

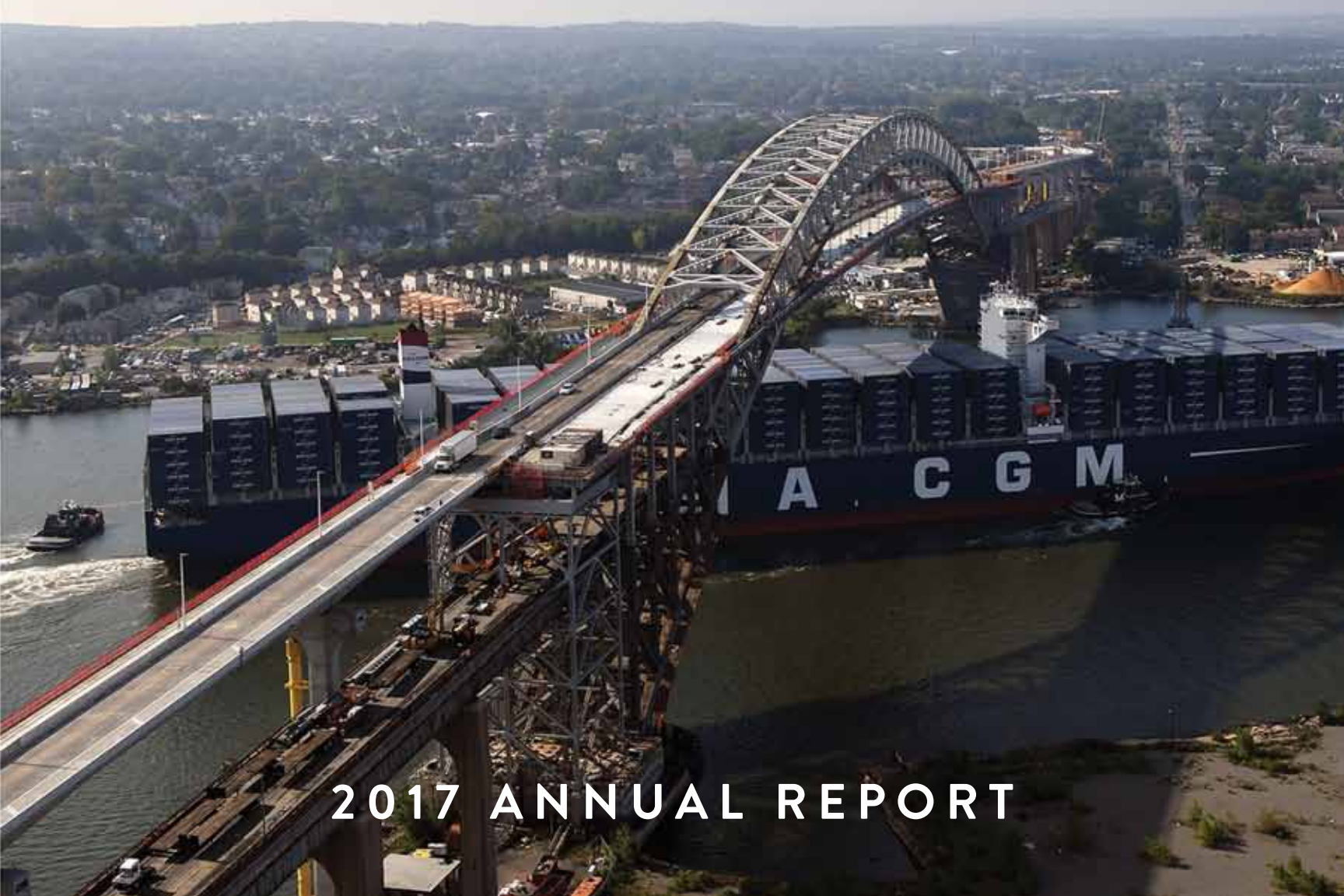


**New York Shipping
Association, Inc.**



*New York / New Jersey
Port Employers and Ocean Carriers*

THE FUTURE IS NOW



2017 ANNUAL REPORT

MISSION STATEMENT

The mission of New York Shipping Association is to represent the interests of its members in maximizing the efficiency, cost-competitiveness, safety and quality of marine cargo operations in the Port of New York and New Jersey.

NYSA will accomplish this mission:

Through negotiation of fair collective bargaining agreements with the International Longshoremen's Association and the Port Police and Guards Union;

Through effective implementation of those collective bargaining agreements; and judicious management of the various funds created thereunder;

Through strong advocacy of our members interests in the public, government and business communities;

Through close collaboration with other maritime and maritime-related organizations who share common interests;

Through partnering with public agencies tasked with the improvement of the region's transportation system; and

Through frequent communications with members to insure that their interests are well served.



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PRESIDENT'S MESSAGE

“Good fortune is what happens when opportunity meets with planning.” – Thomas Edison

On the morning of September 7, 2017 with a capacity of 14,414 TEUs (twenty-foot equivalent units) and a length of 1,200 feet, the CMA CGM THEODORE ROOSEVELT passed beneath the Bayonne Bridge on her way to berth in Elizabeth, New Jersey. For this vessel to enter into the Newark/Elizabeth section of the Port, decades of preparation was required. To name some of these projects, there was the channel deepening, marine terminal investments, port infrastructure development, berth deepening, labor force expansion and training, and lastly, the innovative Bayonne Bridge Raise the Roadway Project, all to accept the Ultra Large Container Vessels transiting the expanded Panama Canal. The foresight of our predecessors came together at this one point in time. Billions and billions of dollars of investment to ensure that the Port of New York & New Jersey remains the preeminent East Coast gateway and continues to be the fuel that feeds the region's economic engine.

This economic engine continued to chug along mightily as revealed by our 2017 Economic Impact Study published in conjunction with the North Jersey Transportation Planning Authority. This report was for economic activity which occurred in the year 2016. It was the 7th iteration of this study with the prior report published in 2014. In the two years between 2014 and 2016 the port industry gained over 63,000 new jobs, the bulk of which came in New Jersey. This was an increase of 18.8%. The largest sector increase was in warehouse operations as the retail industry continues to transform itself. This growth was fueled by cargo which transits our port. Keep in mind that since the Economic Impact Report was only for activity in calendar year 2016 that all of this growth occurred before raising the Bayonne Bridge roadway and with minimal impact from the channel deepening which was finalized in September of 2016.

In 2017, overall port container volume for our fiscal year was up a very strong 6.03% growing over 217,000 units and autos were up over 8%. All of this growth came without an increase in work hours which is a tribute to the ongoing effort of management and labor to improve productivity. While we still have a ways to go, the processes are in place to ensure that we work towards achieving production levels required to turn ultra large containers vessels fast enough to keep New York & New Jersey as the preferred port for incremental inland cargo.



Due to growth combined with work force attrition, our main challenge in 2017 from a labor supply perspective was accommodating seasonal autumn cruise business and automobile cargo on peak days. To bridge the shortages, the industry has been using a temporary labor pool made up of individuals that have gone through our hiring process, but have not been made permanent. In 2017, we also requested and received approval for 75 new longshore workers mainly to meet demand in the New York facilities who have lost workers to New Jersey facilities. We expect these additional workers to be in place early in 2018. We continuously analyze our labor needs and will likely be adding workers for the New Jersey facilities also in 2018.

“Productivity is never an accident. It is always the result of a commitment to excellence, intelligent planning, and focused effort.” – Paul J. Meyer

As previously mentioned, productivity has continued to improve. However, we still remain behind competing ports in our overall vessel productivity. Production improvement is not a switch that can be flipped on and off. We have the commitment from labor and management to continue the productivity improvement effort and it shall continue to be the highest priority in 2018.

Training is a key component to productivity improvement which continues for both practical equipment training and classroom training. While it is not at the hectic pace of recent years, we spent over \$5.2 million dollars this past year inclusive of fuel and machinery costs. In 2017, we took possession of two container crane simulators which are located at the NYSA-ILA-PPGU Training Center in Elizabeth. Qualified, skilled crane drivers are one of our most important assets and are one of the key factors in vessel productivity. The Port of NY&NJ has over 60 container cranes and all training currently takes place in a live setting. This crane simulator purchase and training program will help identify the best candidates to become crane drivers by providing a platform to show basic proficiency and facilitate moving on to live crane training.

The goal of modernizing port operations made 2017 an active year on the legislative front especially in the State of New Jersey. It has been the desire of NYSA to modernize the responsibilities of the Waterfront Commission of New York Harbor for many years now. 2017 saw New Jersey enact legislation that gives the Governor oversight over the commission by requiring their meeting minutes be approved by the Governor before most actions arising from those meetings could be put in motion. New York has not yet passed duplicate legislation to implement such a change but NYSA will continue to ask Albany to pass this legislation.

At the end of 2017, the New Jersey Legislature also again took up the Bill for New Jersey to withdraw from the Waterfront Commission Compact which was ultimately signed by Governor Christie. At time of this writing the Bill is being challenged but regardless of the outcome our efforts to modernize port operations will continue.

NYSA and the Port Authority of NY & NJ continue to Co-Chair the Council on Port Performance (CPP). In 2017, a large focus of the CPP was the Workforce Development Committee which has the goal of connecting workforce demands of our members throughout the supply chain with local educational institutions as well as local communities. Another success from a CPP perspective was the implementation of the first truck appointment system in the Port and really the first true successful appointment system in North America. Such a system will allow the marine terminal operators to better utilize their resources and improve efficiencies. The main outstanding challenge from the Port Performance Task Force is a port-wide gray chassis pool which remains under discussion.

To maintain the vitality of the CPP, the group undertook an evaluation of the 23 original recommendations of the Port Performance Task Force. This was done to determine whether some are no longer valid, either due to implementation or evolution, and whether additional recommendations need to be added. The results of this re-evaluation will be published in early 2018.

In closing, the Port is in a great position to handle future volumes. The Bayonne Bridge clearance is completed, as well is, the 50 foot channel deepening. The first Ultra Large Container Vessels have transited the Port. The investments in infrastructure have been massive. Productivity is improving. The future is now. I look forward building on it.

Sincerely,



John Nardi
President





PORT POLICE AND GUARDS UNION (PPGU)

The Port Police and Guards Union are one of the most important segments of the labor force that are always prepared and ready to defend the Port of New York & New Jersey. The escalation of cargo volumes have required increased hours of operation at the terminals and infrastructure improvements in the Port have generated new challenges for this area of the workforce. The union is comprised of 323 active members who are responsible for guarding key access points and patrolling all perimeters of the marine container terminals, auto terminals and passenger ship/public berths. This surveillance is executed 24 hours a day, 7 days a week and 365 days per year.

In January 2018, a new five-year contract was entered into that will expire on December 31, 2022.





TRAINING & SAFETY

– A Recipe for Long-Term Success!

TRAINING

The NYSA-ILA-PPGU Training Center remains the cornerstone for expanding the skills of the existing workforce, while welcoming and orientating those individuals just entering the workforce. The state-of-the-art facility aids employers in meeting their OSHA, USCG and other government agency obligations by facilitating applicable training. In addition, NYSA works closely with the Marine Terminal Operators to understand each terminal’s strategic operating plans to better prepare for labor demands and associated training requirements.

