

Speaker 1: Ladies and gentlemen, thank you for standing by and welcome to the USMMA town hall meeting. At this time all lines are in a listen only mode. Later there will be an opportunity for your questions and instructions will be given at that time. If you should require assistance during the call please press 'star' then 'zero', and as a reminder this conference is being recorded.

I'll now turn the conference over to your host, Brian Blower. Please go ahead, sir!

Brian: Okay, welcome everyone. Thank you for calling in to the town hall today. I'm Brian Blower, I am the MARAD Headquarters Studio USMMA liaison, and we'll be looking through some calls here today. First we'll have the Administrator and the Deputy Administrator make some comments, get some background information, and we'll open up for for questions.

When you ask your question, please ask only one question. Don't monopolize the time. You will be put on mute afterward. The operator should give instructions. I believe you dial '#1' in order to get in the queue for asking questions. With that, we'd like to go ahead and start.

I'd like to turn it over to Administrator Jaenichen to kick it off.

Chip: Good afternoon! This is Chip Jaenichen, the Maritime Administrator. We just completed the US Merchant Marine Academy Board of Visitors Meetings over at the Capitol Visitor's Center. The topics that we discussed there were an overview of the Academy, including the statistics for the incoming class of 2020, the leadership development program, and the status of accreditation. We then conducted a report by Dr. Sharon von Wyk [inaudible 00:01:44], the Chairman of the Advisory Board. It was their Advisory Board Report for 2016 that was briefed to the Secretary on the 10th of June, and that will be posted on the Maritime Administration website. It will be available later today, including the appendices, that is a summary of the actions that they recommended in 2014 and 2015 as well as the Secretary Foxx [inaudible 00:02:12] letter from 2014 directing us to take action. They provided a summary.

There were 3 points that they highlighted in the report. The first was sexual assault and sexual harassment in the climate on board the campus and during Sea Year. The second was governance from the standpoint of hiring, acquisitions, and also the control of the financials at the Academy. Then the last was essentially the strategic plan. The current strategic plan expires in 2017, and there's a need to begin the development of the new strategic plan that would run from 2018 for the next 5 years. That summary was there, and then we began a discussion of the sea year stand down, which is the purpose of this afternoons call.

Our intent is to answer as many questions as we have. Looking at the telemonitor here we now have nearly 210 people that are signed on. Obviously in the one hour that we have we will not be able to get to all of the questions, and the operator will try to control those questions as quickly as we can as we get the answer to those.

One thing that we do not have is Superintendent Jim Helis. Actually, after the Congressional Board of Visitors, he was asked to meet with a couple of members and he is currently there with Dr. von Wyk[inaudible 00:03:42] and they are having a discussion post-Board of Visitors. Obviously the information that was reported has caused several of the members of the Board of Visitors concern, and they are directly addressing those with us as well as members of the professional staff who were in attendance at the Board of Visitors Meetings.

The background and many of the folks and the questions that I've seen is, first of all, Sea Year is incredibly important. It is the heart of the academic and the experience that the King's Point Midshipmen get in order to earn their license and also to be able to get their Bachelor's Degree. We're not trying to say that the Sea Year should end. What we are saying is we are standing down due to circumstances that are outside the Midshipmen's control, that we must effect change in order to ensure their safety and also to ensure their dignity is respected.

We have a gender survey of reports that have been taken in 2012 and 2014. That includes reports to Congress that have been done, and then those are done by the Defense Manpower & Data Center. That is the same organization that does the gender relation surveys for the other service academies. Then on the odd years, 2013 and 2015, we conduct focus groups based on the results of that gender survey. We have a current gender relations survey that's currently in progress. The majority of the class took it, or the majority of the campus took it in April, with exception of those who were on Sea Year and their schedule would have them taking it when they get back in the fall. The next report is due to Congress on the second week of January of 2017.

The question that many have been asking is, why now? The data. We've been trying to take all of the actions. A number of things came together. I think many of you are aware of the accreditation report that was done by Middle States Commission on Higher Education. It cited the climate, specifically with regard to Sea Year and sexual assault, as one of the tenets that will have to be addressed to be able to have the Academy maintain their accreditation. The Academy is under warning. Warning implies that there is confidence that the Academy can take the appropriate actions to achieve accreditation at some point in the future. It also means the Academy remains fully accredited during the period of warning.

There will be a visit by Middle States here in the very near future to explain all of the actions that are required. There will be a monitoring report that will be due on the first of March of 2017, followed by visits, and then the commission will make another decision. Again, there's two years for the Academy to be able to correct what's going on. The other areas that were cited, of the 5 areas that were deficient of 14 in the accreditation report, has to do with governance and financials and being able to restore control back to the Academy.

