



West Coast Sailors

Official Organ of the Sailors' Union of the Pacific

Volume LXXIX No. 4



SAN FRANCISCO, CALIFORNIA

Friday, April 22, 2016

Seagoing maritime labor testifies on how federal programs and policies can strengthen U.S.-flag merchant marine

On April 20, the SUP, MFOW, SIU, MEBA, MM&P and AMO submitted testimony to the Subcommittee on Surface Transportation and Merchant Marine Infrastructure, Safety and Security of the Senate Committee on Commerce, Science and Transportation.

The Subcommittee is chaired by Senator Deb Fischer (R-Nebraska). The Ranking Member is Senator Cory Booker (D-New Jersey). The other members of the Subcommittee are Senators Robert Wicker (R-Mississippi), Roy Blunt (R-Missouri), Kelly Ayotte (R-New Hampshire), Jerry Moran (R-Kansas), Dan Sullivan (R-Alaska), Ron Johnson (R-Wisconsin), Dean Heller (R-Nevada), Steve Daines (R-Montana), Maria Cantwell (D-Washington), Claire McCaskill (D-Missouri), Amy Klobuchar (D-Minnesota), Richard Blumenthal (D-Connecticut), Brian Schatz (D-Hawaii), Edward Markey (D-Massachusetts) and Tom Udall (D-New Mexico).

Presenting the Union testimony was Klaus Luhta, Chief of Staff to MM&P President Don Marcus.

"Our organizations proudly represent the seafaring men and women who continue the

tradition of American mariners since the founding of our Nation to sail into harm's way whenever and wherever needed by our country in order to support and supply our military overseas. It is these same American mariners who ensure that America's foreign and domestic seaborne trade, upon which our economy is based, is not exclusively dependent upon foreign nationals.

The continued operation of the U.S.-flag foreign trade fleet, and the development, implementation and funding of the programs that support our fleet, enhance its economic viability, increase its ability to compete for a larger share of America's foreign trade and ensure its ability to continue to serve as our Nation's fourth arm of defense are extremely important to the jobs of the men and women our labor organizations represent. Consequently, we are extremely pleased that this hearing is being held and we thank you, Madam Chairman, Ranking Member Booker and your Subcommittee for the opportunity to participate in these hearing and to express our views on how Federal policy and programs can further strengthen and enhance the performance of the U.S.-flag maritime industry.

"In Peace and War" is the motto of the U.S. Merchant Marine. The critical need for our industry has been recognized during every international crisis in our Nation's history. In 1992, General Colin Powell, then-Chairman of the Joint Chiefs of Staff stated: "Fifty years ago, U.S. merchant vessels ... were battling the frigid seas of the North Atlantic to provide the lifeline to our allies in Europe. The sacrifice of those mariners was essential to keeping us in the war until we could go on the offensive ... In World War II, enemy attacks sank more than 700 U.S.-flag vessels and claimed the lives of more than 6,000 civilian seafarers ..."

More recently, in 2008, Major General Kathleen Gainey,

Commander, U.S. Military and Surface Deployment and Distribution Command, stated that "The merchant marine has always been there beside us ... There is no amount of thanks that I could give you, because I am here to tell you, having deployed twice, I know how critical it is that equipment and those supplies are delivered on time ... You are the fourth arm of defense and you are critical to this Nation."

Finally, in May, 2015, Rear Admiral Thomas Shannon, Commander, Military Sealift Command, made clear the continued need for a U.S.-flag merchant marine and its American crews to ensure the military security of our Nation. As stated by Admiral Shannon: "It is our U.S.-flag merchant fleet and our mariners that ensure that our soldiers, sailors, airmen and marines are supplied. From Inchon to Iraq, our mariners and our maritime industry delivered ... Let us not as a Nation sign away our remaining sealift capacity to non-U.S.-flagged fleets sailed by non-U.S. mariners."