It was an especially eventful year, as NYSA completed the purchase of two premier Full Mission Simulators, which are now housed at the Training Center. Each includes a full cabin on a robust motion base and training systems for Ship to Shore Cranes, RTG’s and Straddle Carriers. The enhanced training programs will allow for an accelerated approach to understanding the specific equipment fundamentals while in a controlled environment. Trainees, who successfully complete the Simulator Training Course, will then return to their List Terminals and continue their operational and specific equipment training until certified.

Classroom Training in 2017 included the Hazardous Material Refresher Course, which was attended by 1088 individuals, and the continuation of our Foremen Safety Leadership Training Course. Approximately 300 Foremen from all Crafts participated in each of the two sessions, which covered OSHA Regulatory Training and Safety Leadership Best Practices. Additional course offerings include New Hire Orientation, Respect & Dignity, Security Awareness and Vessel Gang (Hold) Training.

The Training Center is also home to the PPGU for their training efforts. Their training includes Security Officer Training for new hires, as well as, an Annual Refresher Course for all members. In 2017, 326 PPGU members were credited with attending the annual course.

The NYSA-ILA-PPGU Training Center continues to connect our port partners and regularly welcomes the terminal operators, industry organizations, and governmental agencies to conduct meetings, seminars and specialized training sessions for their personnel.



Equipment Training Skill Certifications – Contract Year 2017

	New Certifications	Recertifications
HUSTLER DRIVER	0	496
STRADDLE CARRIER	33	202
CRANE OPERATOR	23	42
TOP LOADER	12	102
STACKER (DS, RS, HC)	81	226
NOELL CARRIER/N4	14	90
YARD CARRIER	1	10
EMPTY HANDLER	19	153
FORKLIFT	8	621
RTG/TRANSTAINER	16	71
SHUTTLE SPRINTER	7	34
RAIL MOUNTED GANTRY	2	21
TOTALS	216	2068

*Equipment training is accomplished by an independent training company using certified ILA Trainers, as well as, at all employer terminals throughout the Port of New York and New Jersey.



SAFETY

Safety and training initiatives are the foundation on which we build and maintain a productive, reliable and safety conscious workforce. Our aim is to ensure that all those working on the waterfront understand the importance of working safely and without self-driven distractions. Maintaining a safe workplace is the responsibility of each individual working on any of the cargo, cruise or automobile terminals.



Safety consciousness played a key role in deciding the NYSA-ILA training curriculum in 2017. Our major goal was to initiate the development of an enhanced safety culture throughout the terminals in NY and NJ. Safety Leadership for Foremen was offered to the ILA Leadership in all Crafts. Some topics included in the OSHA Regulatory Training Module were: Safety Responsibility and Authority, Elements of Accident Prevention, Leadership and Motivation, and Hazard Identification and Elimination.

The NYSA Safety Committee and the NYSA-ILA Joint Safety Committee worked diligently to reinforce and promote port safety initiatives in all sectors of the port community. ‘Safety First’ is the undeniable goal of both committees and remains the mantra of all labor and management teams.

In 2017, NYSA, an active member of NMSA (National Maritime Safety Association), continued to play a role in advising policymakers on initiatives to enhance safety for workers on the waterfront. With representatives on both the NMSA Board of Directors and Technical Committee, NYSA collaborated with OSHA (US Department of Labor’s Occupational Safety and Health Administration), MACOSH (Maritime Advisory Committee for Occupational Safety and Health), along with other national organizations to enhance safety protocols for workers in the maritime industry. The organizations regularly review industry standards and practices in order to increase safety awareness on the waterfront, share best practices, and promote accident prevention measures.

The NYSA Safety Awards for 2017 were presented to the employers and their employees at each terminal’s respective Safety Luncheon. This venue allows for a larger group of safety-committed individuals to be present and recognized for their safety consciousness.

The awards are based on the Lowest Lost-Time Incident Frequency Rate and the Greatest Reduction of Lost-Time Incident Frequency Rates over the previous year. Lost-Time Incidents are also reported directly to OSHA by each of the terminals.

Those terminals presented with the NYSA Safety Awards for 2017 and recognized for their efforts were Port Newark Container Terminal and the Ports America Auto Terminals.





HIGHLIGHTS for contract year ended September 30, 2017



EMPLOYMENT:

- ▶ 3500 Registered Union Members
- ▶ 11 Million Hours Worked
- ▶ Wages Paid: 3.1% increase from 2016
- ▶ Fringe Benefit Costs: 4.4% increase from 2016



CARGO:

Containers that fit directly on a chassis: 3.8 Million
6% increase over 2016



VEHICLES: 596,000

Roll-on / Roll-off cargo, which is driven off the ship with its own wheels



WORK HOURS & RATES Contract Year 2017

CRAFTS	Rate	ST Hours	OT Hours	Total Work Hours	Average Age	# Ind.
	20.00	119,903.5	142,343.0	262,246.5	39.4	151
	23.50	419,271.0	569,504.5	988,775.5	39.2	468
Longshore	28.75	43,270.0	63,013.5	106,283.5	44.4	44
	34.00	1,982,968.0	3,134,401.7	5,117,369.7	49.6	1,642
	Total	2,565,412.5	3,909,262.7	6,474,675.2	46.7	2,305
	20.00	57,693.0	59,080.5	116,773.5	35.6	38
	23.50	152,131.0	202,612.5	354,743.5	38.5	95
Checkers	34.00	849,325.0	1,402,486.5	2,251,811.5	50.1	552
	Total	1,059,149.0	1,664,179.5	2,723,328.5	47.7	685
	20.00	38,982.0	69,654.0	108,636.0	36.2	34
	23.50	105,290.0	200,903.5	306,193.5	39.6	97
Maintenance	28.75	1,337.0	1,979.0	3,316.0	33.0	3
	34.00	535,635.4	855,856.0	1,391,491.4	50.9	397
	Total	681,244.4	1,128,392.5	1,809,636.9	47.8	531
ALL CRAFTS		4,305,805.9	6,701,834.7	11,007,640.6	47.1	3,521

EQUIPMENT OPERATOR WORK HOURS

Contract Year 2017

Skill	Base Rate	Work Hours	% of Total
	20.00	5,164.5	0.8%
Crane Operator	23.50	39,402.0	5.8%
Transtainer Operator	28.75	2,685.0	0.4%
RTG Operator	34.00	624,872.5	93.0%
	Total	672,124.0	
	20.00	37,666.0	2.2%
Straddle Carrier	23.50	400,394.0	23.9%
Noell Carrier Operator	28.75	56,300.5	3.4%
	34.00	1,182,607.1	70.5%
	Total	1,676,967.6	
	20.00	80,928.5	7.3%
	23.50	202,469.0	18.1%
Hustler Operator	28.75	9,121.0	0.8%
	34.00	824,595.6	73.8%
	Total	1,117,114.1	
	20.00	4,028.0	0.7%
Other Container Handling Equipment	23.50	63,737.5	10.4%
	28.75	2,925.5	0.5%
	34.00	539,742.0	88.4%
	Total	610,433.0	

ASSESSMENT RATE TABLE

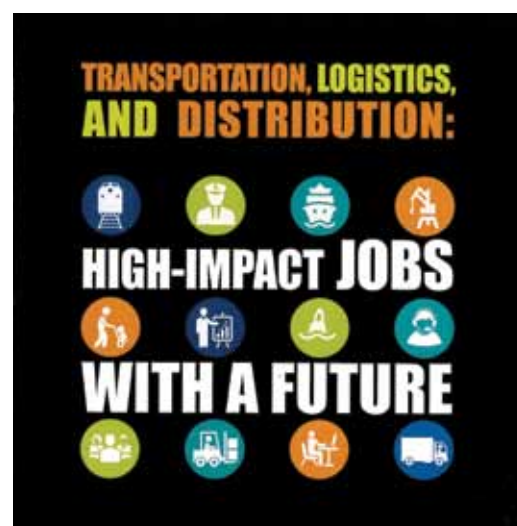
Description	Rate
House Containers within 260 miles	\$89.00 Per Container
House Containers within 260 miles-Bermuda Trade	25.00 Per Container
House Containers over 260 miles	21.00 Per Container
House Containers cargo laden - Railed	10.00 Per Container
Mafis with 43 tons or less cargo weight	150.00 Per Mafi
Transshipped	25.00 Per Container
Inland Transfers	55.00 Per Container
Loaded Waste Containers - Barge to Rail	17.20 Per Container
Empty Containers	40.00 Per Container
Empty Mafis	40.00 Per Mafi
Empty Waste Containers -Rail to Barge	17.20 Per Container
Empty Containers -Bermuda Trade	25.00 Per Container
Uncontainerized or unboxed Autos-Trucks-Buses	8.15 Per Unit
Breakbulk	6.00 Per Ton
Mafis with greater than 43 tons cargo weight	6.00 Per Ton
Bananas	0.09 Per Box
Excepted Cargo	14.00 Per Man-Hour
Passenger Assessment	14.00 Per Man-Hour
PPGU Assessment	16.75 Per Man-Hour

Council on Port Performance (CPP) Workforce Development Implementation Team (WDIT)

Since its launch in September of 2016, the Workforce Development Implementation Team (WDIT) of the Council on Port Performance (CPP) has raised awareness of the Transportation, Logistics and Distribution (TLD) industry and the vital role it plays in the region. Members include stakeholders representing trade associations, planning organizations, marine terminal operators, equipment providers, trucking companies, supply chain and logistics management, warehousing and distribution centers, beneficial cargo owners, academia, host communities and other governmental partners. NYSA has been an active participant in the WDIT, with Susan Winfree chairing a subcommittee focusing on Education & Curriculum. Other subcommittees focus on Marketing & Awareness and the Creation of a Job Bank.

The team's initiatives include:

- ▶ **Pursuing Education-Related Objectives:** The WDIT works with a network of local academic institutions at the high school and college levels to introduce students to the diversity of TLD career opportunities at and near the Port of NY & NJ.
- ▶ **Hosting a TLD Jobs Group on LinkedIn:** Open to all TLD job seekers and HR professionals who wish to post and network content relative to the group's agenda. <https://www.linkedin.com/groups/8610391>
- ▶ **Developing a TLD Job Bank:** In the planning and conceptual stage, the TLD Job Bank would connect employers with qualified TLD job seekers.
- ▶ **Hosting a TLD Expo:** The WDIT is planning a TLD Expo for April 2018 at the Port of NY & NJ. The expo will serve to increase awareness of possible job opportunities within the TLD network while helping to pair employers with prospective employees.



In October 2017, NYSA participated in a Maritime Career Awareness Fair for high school students sponsored by the NYCEDC at the Brooklyn Cruise Terminal. Twenty three companies and agencies participated by sharing information about potential careers in and around the Port of NY & NJ. After speaking with representatives from the maritime organizations, students toured the terminal, climbed on equipment, and spoke with foremen and equipment operators. Also attending the event, gathering information and helping NYSA staff members explain port operations to her peers, was Ashika Taylor. Ashika, a junior at Christ the King Preparatory High School in Newark, is working as an intern at NYSA for the duration of the 2017-2018 school year.