That brings us to the stand down that was ordered. We have been receiving information, and that information has been coming through various, I would say, reporting outlets. We've received it through our service obligation compliance. We've

received it in personal interviews with the advisory board, with the Sexual Assault Response Coordinator, with personal interviews that I've conducted with Midshipmen on the campus. What that led us to determine is that the prevalence of assault and harassment that is occurring on the ships and has been reported in the gender survey has been corroborated by a lot of this confidential information that we have received. We have been trying to provide that information to you, in terms of the egregiousness of some of the activities. Note that we are not trying to essentially denigrate the entire maritime industry. These are a couple of perpetrators that are out there, but the presence of it is so persistent that we absolutely must take action.

So we have stood down. The terminology of 'stand down' is, you take appropriate action, and then once the actions are complete you stand that activity back up. We are fully intended to do that.

As many of you know, last Friday we authorized several ships to resume Sea Year. They will officially be sent to MSC ships. Currently there are 7 2018 grads on MSC ships, and we have a plan to send 35 2018's and I believe the number is 17 from another class of 2018 who are currently on internships, will be sent to MSC within the next 3 weeks. Then we have 19 from the 19 Bravo Split, they'll be joining MSC again in the next 3 weeks.

In order to ensure that we keep Sea Year on track we are taking every opportunity to keep Sea Year clocks running. So there are 40 Midshipmen from '19 that are currently on the King's Point or in the Liberator. They are planning to return back to the Academy on or about the 22nd of July. We have 27 that will be heading to Malta, and they will be doing so to ride the state maritime academy ship from the State University of New York, Maritime College, and then they will return. 14 of those are from the class of 2018, and 13 are from 2019. We also have potential berths available aboard the Cal-Maritime ship Golden Bear, and we can send 30 out. We are currently having difficulty being able to identify a sponsor to travel with them from the faculty, and the Dean is currently working on that in order for those cadets to ship to be able to meet the Golden Bear in New York as it transits around.

Again, we're very focused on getting the Sea Days, and making sure that there is mitigated and there is very little impact on the 2018 and 2019 Midshipmen, to ensure that we're able to keep them on track for graduation.

With that, I will turn it over to Mike Rodriguez, the Deputy, and then the one thing that I will tell you is the industry has been very receptive. They are helping us, and we have been communicating with them almost a daily basis. Yesterday at midday we provided them the final draft of the actions that they will have to take, both in the short term and in the long term, to be able to restore the Sea Year on commercial ships. In order to do that, the Maritime Administration has stood up an organization and a team we refer to as the 'Shipboard Climate Compliance Team', SCCT. That group includes members from MARAD, from the Office of the Secretary of Transportation. It includes members from other activities and from the Federal Government, including Coast Guard, MSC, as well as personnel from the Academy. We have many of those who are former merchant mariners who have sailed on a

license to make sure that as we take a look at the products that are being provided and the actions being taken by the commercial industry meet a minimum threshold. I will have those be summarized by Deputy Administrator Rodriguez.

Mike?

Mike: Okay. Welcome everyone to the call! Mike Rodriguez, Deputy Maritime Administrator, class of 1979.

Before we begin I would like to mention that, along with the Midshipmen who are flying out to Malta to join the Empire State, Captain Emil Muccin [inaudible 00:12:08], a professor in marine transportation, and the class of '79 will be accompanying them. So I'm very proud of my classmate's dedication to the program and his willingness to take time away from home and accompany our Midshipmen as they begin their Sea Year.

As the Administrator mentioned, on the 13th we announced the stand down. My part in it was to contact every one of our U.S. flag shipping companies to take cadets, and all of our sea faring labor unions, every single one of them. I called the president's of the unions, the CEO's of the companies, to announce that we were standing down. They were surprised, but I would say that I did get some reaction from some that it was past due, we needed to address this, and they were happy to be of assistance. That is exactly what they have done.

In the time between the 13th and the 24th when we held our Call to Action here at the DoT headquarters, the industry got together and developed a framework on short-term and long-term measures that they will take to get Sea Year up and running and to eventually improve the climate at sea and address this issue.

Yesterday- We've been in close contact with them since the 24th, since the Call to Action. Yesterday, we finalized the short-term measures that they will take to stand Sea Year up, and I need to stress that everyone has the same goal. We want to stand back up again! The industry is supporting it. We also talked about some of those long-term measures that we'll take to improve the culture at sea over time. I think, probably, there I'll leave it. I won't get into the details yet unless I get a question on it, but I'm certainly able to share what we discussed with the companies. I think, in the interest of time, we'll begin to take questions.

