# **Federal Covid-19 Legislation**

The American Rescue Plan Act of 2021 (ARP 21), which was enacted on March 11, 2021, extended or enhanced benefits provided in 2020 by the Families First Coronavirus Relief Act and the Coronavirus Aid, Relief, and Economic Security Act. Payroll tax credits and employee retention credits were extended, emergency paid sick leave and emergency paid family leave were enhanced, unemployment benefits were reinstated and increased from 50 weeks to 79 weeks of benefits, one-time cash payments of \$1,400 were provided to eligible adults and their dependents, and an additional \$7.25 billion was provided to the Paycheck Protection Program to

provide loans to small businesses to cover payroll obligations and operating costs.

The Coronavirus Aid, Relief, and Economic Security (CARES) Act followed on March 27, 2020, which authorized more than \$2 trillion to battle COVID-19 and its economic effects. It provided immediate cash relief for individuals, loan programs for small businesses, support for hospitals and other medical providers, and various types of economic relief for impacted businesses and industries.

#### **FEDERAL LEGISLATION**

# Ocean Shipping Reform Act of 2021 (H.R. 4996) (OSRA 2021)

This legislation was introduced in August 2021, in response to shipper complaints about supply chain problems and port congestion throughout the country. The bill would impose minimum requirements on ocean carrier service contracts, shift the burden of proof in Federal Maritime Commission (FMC) proceedings from shippers to the ocean carriers, mandate that ocean carriers cannot decline export cargo if the containers can be loaded safely and within a reasonable time frame, and establishes a new process for addressing demurrage and detention complaints, thereby giving the FMC a more proactive role in investigating the complaints.

The bill codifies the FMC's Interpretive Rule on Demurrage and Detention under the Shipping Act that took effect in May 2020 and obligates ocean carriers to adhere to minimum service standards that meet the public interest, as determined by the FMC in new, required rulemaking. The bill passed the House at year end by a vote of 364-60 and was referred to the Senate Committee on Commerce, Science, and Transportation. A related bill is expected to be introduced in the Senate in 2022.

# **EQUAL EMPLOYMENT OPPORTUNITY COMMISSION** (EEOC)

During 2021, the EEOC regularly issued updated guidance addressing COVID-19 inquiries and the federal anti-discrimination laws that the EEOC enforces. Such guidance dealt with religious objections to COVID-19 vaccination requirements, the right of employees and job applicants to be free of retaliation for asserting their rights under any anti-discrimination law, and when COVID-19 may be considered a disability.

#### FEDERAL MARITIME COMMISSION (FMC)

# Fact Finding No. 29: International Ocean **Transportation Supply Chain Engagement**

In March 2020, the FMC had issued an order authorizing Commissioner Rebecca Dye to identify operational solutions to cargo-delivery-system challenges related to COVID-19. In July 2021, Commissioner Dye presented Interim Recommendations to the FMC, which included 1) issuing an FMC policy statement regarding three areas related to shipper complaints: retaliation, attorneys' fees, and representational complaints, including trade associations and 2) issuing a rulemaking concerning information to be included on demurrage and detention billings and the timing of such billings. The FMC approved the recommendations in September 2021 and issued policy statements regarding retaliation, attorneys' fees, and representational complaints in December 2021. A rulemaking concerning demurrage and detention billings is anticipated in 2022.



**COVID-19 remained the focus** during 2021 all over the world, including in the ports where USMX members operate. Throughout the year USMX updated the industry's travel, quarantine, and work-related **COVID-19 procedures in accordance** with the recommendations issued by the Centers for Disease Control and Prevention (CDC).

#### **NATIONAL LABOR RELATIONS BOARD (NLRB)**

In February 2021, the General Counsel rescinded twelve (12) NLRB memoranda that had been issued by the prior administration covering such topics as the legality of employee handbooks, union culpability in duty of fair representation cases, instructions for deferral to arbitration, standards for neutrality agreements, the handling of one-party recorded evidence, and the rights of workers who do not want to join unions or to pay union dues. These were the first of many anticipated pro-employee actions by the NLRB and its General Counsel on behalf of the Biden administration. In September 2021, the NLRB General Counsel issued General Counsel Memorandum GC 21-06 directing the NLRB Regional Offices to seek the full range of remedies available when determining compensation for employees and unions subjected to unfair labor practices under the National Labor Relations Act. This represents a marked departure from current NLRB remedies, which generally are limited to back pay. The Memorandum includes examples of additional remedies, such as health care expenses caused by an unlawful termination of health insurance and compensation for credit card late fees incurred or for the loss of a home or a car caused by an unlawful discharge.

# **OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION (OSHA)**

# **COVID-19 Vaccination and Testing**

In September 2021, the Biden administration announced that OSHA was preparing an Emergency Temporary Standard (ETS) that would require all private sector employers with 100 or more employees to ensure that their workforce is fully vaccinated or require unvaccinated employees to provide a negative COVID-19 test result at least once a week before arriving at work and to wear face coverings. The ETS became effective for six months upon publication in the Federal Register on November 5, 2021, but it was immediately beset by legal challenges in various federal courts that resulted in the imposition and then lifting of a stay. At year end, the ETS was scheduled for oral argument before the Supreme Court of the United States.

