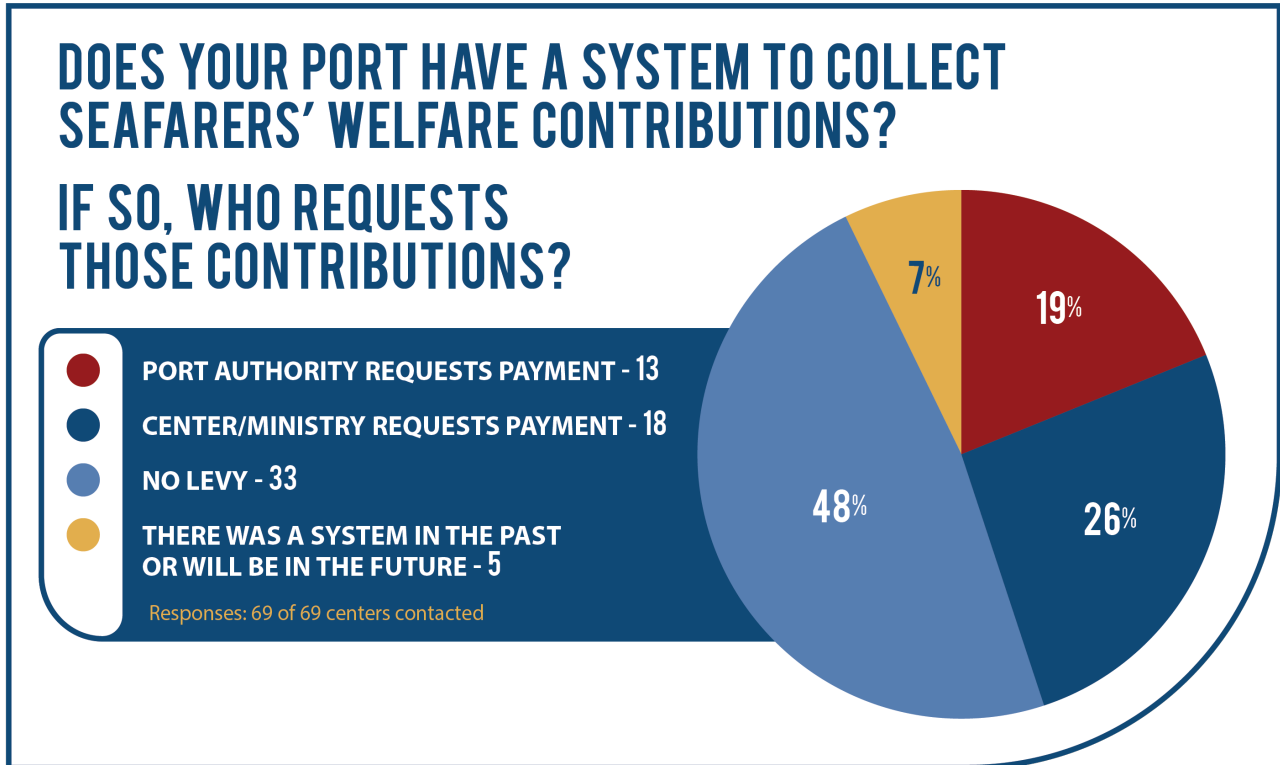


# SHIPPING CONTRIBUTIONS TO SEAFARERS' WELFARE



## In Service of Seafarers' Welfare

This report gives a brief summary of a research program undertaken by NAMMA that we believe is directly relevant to Port Authorities across North America. In the beginning of 2016, Mr. Michael Skaggs, our Director of Programs, began exploring port levies and voluntary contributions for seafarers' welfare. The results of our findings: Many of our centers face crisis-level funding shortages year after year because of the enormous costs of providing for seafarers' welfare. The results of our research point to a stark financial future for seafarers' welfare without the active support of port authorities. Without functioning at least as an advocate for seafarers' centers, port authorities have the potential to slow down the good work of these organizations. We have learned that **port authorities are the single most important actor in the port levy arrangement, even though they are neither the source nor object of funding.** With a minimum of effort and resources, they stand to accomplish an enormous amount of good; with no involvement at all, the work of seafarers' centers will face greater challenges.