INFORMATION TECHNOLOGY

2017 was a year of Technical Enhancement

New Location for the NYSA-ILA Fringe Benefits Escrow Fund

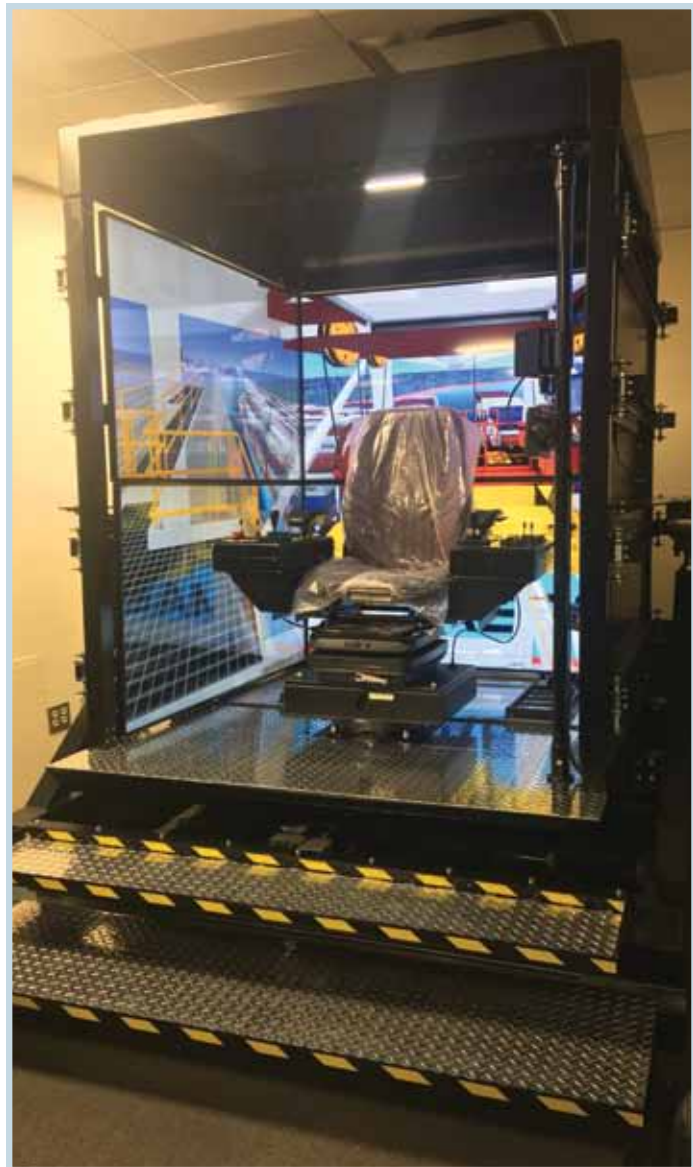
The year began with plans to relocate the NYSA-ILA Fringe Benefits Escrow Fund Office from New York to Jersey City. However, the new office space was yet to be constructed so a decision was made to move into a temporary office space within the same building as what would become our permanent new office location. The move to our temporary office space took place without any business interruption. The next few months were filled with design and planning meetings for the construction of our new permanent office. Construction completed on time and the second move was also a success. I am proud to report we are 100% operational in Jersey City as of November 1, 2017.

New Simulators for NYSA Training Center

In 2017, NYSA purchased two new Full Mission Training Simulators; One Crane simulator and one Straddle Carrier simulator. Full mission refers to the simulators ability to surround the trainee with 3 walls, ceiling and floor mounted on a motion base providing the most realistic experience possible. Computers monitor the simulator, providing reports on moves and skills of each trainee. These simulators will provide valuable skills training and enhance the abilities of operators in need of additional seat time without the cost of utilizing the actual equipment in the Port.



In 2018 look for the NYSA Website: www.nysanet.org to add an all new electronic Employment Application Process!







INDUSTRY HIGHLIGHTS & SPECIAL EVENTS



2017 ANNUAL LUNCHEON

On February 21, 2017, NYSA welcomed the now Governor-Elect Phil Murphy to the annual luncheon as the guest speaker. In his remarks he expressed a thorough understanding of the importance of the Port to economic growth across a wide spectrum of industries within the State of New Jersey. He also displayed a keen understanding of the impediments facing the Port as a key economic engine for New Jersey and the Northeast region.

The Association of Bi-State Motor Carriers 2017 Annual Golf Outing & Awards Luncheon

On September 18, 2017, John Nardi was presented with the Association of Bi-State Motor Carriers 2017 Malcom McLean Award. He and fellow nominee Curtis Whalen, former Executive Director of ATA Intermodal Carriers Conference were recognized for their outstanding customer service and contributions to the NY/NJ port community. The Association of Bi-State Motor Carriers is a not-for-profit membership group located in Port Newark, NJ.



The Elizabeth Coalition to House the Homeless: Sixth Annual Transportation, Logistics & Distribution Event

The Elizabeth Coalition to House the Homeless held its 6th Annual Transportation, Logistics & Distribution Event on October 4, 2017 in Elizabeth, NJ. The recognition breakfast honored Richie Suarez, President of ILA Local 1235 and featured John Nardi as the keynote speaker. Assemblywoman Annette Quijano and Elizabeth Councilman Manny Grova were also at the event and presented Mr. Suarez with resolutions from the State Assembly and the City of Elizabeth.

The purpose of the event was to support Bernice's Place which is an after school and summer program for homeless and near homeless children. It is a program developed by the Elizabeth Coalition to House the Homeless which is a nonprofit organization formed in 1981 to address the needs of the homeless in Elizabeth.

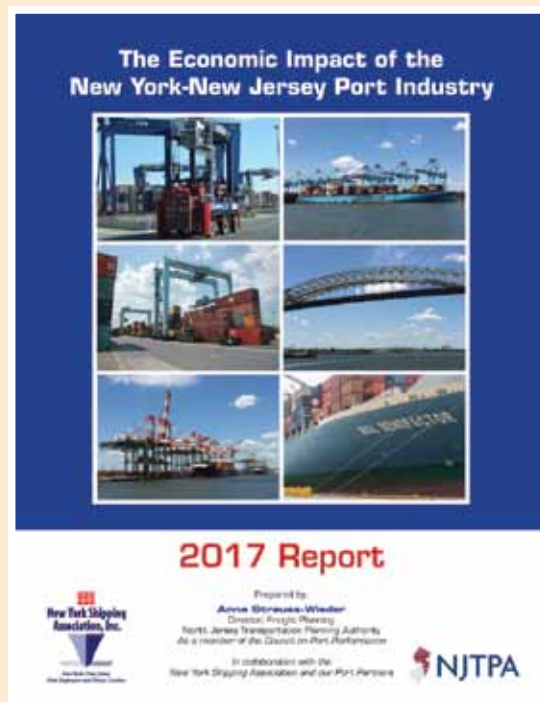


Economic Impact Study of the New York-New Jersey Port Industry

In 2017, the seventh edition of the economic impact study was completed. The study, which examined the statistics of 2016, was supported by NYSA and formulated by Anne Strauss-Wieder, Director of Freight Planning at the North Jersey Transportation Planning Authority (NJTPA). The study represents the significant economic contribution that the Port of New York & New Jersey made to the region in 2016 which is represented in the following figures:

- ▶ A total of 400,000 full-time jobs in the region
 - **UP** 15.8% vs 2014
- ▶ 229,000 direct jobs
 - **UP** 17% vs 2014
- ▶ \$25.7 billion in personal income
- ▶ More than \$64.8 billion in business income
- ▶ Almost \$8.5 billion in federal, state and local tax revenues

On October 26, 2017, a press conference was held at the NYSA-ILA-PPGU Training Center to announce the unveiling of the report. Those speaking at event were John Nardi, President of NYSA, Bethann Rooney, Assistant Director, Strategy & Innovation, PANYNJ, Peter S. Palmer, Chair of NJTPA, Michael McGuinness, Chief Executive Officer of NAIOP New Jersey and Anne Strauss-Wieder. Notable attendees at the event included Assemblywoman Annette Quijano and Senate Candidate Joseph Cryan both from District 20, Assemblywoman Nancy Pinkin, District 18, Assemblywoman Angela McKnight, District 31 and Angel Estrada, First Vice Chairman of NJTPA and Union County Freeholder.



Leadership Newark Panel Discussion & Port Tour

In collaboration with Port Newark Container Terminal (PNCT) and The Seamen's Church Institute, NYSA facilitated a panel discussion and port tour of PNCT for the staff and fellows of Leadership Newark on November 15, 2017. Leadership Newark is an organization that was established in 1998 and is led by Celia M. King, MPS, CEO. The organization was formed in an effort to strengthen the City of Newark's civic infrastructure through public policy enrichment and leadership training & development. The panel participants were John Nardi, President of NYSA, Bethann Rooney, Assistant Director, Strategy & Innovation of the *Port Authority of New York & New Jersey*, Anne Strauss-Wieder, Director, Freight Planning of the *North Jersey Transportation Planning Authority*, Thomas Saunders, Director of Government Affairs of *Ports America* and Alturrick Kenney, Manager of Port Newark Operations and Business Development of the *City of Newark*. The discussion consisted of topics including the economic impact of the Port on the region, infrastructure in and around the Port, keeping the Port competitive, the movement of containers from the ships to their final destination and how the Port is preparing for the arrival of the ultra-large container vessels. The panel was moderated by Stephen Lyman, Director of the Seamen's Church Institute who is a member of the fellowship of Leadership Newark and was instrumental in developing the structure of the day.



Maritime Industry “Good Scout” Award Luncheon

On November 17, 2017, the 35th Annual “Good Scout” Award Luncheon was held in Staten Island, NY. NYSA had the pleasure of joining the maritime industry in celebrating the achievements of several highly regarded individuals, recognizing them for their exemplary contributions to the port community. The Good Scout Award Honorees this year were Bruce Fenimore, President & CEO of Columbia Group and Peter Clark, Business Agent of ILA Local 1804-1. The James E. West honor was awarded to members of NYSA and the ILA who were instrumental in gathering and transporting aid to the hurricane-ravaged country of San Juan, Puerto Rico in the wake of Hurricane Maria.

The proceeds from the awards luncheon benefit the Greater New York Councils and the Patriots’ Path Council, Boy Scouts of America that are organizations based in New York and New Jersey that are dedicated to preparing young people to make ethical choices and to develop healthy habits while instilling in them the framework needed to build strong values and commendable character traits.







Port Authority of New York & New Jersey

Bayonne Bridge Navigational Clearance Obtained

On June 8, 2017, the Bayonne Bridge's lower roadway was removed achieving navigational clearance of 215 feet, raising the clearance an additional 64 feet from the previous clearance capacity of 151 feet. The increased clearance of the bridge's roadway, along with the New York and New Jersey Harbor Deepening Navigation Program that was completed in 2016, increases the maximum vessel size that could fit under the bridge from 9,400 twenty-foot equivalent units (TEUs) to 18,000 TEUs. The ability to attract and handle larger vessels enables the Port to attract new business opportunities and to maintain its competitive position as the premier port on the East Coast.



Era of Big Ships at the Port of New York and New Jersey

On September 7, 2017, representatives from the Port Authority of New York and New Jersey, the New York Shipping Association, CMA CGM, APM Terminals, and other port industry stakeholders and elected officials welcomed CMA CGM's 14,414 TEU cargo vessel T. Roosevelt to the Port of New York and New Jersey. The T. Roosevelt is the largest ship to ever call not only the port, but the East Coast as a whole. Additionally, in November CMA-CGM revised their South Atlantic Express (SAX) service to include routine calls by the T. Roosevelt with the Port of New York and New Jersey as the new first port of call for the service.