# PIPELINE AND HAZARDOUS MATERIALS SAFETY **ADMINISTRATION (PHMSA)**

### **Hazmat Training Deadline Extension**

As a result of the pandemic, maritime industry employers and training providers throughout the nation were unable to provide the required recurrent HAZMAT (3-year refresher) training. In late 2020, PHMSA suspended enforcement against any employer engaged in the maritime transportation of hazardous materials that was unable to provide recurrent training in a timely manner and provided a mechanism for employers to join in a special permitting process that allowed multiple employers to seek a further extension of time to December 31, 2020 to provide the required recurrent HAZMAT training.

All participants were required to submit a plan to the PHMSA that outlined how they intended to address their recurrent HAZMAT training backlog and come back into compliance with PHMSA regulations. During 2021, the training deadline was again extended from June 30, 2021, to December 31, 2021.

# PORT SECURITY/TRANSPORTATION WORKER **IDENTIFICATION CREDENTIAL (TWIC)**

#### **TWIC Enrollment/Expiration**

The Transportation Security Administration (TSA) continues to process TWIC applications. As of September 2021, there were 6.326 million TWIC enrollments since inception in October 2007. There were 2.171 million active TWIC cards in use as of September 2021. The TSA implemented its OneVisit Enrollment Program in June 2014 to streamline the enrollment process and to eliminate the need for a second visit to an enrollment center to pick up a TWIC. As of September 2021, there were 2.669 million OneVisit enrollments (92% of all enrollments).

In March 2021, TSA implemented the FBI's "Rap Back Service" for active TWIC holders, which allows TSA to review new criminality and potentially disqualifying information on TWIC holders. This enables TSA to revoke TWIC cards for those who are no longer eligible for TWIC. In June 2021, TSA implemented improved applicant notifications. TWIC applicants can now opt in and receive notifications on their status from TSA's enrollment provider. TSA plans to implement an online renewal process for eligible TWIC applicants in early calendar year 2022.



# 2021 UPDATE CCC SERVICE CORPORATION

**CCC SERVICE CORP. (CCCSC)** is a division of USMX and is responsible for providing essential services, such as member assessments reporting, service agreements, managed services and information technology services, for USMX and its various Master Contract Trust Funds.

#### **Member Assessments Reporting**

CCCSC is responsible for the administration of the reporting and payment of Master Contract assessments by USMX's members. CCCSC, in conjunction with the Container Royalty Central Collection Fund (CRCCF), has successfully transitioned all major carriers over to CRCCF's central collection reporting system. Currently, the receivables rate achieved by the centralized collection process stands 41 days, three higher than the 38-day target rate.

#### **Service Agreements**

CCCSC has established Service Agreements with the following organizations, trust funds and programs:

- Management-ILA Managed Healthcare (MILA) Trust Fund
- Carrier-ILA Container Freight Station (CFS) Trust Fund
- Carrier-ILA Container Royalty (CR4) Trust Fund
- Carrier-ILA Container Royalty 5 (CR5) Trust Fund
- Container Royalty Central Collection Fund (CRCCF)
- Shipping Industry Mutual Assurance Association Limited (SIMAS)
- New York Shipping Association Port of Discovery (NYSA POD) Program
- USMX-ILA Money Purchase Fund & Plan (MPP)

#### MANAGED SERVICES PROVIDER

CCCSC provides payroll, general accounting and financial reporting services for itself, USMX, CRCCF, CFS, CR5, CRF, MPP and CPR along with IT administration for itself, USMX and CRCCF.

In 2021, the IT group upgraded all MS-365 licenses to E5 to leverage enhanced security features. Installed high availability firewalls. Installed eSentire Cyclops device to provide managed threat detection and protection along with other security detection hardware and software.

#### **NOTABLE ACCOMPLISHMENTS**

CCCSC has maintained long-term success with regard to headcount productivity and financial management:

- Headcount productivity continues to increase; there has been staff reduction of four over the last twelve years, with tonnage increasing 57% over the same time period.
- USMX/CCCSC financial results continue to meet or exceed budget guidelines by nearly 14%, while maintaining the USMX operational assessment at \$0.04 per ton since 1/1/16.
- During the Pandemic there was no disruption in services provided by CCCSC.
- For the second year in a row the annual financial audits were successfully performed virtually without a hiccup.

#### **CCC Service Corporation Staff**

Center: Anthony Dalonges, President; L to R: Maria Ouzounis, Manager, Joseph Marino, Controller, Rachel Kane, Application Support Specialist, Kelly Ann Ryan, Executive Assistant, Richard Glogowski, Assistant Controller, Diane Trapp, AP/AR Specialist





David F. Adam Chairman and **Chief Executive Officer** 



F. Paul De Maria **Executive Vice President,** and COO Labor Relations



**Anissa Frucci Executive Vice President,** Finance and Administration



**Anthony J. Dalonges** Corp. Treasurer/ **CCCSC President** 



**Thomas P. Sullivan Director, Labor Relations** 



**Jason Winter Director, Labor Relations** 



Joseph A. Weeks **Director, Labor Relations** South Atlantic/West Gulf



**Beth Monica** Corp. Secretary **Director, Communications** 







Andrew J. Heo **Data Manager** 





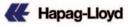
















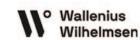










































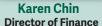














Kim F. Perez **Executive Assistant** 