*Presented by*

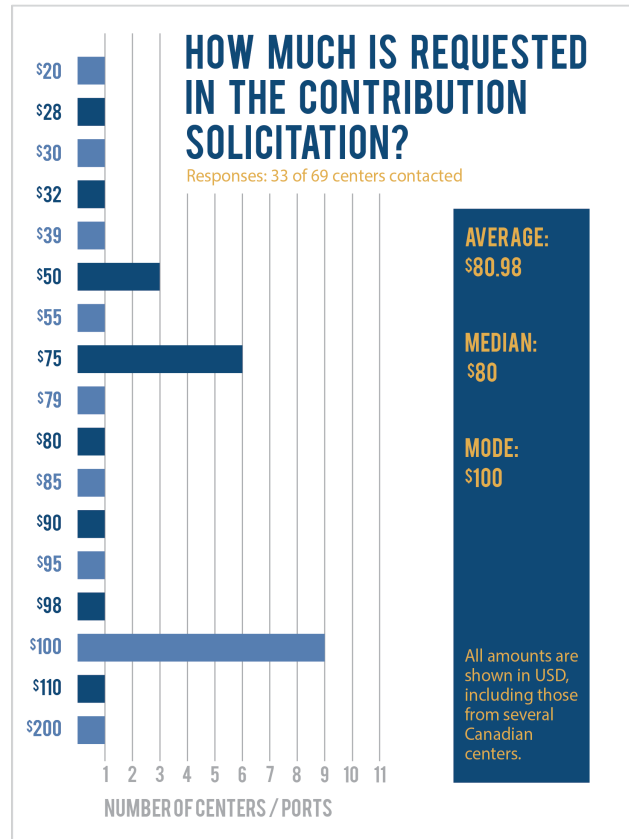
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*Port Levies Defined.* First, a definition. By “port levies,” we use Dr. Olivia Swift’s term from her 2013 global survey commissioned by the *International Seafarers’ Welfare and Assistance Network*: small fees that visiting ships are asked to pay toward the support of seafarers’ welfare. While the word “levy” suggests a mandatory contribution, in North American ports they are almost always voluntary. At present, in only one North American port that NAMMA surveyed is the levy fixed.

*What Seafarers’ Centers Do?* What seafarers’ centers manage to do on tiny budgets is remarkable. They transport seafarers, at no charge, to a variety of locations ashore; they provide communication facilities and equipment; and most importantly, they offer a warm welcome to seafarers who are grateful for a few hours off the ship and the chance to connect with friends and family from whom they have been isolated for quite some time. There are precious few things more fulfilling than seeing a mariner meet a newborn child for the first time via Skype! Put simply, we make sure that seafarers know they are seen, that they are acknowledged.