Nevertheless, despite the repeated expressions from leaders in the Department of Defense (DOD) that our Nation needs a U.S.-flag merchant marine, the privately-owned U.S.-flag merchant marine has, in recent years, declined, threatening the ability of our Nation to provide the commercial sealift capability and U.S.-citizen mariners that DOD requires. In March, 2016, this Subcommittee received testimony from Maritime Administrator Paul Jaenichen on the state of our industry. He pointed out that the number of vessels in the U.S.-flag foreign trade fleet declined from 106 vessels in 2011 to 78 vessels at the end of February, 2016. The reduction in vessels and the loss of the associated seafaring billets for American mariners result in a reduction in the pool of available mariners to meet DOD requirements. As further stated by Administrator Jaenichen,

there are approximately 11,230 qualified American mariners available to crew commercial or government-owned sealift ships. He cautioned that in the event of a prolonged activation of Maritime Administration and Military Sealift Command vessels, an additional 3,200 mariners would be needed.

It must be emphasized that it takes many years for an individual to gain the experience and sea-time necessary to obtain U.S. Coast Guard-issued licenses and credentials. Our country and our industry will not be able to recover overnight from the continued downsizing of our fleet and the outsourcing of American maritime jobs when the call goes out for mariners to once again respond to our Nation's call. Young people will not be encouraged to enter an industry that is ignored or abandoned by policy-makers and that promises no realistic future for employment.

Rather, the government, U.S.-flag shipping companies and America's maritime labor organizations should continue to work together, as we did last year to address issues surrounding the Maritime Security Program, to modify and enhance existing programs and to create new programs and opportunities that will increase the number of vessels operating under the U.S.-flag, the amount of cargo carried aboard U.S.-flag vessels, and the shipboard employment opportunities for American licensed and unlicensed merchant mariners. To be available when needed in time of war or other international emergency, the U.S.-flag merchant marine must be supported during time of peace. To ensure that the Department of Defense has the commercial sealift capability and American mariners it needs whenever and wherever needed, U.S.-flag vessels and their U.S. citizen crews must be actively engaged in the carriage of cargoes.

The development of meaningful, realistic maritime policies and programs must be accompanied by a reaffirmation from both

Congress and the Administration that our country must have a strong, viable and competitive U.S.-flag merchant marine owned and operated by American citizens and crewed by American licensed and unlicensed merchant mariners in order to meet the economic, military and homeland security requirements of our Nation. Without this reaffirmation, and without a clear commitment that the government will work diligently to achieve this objective, we will continue to lack the coordinated approach to a national maritime policy our industry needs. Consequently, we again offer our appreciation to you, Madam Chairman, to Ranking Member Booker and the Members of your Subcommittee for taking the initiative to schedule this series of hearings and your willingness to examine ways in which Federal programs and policies can enhance the performance of the U.S.-flag merchant marine.

MARITIME SECURITY PROGRAM

One of the key components of American maritime policy is the Maritime Security Program. This program authorizes a maritime security fleet of 60 privately-owned, militarily-useful U.S.-flag commercial vessels that is supported by an annual stipend intended to help offset the cost of operating under the United States-flag.

The Maritime Security Program (MSP) is a unique government-private shipping industry partnership that gives the Department of Defense (DOD) the commercial sealift capability it needs while saving the American taxpayer the billions of dollars it would take for DOD to develop and maintain this capability itself. Developed under President George H.W. Bush, and first implemented under President Bill Clinton, full funding for MSP has been supported by each President and Congress since 1996.

Since 2009, privately-owned U.S.-flag commercial vessels and

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Periodicals postage paid at San Francisco, CA (USPS 675-180)



SUP Honor Roll

Voluntary contributions from the membership to the following funds:

Organization/General Fund

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Ponciano Siquinia.....	50.00

West Coast Sailors

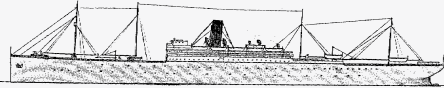
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Casino ship turns into prison ship for crew

A casino ship detained in Hong Kong has been called a “prison” by one of 46 crew members stuck on board without pay, reports the *South China Morning Post*.