Chip: If I may just jump in at this point, it will be a staggered start. The companies have been advised on what they need to submit and based on when they submit it and the time for us to complete our reviews will determine when that company will be determined to be 'Sea Year eligible'. All companies that are determined to be Sea Year eligible will be posted on MARAD websites, so everyone will know who they are. Our intention is, once we have stood the commercial industry back up, we will review the status again in 6 months and then annually thereafter. This is a long-term effort that we're going to have to participate in, and one of the areas where we absolutely have to see improvement is in reporting of events that occur both on the campus and on Sea Year to ensure.

One of the feedback that we got from the Midshipmen that I think is very important for folks to understand. When we train them at indoc, we conduct an extensive amount of time talking about human dignity and respect and standards that are expected on board on the ship. After their first sailing, they tell us that we are teaching them that a climate that does not exist, and what we are teaching is not the real world. They tell us that the climate at sea is significantly different than what they experienced at the Academy, and in many cases the Midshipmen are bringing that culture back to the campus, which clearly is one of the challenges that we need to address as well as the lack of reporting.

With that, we will open it up for questions. We have 248 that are on the line, so obviously we apologize we're not going to be able to get to everyone today. The operator will take the first question in the queue.

Speaker 1: Certainly! Ladies and gentlemen, if you'd like to ask a question, please press '#1' on your telephone keypad.

All right, thank you. Our first question will come from the line of Charles Horn. Go ahead please.

Charles: Yes. My names is Charles Horn. I have a son who is a plebe candidate, and I have read the Middle School Report and the responses, and I'm just curious, when are you going to release the specific data that was used to facilitate or rationalize this stand down? When, in your estimation, will the stand down be retracted, and when will the Midshipmen be going back out to sea?

Brian: The first answer is, the data for the sexual assault and the sexual harassment is actually provided in reports to Congress. We provide those reports in January of each year. Those reports are available, and they are on the website. We'd be happy to give you that data. That data, again, as I told you before, is the anonymous gender relations survey data that is conducted by the Defense Manpower & Data Center. They aggregate the data and then provide us the results. We provide that in a summary in the report to Congress as well as an analysis of that, and that is all in the report.

Again, what those reports will tell you is that the existence and the number of incidents of harassment, of assault, are occurring. It also tells us that we have very low reporting. In fact, we've had less than 4 total reports where we have somewhere in the vicinity of 119 to 149 females and a smaller number. That equates to about 63% of the female population and 10% of the male population are harassed or assaulted.

With regards to the stand down itself, as I just mentioned we are already sending Midshipmen out on MARAD ships and Academy ships to get their Sea Year. We also will be sending them on to MSC ships as soon as those billets are available. Again, that will happen over the next 3 weeks. We're also sending them on to State Maritime Academies to keep the clocks running. Again, we're doing that to mitigate- The

engineers require 300 days and the deck officers require 330, and we're ensuring that we're actually down into the individuals to make sure that we understand where everyone is. I mean, I can even tell you today that there are 2 2018 grads that are currently medically unfit. I mean, that's the level of detail that we are currently tracking with regards to Sea Year!

Hopefully, if your son is a candidate, that should not be affected and we should be able to be fully operational by this time next year when that candidate is actually first has to sail.

Speaker 1: Thank you. Our next question will come from Susan Mott. Go ahead please.

Susan: Hello! I'm calling you from Houston. How's everyone today?

Mike: Hello, Susan.

Susan: My question is not regarding the sexual harassment and those issues. It's more along the lines of the accreditation issues. I have great concern over that.

There is, specifically, I've looked through a lot of the information, I've read all the reports, and something caught my eye that was the current posting, actually, online to the executive officers. I have a background in all of this [inaudible 00:19:45], so I drilled down and I looked at everything and I noticed that out of all the pages and pages of information, including a request for a resume, a CV, and a completion of a questionnaire, I see the word 'maritime' mentioned one time, in all those pages.

My question, gentlemen, is that it seems to me that that kind of a background and familiarity and strength in the maritime industry should be listed and shown as a top strength for any candidate that would be joining the leadership team that's currently in place. Would you mind addressing that for me? Thank you.

Jaenichen: First of all, I will tell you that the Merchant Marine Academy is, first of all, is an academic institution. And an academic institution, there are certain requirements with regards to the leadership team in terms of the education and the background and the experience. The Academy has, through its faculty and staff, a number of licensed mariners, masters, and chief engineers to be able to run the curriculum. This, first and foremost, is an academic institution must in order to maintain the accreditation, it is important that that happen. We are evaluating whether there should be any maritime in there and there is we'll revise it, but it is, first it needs to meet all the requirements of what we consider an academic institution leader and not necessarily a maritime. That would still be the priority regardless of who we select for the position.

Speaker 1: Thank you. Our next question is from Paul White. Please go ahead.

Paul: Yes. My question is, have provisions been made for the Midshipmen of class 2018 and class of 2019 that may have been displaced by the stand down for rooming and enrollment in classes, which begin July 21st?