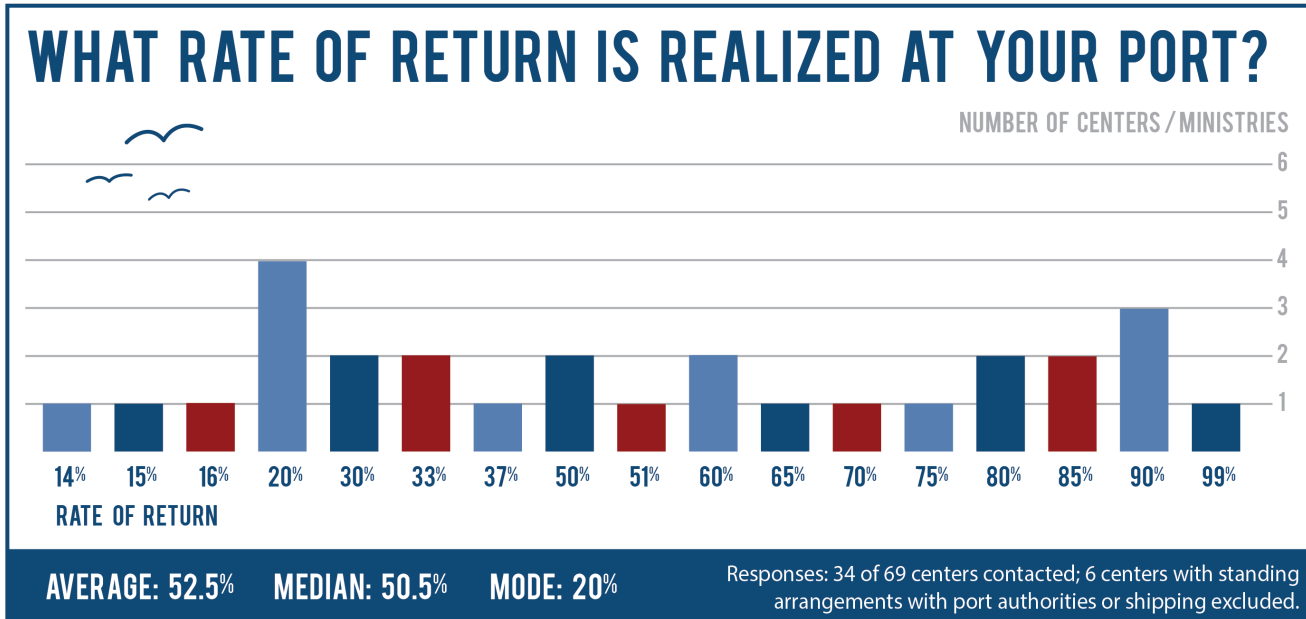


*Statistics on Port Levies.* A few statistics help visualize the state of seafarers’ welfare. First, the majority of centers receive little assistance from port levies – of the 69 centers contacted, only

**Port authorities sit at the nexus of relationships to gain support for seafarers’ welfare**

36 have a port welfare voluntary contribution in place at this time. Several others reported that it is under discussion, but also mentioned that those discussions have occurred over many years. Further of those 36 centers, most realize less than 15% of their operating budgets this way. This is one part of a web of funding, but other routes are not any easier. Commercial models are not viable solutions: Since our goal is to provide all we offer as cheaply as possible or freely, there is rarely enough margin to cover expenses. Charitable contributions from outside the port community are helpful, but also insufficient by themselves. The remove at which the shipping industry operates from the general public means that seafarers’ welfare often is as hidden an

industry as seafaring itself, and fundraising is extraordinarily difficult. And while many port authorities generously contribute to the infrastructure needs of seafarers’ centers, the liquid resources necessary for daily operations frequently outpace the funding that centers rely on. We emphasize that in-kind support from the ports in which centers are located - subsidized rent, utilities, maintenance and capital costs, and so on - cannot be overestimated in its impact. Without this type of assistance from port authorities, many seafarers’ centers would simply cease operation. All those who receive it are profoundly grateful for this support.



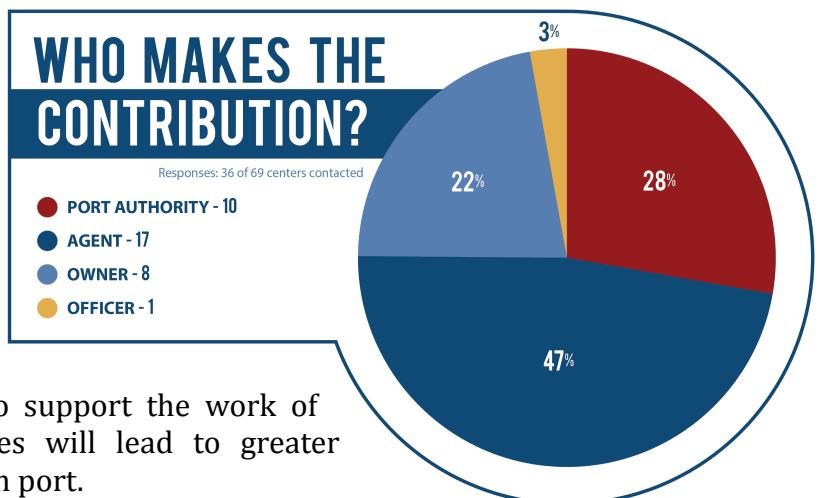
**Port authorities have an incredible opportunity to increase the good work done by seafarers' centers.**

Second, while centers expect about half of their requests to be returned, 20% is a more common rate. Income streams from cash contributions remain a desperately-needed solution, and one which port authorities are uniquely positioned to address. In fact, our survey found that the single greatest indicator of a center's financial success through port levies was a productive relationship with port authorities willing to help publicize the good work of the centers and relay to shipping the importance of the services provided by these centers. In one case, a port authority even pays a levy to the seafarers' center for each ship that calls; whether the owner then pays the port authority or not, that port authority recognizes the value of the seafarers' center. This represents a key growth opportunity: in our survey, less than a third of seafarers' centers reported that their port authorities facilitated levy contribution. By taking on the responsibility of ensuring that seafarers'

centers remain funded, port authorities have an incredible opportunity to increase exponentially the good work done by centers.

Finally, the amounts requested are typically minimal, with most centers requesting \$100 or less. Yet those small amounts present large challenges.

*Recommendations.* We thus offer in this summary report two recommendations to support the work of seafarers' centers. In turn, those services will lead to greater productivity in shipping and higher traffic in port.