The crew of the *New Imperial Star* had planned to apply for legal aid and take the shipowner to court in Hong Kong over unpaid wages. Arising International Holdings Limited has been accused of failing to pay the crew’s wages, ranging from \$1,300 to over \$6,500 per month, for at least five months. Some have been on board for over a year. A crew member who wished to remain anonymous told the Post “the ship is really a prison.” He said many crew members, 20 from the Ukraine, 18 from Myanmar and eight from China, want to go home, but the shipowner has failed to pay their wages or airfare.

Those on board have complained about poor air quality, substandard food and inadequate medical care.

The ship has been detained in local waters, one mile off Kai Tak Cruise Terminal, since November 5 after failing a Port State Control inspection as a result of an inadequate safety management system.

The vessel started operating out of Hong Kong in September last year. It was built in 1979 and is registered in Palau.

The International Transport Workers Federation and The Mission to Seafarers have been assisting the crew, and an owner representative has reportedly promised to pay the wages after the ship is allowed to set sail again.

Final Departures

George Gonzalez, Book No. 2906. Born in California in 1926. Joined SUP in 1944. Died in Livermore, California, March 4, 2016. (Pensioner)

Gordon Abbott, Book No. 3785. Born in North Dakota in 1929. Joined SUP in 1963. Died in California, March 11, 2016. (Pensioner)

Angelo Rossano, Book No. 3061. Born in New York in 1928. Joined SUP in 1945. Died March 12, 2016. (Pensioner)

Dean Smith, Book No. 7449. Born in Oregon in 1939. Joined SUP in 1966. Died in Dayton, Nevada, March 20, 2016. (Pensioner)

Inti Sternbach, Book No. 7509. Born in Ecuador in 1938. Joined SUP in 1985. Died February 22, 2016. (Pensioner)

John Srbic, Book No. 7246. Born in Ohio in 1916. Joined SUP in 1947. Died in South San Francisco, California, March 25, 2016. (Pensioner)

SUP Meetings			
These are the dates for the regularly scheduled SUP meetings in 2016:			
	Hdq.	Branch	
May		9	16
June	Tues.	14	20
July		11	18
August		8	15
September		12	19
October	Tues.	11	17
November		14	21
December		12	19

Former MM&P President Tim Brown crosses the bar

Captain Timothy A. Brown, 73, who led the Masters, Mates & Pilots as International President for 21 years before retiring at the end of 2012, died on April 10.



TIM BROWN

Generous, thoughtful and open-hearted, Tim was also a fierce defender of the working conditions of MM&P members and an adroit negotiator on their behalf.

Brown joined Masters, Mate & Pilots in August of 1965 and served during the Vietnam War.

His first MM&P vessel was the *SS Fruitvale Hills*. He sailed as deck cadet on the *SS Del Oro* for Delta Steamship Lines. He first sailed as master aboard the *Sealand Consumer* for Sealand Service Inc. in 1983. His last command as master was aboard the same vessel in 1991.

Brown gained MM&P office in 1991 as an insurgent candidate in a badly fractured organization. After six terms at the helm, he left a legacy of stability, integrity and pride to the membership of the Masters, Mates & Pilots.

SUP President Gunnar Lundeborg said that “Tim restored the bonds of solidarity between the SUP and MM&P that were very slack prior to his election. Tim’s wisdom and wit will be missed.”

Brown retired as MM&P President on January 1, 2013. In March of that year, he was named a Commodore of the U.S. Maritime Service by order of President Barack Obama. Brown was named President Emeritus of Masters, Mates & Pilots by Delegates to the 84th MM&P Convention.

“Tim brought stability and respect to our organization,” said MM&P President Don Marcus. “His achievements have laid a foundation of unity and professionalism on which the membership of our union can build going forward. We are so proud of what Tim gave to our brothers and our sisters, proud of what he achieved for the industry.”

Push for more funding for L.A./Long Beach port complex moves forward in Congress

A port funding request that could provide revenues for dredging as the Los Angeles/Long Beach port complex prepares for the new megaships moved forward this month when the House Committee on Appropriations included it in a draft bill.

Congresswoman Janice Hahn’s request for \$1.26 billion –which, if eventually approved, would be divvied up among all the nation’s ports– was included in the preliminary version of the 2017 Energy and Water Appropriations bill. The money would go into the Harbor Maintenance Trust Fund, which is used to pay for critical infrastructure projects at the nation’s ports.