Council on Port Performance Workforce Development Initiative

In 2017, the Workforce Development Implementation Team (WDIT) of the Council on Port Performance (CPP) made significant progress in achieving its objective to locally attract, engage, and retrain a highly-skilled and diverse workforce in the regional transportation, logistics, and distribution (TLD) industry. Some of the major accomplishments of the WDIT in 2017 include engagement with governmental partners such as the US Department of Labor (US DOL), NJ Department of Labor and Workforce Development, City of Newark, New York City Economic Development Corporation, Jersey City, and Elizabeth Development Company; outreach with local high schools, vocational schools, and colleges; information sharing with port and TLD industry stakeholders; creation of a LinkedIn group to share job postings and training information; facilitation of the development of three apprenticeship programs with the US DOL TransPORTs Program; and partnering with Liberty Science Center to update a display about ports for their 25th anniversary.

Truck Management System

In January 2017, GCT Bayonne implemented a Truck Management System (TMS) to alleviate truck traffic at the terminal. The hours for the TMS were originally 6:00am to 8:00am but expanded over the year to be in place from 6:00am to 1:00pm. Truckers are given reservation windows in which they can enter the facility to pick up or drop off cargo, and only trucks that have a scheduled appointment are permitted to enter the terminal at that time. The TMS uses Radio Frequency Identification tags on pre-registered trucks along with high-speed optical character recognition at the gates. The TMS is not only the first on the East Coast, but is also more sophisticated than other systems because it uses an algorithm considering yard density and capacity to set the number of appointment slots each day. The TMS has reduced truck turn times by 45%, enabling truckers to make a double move within one hour.

Chassis Consolidation

In 2017, Columbia Container Services (Columbia) secured agreements with two chassis providers [TRAC Intermodal and Direct ChassisLink Inc. (DCLI)] for a chassis pool to be located on a 31-acre site at the Elizabeth-Port Authority Marine Terminal in Elizabeth, NJ. This site has previously served as a chassis depot exclusive to only Maher Terminals, and while not a pure “gray chassis” pool offering complete interoperability among chassis users, the new depot does position the two largest chassis providers in a central location on Port property. Columbia became the new operator of the chassis pool effective October 30, 2017 through a direct lease of the property with the Port Authority.

Port Master Plan

Throughout 2017, much progress was made with regards to stakeholder engagement for the Port Authority’s Port Master Plan effort. The goal of the Port Master Plan (PMP) is to guide future growth and development of the port for the next 25-30 years. The PMP will establish a comprehensive roadmap, supported by an informed and robust decision-making process to increase operational efficiency, optimize land utilization, reduce environmental impacts, and enhance revenue opportunities through sustainable growth for the Port of New York and New Jersey.

The majority of 2017 was spent engaging with port stakeholders such as but not limited to terminal operators, port tenants, port users, railroads, pilots, shipping carriers, host communities, and elected officials in New York and New Jersey. Stakeholder engagement has been key to gain required data to analyze market conditions and dynamics; waterfront development requirements and trends; vessel fleet forecast modeling; carbon reduction initiatives; port capital requirements and revenue opportunities; port capacity and land-use; and landside and logistics support capacity. The PMP is currently in the development of options, and the plan is expected to be finalized and presented in 2018.

Security Awareness Training

In 2017, recognizing various security and terrorist incidents and events around the world, and also the critical need for up-to-date information to inform and educate everyone working at the Port, Port Authority security staff developed a number of topical security awareness training modules with the assistance of the NJ State Office of Homeland Security & Preparedness. This specialized training was delivered to over 1,700 port workers, longshore labor and container terminal management staff. Topics such as critical infrastructure security, active shooter awareness, and fleet vehicle management & vehicle ramming awareness were jointly developed using the latest DHS intel, advisories, and training materials, and specifically tailored to the port and marine terminal operating environment. The Port Authority will continue to expand this outreach as much as possible in 2018. An additional module on Improvised Explosive Device (IED) and component recognition awareness training for port watchmen was recently developed and is being added to the 2018 training schedule.

Greenville Redevelopment Program

In the first quarter of 2017, as part of the Greenville Redevelopment Program, the Port Authority awarded a contract to Union Paving & Construction Co., Inc. for the Redevelopment of Greenville Yards and Global Container Terminals (GCT) started construction of an operational Intermodal Container Terminal Facility (ICTF) at Greenville Yard, to be known as ExpressRail Port Jersey. The Port Authority work includes approximately 32,000 linear feet of support track, utilities and site work for NYNJ Rail (Cross Harbor Carfloat operation) and approximately 70,000 linear feet of new support track and associated site work and appurtenances outside of the ICTF footprint for the ICTF. In addition to the Port Authority work, GCT work will consist of approximately 10,000 linear feet of working track, paved container transfer space, and infrastructure to support rail-mounted gantry cranes and rail operations within the ICTF footprint. When completed, NYNJ Rail will have the ability for an annual throughput capacity of 24,000 revenue cars and GCT's new ICTF facility will have the capability to handle 7,500 ft. long intermodal trains that can support an annual throughput capacity of 250,000 container lifts.







Update from the US Coast Guard Sector New York

NY/NJ Port Infrastructure: 2017 marked the first Super Ultra Large Container Vessel transit under the Bayonne Bridge, which was completed in late summer. The CMA CGM Theodore Roosevelt transited to the Port of New York/ New Jersey with a capacity of 14,414 TEU. Coast Guard Sector New York continues to work with port stakeholders, industry partners and waterway users to arrange complex scheduling and traffic management restrictions during Super Ultra Large Container Vessel transits. To date, a total of 20 SULCVs have safely entered and departed the Port of New York and New Jersey.

Cybersecurity in the Maritime Domain: Sector New York personnel engaged with port partners, port operators, local and federal authorities, academia, and even members of the financial service industry, such as Goldman Sachs, Con Edison, NASDAQ and American Express in order to complete a robust assessment of cyber vulnerabilities within Sector New York's Area of Responsibility. These meetings resulted in the creation of the nation's first Cybersecurity Subcommittee under the Area Maritime Security Committee, and the creation of the Cybersecurity Liaison Program. Both entities work to establish a robust cybersecurity strategy to defend against cyber breaches that may affect New York and New Jersey's multi-billion dollar Maritime Transportation System.

NYC Commuter Ferry System: The New York City Economic Development Corporation (NYCEDC), in partnership with Hornblower, (HNY Ferry, LLC), launched a new public ferry system in spring 2017 with a total of 16 newly-constructed vessels. Current ridership has exceeded initial projections, having served 3 million passengers as of the end of January. Marine Inspectors from Coast Guard Sector New York inspected every passenger vessel as well as seven new passenger loading terminals. Two additional routes are slated to launch this summer after which NYCEDC may conduct another feasibility study to determine future expansion to additional communities.

Waterways Management: In 2017, the Coast Guard suspended and addressed the controversial Advanced Notice of Proposed Rulemaking for establishing anchorages along the Hudson River. In an effort to understand the challenges and concerns of all stakeholders who operate and have interests along this vital waterway, the Coast Guard held two separate Ports and Waterways Safety Assessments in Albany and Poughkeepsie. These workshops captured vital information and will result in a report addressing all concerns and offering recommendations to improve safety, security and environmental stewardship along the Hudson River. Also, in an effort to manage traffic and increase waterway user safety, Coast Guard Sector New York released an Advanced Notice of Proposed Rulemaking (ANPRM) to address the current security zone surrounding the temporary bridge connecting Ellis Island and New Jersey. Within the next few weeks, Coast Guard Sector New York will be releasing the next Notice of Proposed Rulemaking (NPRM) and is expecting further comments, which will assist the Coast Guard in deciding whether to allow certain waterways users access to the waterway included within the security zone for period of time.

Ice Breaking on the Hudson River: In December 2017, Coast Guard Sector New York deployed multiple assets to the Hudson River in order to position them for ice breaking operations due to impending weather. The last time these cutters served as ice-breaking platforms was during the winter of 2014-15. Maintaining the Hudson River open for marine traffic is essential for the transport of home heating oil and other essential products to areas in Albany and the Northeast coast of the United States. Coast Guard Sector New York has successfully managed ice breaking operations and has sustained commercial operations among this vital waterway

US Army Corps of Engineers

DREDGING PROJECT STATUS

Maintenance Projects:

- ▶ Hudson River – Port Albany Turning Basin and Staats Point, NY - Maintenance dredging contract awarded in August 2016. Work is in progress.
- ▶ East Rockaway Inlet – Maintenance dredging contract awarded in November 2016. All awarded work was completed in January 2017.
- ▶ Sandy Hook Channel – Maintenance dredging contract awarded in September 2017. Work is in progress.

Ongoing & Completed Construction Projects:

The status of the NY/NJ Harbor 50' Deepening Project encompasses both dredging contracts and mitigation contracts as follows:

Ambrose Channel

- ▶ First contract for outbound half of entrance channel (S-AM-1) completed in June 2008.
- ▶ Second contract for inbound portion of channel (S-AM-2a) completed May 2010.
- ▶ Third contract (S-AM-2b) (portion of inbound half) awarded in February 2009 and completed in January 2011.
- ▶ Fourth and fifth contracts (S-AM-3a and S-AM-3b) awarded in September 2011 and completed in October 2012 and January 2013, respectively.

Anchorage Channel

- ▶ First contract (S-AN-1a) completed in October 2008.
- ▶ Second contract (S-AN-1b) awarded in September 2009 and completed in January 2011.
- ▶ Third contract (S-AN-2) awarded in March 2010 and completed in March 2011.
- ▶ Fourth contract (S-AN-UC) awarded in December 2015 to remove material overlying several utility corridors which lie within and across the southern Anchorage Channel as well as Port Jersey Channel. The contract was completed in September 2016.

Port Jersey Channel

- ▶ Port Jersey contract 3 (PJ-3) awarded in October 2007 and completed in July 2010.
- ▶ Port Jersey contract 4 (PJ-4) (over PVSC tunnel) awarded in March 2011 and completed in October 2012.
- ▶ Shoal Removal contract #1 awarded in August 2013 and completed in September 2015.



Kill van Kull

- ▶ First contract (KVK 5) completed as part of 45 ft. deepening project in December 2004.
- ▶ Second contract (S-KVK-2) completed in March 2007.
- ▶ Third contract (S-KVK-1) awarded in June 2008 and completed in September 2011.

Newark Bay

- ▶ First contract (S-NB-1) awarded in June 2007 and completed in January 2011.
- ▶ Second contract (S-E-1) awarded in 2009 and completed in April 2010.
- ▶ Third contract (S-NB-2) awarded in September 2010 and completed in September 2012.
- ▶ Fourth contract (S-SR-2) awarded in September 2013 and completed in February 2015.

Arthur Kill

- ▶ First contract (S-AK-1) awarded in September 2010 (included as part of S-NB-2 contract above) and completed in September 2012.
- ▶ Second contract (S-AK-2) awarded in September 2011 and completed in March 2013.
- ▶ Third contract (S-AK-3) awarded in January 2013 and completed in December 2014.

Bay Ridge Channel (50 ft.)

- ▶ Deferred from construction as per Port Authority letter dated December 21, 2011.

Arthur Kill (41/40 ft.)

- ▶ Contract (AK-4) awarded in December 2014 to GLDD to deepen 40 ft. segment from NYCT to Phillips 66 Refinery. The contract was completed in July 2017.

