

November 14, 2016

Via E-Mail to the Designated Federal Officer

Board of Visitors  
U.S. Merchant Marine Academy  
Kings Point, NY

Dear Board of Visitors:

These comments are offered for your consideration in connection with the Sea Year Stand Down. Crowley Maritime fully supports the statement of Zoe Goss on behalf of the U.S. maritime industry. We submit this letter to provide further information specifically concerning the company's cadet sailing program, and the company's perspective on sexual assault, sexual harassment and similar misconduct (SASH) on board its vessels.

Crowley provides on board training experiences to students from Kings Point, each of the state maritime academies, and from union apprentice schools. (We also provide internship opportunities in logistics, accounting, and other disciplines to dozens of undergraduate students at universities in Crowley locations.) These programs provide students valuable technical training, work place experience, and reasonable compensation. The company benefits by being able to evaluate and recruit from among these cadets. The industry benefits from these programs by helping to train the next generation of maritime professionals.

As shown on the attached slide, Crowley provided on board experiences to 868 students between 2010 and July 2016, about two-thirds from Kings Point. We had expected to sail nearly 200 cadets in 2016, including more than 100 Kings Point midshipmen. Since the Stand Down was announced and reaffirmed in September, we have placed as many cadets as possible from state academies and apprentice schools into billets that had been ear-marked for Kings Point.

Suspending the Sea Year program has caused a great deal of harm to Kings Point midshipmen, the Academy, and to the American maritime industry. Midshipmen may not be able to meet minimum requirements for graduation and Coast Guard licensing. And even if they do (e.g., through assignments to MarAd vessels tied up at the dock), their experiences will be much less valuable than if they had sailed on active, modern commercial ships. For the Academy, the Sea Year experience is one of the most attractive elements for recruiting new classes of students.

The harm inflicted by suspending the Sea Year program on the American maritime industry is two-fold. First, the loss of Kings Point mariners (and the potential loss of the Academy itself) puts at risk the pool of trained American mariners that America needs for national security reasons. Continuously replenishing this pool is one of the main functions of the

USMMA, and the cost to taxpayers in providing alternative sources of highly trained deck officers and engineers should not be underestimated.

Secondly, the reason for suspending the Sea Year program – that placing cadets on commercial vessels creates an undue risk that they will be subject to SASH behaviors – is, and should be, deeply insulting to the American maritime industry. It also does not reflect the reality on board American commercial vessels.

The industry includes tens of thousands of men and women who are professionals, have enormous responsibilities, and take a great deal of pride in their work. As an example, Crowley operates an average of about 130 crewed vessels (not including barges) that are active at any given time. These vessels travel in U.S. domestic and international waters, most on a full-time basis (24 hours / day, 365 days / year) with crews living on board the vessel for rotations of between two weeks to 120 days. They produce about 1,300 full-time crewing “billets”, and employ about 3,000 full- and part-time mariners. This equates to roughly 1.4 million 8-hour crew member days annually.

The mix of vessels Crowley operates today is far different than what it was twenty years ago. Much of Crowley’s owned fleet has been renewed in the past few years, with much more technologically sophisticated and capable vessels coming on line. The average cost of these new vessels is in the tens of millions of dollars, including several that cost \$100 million or more each. Crowley also operates technically complex vessels on behalf of other commercial ship owners, as well as for U.S. Government customers which have missions that are vitally important to U.S. national security.

In managing these vessels, Crowley strives to deliver the best quality of service possible. For example, Crowley Petroleum Services (our tank vessel operating unit) has transferred well over 1 billion barrels of petroleum in the past decade while spilling about six gallons to water. This places Crowley in the elite category among hundreds of petroleum transporters worldwide. Similar standards of safety and reliability are found throughout the Crowley fleet, including those vessels involved in government services, offshore development, tanker escort and oil spill prevention in Valdez, harbor assist, liner services, etc.

The “front lines” for managing these vessels and achieving this level of quality and service are the officers and crew on the decks and in the engine rooms of the vessels. Technical training is certainly important, as for example, the company’s navigation assessment program has become a model for industry. Crowley’s senior leadership has also placed special emphasis on developing and fostering a culture on board Crowley vessels – and throughout the company – that is professional, collaborative, and committed to safety, integrity and high performance.