Jaenichen: We're intending to try to keep the class lists as they are currently engaged. Again, we typically have about 700 Midshipmen on campus at any one time as they're going through the trimester system. The Sea Year's are broken up into one short sailing about 4 months and then a longer sailing, and the second sailing between 7 and 8 months to be able to meet all the time requirements. The answer to your question is, we're looking to try to get the folks that are supposed to be on Sea Year right now, with their split, to get them back out to get the operational days. That will be our first effort, so we're not looking to have them start class here when class starts next week.

Mike: I would just add, this is Mike Rodriguez, I would add the model that we're using is the government shutdown from 2013, when we had a delay in sending our Midshipmen to sea. We don't have that situation now, so we are beginning to ramp up and look at alternatives to make sure people are getting their sea service and getting their training so we feel that, at this time, we'll be able to meet the calendar and have people coming and going at the right times.

Jaenichen: That doesn't mean that we're going to get everybody all their required days on this current sailing that ends at the end of October and November for some of them. But we're going to try to mitigate that as much as possible. For the class of 2018 and 2019 there may be some modifications. We have this every year, where we have to have Midshipmen that do weekends on the King's Pointer or other break periods to be able to finish up their days or to get a certain endorsement, such as steam, to be able to make sure that they have all the requirements.

Speaker 1: Thank you, and we'll go next to David Lindeman. Please go ahead.

David: Good afternoon, gentlemen! This question is for Administrator Jaenichen. Mr. Jaenichen, if I were a shipping company executive and not on the short list of U.S. flagged vessels taking subsidy, I would be tempted to tell MARAD to take the ship billets elsewhere in the future. I mean, why would I, as a commercial operator, want to accept increased legal risks in any case? Isn't MARAD concerned that either intentionally or unintentionally they will be sidelining commercial shipping from the Academy Sea Year program?

Chip: Thank you for the question. I will tell you the industry proposal that we've received includes 14 companies. Not all of those companies are the maritime security program ships, which are required to carry Midshipmen as part of their contractual agreement. Also have several other companies that, the leading company of which is Crowley which is a Jones Act [inaudible 00:24:39] carrier, and they are at the forefront.

The advantage for the companies is, by having Midshipmen on board for training as cadets they get a chance to see these young men and women before they actually have to hire them, so it actually is a benefit to them. Right now, we're not seeing that. The companies have been very supportive, they've come with a plan. We recognize that concern. We had the same concern, but we're not seeing it. Thank you for the question!

Speaker 1: Thank you. Our next question is from Nicholas Grippo. Go ahead please.

Nicholas: Good afternoon, gentlemen! I'm Nicholas Grippo, class of 2014. In the beginning of the call you guys stated that Midshipmen will be getting on the MSC ships as soon as those billets are available. What makes the MSC's any different than putting them on other commercial ships?

Jaenichen: Thank you for that question. The primary difference, and we're putting them on MSC ships that are the Federal-owned ships not the commercially chartered ships that have contract mariners on. They will go through the same process for certification through the companies that do the ship management. The real difference there is the department of defense has a very robust sexual assault and response program. All of their mariners and their civilian mariners are required, as well as their other military crew members that may be on board those vessels, are required to do training. They have a very robust program.

The Military Sealift Commander, Admiral T.K. Shannon, has personally addressed this with all of his ships and has provided additional guidance. And we are satisfied that as a DOD partner they have taken the actions, and we are satisfied with where they are, on Federal ships only, not on the commercial chartered ships that MSC has today.

Mike: I would add, Mike Rodriguez once again, that at our Call to Action we had Brigadier General Camille Nichols, who is the sexual assault prevention and response officer for the entire Department of Defense. She was very enthusiastic about coming and contributing to our meeting. We also had Captain Marks, from Fleet Forces Command, who does the same job at that level. Fleet Forces Command is a superior command for Military Sealift Command, so we have good participation from big DOD and from Fleet Forces. I would also add that we had Vice Admiral Stosz from the Coast Guard address the group and, as I say, very enthusiastically supported our meeting.

Speaker 1: Thank you. Our next question is from Fred Monsley. Go ahead please. (27:28)

Fred: Great, thank you. I have a son, class of 2018 and one of 2020, so it's very interesting to me how these things play out, both short term and long term. With that being said, what I'm interested in knowing about are the short-term and long-term changes that are being requested or being made right now, and are the individuals who are making them, have they been out to sea and do they have a good history of knowing really what happens at sea?

Jaenichen: Let me just talk about the fact that the original plan actually came from the industry. This was provided to us, and we have reviewed it in consultation with others within the department. We've made some minor modifications, but I would say that 80% of this came directly from the industry in terms of the appropriate actions to take. As we talked about earlier, we set up a Shipboard Climate Compliance Team that is going to be doing the review. That team includes King's Point graduates, State Maritime graduates, the Deputy Maritime Administrator. We also include Coast Guard and other Federal partners who are sailing, including MSC, obviously who have experience recognizing that the Military Sealift Command, MSC, is the number one hirer of King's

Point graduates as soon as they complete their licensing and their graduation requirements.