50 ft. Project Mitigation

- ▶ Elders East Marsh Island (Jamaica Bay, NY) – Completed restoration of 40 acres of wetlands in July 2007.
- ▶ Woodbridge Creek, NJ – Completed in November 2008.

Restoration (Beneficial Use of Dredged Material)

- ▶ Elders West Marsh Island (Jamaica Bay, NY) – Completed in August 2010. A total of 302,000 CY of sand was placed and 51 acres of marsh island habitat created.
- ▶ Lincoln Park (NJ) – A total of 339,235 CY of sand was placed from contract 1b (S-AN-1b & S-AM-2b) in 2010 in partnership with the PANYNJ, NJDEP, NOAA, Hudson County, Yellow Bar Hassock Marsh Restoration (Jamaica Bay, NY) – Options for sand placement awarded as part of S-AM-3b contract and via separate planting contract awarded in January 2012. Placement and planting was performed winter into spring of 2012 restoring 46 acres of marsh. Impacts from Hurricane Sandy necessitated replanting of significant areas of the marsh, which was completed in June 2014.
- ▶ Black Wall and Rulers Bar (Jamaica Bay, NY) – Options for sand placement were awarded as part of S-AM-3b contract and sand was placed in September and October 2012. Placement of 150,000 CY was placed at Black Wall creating an additional 20 acres of island and 92,000 CY of sand was placed at Rulers Bar for an additional 10 acres of island. A community based planting effort (NYCDEP, American Littoral Society, Jamaica Bay Ecowatchers and Jamaica Bay Guardian) was completed in summer of 2014 planting 14.5 acres and 8 acres at Black Wall and Rulers Bar, respectively.

GOVERNMENTAL AFFAIRS

Highlights 2017

Although 2017 has come to a close, it could very well prove to be the year of historic ramifications for the future of the Port of New York & New Jersey regarding matters occurring in the arena of governmental affairs. Similar to the completion of the Bayonne Bridge's Roadbed Raising Project and the arrival of the CMA-CGM T. Roosevelt, extraordinary events occurred in 2017 that could eventually lead to long awaited legislative breakthroughs and in the port industry's relationships with the capitals of New York and New Jersey. These breakthroughs will enhance the industry's ability to capitalize on the monumental economic growth opportunities resulting from the benefits of the Super-Ultra-Large Container Vessel Era.

New Jersey

What appeared to be a routine legislative year in the early part of 2017 highlighted by elections in New Jersey of a new governor and a new legislature in both houses, began to rumble on May 8th, with the proposed introduction and hearing in the New Jersey Senate Economic Growth Committee of S-3074 (Lesniak), which establishes gubernatorial veto power over the Waterfront Commission of New York Harbor's meeting minutes; expands gubernatorial oversight powers over the commission. The legislation also made the hiring of legal representation, consultants, and the adoption of new regulations subject to the approval of the governors of both states. Staff from the commission brought up a number of valid points where the legislation was in conflict with federal and state laws related to the sharing of information of a sensitive nature with the governors pertaining to inter-agency and commission law enforcement investigations. Committee Chairman Senator Raymond Lesniak granted the commission an opportunity to present their concerns to the committee by holding the bill from formal introduction and a vote at the meeting. Upon receipt of the commission's legitimate concerns, instead of scuttling the legislation as they requested, the information was used instead to amend the bill to fix the areas of concern. The amended version of S-3074 was then introduced at the committee's next meeting on May 18, 2017, approved by a vote of 5-0, sent on for a vote in the full Senate on June 19th, where it passed by a vote of 38-0. The bill's Assembly companion A-4586 (Johnson), originally assigned to the Assembly Transportation, and Independent Authorities Committee, was transferred to the Assembly Appropriations Committee on June 15th, heard, voted on, and passed by a vote of 11-0 on June 19th. The bill was put before the full General Assembly on June 22nd, A-4586 was substituted for S-3074 which was voted on and passed with a vote of 75-0. On August 7th, S-3074 was approved into law by Governor Chris Christie as P.L. 2017, 201.

Attached to the newly approved law was a blistering letter from Governor Christie. In the letter the Governor reiterated a charge he gave to the commission in 2015 to work hand in hand with the State to improve port commerce, modernize its practices, and implored the commission to embrace more efficient, transparent and cooperative approaches to its regulatory functions. He then proceeded to direct the commission to review and update, within 90 days, the by-laws that govern the way substantive decisions are made. This direction apparently fell on deaf ears and was actually scoffed at in a response letter from the commission to Governor Christie.

In the month of September rumors began to surface that there was growing momentum in the State of New Jersey to move upon existing legislation in the form of S-2042 (Lesniak/Rice), which directs the Governor to withdraw from the compact establishing the Waterfront Commission of New York Harbor; dissolves compact and commission; transfers commission's NJ operations to the State Police. S-2042 was the reintroduced version of a bill, S-2277 (Lesniak/Rice) which in the 2014-2015 legislative session, was conditionally vetoed by Governor Christie on May 7, 2015. The rumor turned to reality on November 9th when S-3502 (Sweeney/Sarlo) was introduced, heard, and passed by a vote of 13-0 in the Senate Budget and Appropriations Committee.

The next stop in its journey through the legislative process occurred on November 30th before the Assembly Law and Public Safety Committee with A-2179 (Quijano/Giblin/Wimberly/Pintor Marin/Bramnick) S-3502's companion legislation sparked a spirited and at times contentious debate between committee members, NYSA representatives, and commission staff, where the distinctions between static (border compacts) and operational compacts were fiercely debated by Carol N. Lambos, Esq., Counsel

to NYSA from The Lambos Firm, LLP. Ms. Lambos clarified the distinctions and presented an example to the committee of an instance when a state unilaterally withdrew from an operational compact under principals of contract law which state that there is no contract in perpetuity. The committee turned in a vote of 9-0 to advance A-2179 to the Assembly Appropriations Committee where on December 18th it was favorably voted out by a vote of 11-0. The next step for this legislation will be a vote before the full General Assembly at one of the two scheduled voting sessions scheduled for next year before the end of the current legislative session on January 9, 2018.

New York

Efforts in New York continued to attempt to move forward legislation S-3312 Lanza/A-3270 Cusick/Farrell, an act to amend the Waterfront Commission Act, in relation to empowering the commission to accept applications in the longshoremen's register; and amend Section 5-p. In an extraordinary action to gain a better understanding of hiring in the Port of New York & New Jersey and the need to move this important legislation and the complexities of the positions of the opposing parties in this matter, Senator Michael H. Ranzenhofer, Chairman of the New York Senate Corporations Authorities & Commissions Committee decided to hold a rare public hearing. The hearing, conducted in Albany, New York on June 6, 2017 heard from a wide variety of industry concerns and supporters such as the Maritime Association of the Port of New York/ New Jersey, Metropolitan Marine Maintenance Contractors' Association, Inc., New Jersey Retail Merchants Association, Retail Council of New York State, and the New York Shipping Association, Inc. The opposing perspective was represented by representatives of the Waterfront Commission and a representative from the Manhattan County District Attorney's Office.

The hearing was attended by committee members Senators Marisol Alcantara, Leroy G. Comrie, Jr., and presided over by Chairman Ranzenhofer and Senator Daniel Squadron (Ranking Democratic Member), proved to be a very spirited debate of the issue. The senators asked many deep probing questions in an effort to get to the truth of the matter.

Industry representatives from NYSA spoke and answered questions on how as currently comprised, the commission is hampering the pace of economic growth, jeopardizing the Port's competitive position, and deceiving lawmakers in New York with misrepresentations of the truth of their actual authority. At the end of the legislative session in New York, the legislation still did not move. There was however greater awareness that changes needed to be made at the commission.

2018 promises to be an interesting year on the legislative front. The States of New York and New Jersey will have to decide, for the sake of their economies and those of their neighbors in the Northeast Region, if it is time to take a critical look at modernizing the commission or if it's time to dissolve the Waterfront Commission Compact.

New Jersey Transition Team

On November 7, 2017, Phillip D. Murphy was elected the 56th Governor of the State of New Jersey. Governor-Elect Murphy began the process of assembling his transition teams to assist his administration with the always difficult process of transitioning to power. In recognition of the important role the port industry will contribute to the economic health of New Jersey during his term(s) in office, Governor-Elect Murphy selected James Cobb, Director of Governmental Affairs at NYSA, to participate on the Transportation and Infrastructure Transition Team. Mr. Cobb, who has represented NYSA in the capitals of Trenton and Albany for more than fifteen years, considered the opportunity to participate in the transition process a true honor and is very confident that the industry's relationship with the new administration will be a great one that yields rich rewards for the communities served by the Port of New York & New Jersey throughout the region.



In Recognition

In recognition of their years of service to the State of New Jersey, and the many great things they have done to sustain the port industry in the Port of New York & New Jersey during their time as the Governor of New Jersey and as members of the New Jersey Legislature, the New York Shipping Association, Inc., would like to express sincere gratitude and appreciation to:

Governor Chris Christie

During his term as New Jersey's 55th Governor, Christie's legacy to the port industry is truly an impressive one. First and foremost, Governor Christie's administration is responsible for initiating and accomplishing one of the most important infrastructure improvement projects in the Port of New York & New Jersey's history, which is the Bayonne Bridge Roadbed Raising Project. Years of unnecessary discussion of what to do regarding this bottleneck to prosperity ended with Governor Christie's recognition that tens of thousands of jobs and the viability of the nation's third busiest seaport were in jeopardy.

Although Governor Christie vetoed legislation to dissolve the Waterfront Commission Compact, it's currently navigating its way back to his desk for his consideration before the end of his term. Other measures signed into law by Governor Christie were to eliminate a Port Authority imposed Container Freight Charge (CFC) and to provide gubernatorial oversight over the Waterfront Commission on behalf of the port industry in New Jersey. These will remain examples of measures for future consideration as port sustainability and modernization conversations continue to evolve. Thank you Governor Christie.



Senator Raymond J. Lesniak

During his term in the New Jersey Legislature Senator Lesniak (5.5 years in the General Assembly/35 years in the Senate) was truly a natural "Champion" for port industry causes by virtue of the fact that two of the busiest Marine Terminal Operations (MTOs) in the Port are housed in his legislative district. Senator Lesniak was known for coming to the defense of the industry when the commission attempted to install on-site inspector generals at MTOs. His support for legislation to amend Section 5-p. of the Waterfront Commission Act, as well as his sponsorship of legislation to dissolve the Waterfront Commission Compact and provide gubernatorial oversight of the commission will remain as port sustainability and modernization continue to evolve. Thank you Senator Lesniak.



Senator Joseph M. Kyrillos, Jr.

During his term in the New Jersey Legislature, Senator Kyrillos (4 years in the General Assembly/26 Years in the Senate) has been a true friend and advocate for the port industry. As a member of the Senate, Senator Kyrillos did not hesitate when asked if he would co-prime sponsor along with Senator Shirley Turner landmark legislation S-2018, which requires New York Harbor Waterfront Commission to accept applications to add new employees to the longshoremen's register, in the 2006-2007 legislative session. Senator Kyrillos was responsible for coalescing support in the Republican caucus for unanimous votes in committee and in the full Senate. A staunch supporter of every legislative measure designed to grow the port industry's economic impact on the economies of New Jersey and the Northeast Region of this country Senator Kyrillos's presence will be missed. Thank you Senator Kyrillos.



