



# The Marine Assistance Industry Journal

A Quarterly Newsletter - COVID-19 EDITION

Volume XXXV- April 2020



## *Chairman's Address*

As business owners, and especially as salvors, we are all used to wearing many hats. Never in my life did I ever see myself as an elementary school teacher.

However, like many of you, I'm writing this from home, where we're currently somewhere between math and the third recess of the morning.

The good news is that, while we aren't going back to normal tomorrow, we will get there. Soon, we'll be back behind radios or, even better, the wheels of our boats. We've had to adapt our lives and businesses to this as we've had to adapt to many other challenges over the years.

We stood strong through 9/11, evolving as government agencies again wandered into our domain. We emerged from the slump of 2008, dusting ourselves off and finding new opportunities to re-grow our market. We've weathered countless storms, some named and some not.

I know that this challenge is different from those we've seen in the past, but I also know that we will soon again be back to work, with this in our wake.

Now, if you'll excuse me, the students are demanding snack time.

Fair winds and following seas,

Phil LeBlanc  
C-PORT Chairman

## **SAVE THE DATE!**

34th C-PORT Conference and Membership Meeting

November 15- November 16, 2020

Hilton St. Petersburg Bayfront, FL

The following is a synopsis of the available programs found in the CARES Act and the Families First Act. All federally insured lenders and credit unions will begin processing these programs on Friday, according to the US Treasury Department.

**Small Business Paycheck Protection Program:** These funds may be used to pay up to 8 weeks of payroll costs including benefits. They may also be used to pay interest on mortgages, rent, and utilities. These are fully forgiven loans when used accordingly. Loan payments are deferred for 6 months. There are no fees collected, and no collateral or personal guarantees are required. Be aware, there is a funding cap on this program. You are encouraged to file early.

- Forgiveness is based on the employer maintaining or quickly rehiring employees, at regular salaries. There are qualifications regarding payroll and salary. Speak with your lender regarding requirements.
- All small businesses with 500 or fewer employees are eligible. This includes sole proprietorships, independent contractors, and self-employed individuals.
- Small businesses and sole proprietorships may apply beginning April 3, 2020.
- Independent contractors and self-employed individuals may apply beginning April 10, 2020.
- Applications are made through your existing SBA 7 lender or through any federally insured bank or credit union.

Check with your lender for details. Full terms of the program and to find a list of lenders, go to [www.sba.gov](http://www.sba.gov).

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**Key tax provisions** - Discuss these, and other possible tax provisions, with your accountant.

#### **CARES Act Tax Relief for Businesses.**

- **Employee Retention Credit:** The CARES Act provides eligible employers a credit against applicable employment taxes for each calendar quarter equal to 50 percent of the qualified wages with respect to each employee of the employer for the calendar quarter. The employee retention credit applies to wages paid after March 12, 2020, and before January 1, 2021. An "eligible employer" is any employer that was carrying on a trade or business during calendar year 2020, and whose operation is fully or partially suspended during the calendar quarter due to orders by a government authority due to COVID-19, or for which the calendar quarter is within a period of "significant decline in gross receipts."
- **Extension of Time to Pay Employment Taxes:** Under the CARES Act, a business can delay payment of applicable employment taxes for the period beginning on March 27, 2020, and ending before January 1, 2021 (i.e., the payroll tax deferral period).
- **Net Operating Losses (NOLs) Can Be Carried Back to Eliminate Prior Year Income:** If your business has incurred NOLs that you have not gotten the benefit of deducting, the CARES Act may help as it modifies the limitation on deducting NOLs, as well as the rules relating to NOL carrybacks.
- **Increase in Deductible Business Interest Expense:** For tax years beginning in 2019 or 2020, 50 percent of the taxpayer's adjusted taxable income, rather than 30 percent, is used to determine the business interest expense limitation. A special rule is provided for partnerships.

#### **CARES Act Tax Relief for Individuals.**

- **Direct Payments:** Single individuals and joint filers can expect to receive a payment of \$1,200 or \$2,400, respectively, plus \$500 for each qualifying child. However, the rebate is reduced (but not below zero) by 5 percent of the amount by which the taxpayer's adjusted gross income exceeds (1) \$150,000 in the case of a joint return, (2) \$112,500 in the case of a head of household, and (3) \$75,000 in the case of a single taxpayer or a taxpayer with a filing status of married filing separately. Rebates will be issued based on 2019 income tax returns, or 2018 returns for individuals who haven't yet filed in 2019.