While part of a long budgetary process, the inclusion in the draft bill keeps alive the possibility of additional revenue for the ports next year.

“This is yet another victory for ports and the future of the U.S. economy,” Hahn said in a statement. “This funding will go toward important dredging and maintenance projects and will be critical in ensuring our ports are prepared to handle the megaships of the future.”

While the funding remains only in a request stage and is preliminary, Port of Los Angeles Executive Director Gene Seroka said the additional revenue would help keep the port competitive in a global industry that is fast changing. Among those changes are megaships that often require infrastructure accommodations, including channel dredging, due to their enormous size.

Hahn, who represents the Los Angeles Harbor in Congress, has complained in the past that larger ports paid the most into the Harbor Maintenance Trust Fund but did not get a comparable amount back. Hahn’s request “brings us closer to a more equitable distribution of (Harbor Maintenance Tax) funding,” Seroka said.

In 2014, Hahn led an effort to set annual targets for harbor maintenance appropriations increases leading toward full usage of the Harbor Maintenance Tax revenue by 2025.

SUPPORT THE SUP POLITICAL FUND

West Coast Sailors

Published monthly by the Sailors Union of the Pacific (an affiliate of the Seafarers International Union of North America, AFL-CIO), Headquarters, 450 Harrison St., San Francisco, CA 94105. Phone: 415-777-3400. FAX: 415-777-5088. Dispatcher: 415-777-3616. Website: www.sailors.org. Periodicals’ postage paid at San Francisco. (USPS 675-180). Printed by Commerce Printing Co., a Union shop. POSTMASTER: Send address changes to West Coast Sailors, 450 Harrison St., San Francisco, CA 94105.

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Congress: Resist Jones Act changes in Puerto Rico

The head of the principal trade groups for the tug and barge and domestic shipping industry asked Congress to resist calls for changes to the Jones Act, which requires vessels engaged in domestic shipping to be built and registered in the United States, be owned by U.S. citizens, and to employ American seafarers.

Thomas A. Allegretti, the President and Chief Executive Officer of the American Waterways Operators and Chairman of a Jones Act advocacy group the American Maritime Partnership (which the SUP is a member) this month, asked members of the Subcommittee on Coast Guard and Maritime Transportation of the Committee on Transportation and Infrastructure to actively support the Jones Act and to “strongly oppose inclusion of measures to weaken the law and legislation that may originate in other committees.”

He said the law is critical to economic and national security and provides many good, family jobs.

Critics who say the law will help reduce the cost of gasoline or that repeal will solve Puerto Rico’s economic woes are wrong, he said.

Repeal, he contended, would destroy the American maritime industry.

In written testimony, Allegretti he wrote “Jones Act transportation costs contribute less than one-tenth of one cent to the nationwide average cost of a gallon of gasoline.”

He also called “absurd” a call by the right-wing Heritage Foundation to exempt Puerto Rico from the Jones Act “the single most important step Congress can take toward enabling economic growth in Puerto Rico.”

Allegretti said he was concerned about provisions dealing with the Jones Act might be included in a Puerto Rico relief bill.

He argued Puerto Rico benefits from “the most reliable service and lowest shipping rates in the Caribbean because of the unique efficiencies built into the maritime and logistics network between the island and the U.S. mainland” and noted the investments U.S. shipping companies like Tote and Crowley are making in the trade.

But Congressman Mark Sanford (R-South Carolina), a long-time foe of the Jones Act, said that 30 of 46 ships in the ready reserve fleet are not built in the U.S. asked if using foreign flag built was okay for the military why it was not acceptable for domestic shipping,

Sanford also cited a Government Accountability Office (GAO) report that he said showed it was twice as expensive to ship containerized cargo to the Dominican Republic than to ship to Puerto Rico. He said the Puerto Rico farm bureau has aid farmers and ranchers in the commonwealth were sourcing fertilizer and animal feed from overseas instead of the United States because of high transportation costs. He also referred to a report that shipping cargo to Hawai’i from Los Angeles can be as much as 10 times more expensive as shipping cargo from Los Angeles to China.