Speaker Emeritus/Lieutenant Governor-Elect Sheila Y. Oliver

During her term in the New Jersey Legislature, Speaker Emeritus Oliver (14 years in the General Assembly) has been an ardent supporter of port industry causes. Understanding clearly the Port’s role in promoting economic growth statewide and regionally, as well as in local communities around the Port like her hometown, Newark, NJ, Speaker Emeritus Oliver has always been involved in either a sponsorship or supportive role in the major legislative initiatives which crossed her desk in her many roles during her time in the General Assembly.

Moving ahead we look forward to a close working relationship with the Murphy/Oliver Administration where part of Lieutenant Governor-Elect’s responsibilities will include acting as a liaison to the legislature on behalf of the administration. Lieutenant-Governor Elect Oliver’s comprehensive knowledge of the issues and inner workings of the legislative process will be invaluable to the success of the new administration’s ability to advance the port industry and to improve the quality of life of the citizens of New Jersey. Thank you for all of the great work you’ve done for the industry in the General Assembly, Speaker Emeritus Oliver. We look forward to working with you and the many great things you will accomplish as Lieutenant Governor of the State of New Jersey.



Speaker Vincent Prieto

During his term as a member of the New Jersey Legislature, Speaker Vincent Prieto (14 years and counting) has been involved with every piece of port industry related legislation. In 2007 he voted in favor of legislation to amend Section 5-p. of the Waterfront Commission Compact. As Speaker of the Assembly, he endorsed and advanced critical legislative measures to remove the Container Freight Charge, he provided gubernatorial oversight and veto authority of certain aspects of the Waterfront Commission’s meeting minutes, directed the Governor of New Jersey to dissolve the Waterfront Commission Compact and turn the commission’s law enforcement and licensing functions over to the New Jersey State Police. Thank you for your friendship Speaker Prieto and for the close working relationship the port industry has enjoyed with you during your time as Speaker. We look forward to your wise counsel and the pleasure of working with you as you continue as a member of the New Jersey Legislature.



Assemblyman John S. Wisniewski

During his term as a member of New Jersey Legislature John S. Wisniewski (22 years in the General Assembly) has also supported every piece of industry related legislation ever introduced. Even in instances during his tenure as Chairman of the Assembly Transportation Committee when legislation progressed that appeared could have been harmful to port industry interests, Assemblyman Wisniewski demonstrated the ability to come up with ideas to both accomplish the legislation’s goal and to protect economic growth in the industry. It was also the industry’s good fortune and pleasure to support Assemblyman Wisniewski’s foresight and efforts to realize legislation that would provide a stable source of funding for New Jersey’s Transportation Trust Fund for decades to come. Thank you Assemblyman Wisniewski for your decades of service to the State of New Jersey’s transportation related interests.





2017 Legislative Issues and Action in Washington

This was a year spent, in part, observing and assessing the changes that were taking place as a new president and his administration took the reins in Washington, cinching the Republican Party's hold on both the executive and legislative branches of government. Some Federal activity was seen in our sector, but the focus of the White House and Congress was centered on broad areas of government, such as regulation and taxes. The vaunted "infrastructure initiative" did not emerge, beyond occasional indications of what the president's staff was thinking could be in a presidential proposal. We will look to 2018 for more focused effort on that and on maritime and other freight related topics.

A New Team

Any new administration takes some time to get its footing and to put political leadership in place at the departments and agencies. By the end of 2017, some White House nominations remained to be confirmed in the Senate. However, the maritime community was given an early signal that the top transportation official would know something about the marine transportation sector. In November 2016, President Trump nominated Elaine Lan Chao to serve as Secretary of Transportation. In doing so, he put a very knowledgeable policy maker and savvy veteran of the Washington scene. In January, Ms. Chao was easily confirmed by the Senate. She was one of the earliest to secure her seat in the Cabinet Room. This is not her first time to serve in a president's cabinet. She was President George W. Bush's Secretary of Labor. Since the Reagan Administration, this daughter of a New York shipping entrepreneur has been Deputy Administrator of the Maritime Administration, Deputy Secretary of Transportation, Chairman of the Federal Maritime Commission, and Director of the Peace Corps. It would be difficult to name a Cabinet Member who was more game-ready to work in Washington or better suited to address a range of transportation matters, especially the maritime and its workforce.



Much like that of his leader, Rear Admiral Mark H. Buzby, USN, Ret., saw his nomination move much earlier than most other transportation nominations. He earned a strong vote for his confirmation. The admiral was selected to head the Maritime Administration (MARAD) and is well suited to the position. He is a 1979 graduate of the U.S. Merchant Marine Academy, which is overseen by MARAD. Administrator Buzby most recently served as president of the National Defense Transportation Association and as the Commander of the Navy's Military Sealift Command.



Attention to Regulation

In the first weeks of the Trump Administration, an Executive Order carried the message that this would be a year when the departments and agencies must look to reduce regulation. The White House targeted actions taken by the previous administration with the intent to reverse policies that Republicans had opposed for years. Civil servants also were told to reduce two regulations for every new regulation created. For the most part, the reduction in regulation entails a rulemaking process that will again give the opportunity for public comment before final decisions are made.

The White House directive even prompted independent agencies like the Federal Maritime Commission to initiate procedures to review how current rules could be trimmed or eliminated. The departments and agencies are soliciting public comments as to where changes could be made. This is a process that will be ongoing in 2018, and even later.

Attention to Detention and Demurrage

Meanwhile, a group of cargo, trucking and other interests petitioned the FMC as The Coalition for Fair Port Practices. The petition for rulemaking seeks to have the FMC adopt a policy with respect to the assessment of demurrage, detention and per diem charges in the ports. Their complaint is that penalties should not be charged for things that are “not our fault.” They assert that the FMC can interpret the Shipping Act to create guidance as to what is reasonable when it comes to charges. Comments were filed by NYSA members, principally through the Sustainable Services Agreement (PONYNJSSA) and Port Authority/Marine Terminal Operator Agreement (PAMTOA). The formal trade associations of the ocean carriers and marine terminal operators also actively participated in the comment period. By the close of the year, the FMC announced that the commissioners would hold hearings in 2018. That announcement came after the commission received a letter from Senator John Thune (R-SD), Chairman of the Commerce, Science & Transportation Committee, urging a more energetic response to the petition than was seen to date. The American business community enthusiastically welcomed the Trump Administration’s agenda to shrink the Code of Federal Regulations, but the coalition’s petition is one indicator that not all new regulatory action is unwanted.

Attention to the Shipping Act

Congressional committees also were asked to address concerns of some maritime interests. Concerned that the carriers are in a competitively stronger position as alliance members carrying ever larger volumes of cargo, shippers, tug operators, and one or more terminal companies said that alliance members have an advantage in negotiating for local port services. Bills in the House and Senate reflect those concerns. In the Senate, the Federal Maritime Commission title of the annual Coast Guard Authorization Act answers the complaint by subjecting “a group of two or more common carriers to antitrust laws” in their negotiations. The bill produced by the Commerce, Science & Transportation Committee also allows the Commission to increase terminal agreement reporting to the agency “in a matter similar to its authority to collect information from common carriers.” The same Senate bill also would require the FMC to make quarterly reports to the Senate committee on “its unfinished regulatory proceedings.”

On the House side, the Transportation & Infrastructure Committee approved the Federal Maritime Commission Authorization Act of 2017. It would amend the Shipping Act in a few ways. The bill would add a new prohibited act, barring negotiations with a provider of port services unless notice first is provided to the FMC. The negotiation and any resulting agreement could not be in violation of antitrust laws or “substantially” lessen competition. The House bill also has an open-ended provision to enable the FMC to require carriers, MTOs, or intermediaries to file a wide range of information related to their business.

The various stakeholders, including ocean carrier and terminal interests, have made known their concerns about the prospect of greater regulation over the industry. The committees’ closed-door negotiations to arrive at a single legislative version, with or without such provisions, continued into the new year.

NOTES FROM WASHINGTON (Continued)

Attention to Supply Chain Innovation

The Federal Maritime Commission continued its look at supply chain operation and performance, with a particular focus on the ports. The FMC's 2016 Supply Chain Innovation Initiative and its three industry stakeholder teams arrived at recommendations on how communication and cargo data sharing can improve through use of a web portal. A web-based approach was already being applied in some of the major ports, including New York-New Jersey, where the Terminal Information Port System (TIPS) operates. (Note that the FMC is seeking to play a continuing role the development of what could eventually be a nation-wide portal for the sharing of port supply chain related data. However, industry stakeholders, including labor, saw no need for continuing FMC involvement and the two congressional committees mentioned earlier declined to encourage the FMC in that regard.) The Innovation Team project continued in 2017, with the formation of teams to address export-related supply chain issues. The FMC issued a report on the overall project in December, bringing an end to the initiative.

Attention to Ballast Water

A long running issue on Capitol Hill is the effort to reform ballast water regulation. The maritime sector, including the NYSA, has supported legislation embodied in the Commercial Vessel Incidental Discharge Act. Committee leaders in the House and Senate worked to push through a change in the law to establish a single, national standard for the discharge of ballast water. It would effectively preclude the establishment of separate state standards. Bipartisan bill sponsors have the strong support of nearly 200 industry organizations that call for the bill's passage. At the close of the year, House and Senate committee negotiations were ongoing.

Attention to the Port of New York-New Jersey

The Waterfront Commission of New York Harbor has the attention of eyes in Washington, and appropriately so. Legislators express concern about the unnecessary role that the commission plays in deciding when to hire longshore workers. Legislative activity in Trenton, as well as the Albany hearing that occurred mid-year, suggest a change in the status quo could occur. That the commission compact was approved by Congress at the agency's inception also is cause for the attention of Members of Congress, who welcome periodic updates by the NYSA.

Various Federal officials were present to celebrate the completion of the Bayonne Bridge project. A population far wider than the commercial maritime industry knows that the Panama Canal has new capacity and the Port Authority undertook an extraordinary project to make room for modern shipping. On that September day, we all took in the sight of the CMA CGM THEODORE ROOSEVELT gliding under the iconic bistate bridge, knowing that it was a good day for the Port of New York and New Jersey and for America.

August 15, 2017

The Honorable Mitch McConnell
Senate Majority Leader
The Capitol, S-230
Washington, DC 20510

The Honorable Charles Schumer
Senate Minority Leader
The Capitol, S-221
Washington, DC 20510

Dear Majority Leader McConnell and Minority Leader Schumer:

We are writing to express our strong support for Title VIII of S.1129, the Coast Guard Authorization Act of 2017, which is consistent with S.168, the bipartisan Commercial Vessel Incidental Discharge Act (CVIDA). Our organizations represent U.S. and international vessel owners and operators; fishing vessel, passenger vessel and charterboat operators; labor unions; marine terminals and port authorities; national business organizations; and industries that rely on maritime shipping to transport essential cargoes in domestic and international commerce.

It is urgent that CVIDA be enacted promptly. We urge you to bring the Coast Guard bill with CVIDA to the Senate floor as soon as possible after the August recess.

We applaud Commerce Committee Chairman John Thune's (R-SD) and Ranking Member Bill Nelson's (D-FL) decision to include CVIDA in the Coast Guard Authorization Act, which has historically addressed major issues affecting the U.S. maritime industry. CVIDA, which currently has 23 bipartisan Senate cosponsors, would eliminate a regulatory burden hindering interstate and international commerce by replacing multiple federal and state regulations with a single national standard for the regulation of ballast water and other discharges incidental to normal vessel operations. The bill would also maintain protective measures jointly undertaken by industry and federal agencies to reduce the movement of invasive species on the navigable waterways.