*More...*

**Thank You, C-PORT,  
for 33 Years of  
Protecting, Defending,  
and Promoting the  
Marine Assistance  
Industry.**



**- The Safe/Sea Crew**

*CARES Act for Individuals, continued.*

- **Using Retirement Funds Without Penalty:** The CARES Act waives the 10% early withdrawal penalty for coronavirus-related distributions from retirement plans and provides the option of recontributing the funds for up to three years after such distributions are made. Conditions apply.
- **Required Minimum Distribution Rules Waived for 2020:** The CARES Act waives the required minimum distribution rules for 2020 for defined contribution plans, including an eligible deferred compensation plan, and individual retirement plans.
- **Above-the-Line-Deduction for Charitable Contributions of Up to \$300:** Individuals, whether they itemize deductions or not, can take a deduction of up to \$300 for charitable contributions made during 2020 and the limitations on the amount of charitable contributions that a taxpayer may take an itemized deduction for are loosened. In addition, the CARES Act loosens the deduction limitation on contributions of food inventory.
- **Repayment of Student Loan Debt Excluded from Income:** The CARES Act excludes from income certain student loan debt repaid by an individual's employer. It applies to repayments made after date of enactment and before 2021.

**The Families First Act** generally requires employers to provide an employee with paid sick time to the extent that the employee is unable to work or telework due to a need for leave in a number of situations. There are a number of tax credits for employees to use. Please seek advice from your accountant.

- **Paid Sick Leave Credit:** For an employee who is unable to work because of Coronavirus quarantine or self-quarantine or has Coronavirus symptoms and is seeking a medical diagnosis, eligible employers may receive a refundable sick leave credit. Eligible employers are entitled to an additional tax credit determined based on costs to maintain health insurance coverage for the eligible employee during the leave period. A similar credit is available for self-employed individuals.
- **Child Care Leave Credit:** In addition to the sick leave credit, for an employee who is unable to work because of a need to care for a child whose school or child-care facility is closed or whose child care provider is unavailable due to the Coronavirus, eligible employers may receive a refundable child care leave credit. Eligible employers are entitled to an additional tax credit determined based on costs to maintain health insurance coverage for the eligible employee during the leave period. A similar credit is available for self-employed individuals.
- Eligible employers who pay qualifying sick or child-care leave can retain an amount of the payroll taxes equal to the amount of qualifying sick and child-care leave that they paid, rather than deposit them with the IRS.
- Eligible employers are businesses and tax-exempt organizations with fewer than 500 employees that are required to provide emergency paid sick leave and emergency paid family and medical leave under the Families First Act.

C-PORT will continue to send notices to our members as new information becomes available. In all cases, members are urged to seek guidance from their lenders and accountants regarding the government stimulus packages. Many states also are providing small business programs. Contact your state small business administration for details.

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**C-PORT announces the latest Risk Management Course** is now available at the C-PORT website, [C-PORT Risk Management](#). This course was presented at the 33rd C-PORT Conference and Membership Meeting held in January in Orlando, FL. The course library continues to grow, and all marine assistance operators, captains and crew, are encouraged to take advantage of these courses.

Fuel and Fire- Risk Management Best Practices asks what are industry best practices for responding to fuel in the bilge and fire cases? This risk management module explores the dangers associated with these scenarios and offers some best practices for marine assistance operators.

Specially discounted rates are available to companies wanting to certify all of their captains and crew. Contact Tina Cardone at [tcardone@cport.us](mailto:tcardone@cport.us) or call 954-261-2012 for more information.

The US Coast Guard has been issuing notices and bulletins to keep maritime industries aware of policies and procedures, closures, and other pertinent information through blogs and Marine Safety Information Bulletins (MSIB). C-PORT is notifying its members as these alerts are made public. Here are what we have to date:

#### **NEW! From NMC -**

As previously stated, all 17 Regional Examination Centers and 3 Monitoring Units remain closed. The center is transitioning to telework and shift-work resulting in key changes. The highlights are listed below. You may read the MSIB by clicking this link: [NMC Update #2](#)

- Customer Service Center is open from 8:00 AM to 5:30 PM EST Monday-Thursday.
- Electronic Mariner Applications and those awaiting information, NMC is not able to process mail-in and faxed applications. They are asking that everyone submit information via email and electronic submissions only. Mailed documents will experience delays.
- No cash, check, or money order fee payments. User fees are to be paid online.
- All Federal record centers are closed and NMC is not able to retrieve mariner service records. Applicants are urged to include all supporting documentation.