The bottom line is that those things are going to be a standard. Immediate actions, they have to make sure that there's a CEO-level direction to make sure that this is a heightened awareness. They have to complete training. It will be an annual training thereafter. We are going to standardize it to make sure that there are consistency in the policies across all of the ships under the U.S. flag as it relates to sexual assault, fraternization, sexual harassment, and other inappropriate behaviors. There will be zero tolerance. That fraternization policy will be followed by a policy at the Academy, such that there is no fraternization between the crew and a Midshipmen on board as a cadet. That includes on the shore, not just on the ship, meaning that there is no consensual relations at all.

The most important thing that we're going to be doing is to assign mentors on board the ship. They will have criteria that's established by the companies to make sure that the right ones are selected. That is who the Midshipmen would report to, and essentially would be their mentor throughout their time. Then lastly, there will be a post-debrief of their time which will be done by the company. That will be then compared with the surveys that we're doing at the Academy when they return at the end of Sea Year, to combine those two.

Longer term, we're looking at actions to be able to identify 'best practices' and make sure that we have some continuous improvement. We recognize that the culture is not going to change overnight. What we've got to do is make sure that there's third party reporting when actions occur and to make sure that the right things are happening. And more importantly, as I mentioned in the opening remarks, we've got to get the reporting of these incidents up. We're relying on the Midshipmen to do that.

The biggest concern we have, the Midshipmen tell us, is being retaliated against by their classmates and other folks there at the Academy. It's being ostracized and singled out, and the thing that they are most concerned about is being black-balled in the industry and not being able to sail afterwards. We're trying to get at the heart of those and to make sure that if those things are happening we're taking appropriate actions and that those who are doing it- We're not trying to, like I said, denigrate the entire merchant marine. These are, the majority of the merchant mariners that are out there are working hard. They're doing their job. This is a number of folks who are taking advantage of being far away from land, out of communications, and they take advantage of the fact that there's not very many people on the ship and are doing things that, quite frankly, we would not accept in the workplace.

Rodriguez: I would add that we've talked about some of the measures, short-term and long-term, that we've been discussing with the companies, and I know that there are a lot of parents on the call. It's our Midshipmen who are there at the Academy now who will bring this issue and the solution to it forward as they go into our industry, so it's important that the actions that we're taking now also convey to our young people that this is an important issue. It has to be addressed. The status quo can't continue!

They're the ones who are going to take this issue forward as they move in to our industry into the future.

We need them in our industry. We need their youth. We need their vigor. We need their ideas. We also need them to take this issue seriously.

Speaker 1: Thank you. Our next question is from Colonel Rick Fields. Please go ahead.

Rick: Good afternoon! I'm Rick Fields. I live in Vancouver, Washington. I have a son that graduated from the Academy in 2015, and moreover back in Desert Storm period of time I was in Military Sealift Command on my joint assignment and was ultimately the Chief of Staff of Military Sealift Command throughout Desert Storm. I'm ultimately quite familiar with the King's Point hiring feature at MSC, however I cannot believe that all of a sudden there's something happened between the 8th of March and the 16th of June that changed some of the focus of what we're really talking about. I can't imagine that sexual harassment or sexual misconduct is escalating or any worse than it has been in the past that they normally solved from strong leadership at the unit level.

Moreover I would like to ask the, is there some influence here or is there something being thrown into this to fund, I know there's a request for \$300 million for one ship to go to a state school. You know, state school ships are fine, but they certainly don't perform real-world missions like MSC ships and the commercial ships that these cadets have been going on for years. How much influence has that funding issue on the accreditation and the stand down?

Jaenichen: Okay, let me try to see if I can address a number of questions. First, we're using the State Maritime Academy ships solely to keep the clocks running. This is a mitigation measure which is not going to be the norm. The recapitalization of the State Maritime Academy ships is a separate issue. It is not at all related to what we're doing here, so I don't want to conflate the two. With regard to what has happened, we've had 4 years of reporting, anonymous surveys, focus groups that have done by DMDC as I highlighted. We've had very, very low reporting, and over the course of the last 4 months we've had personal interviews and the information just keeps coming out. And we got to the point where it was just so overwhelming and significant.

Initially we were looking at trying to do this in conjunction with Sea Year and try to take the actions that we're taking now with the industry, but we got to the point where we likened it to trying to repair a car going 60 miles an hour. Not possible, not safe. We decided to stop, stand down, to be able to do that. I will tell you, the amount of information that we've received since the stand down occurred has been overwhelming where folks are telling us new information that we didn't even have and it is as egregious as or even more egregious than the information we had to compare.