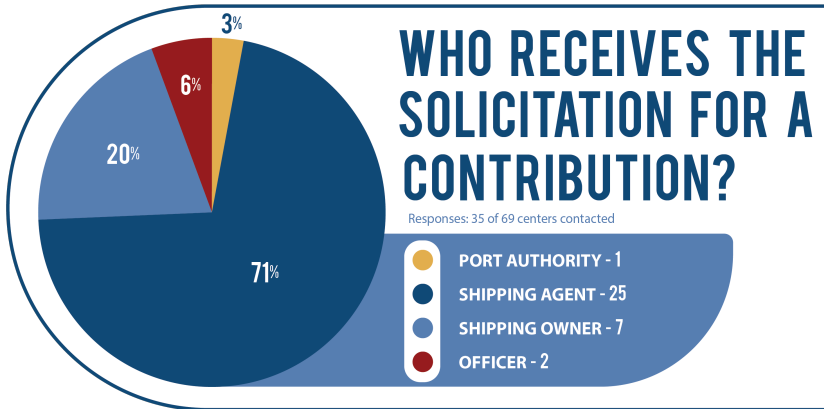
First, get to know the seafarers' centers that operate in your ports - their origins, their missions, their staffs, and their volunteers. Ask if they could use a port authority representative on their board. Schedule regular meetings or luncheons for information and advice exchange. Most generously, ask whether they need help with fundraising. The key factor for those centers that have a high rate of return is relationships - relationships between the center and the port, between the center and agents, and so forth. Port authorities sit at the nexus of all these relationships and have the ability to foster them and make

them productive. One seafarers' center told us that if they could change something to improve the levy system in their port, it would be for the center, the port authority, and shipping all to work together in service to seafarers. Put plainly, doing so just makes good business sense: Happy workers are better workers, good seafarers improve shipping efficiency, and more shipping redounds to the great benefit of ports. By recognizing the key role that seafarers' centers play at the start of this chain, the entire community would stand to realize substantial gains.

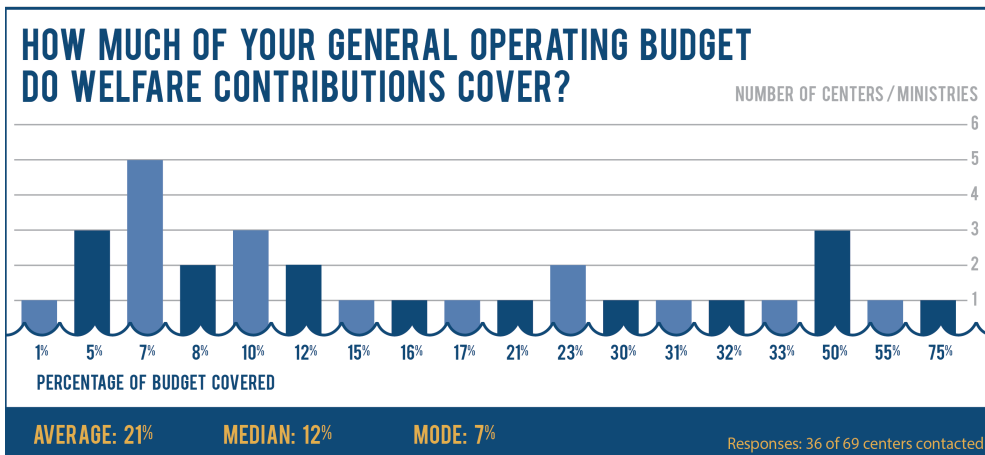
But no matter how good the work that seafarers' centers do, it often goes unnoticed by shipping ownership unless port authorities support and acknowledge these services. In a very real way, port authorities are the organizational link between seafarers' centers and shipping; centers stand to gain enormously from this connection but suffer greatly in its absence.

Second, if your port has a levy in place, review how it is collected and distributed. How many ships pay? What might contribute to high or low rates of payment? If your port does not have a welfare levy, why not? What obstacles stand between the present omission and a future levy? Starting a port welfare levy, or improving one already in place, is guaranteed to improve seafarers' centers' bottom lines. And, as we have mentioned several times, this benefits everyone else involved, too. Completing this second key task will become almost infinitely easier once you begin addressing the first and starting, fostering, and maintaining the relationships that should

characterize a healthy shipping industry and the care of its laborers.



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**Note:** This summary report is meant for research purposes only. Opinions expressed do not necessarily represent those of individual members of NAMMA. We welcome additional data and commentary.