#### **NEW! From USCG - Maintaining Maritime Commerce and Identification of Essential Maritime Critical Infrastructure Workers -**

Following the Department of Homeland Security's CISA memorandum, the US Coast Guard, under signature of RDML Richard V. Timme, Assistant Commandant for Prevention Policy, issued a bulletin highlighting the importance of the maritime industry to "National Security and economic vitality" of our country. This Marine Safety Information Bulletin calls attention to the maritime industry as essential and includes a revised document from CISA. You may read the MSIB by clicking this link: [MSIB 11-20 Essential Maritime Workers](#)

While advisory only, CISA specifically lists our industry as essential under grouped within Law Enforcement, Public Safety, and other First Responders heading to include "search and rescue personnel". The maritime industry is mentioned throughout the document. You may download the CISA updated document here: [CISA Guidance Updated](#)

Previous guidance documents include:

**NMC Credentials** - Merchant Mariner Credentials (MMC) and Nationally endorsed Medical Certificates that expired between March 1, 2020 and July 31, 2020 are extended through October 31, 2020. Those in process of renewing are to keep a copy of this notice with their credential. This MSIB also includes STCW and STCW Medical Certificate expiration extension information. The MSIB may be downloaded by clicking this link: [MSIB Merchant Credentials](#)

**US Coast Guard Drug Testing Requirements** - The US Coast Guard has not lifted the requirement for all mariners in a safety sensitive position to comply with drug testing mandates. The Coast Guard understands the challenge for mariners to undergo these tests, and have encouraged maritime operators "to adjust random selection dates and use their own office employees or mariners to administer the drug tests during the pandemic emergency". Concerns of meeting the 50% random testing requirement is addressed through end of year documentation filing. C-PORT urges anyone with questions and concerns regarding random drug testing to contact their USCG approved drug testing consortium or group for direction.

Pre-employment drug testing is mandatory. Employers are prohibited from placing any new hire in a safety sensitive position without a pre-employment drug screen. There is a waiver available for those potential employees who had been enrolled in a random drug testing program for 60 of the last 185 days prior to hiring. Coast Guard has extended that waiver to 60 days of the last year. Formal waivers are still required and may be requested via email at [HQS-DG-1st-CG-INV-1@uscg.mil](mailto:HQS-DG-1st-CG-INV-1@uscg.mil).

There are no exceptions for post-casualty or reasonable cause drug testing.



## Update To C-PORT Insurance Program Administered by Starkweather & Shepley

At the recent C-PORT Conference in Orlando, Travelers made the following announcements regarding their underwriting requirements for the C-PORT program:

### 2020 Updated Survey Requirements

- A condition and value survey must be obtained on all new business and renewals and endorsements for vessels \$100,000 and over in agreed value. New Builds within one (1) year of age, are exempt from a Survey with receipt of a Bill of Sale of the Vessel.
- All survey reports and recommendations must be obtained and complied with by the insured's renewal date in 2025 and are valid for a 10 year period.
- All Condition & Value Surveys to be conducted by NAMS (National Association of Marine Surveyors) or SAMS (The Society of Accredited Marine Surveyors)
- Condition and valuation surveys are not required for vessels under \$100,000 in agreed value. All vessels under \$100,000 in agreed value must provide a self-picture survey documenting all aspects of the vessel and equipment for the underwriting file. All self-picture surveys must be obtained by the insured's renewal date in 2025. A Condition & Value survey will also be accepted.
- Any exception to these requirements must be approved by Travelers.
- The Fleet can be reviewed by underwriting at any time and based on underwriting discretion additional information or Condition & Value surveys may be requested on any vessel.
- Any outstanding surveys and/or recommendation compliance must be completed in 2020.

As a benefit of your C-PORT Membership, Starkweather & Shepley will provide a free consultation and review of your current insurance program to ensure completeness of coverage.

*Linda J. Wagner,*  
 Assistant Vice President - Marine Program Manager,  
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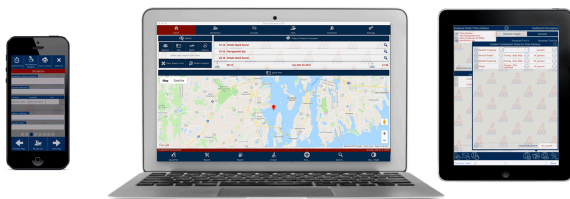
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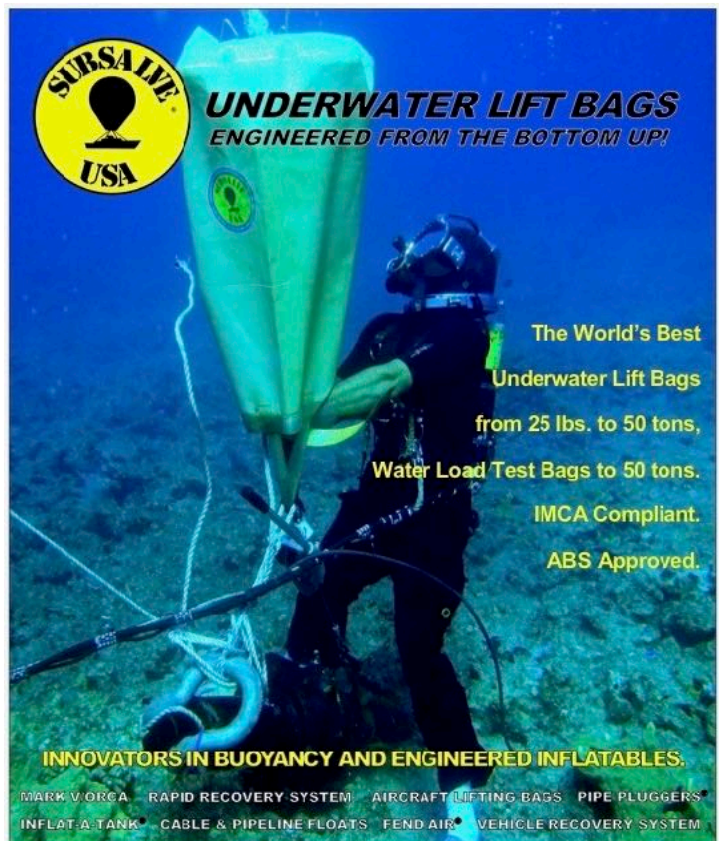
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**Risk Management Training Courses** are available on the C-PORT website, [www.cport.us](http://www.cport.us). The program C-PORT administers centers on these concepts:

- Risk: “possibility of loss or injury”
- Risk Management: “The identification, analysis, assessment, control, and avoidance, minimization, or elimination of unacceptable risks.

C-PORT is committed to encouraging its member’s growth and development through education and is dedicated to establishing standards for professionalism and good business practices throughout its membership. With the increase in accidents and economic pressures facing our industry, many companies have lost sight of the importance of training and proper risk management skills. Our mission is to provide our members with programs that will enable their growth and development into the future, while minimizing the impact of looming USCG regulation in response to Congressional directive and safety records.

Contact Tina Cardone at [tcardone@cport.us](mailto:tcardone@cport.us) or 954-261-2012 with any questions regarding this program.

**Marine Assistance Company Operations Guideline**, exclusively for C-PORT members. These guidelines promote safe operations and provide regulatory guidance. C-PORT members may obtain access to this document at the C-PORT website, [www.cport.us](http://www.cport.us) or contact Tina Cardone at [tcardone@cport.us](mailto:tcardone@cport.us) or 954-261-2012.

**Insurance Program for Marine Assistance Companies** - Administered by Starkweather & Shepley Insurance Brokerage, Inc. - Designed for organizations dedicated to marine assistance and towing. This Program offers an extensive portfolio of quality insurance products and services to address a wide range of marine exposures. -800-788-8225; [lwagner@starshep.com](mailto:lwagner@starshep.com).

**ACAPT- Accredited for Commercial Assistance and Professional Towing**- C-PORT has developed the ACAPT program to recognize the professional who is willing to adhere to standards of service, training, and equipment.

With the growth of the marine assistance towing and salvage industry has come a strong need for assurances of towing industry professionalism and expertise. The boating public, US Coast Guard, and state and local public agencies are often unsure of the qualifications of vessels offering assistance, sometimes leading to a reluctance to accept private assistance, and to a negative image of the industry being portrayed in the press. The ACAPT distinction recognizes the professional who is willing to adhere to high standards of service, training, and equipment.

Visit the C-PORT website at [www.cport.us](http://www.cport.us) or contact Tina Cardone at [tcardone@cport.us](mailto:tcardone@cport.us) or 954-261-2012 with any questions regarding this program.

**BOSAR for Commercial Assistance**- Created through the support of NASBLA’s BOAT program and the USCG Office of Boat Forces, is designed for the marine assistance operator, providing reinforcement of knowledge gained by virtue of their captain’s license and experience. It also enhances their ability to work as a true partner with local agencies and the US Coast Guard. This course is open to any marine assistance company who wants to host the training. Instructors and course materials are provided by C-PORT. Contact Tina Cardone at [tcardone@cport.us](mailto:tcardone@cport.us) or 954-261-2012 if you have an interest in hosting a class.




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C-PORT was founded in 1986 to act as a liaison between the marine assistance industry and public agencies and organizations involved with boating safety, marine assistance, marine salvage and other marine-related operations. Its mission is to represent, promote, protect, and defend its member companies through communication, relationship development, and education. Our members are dedicated to providing prompt, professional and timely assistance to all boaters and to actively partner and cooperate with local law enforcement and U.S. Coast Guard. They are professionals, dedicated to the growth and development of their respective businesses and committed to furthering the advancement of our waterways and the boating community. For more information, contact C-PORT at (954) 261-2012 or visit [www.cport.us](http://www.cport.us).

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C-PORT (Conference of Professional Operators for Response Towing)  
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