But Allegretti said GAO was not able to reach firm conclusions about cost differentials, saying comparisons between the cost of moving cargo on foreign-flag ships and those subject to the Jones Act were an “apples to oranges” comparison in part because of societal norms in the U.S. and other countries.

Congressman Duncan Hunter, (R-California), told Sanford that the Jones Act and cargo preference laws are “not an economic thing.”

“It’s about national security. Because when you have to start making ships and crewing those ships in times of war...you have to have U.S. crews to do that.”

Transportation Dept. ruling on FOC airline threatens thousands of American jobs

An April 15 ruling by the U.S. Department of Transportation (DOT) could wipe out thousands of family-sustaining jobs at U.S. air carriers.

The DOT order, unless it is reversed by Transportation Secretary Anthony Foxx or by President Barack Obama, would pave the way for a flag-of-convenience (FOC) type airline, Norwegian Air International (NAI), to begin operations from the United States with contract crew working at low wages under the labor laws of Thailand and Singapore.

“We are strongly opposed to today’s show cause order issued by the U.S. Department of Transportation that could pave the way for Norwegian Air International (NAI) to launch a job-killing flag-of-convenience airline that perverts the transatlantic airline market and violates our nation’s aviation trade agreement with the European Union,” said Transportation Trades Department (TTD), AFL-CIO, President Ed Wytkind in an official statement released on April 18.

NAI, a subsidiary of Norway-based Norwegian Air Shuttle, was incorporated in Ireland with the goal of gaining an advantage over air carriers on both sides of the Atlantic by skirting Norway’s regulations and employment laws.

The airline uses Bangkok-based flight crews employed under Singaporean individual employment contracts to avoid complying with collective bargaining obligations in Norway while reaping the benefits of the U.S.-EU Air Transport Agreement.

“It is for these reasons that a bipartisan Congress has spoken loudly against the NAI application and why a coalition of European and U.S. airlines has opposed this application for more than two years,” Wytkind said.

“When an airline company like NAI scours the globe for the cheapest labor it can find, evades the social and employment laws of its own country, and uses a rogue business model in violation of our trade agreements and laws, our government should not reward that airline with new rights to seize our markets, compete unfairly with our air carriers and kill our members’ jobs,” Wytkind added.

TTD’s 32 member unions, including the SUP, will be urging President Obama and Secretary Foxx to reverse course and reject the NAI application.

Flag-of-convenience shipping and tax evasion in Panama Papers are two sides of same coin, says ITF

Flag-of-convenience (FOC) shipping and the revelations of "tax avoidance" on a massive scale that emerged from this month's release of the so-called "Panama Papers" are two sides of the same coin, says the International Transport Workers' Federation (ITF).

ITF leaders said they welcomed revelations of tax avoidance and related activities in the leaked Panama Papers "in the hope that the exposure will lead to a change in the current climate of tacit approval for this kind of socially damaging behavior."

"Money-laundering, terrorist financing and tax evasion are all clearly unacceptable practices and at odds with the global union movement's social and economic justice agenda that we at the ITF promote through our work with transport unions around the globe," said ITF General Secretary Steven Cotton. "Equally of concern to us is large-scale corporate tax avoidance that directly impacts public investment and essential services. Much of this activity has been allowed to go on in plain sight with minimal steps being taken to hold companies or individuals to account. It is time to take the kind of definitive action the ITF has been involved in for years to stem this corporate greed."

As a case in point, Cotton cited the ITF's "flag-of-convenience" campaign, which has been underway since 1948. "Registering a ship under a flag of convenience, where a vessel is owned in one country and flagged in another, is also a

system of tax avoidance," he said. "As an FOC flag –the largest in the world– Panama is essentially a tax haven. And who pays the price? Seafarers who are subject to poor conditions and lower wages because they're at the mercy of a system that allows for minimal regulation and the acquisition of cheap labor."

In many cases, the registries themselves are not even run from the country of the flag. Some FOC shipping registers are franchised out to foreign companies. The Liberian Registry, the second largest in the world, is administered for example by a wholly U.S.-owned and operated company.