Again, it is not happening to every one of our Midshipmen. It is happening to a few, and those few- But the numbers stack up. The surveys tell us that 50% of the assaults occur at sea in the report from 2012 and 40% of the assaults occur on the report in

2014 and we're in process of taking that gender relations survey right now, and the majority of the Midshipmen at the Academy took it in April. That tells us, with only 1 year of the 4 year experience, that that is a significant number of things that are occurring on board the ship during Sea Year and so we had to take action. Hopefully that responds to your question, but thank you for your service and also thank you for your time at Military Sealift Command. It's an important component to be able to help us globally project and to be able to sustain our forces worldwide.

Speaker 1: Thank you. Our next question will come from Marshall Ainley. Please go ahead.

Marshall: This is Marshall Ainley, President of MEBA. I'm also an '82 graduate from King's Point. Chip, I'd like you to elaborate a little bit more on how the reporting will satisfy MARAD and what you're going to see between anonymous reporting and actual reporting that's going to satisfy MARAD in getting people back on board and keeping them on board.

Jaenichen: Well, the reporting itself is not going to be a requirement to restart Sea Year. It's going to be awareness on board the vessels. It's going to be the policies to ensure that they're trained. It's the assignment of the proper mentors to ensure the right thing has happened. It's the holding the Masters and the Chief Engineers accountable for the training, and it has to be done within a certain periodicity if it hasn't been trained before some of the crew members come on board. The CEO has to send a message directing that this is going to be a zero tolerance priority for the company.

Those are the things that are going to be the immediate actions to be able to restore it, and we're going to evaluate all those things. Then the longer term actions will be to establish metrics. One of the things that we absolutely want to see is we want to see the reporting go up so that we can take the right action so that we can start to weed it out of the industry. That's our goal right away. There's not going to be a metric stand at the beginning, but thank you for the question Marshall.

Speaker 1: Thank you, and our next question comes from James O'Connell. Go ahead please.

James: Hi! I'll just keep mine brief, or as brief as I can.

There's a wealth of information of experiences and unreported assaults and harassment that the alumni and mariners can provide. People who were assaulted who are now looking to come forward. I do strongly disagree with the stance of the Colonel in Vancouver who spoke. There are many problems with incidents in the industry, and this conversation and action is long overdue. How, after this meeting ends, can we reach people and encourage them to report their experiences? Specifically, alumni who've graduated who did not have the opportunity or feel comfortable enough to report.

Jaenichen: James, thank you for that, and also more importantly thank you for the long letter than you had that I think was posted on the AAF website. That was probably much better spoken, and I think you got to the heart of the issue of what's happening. That

was the same information that we were using as we directed the stand down, and you couldn't have said it better for us. We appreciate the fact that you did that.

What we have done, and we've already had a number of recent graduates that have reached out to Tamara Jell. She is the sexual assault response coordinator. We are in the process of hiring an assistant, and we were getting some of the information now but we would strongly encourage former graduates to reach out and to let her know, but more importantly we want to make sure that they're getting the care that they need.

We do have a recent graduate that is receiving treatment now, but a very significant impact on her. She was sexually assaulted not only during Sea Year but within the first year of her job after graduation. That is just not a situation that we can allow to continue, and we're getting those reports but we'll take those reports and we prefer that they go to the right person so that they're, again, confidentiality is very important to us. We want to try, if they want to stay confidential they can, but the more information we have on these issues is helpful for us to be able to take the appropriate actions to weed it out of the industry.

Rodriguez: I'd like to add that, many on the call may not know that from 1997 to 2001 I was an ATR at the Academy. I'm reluctant to share this, but I think it's important. I dealt with this issue back in those years, where we had an egregious sexual assault between two Midshipmen. It happened before my tenure there, but we had poor policy in place. We didn't have a way to deal with this. We've come so far! We have a long way to go, but we've come so far in terms of raising awareness and doing the surveys and addressing the issue. The leadership at the Academy is addressing the issue now. What I had to manage, or what we had to manage in those days, nobody should have to go through that again. Taking a call from a parent, a concerned parent, someone- I can recall the anguish and the worry for her son that I had to help her through.

People, you've got to believe, the whole King's Point community has to believe and be aware that this is an issue, and it has to be addressed. It has to be addressed boldly in just the way that we're doing it. We have many partners going forward, so we're confident that we'll be standing up again and moving on, but we all have to understand that this happens and it's a problem that needs our full attention immediately.

Next question.

Speaker 1: Thank you. Our next question is from Samuel Lane. Please go ahead.