The company’s owner, Tom Crowley Jr., wrote about this culture in a letter to Adm. Helis and Administrator Jaenichen in August, noting that Crowley leadership seeks -

[A] workplace culture that fosters collaboration, mutual respect, responsibility and accountability for the success of the Crowley team. These principles apply whether the workplace is an office, marine terminal, vessel, or any other environment. Respect for the chain of command is important, as is the empowerment of each employee to speak out to prevent harm and to advance the team's mission.

In this cultural setting, there is zero tolerance for conduct constituting Sexual Assault / Sexual Harassment ("SASH") at any Crowley workplace. The Company views such conduct as an abuse of power. It makes no difference whether the power is derived from holding a supervisory position of authority, from physical superiority, or from any other source. In all cases, such conduct is completely unacceptable, potentially unlawful, and directly contrary to the culture the Company strives to maintain.

Accordingly, the Company adopted many years ago policies that clearly and specifically prohibit conduct constituting SASH. Employees at all levels, including union and administrative employees, are required to acknowledge such policies at the time of initial employment. Mandatory training is provided to elaborate the policies, and periodically thereafter to refresh employees on the requirements. Multiple reporting mechanisms concerning allegations of SASH are in place and are well-communicated, allowing employees to report incidents directly or anonymously.

The Company believes these measures have produced a shipboard culture that is professional and intolerant of abuse. The Company therefore welcomes scores of cadets each year from Kings Point and other maritime academies with full confidence that they will receive training in a workplace that is free of unacceptable SASH behaviors. It believes the training received by these cadets is critically important to their professional development and in helping to guide their career decision path. The Company is anxious to resume participation in the Kings Point Sea Year program, with proper assurances that cadets will be safe.

Cover letter of Tom Crowley Jr. accompanying Crowley's submission to the MarAd / Kings Point Shipboard Climate Compliance Team, August 2, 2016.

One would expect that SASH incidents would be extremely rare in the face of appropriate anti-SASH policies, comprehensive training and a culture of professionalism and mutual respect. Our review of SASH incidents at Crowley confirms this. Since the beginning of 2015, Crowley has received a total of eight SASH claims related to our vessels. This is on a denominator of more than 2.5 million crew member days. The two most serious incidents occurred on shore leave. One was an alleged assault on a crewmember by an alleged assailant who was not associated with the ship. That matter was referred to law enforcement authorities for potential

criminal prosecution. The second involved sexual harassment of one crew member by another at a bar. The offender was terminated from employment.

Five of the eight incidents consisted of inappropriate jokes, unprofessional communication, etc. They were classified as unprofessional conduct, and disciplinary action was taken in all instances (verbal warning, final letter of warning, suspension). Only one of the eight claims could not be substantiated, and the investigation was closed without action.

Of the complaining witnesses / victims, none of the eight were cadets. Four had been placed on performance warnings for unrelated activities prior to the alleged incidents. Disciplinary action was nonetheless taken against the alleged offenders in three of those four cases, including one termination.

Any incident of SASH behavior is one too many, and Crowley is committed to continuous improvement toward achieving zero SASH incidents. The disciplinary actions taken in the reported cases reflect this commitment. We also share the concern that SASH incidents are not always reported. This is reflected in the anonymous surveys of Kings Point midshipmen showing that 63% of women and 11% of men say they have experienced unwanted advances or other sexual harassment, either at sea, on campus or elsewhere, and that 17% of women and 2% of men reported sexual assault of some kind, including unwanted contact.

While this data is alarming, the conclusion some have drawn from it – that a large number of SASH incidents occur on board commercial vessels during the Sea Year experience – is not accurate, at least with respect to Crowley vessels. To the contrary, we firmly believe that SASH incidents on board Crowley vessels are exceedingly rare. It is simply not the case that serious incidents aboard Crowley vessels regularly go unreported.

We have nevertheless taken the opportunity of the stand down to review and develop improvements to our practices related to SASH prevention. The specific measures are outlined in Ms. Goss's statement, and include formally assigning an on-board mentor for each cadet, prohibiting consensual romantic relationships involving cadets, and debriefing cadets and mentors upon completion of the Sea Year experience. Also as noted, we look forward to working with industry and other experts to improve understanding of when and why SASH incidents are and are not reported.

Finally, while Crowley pays a great deal of attention to culture in the workplace and employs more American merchant mariners than any other company, we are not unique. There are other outstanding American maritime companies that also have policies, practices and a firm commitment to promoting an appropriate, SASH-free culture on board their vessels.

In closing, we urge the Administration to implement the agreed protocols and reinstate the program for companies that meet the requirements beginning in December.

Respectfully Submitted,

/S/

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# ATTACHMENT 1