FOC registries make it more difficult for Unions, industry stakeholders and the public to hold ship owners to account.

"The ITF's campaign, compelling owners of FOC-flagged vessels to sign agreements which guarantee certain terms and working conditions for crew and policing these through a network of inspectors, is the only thing that goes some way to redress the balance of the FOC tax avoidance scheme, and to recognize the human cost it has," Cotton said.

Like FOC shipping, "the kinds of deliberate and extreme incidences of tax avoidance being run from Panama are examples of the way corporate power avoids its obligations to society, communities and workers," added ITF President Paddy Crumlin. He said the ITF hopes the recent revelations will bring about meaningful attempts to address the situation.

Container carriers unveil plans for new “OCEAN Alliance”

Ocean carriers CMA CGM, COSCO Container Lines, Evergreen Line and Orient Overseas Container Line (OOCL) have signed a memorandum of understanding to form a new carrier agreement they are calling the “OCEAN Alliance.”

The carriers said the vessel sharing alliance will enable each of them “to offer competitive products and comprehensive service networks covering the Asia-Europe, Asia-Mediterranean, Asia-Red Sea, Asia-Middle East, TransPacific, Asia-North America East Coast and TransAtlantic trades.”

“This new partnership will allow each of its members to bring significantly improved services to its respective customers,” member carriers said in similar statement. “Shippers will have an attractive selection of frequent departures and direct calls to meet their supply chain needs, including access to a vast network with the largest number of sailings and port rotations connecting markets in Asia, Europe and the United States.”

“The Alliance will also bring service reliability and the most efficient integration of the latest vessels in a fleet of over 350 containerships. Initially the deployment will cover more than 40 services globally mostly connected with Asia, including about 20 services each in the U.S. and Europe related trades.”

Subject to regulatory approvals of competent authorities, the new alliance said it plans to begin operations in April 2017 and that the initial period of the agreement would be five years.

The combined carriers would be a strong rival to the 2M alliance between Maersk Line and Mediterranean Shipping Co., the two largest container carriers. When that 10-year alliance was announced in July 2014, Maersk said it would include 185 vessels with estimated capacity of 2.1 million TEU on 21 strings.

U.S. Federal Maritime Commissioner William P. Doyle made the following announcement: “I appreciate CMA CGM, COSCO, Evergreen and OOCL officials visiting the Federal Maritime Commission to discuss their future plans of an alignment. I look forward to reviewing and studying their formal filing of a vessel sharing alliance once it is filed with the Commission.”

COSCO, which recently merged operations with rival China Shipping said, “Today is a great day for COSCO Container Lines. OCEAN Alliance is a better match for our globalization strategy. We will provide customers with more selections and improved service world-wide.”

CMA CGM is also in the process of acquiring APL. According to figures on Alphaliner’s Top 100 carrier website, the OCEAN Alliance carriers (including APL) currently own and charter 1,113 ships (444 owned, 669 chartered), which combined, have 5,381,333 TEUs of capacity. In addition, the carriers have 102 ships on order with a combined capacity of 1,305,682 TEUs. Of course, only a portion of those fleets will be involved in the new Alliance, with some ships deployed in trades not covered by the deal, and carriers may change their fleets as a result of the restructuring.

In contrast, 2M Alliance members, Maersk and MSC, have 1,085 ships (457 owned, 628 chartered), which combined, have 5,707,535 TEUs of capacity. In addition, Maersk and MSC have 67 ships on order with a combined capacity of 908,000 TEUs.

Seagoing maritime labor testifies on how federal programs and policies can strengthen U.S.-flag merchant marine *continued from page 1*

their civilian U.S. citizen crews have transported more than 90% of the sustainment cargo needed to support U.S. military operations and rebuilding programs in Iraq and Afghanistan. Significantly, vessels enrolled in MSP carried 99% of these cargoes. Without the assured U.S.-flag commercial sealift capability provided by MSP, U.S. troops stationed overseas could find themselves dependent on foreign vessels and foreign crews to deliver the supplies and equipment they need to do their job on our behalf.