Samuel: Hello, and thank you for taking my question. I'd also like to unequivocally disagree with the Colonel's stance on sexual assault in the DOD. I spent some time as an investigative specialist within the inspector general community of the DOD, and I can affirm that fear of retaliation is one of the main things that keeps people from coming forward. I'd like to hear your response to those who equate rape and harassment underway to saying bad words and having water squirted on them, or that it's just the real world and must be gotten used to and that it "toughens people up".

Jaenichen: We have heard that numerous times, and quite frankly the fact that that is how victim's are treated by their peers or by others in our Academy community is egregious and should not be tolerated. The third party aspect of this is very important, I can't overemphasize that enough. This is one of those ones where you cannot allow that to happen on your watch, on your ship. It doesn't matter where you are. I mean, this is about human dignity and respect! We have a number of folks that have certainly crossed the line, and to hold the victim responsible for that is, I think, is pretty unconscionable.

Speaker 1: Thank you, and next we have Bill Viskovich. Go ahead, please.

Bill: Hello! This is Bill Viscovich, can you hear me?

Brian: Yes, we can. Thank you.

Bill: Okay. My son is a 2019B, and first of all I want to compliment the school. I've been more and more impressed with the school every day since my son entered the class, however I do have one question. Obviously, he's very affected by the stand down, but number one, as a lawyer and as a judge, sexual assault speaks for itself. It cannot be tolerated in any way, shape, or form. I would ask, have any of the perpetrators been punished? Or have they been stood down, for want of a better term, as opposed to standing down the whole class that needs the Sea Days? Number two, how is sexual harassment defined? Because none of it is acceptable, but there are different levels of sexual harassment and has any other Academy that's faced this issue or any other academic institution that's faced this issue shut down a whole academic program in response?

Jaenichen: Okay. Let me talk to your questions, first. The first question had to do with the perpetrators. Where the perpetrators have been reported- We have two types of reports at the Academy. The first is what is called a 'restricted report'. The restricted report just ensures that the victim gets the required care and counseling and all of those things that are required. There is not an investigation that occurs into the incident, it's we just ensure we are taking care of the victim whether that be male or female.

On the 'unrestricted report', that happens and as soon as the unrestricted report is made there is an investigation that starts immediately. The jurisdiction for the Merchant Marine Academy is that it happens on the campus it is actually with the Office of the Inspector General. There's an office up in New York to be able to support that, and an investigation will either be done by there or law enforcement. In the cases where that has occurred, the perpetrators have been dealt with and the consequences, in some cases, have been severe. Most recently, there was a case where a Midshipmen ended up being dis-enrolled just months prior to his graduation as a result of an event that occurred.

With regard to the second part of the question, we are trying to ensure that we keep everything on track and to have Midshipmen out there. We want to ensure that the

environment is conducive, and we're trying to get to a condition where we can do that. We are not going to fix the problem immediately. What we're going to do is heighten the awareness to make sure that we can get the third party reporting, and then make sure that we weed it out through the reporting mechanism that we have.

Currently, in the '19B split, unfortunately there are 30 members of that split that are currently not assigned and we're working very aggressively to get them assigned to ships to get their Sea Day clocks running. Again, this was not intended to punish the Midshipmen that are in the classes that are affected by the sailing. This is an issue where it's about the safety about the entire class, and not just a few that can't go to sea. We're working this very quickly. You know, some of you would say we're not working it quickly enough, but we're going to do it the right way. That's how egregious this is.

Speaker 1: Thank you. We'll go next to Pepper Kostecki [inaudible 00:47:47]. Please go ahead.

Heather: I believe it's Heather Kostecki[inaudible 00:47:54]? Is that my turn?

Speaker 1: Oh, I apologize. They had your name wrong on the list.

Heather: That's no problem! Pepper's kinda cool. I'm a class of '93 graduate, married to a class of '92 graduate, and the sister of a '90 graduate. Now I have a 2020 student. I also work culture, respect, diversity, inclusion, sexual assault issues for the Coast Guard for the last 25 years, so I for one am very pleased with the steps that are being taken. I think people don't want to see some things, but I'm glad that finally people are opening their eyes. We're seeing conversations on the various women's boards and so forth that are just very proud of all the steps you're taking, but my question is more on the accreditation issue.

I'm noticed that the diversity amongst the female candidates and students seems to be pretty broad, and a pretty good diversity for race and culture, but looking at just, and obviously I'm just looking at photos, there doesn't seem to be a very good diversity amongst the males. Can you comment on that?

Jaenichen: Are you talking about diversity from a standpoint of minorities?

Heather: Correct.