2017 REPORT OF COUNSEL

The year 2017 was marked by the collapse of the seventh-largest container shipping company in the world, Hanjin Shipping Co., Ltd. (Hanjin). Hanjin owed almost \$1.9 million in unpaid container assessments to the NYSA-ILA Funds. In October 2016, through its Korean Counsel, NYSA had filed a claim in the Hanjin reorganization/bankruptcy proceeding in Korea. In December 2016, the court-appointed receiver denied NYSA's claim in full. NYSA discontinued the action in August 2017, when Korean Counsel advised that a second action would be required in order to challenge that denial and NYSA's rate of recovery would be less than one percent, should it prevail.

NYSA-ILA COLLECTIVE BARGAINING AGREEMENT

Court Actions

In August 2014, a longshoreman whose license had been revoked due to a drug offense, sued NYSA and several other defendants, alleging employment discrimination and seeking to be reinstated to longshore employment. In January 2016, the United States District Court for the District of New Jersey dismissed two federal labor law claims and remanded three state law claims to the New Jersey Superior Court. In February 2016, NYSA appealed the district court's decision that the state law claims were not preempted by federal labor law to the United States Court of Appeals for the Third Circuit.

In July 2017, the Court of Appeals dismissed one state-law claim that was preempted by federal labor law. The two other state-law claims were remanded to the New Jersey Superior Court. Plaintiff's Counsel has taken no action to reinstate the state-court action that had been administratively dismissed by the New Jersey Superior Court without prejudice on June 3, 2016. The matter was still pending at year-end.

In February 2017, a checker filed suit against an NYSA stevedore member in the United States District Court for the Southern District of New York alleging breach of contract in connection with seventeen grievances that he had filed concerning overtime opportunities, all of which were heard and denied by the NYSA-ILA Labor Relations Committee (LRC) in August 2017. In late 2017, the district court dismissed all of the allegations against the employer, finding that the August 2017 decision of the LRC precluded his action against his employer and all other employers in the port.



NEW YORK STATE DIVISION OF HUMAN RIGHTS (DHR)

In August 2012, the DHR filed a complaint against NYSA and several of its direct-employer members alleging that they had engaged in discriminatory hiring practices on the New York side of the harbor. In August 2014, the DHR issued a Determination after Investigation finding probable cause that the respondents had engaged in unlawful employment discrimination in connection with an NYSA-ILA hiring plan that is no longer in effect. Repeated efforts to conciliate the matter were unsuccessful. NYSA retained an expert to assist in its defense at hearings that covered seventeen days during 2017 spanning eight months. Proposed findings of fact and conclusions of law are due from all parties in early 2018.

NYSA-ILA EMPLOYMENT LAW PROGRAMS

Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA)

During 2017, NYSA Counsel commenced a review of the military-leave provisions in the various NYSA-ILA employee benefit plans to assure that employees returning from military leave are processed in compliance with USERRA. A training program was created for NYSA and NYSA-ILA fund employees to teach them about the requirements of USERRA and how these requirements impact the funds' employees when they return from military leave.

The NYSA-ILA USERRA Coordinator will now review requests for military leave, notify the employees of their obligations when seeking reemployment, and act as a liaison with the different NYSA-ILA fund departments to ensure appropriate benefits are credited. A USERRA Notice Poster was created to assist employees as they are embarking on military leave.

Anti-Discrimination and Anti-Harassment Policy; Family-and-Medical-Leave Procedures

The NYSA-ILA Equal Employment Opportunity Officer continues to investigate complaints brought under the portwide Respect & Dignity Anti-Discrimination and Anti-Harassment Policy.

The NYSA-ILA Family Leave Program administrators have been trained in the provisions of the New York State Paid Family Leave Law to assist longshore workers with claims arising on or after January 1, 2018.

NYSA-ILA Accommodations Team (A Team)

The A Team continued to meet throughout the year to entertain requests from longshore workers seeking reasonable accommodations under the 2008 *Americans with Disabilities Amendments Act* that would permit them to continue to work in the industry, despite certain disabilities. The A Team continues to monitor past accommodations that have been provided and has found that most employees are performing well in their jobs. The A Team also considers referrals from the NYSA-ILA Absenteeism Committee concerning employees with unexcused absences that raise medical issues.

NYSA-ILA Drug and Alcohol Abuse Program

The NYSA-ILA Drug and Alcohol Abuse Program provides drug and alcohol abuse services to those members of the industry requiring help by placing them in in- and out-patient treatment programs and referring them for the counseling services provided by the Management-ILA Managed Health Care Trust Fund (MILA). During 2017, NYSA continued its comprehensive review of the Program for the purpose of clarifying procedures and testing circumstances and addressing issues raised by new "designer" drugs.



2017 FEDERAL JUDICIAL, LEGISLATIVE, AND REGULATORY ACTIVITY

UNITED STATES CITIZENSHIP AND IMMIGRATION SERVICES (USCIS)

In July 2017, USCIS issued a revised Form I-9, which must be used on and after September 18, 2017, for verification of new hires and re-verification of current employees. Failure to complete a Form I-9 within three (3) business days after the start date of employment can result in substantial penalties. An employer must maintain a completed Form I-9 for every employee on its payroll and for terminated employees during the required retention period (three years from the date of hire or one year from the date of termination, whichever is later).

FEDERAL MARITIME COMMISSION (FMC)

Demurrage, Detention, and Per Diem Charges

In late December 2016, the Coalition for Fair Port Practices petitioned the FMC to initiate a rulemaking proceeding to clarify what constitutes “just and reasonable rules and practices” with respect to the assessment of demurrage, detention, and per diem charges by ocean common carriers and marine terminal operators.

Carriers, terminal operators, and their representatives filed comments in opposition to the petition in February 2017 and argued that they should not be placed in the role of insurance brokers and bear all of the costs of port delays, such as adverse weather events, labor disruptions, and delayed government inspections of containers.

In September 2017, the FMC scheduled a public hearing to address the demurrage and detention issue to be held at the FMC in early 2018. Representatives of trade and shipper associations, importers and exporters, customs brokers, freight forwarders, logistics companies, trucking and drayage companies, ocean carriers, port authorities, and terminal operators are scheduled to attend.

Port Authority of New York and New Jersey: Cargo Facility Charge

In May 2017, the Port Authority of New York and New Jersey (PANYNJ) and the Ocean Carrier Equipment Management Association filed an agreement with the FMC that will allow them to discuss, collect, and exchange information and reach agreement on matters involving the PANYNJ’s “cargo facility charge.” The agreement became effective on June 25, 2017. The cargo facility charge was implemented in 2011 to help pay for infrastructure improvements in the PONY/NJ. The agreement will allow the parties to discuss alternative means to bill and to collect the fee in accordance with the requirements of the Shipping Act of 1984.

Modification of FMC Agreement-Filing-Review Process

In September 2017, the FMC streamlined its forty-five day agreement-filing-review process to allow more time for review of agreements filed by ocean carriers and marine-terminal operators. The FMC eliminated the “sequential” review process, whereby agreements moved through various bureaus, and will instead hold staff meetings, after agreements are published in *the Federal Register* to allow the FMC staff to make recommendations on the agreements to the commissioners two weeks before the end of the forty-five day review period.



NATIONAL LABOR RELATIONS BOARD (NLRB)

Definition of “Joint Employer” Is Restored

In August 2015, the NLRB significantly expanded the definition of a “joint employer” to include employers who have minimal or only indirect control through an intermediary over the working conditions of employees or who merely reserve the right to exercise such control. *Browning-Ferris Industries of California, Inc.*, 362 N.L.R.B. No. 186 (2015). Under this revised standard two or more entities could be found to be joint employers of a single work force, if they share or co-determine those matters governing the essential terms and conditions of the employees’ employment, such as hiring, firing, discipline, supervision, direction of work or hours, and wages.

In late 2017, the full five-member NLRB overruled its *Browning-Ferris* decision and returned to the principles governing joint-employer status that existed prior to that decision. The NLRB also issued a series of rulings reversing decisions that had been issued by the Board under the prior administration. In addition to reinstating the prior joint-employer standard in described above, the Board took action with respect to issues concerning:

- ▶ duty to bargain (no bargaining obligation attaches to unilateral actions by an employer that are consistent with past practice),
- ▶ deferral of unfair labor practice charges to the parties’ contractual grievance procedure (the Board reinstated the policy that had been in effect prior to 2012, which holds charges in abeyance to encourage parties’ to engage in their collectively-bargained dispute resolution procedure),
- ▶ employer handbook rules and workplace policies (the nature and extent of a challenged rule on the exercise of rights guaranteed under the National Labor Relations Act should be balanced with the legitimate justifications associated with the rule),
- ▶ scope of bargaining units (the Board reinstated the traditional “community of interest” test for use in determining the appropriate bargaining unit in representation cases), and
- ▶ settlement proposals (partial settlements are proper, despite objections by the NLRB’s General Counsel and the Charging Party).



OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION (OSHA)

Improved Tracking of Workplace Injuries and Illnesses

In May 2016, OSHA published a Final Rule that permits it to obtain and to release to the public incident-specific information regarding workplace injuries and illnesses. After several extensions, the Rule took effect in late 2017 and requires a company with 250 or more employees in the previous calendar year to transmit electronically the injury-and-illness data it currently maintains on OSHA Forms 300, 300A, and 301. Companies with between 20 and 249 employees in industries with high-illness-and-injury rates must transmit the same data electronically on OSHA Form 300A. This data will be posted on a public website with personally identifiable information excluded. The OSHA website contains a thorough explanation of the reporting obligations. www.osha.gov

PENSION BENEFIT GUARANTY CORPORATION (PBGC)

In late 2017, the PBGC's September 30, 2017 Fiscal Year Annual Report advised that its multiemployer-insurance program had a deficit of \$65.1 billion, compared with \$58.8 billion at last fiscal year-end. The larger deficit is due to the ongoing financial decline of several large multiemployer plans that are expected to run out of money within the next ten years. In FY 2017, the PBGC paid \$141 million in financial assistance to seventy-two insolvent multiemployer pension plans, compared with \$113 million paid to sixty-five plans in FY 2016. The PBGC estimates that it will run out of money by 2025.

PORT SECURITY/TRANSPORTATION WORKER IDENTIFICATION CREDENTIAL (TWIC)

TWIC-Reader Rule

The Final TWIC Reader Rule that was published on August 23, 2016, requires higher-risk vessels and facilities regulated by the Maritime Transportation Security Act of 2002 (Risk Group A) to conduct electronic TWIC inspections for access to secure areas or to board vessels. Risk Group A includes vessels or facilities that carry or handle "Certain Dangerous Cargo (CDC)" in bulk or facilities that receive vessels carrying more than 1,000 passengers. Approximately 525 facilities have been designated as being in Risk Group A. Container terminals are in Group B, which is exempt from the Rule.

On May 15, 2017, three industry associations representing entities that transport and store chemicals, petroleum and petroleum products, and other bulk liquids filed a petition for rulemaking with the United States Coast Guard seeking modification of the August 23, 2016 TWIC Reader Rule (Docket No. USCG-2017-0447). The petition requests that the Rule be amended to conform its coverage of facilities that handle Certain Dangerous Cargoes in bulk to those portions of facilities where the transfer to or from a vessel of CDCs in bulk occurs or is capable of occurring.