Jaenichen: Well, one thing that I will tell you that we do is we do look at increasing the diversity. We've been very aggressive over the last 3 years, in fact we've been able to significantly increase the gender. We have not been satisfied with the results that we have on the minority side, but we're continuing to work it. You know, the challenge that we have is we just don't have that many minorities on the male side applying. Again, we're drawing from a pool of very qualified applicants and we're trying to make sure, but the SAT scores, the accomplishments in high school and the level of diversity we've been able to achieve has gone up every year. We do need to work on the minority aspect, and we appreciate you highlighting that, because that is an area of focus for us.

Rodriguez: I would add that the Senate, a bill in the Senate right now, the Maritime Administration Enhancement Act, would raise the number of our non-competitive appointments from 40 to 50. And that would help us address the issue.

Speaker 1: Thank you. Our next question is from Jonathan Rhinebold. Please, go ahead.

Jonathan: Yes, sir. Being a planner, I know that deadlines have implications. What are the options should the companies not make any deadlines that would impact the students graduation dates? Are you going to push dates? Are you going to ask for legislative relief? What is the long-term vision on this should the companies not make the deadline?

Jaenichen: Well, first of all, in the conversations, and I'll defer to the Deputy who's been having conversations with them all, the companies are taking this very seriously and they're going to be very aggressive. We anticipate that we'll have the majority of the material from most of the companies fairly quickly. We have agreed with the companies that are in the maritime security program who are required to carry Midshipmen that we'll prioritize those ships to get those companies restarted if they're in the queue. And again, right now we're not seeing a delay by the companies. There may be some iterative process going back and forth, since we do know that there are going to be some differences between the companies' policies, and in some cases we may accept a policy and then we'll provide them information and it will make it longer term. But the bottom line is that we're not seeing it, and I'll defer to the Deputy Administrator.

Mike: Right. As I tried to highlight in my opening remarks, and I'll be very brief here knowing that we're coming to the end, we're getting good cooperation from the companies. We have not given them a deadline. Ultimately, the solution to this issue has to come from them, so we have a commitment that they'll work to get their packages in and we are, amongst us at the administration and the SCCT, we're committed to receiving those packages and moving them along as quickly as we can.

Speaker 1: Thank you, and due to time constraints, our final question will come from Thomas Wesley. Go ahead, please.

Thomas: Good afternoon, gentlemen. I think we've covered a lot of ground here. I think we've probably spoken, through my committee and myself, through scores of parents. I think it's probably safe to say that we don't share MARAD's sense of outrage, however we are with regard to certainly share a sense of outrage in regard to the SASH, not so much with your stand down progress at this point. You've heard a lot of concerns about the stand down, accreditation, and we haven't heard much about the state training ships with regard to their sexual harassment records. I would ask you one question, and I know we're out of time.

With the 14 or more companies that are now engaged with you in this conversation surely one of them, it stands to reason, must be out in front of some of the others. When do you expect the first of the staggered commercial companies to be approved

for release for Midshipmen? Is there, in your heart of hearts, where do you think it's going to be? Is it one week? Is it one month? Is it one year?

Jaenichen: Tom, thanks for the question. I know you and I have had several conversations, and you've talked with Mike Rodriguez as well. In my heart of hearts I will tell you, we do have some companies that are well out in front of others. They've taken a hard lead on this. I anticipate that we'll have their information very quickly, and I would say it's more in a matter of weeks and not months or years.

Moderator: All right, so I think we're out of time here, so I just wanted to say thank you to everyone.

Brian: Yeah, given that the amount of interest, I'm going to propose and unfortunately the Admiral is also on the Hill with Representative Walorski[inaudible 00:54:22], and is not back yet. He intended to be here, so we will probably need to schedule another one of these, and I'll work with the Academy to see if we can schedule, because there's obviously a lot of interest. Again, we're not interested in rehashing old ground. We'd like to try to make sure we can answer all the questions. We are where we are, and whether or not there is people agree with the sense of whether this is the right thing to do or not, it was a call that had to be made. We believe it's the right call, and again there are always two sides to, in terms of position you're going to on. Should we do it, should we not do it? We are just as concerned as the parent and the Midshipmen are to make sure that they can graduate. The industry wants them! They're doing everything they can do get there, but we've also got to change the culture in the industry.

This is not just about Midshipmen. I want to highlight that point. This is about the industry that they are going to go to after graduation, and we want to make it. You know, we keep asking ourselves why Midshipmen are not staying in the industry for very long after they complete their service obligation. This is probably one of the reasons why, and so we need to make sure that we keep the talent and recognize that when these Midshipmen graduate they are now part of the solution and we need their help. Not just when they're on Sea Year, but also when they get to the U.S. flag fleet upon doing their service obligation and graduation.

We'll do this again, and we'll get it scheduled, and we'll work with the Merchant Marine Academy team to do that. I thank you for your time today, and also your interest.

Speaker 1: Thank you! Ladies and gentlemen, that does conclude our conference board today. Thank you for your participation and choosing AT&T executive teleconference!