The petition estimates that the number of facilities now required to conduct electronic verification of TWICs and install TWIC readers or modify their physical-access-control systems has quadrupled under the Final Rule. The petition seeks to restore the scope of the requirement to verify TWICs electronically to the facilities and operations that were originally outlined in the proposed rule. The petition also seeks to extend the compliance date of the Final Rule for CDC facilities until two (2) years after issuance of a Final Revised Rule.

Enrollment

At year-end there were 4.655 million TWIC enrollments since inception in 2007 with 2.204 million active TWIC cards in use. The OneVisit Enrollment Program, which was implemented in June 2014 to streamline the TWIC-enrollment process and to eliminate the need for a second visit to an enrollment center to pick up an issued TWIC, has been a success. At year-end there were 1.205 million OneVisit enrollments, which constituted 73% of all enrollments.

2017 STATE AND LOCAL JUDICIAL, LEGISLATIVE, AND REGULATORY ACTIVITY

NEW JERSEY

Annual Notice Requirements

Gender Equity. New Jersey employers are required to distribute to all employees working in the state a written copy of the state Gender Equity Notice on or before December 31 of each year. Employers must obtain a signed acknowledgement from each employee in writing or by means of electronic verification.

Conscientious Employee Protection Act (CEPA). New Jersey employers with ten or more employees must distribute annually to their New Jersey employees the required notice under CEPA either in hard copy or in electronic format. Although employers are not required to obtain a signed acknowledgement, it is a better practice to do so to rebut any future claim that an employee did not receive the notice.

Employment Protection for Military

In August 2017, New Jersey revised its *Law Against Discrimination (LAD)* to extend the full protection of LAD to veterans to ensure that they have equal opportunity to obtain employment and access to accommodations without discrimination. The law took effect immediately.



NEW YORK STATE

Paid Family Leave Effective January 1, 2018

Paid-family-leave benefits will be phased in commencing on January 1, 2018. As of that date individuals will be entitled to take eight weeks of paid leave and will receive 50% of their weekly pay with a benefit cap of 50% of the New York State average weekly wage or approximately \$653.

Once the amendments are fully implemented by 2021, covered employees will be eligible for up to twelve weeks of paid family leave annually to care for a family member or an infant with a serious health condition, or to assist with family obligations when a family member is called up for active military service. Paid family leave is NOT available for a covered employee's own serious health condition under this law. Paid leave for an employee's own illness will continue to be covered under the state disability insurance law.

Generally, covered employees will be paid family leave under an employer's disability insurance policy. Self-insured employers may purchase a separate paid-family-leave policy or apply to self-insure. The coverage will be financed by deductions taken from an employee's weekly wage at a maximum rate of .126% (.126% of \$1,000.00=\$1.26). Health insurance must be maintained for those employees who use paid family leave. Employees on paid family leave are entitled to return to the position they held when the leave commenced or to a comparable position with comparable employment benefits, pay, and other terms and conditions of employment. Benefits paid to employees will be taxable non-wage income that must be included in federal gross income.

Paid family leave forms are available at www.wcb.ny.gov and will be processed under the NYSA-ILA Family Leave Program. NYSA direct employers in New York State are responsible for obtaining their own New York State Paid Family Leave insurance policies covering their management as well as union-represented labor. The failure to obtain the necessary insurance will result in penalties being imposed upon the employer. New York State direct employers of casual workers should obtain waivers from those employees who will not work the requisite number of hours to qualify for paid-family-leave benefits.

CITY OF NEW YORK

New Legislation

During 2017, the New York City Council amended the *New York City Human Rights Law* to prohibit an employer from inquiring about an applicant's salary history and relying on it, unless it is offered voluntarily. A second amendment to the law adds current or prior service in the uniformed services as a protected class for uniformed service members and veterans. The amendment prohibits discrimination against uniformed service members and veterans but allows for preferences based upon uniformed service in employment, housing, lending, and public accommodations. The Council also amended the *Earned Safe and Sick Time Act* to include within the definition of paid time off "safe time," such as when an employee or family member is a victim of domestic violence, a sexual offense, or stalking.



2017 NYSA INSURANCE AND INDEMNITY PROGRAM

New York Shipping Assurance Association, Inc. (NYSAA)

In 2006, NYSA created a comprehensive insurance program to protect NYSA, its directors, officers, employees, and representatives as well as NYSA members. The coverage for NYSA members is provided through a Vermont captive insurance company, New York Shipping Assurance Association, Inc., a wholly-owned subsidiary of NYSA based in Burlington, Vermont, and includes legal representation and defense costs incurred to enjoin strikes or work stoppages, to defend arbitrations, court actions, adjudicatory proceedings, and third-party claims, and to prosecute court actions and arbitrations in connection with the implementation of the NYSA-ILA and NYSA-PPGU Collective Bargaining Agreements. This coverage is referred to as “Financial Injury Coverage.” Premiums are paid from the assessments paid by NYSA members. For the fiscal year ended September 30, 2017, less than 1% of total assessments were used to fund NYSAA Policy No. NY 001.

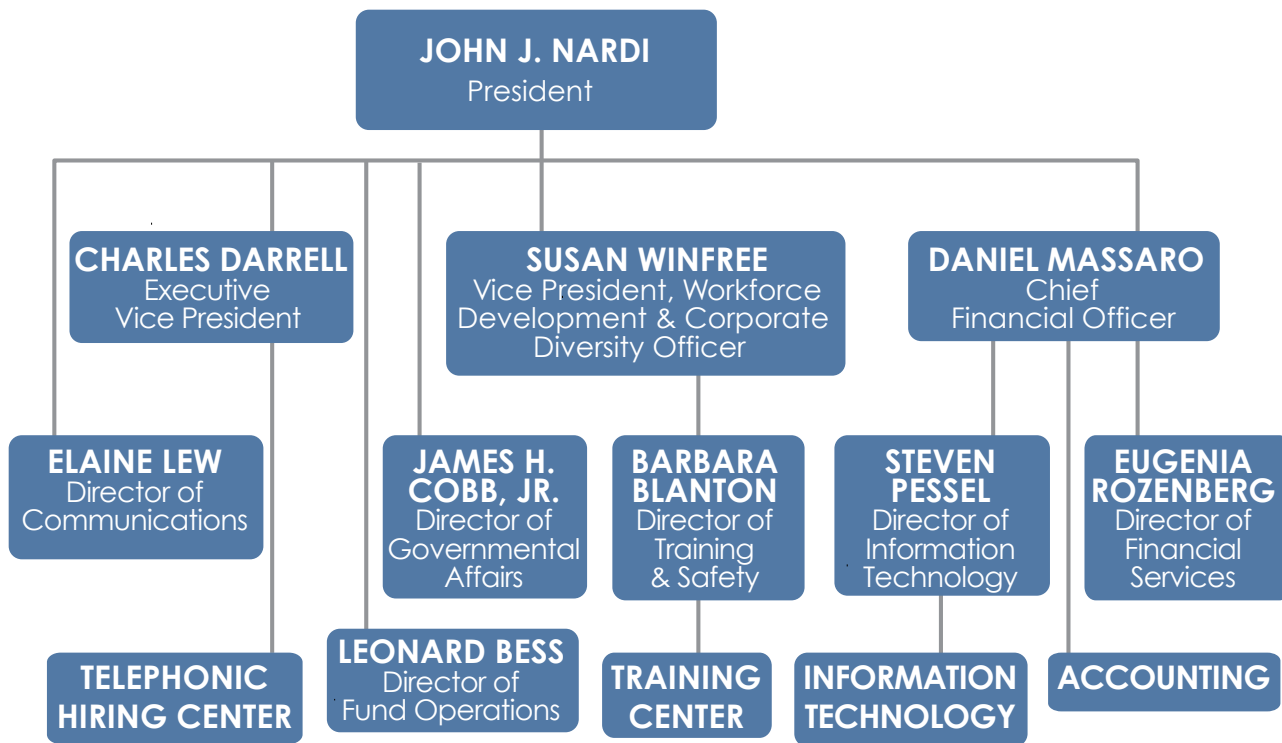
During the 2016-2017 Policy Year NYSA filed two new insurance claims with NYSAA on behalf of its members. The first claim involved a settlement agreement between a direct employer and one of its longshore employees in connection with a grievance the employee had filed concerning lost pay. In early 2017, the employer was reimbursed for the payment it had made to the employee and the matter was concluded.

The second claim involved a federal lawsuit filed by a checker against his employer, an NYSA stevedore member, alleging breach of contract in connection with multiple grievances that the checker had filed concerning overtime opportunities. All of the grievances were heard and denied by the NYSA-ILA Labor Relations Committee (LRC) in August 2017. In late 2017, the federal district court dismissed all of the allegations against the employer, finding that the August 2017 LRC decision precluded the action against his employer and all other employers in the port. The matter is now concluded.

New York Shipping Association Self-Insurance Trust

Liability insurance coverage for NYSA, its directors, officers, employees, and representatives is provided through commercial insurance policies with excess coverage provided by the NYSA Self-Insurance Trust. The Trust also provides Financial Injury Coverage to NYSA for its legal costs that arise from the implementation of the NYSA-ILA and NYSA-PPGU Collective Bargaining Agreements. NYSA did not file any claims with the Trust during the 2016-2017 Policy Year.





NYSA MEMBERSHIP LIST

The American Sugar Refining Company
 American President Lines Ltd.
 APM Terminals Elizabeth, LLC
 Asset Protection Group
 Atlantic Container Line
 Bermuda Agencies Limited
 Cargotec Crane & Electrical Services, Inc.
 Ceres Atlantic Terminals, Inc.
 CMA-CGM (America), L.L.C.
 Columbia Coastal Transport, LLC
 COSCO Shipping Lines (North America) Inc.
 Essex Cement Company
 Evergreen Shipping Agency (America) Corporation
 GCT Bayonne LP
 GCT New York LP
 Hamburg Sud North America, Inc.
 Hapag-Lloyd (America) Inc.
 Hoegh Autoliners AS
 "K" Line America, Inc.
 MJ Rudolph Kinder Morgan
 M.P. Howlett, Inc.
 Maersk Inc.
 Maher Terminals, L.L.C.
 Mediterranean Shipping Company
 Metro Cruise Services LLC

MOL (America), Inc.
 MSA Security
 NYK Line (North America) Inc.
 OOCL, (USA), Inc.
 Port Newark Container Terminal L.L.C.
 Ports America, Inc.
 Red Hook Container Terminal, LLC
 Safmarine
 SIMS Metal Management
 Summit Security Services, Inc.
 Terminal Security Solutions, Inc.
 Turkon America, Inc.
 United Arab Shipping Company
 U.S. Security Associates, Inc.
 Wallenius Wilhelmsen Logistics Americas, LLC
 Yang Ming (America) Corp.
 Zim Integrated Shipping Services Ltd.

ASSOCIATE MEMBERSHIP LIST

American Maritime Service of New York, Inc.
 Bay Container Repairs of New Jersey
 Container Services of New Jersey, Inc.
 FAPS, Inc.
 Portwide Cargo Securing Company

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- NMC** Nominations (& Membership) Committee
- CC** Compensation Committee
- NC** Negotiations Committee
- BLC** By-Laws Committee
- AC** Assessment Committee

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