Last year, Maritime Administrator Paul Jaenichen told the House Coast Guard and Maritime Transportation Subcommittee that “The most significant challenge facing the MSP is the declining Department of Defense cargo due to the drawdown of operations in Iraq and Afghanistan coupled with the over 80% reduction in personnel and military bases overseas.”

Echoing the concern that current developments are threatening the continued availability of the U.S.-flag vessels, U.S. crews and global logistics systems provided by MSP to DOD, General Paul Selva, Commander, United States Transportation Command, told the Senate Committee on Armed Services in March, 2015, “The reduction in government impelled cargoes due to the drawdown in Afghanistan and reductions in food aid ... are driving vessel owners to reflag to non-U.S.-flag out of economic necessity ... With the recent vessel reductions, the mariner base is at the point where future reductions in U.S.-flag capacity puts our ability to fully activate, deploy and sustain forces at increased risk.”

These factors affect the ability of U.S.-flag vessel operators to keep their vessels under the U.S.-flag and to reinvest in new U.S.-flag ships. New ships are long term assets, eligible under existing law to participate in MSP for 25 years. MSP funding must be sufficient to maintain a robust U.S.-flag fleet and provide the long term stability to justify continued commercial investment in ships that cost more than \$100 million each. Adding to this is the ongoing need for continued upgrading and investment in the attendant global intermodal networks that the MSP carriers bring to DOD.

Consequently, significant reductions in the amounts of defense and other government cargoes available to U.S.-flag vessels; the proliferation of tax and other economic incentives available to foreign flag vessels and crews but not to U.S.-flag vessels and crews; the regulatory compliance requirements imposed only on U.S.-flag vessels by the U.S. government; and the growing competition for cargoes from foreign flag of convenience vessel operations which fail to meet the standards applicable to U.S.-flag vessels necessitate full funding for the MSP.

We are extremely pleased that Congress, due in no small measure to your assistance Madam Chairman and the support of this Subcommittee, increased funding for the Maritime Security Program for fiscal year 2016. This increase, which provided each vessel participating in the MSP with \$3.5 million rather than the previously authorized \$3.1 million for FY’16, represented an important first step in ensuring that the funding levels provided by the Maritime Security Program more realistically reflect the reductions in the amount of cargo available to U.S.-flag vessels.

In addition, and especially important, we are pleased that Congress recognized that further adjustments in funding for the Maritime Security Program are needed. Language was included in Public Law 114-113, the Consolidated Appropriations Act of 2016 signed into law by President Obama that includes \$299,997,000 for MSP for FY’ 17. As authorized by PL 114-113, each vessel participating in the MSP would receive \$4.9 million in FY’ 17.

We believe it is absolutely essential to the continued operation of the 60-ship maritime security fleet that Congress appropriate the authorized \$299.997 million for the Maritime Security Program for FY’ 17. As noted by Senators Booker and Wicker and fourteen of their colleagues in a March 17, 2016 letter to the Senate Transportation Appropriations Subcommittee, “The Program utilizes existing U.S. maritime private sector capabilities at a fraction of the cost of what it would take if the Federal government were to replicate the vessel capacity and global intermodal systems made available to the Department of Defense by MSP contractors who continuously develop and maintain modern logistics systems for commercial and defense purposes. The cost to the government of replicating the vessels and intermodal system is estimated at least \$65 billion.”

In January, 2016, General Darren McDew, Commander, United States Transportation Command, stated: “As a military professional and senior leader, I think about and plan for what the future may hold and I would tell you we must prepare for the real possibility we will not enjoy the uncontested seas and international support experienced in 1991. If either of those possibilities becomes a reality, and if we remain committed to responding to security incidents around the globe, the only way of guaranteeing we decisively meet our national objectives is with U.S. ships operated by U.S. mariners.”

Therefore, to ensure that the privately-owned militarily-useful U.S.-flag vessels enrolled in the MSP, the MSP vessel operators’ worldwide logistics systems, and their U.S. citizen crews remain available to DOD to advance America’s security interests and to support and supply American troops overseas, we ask your help to secure full FY’ 17 funding for the Maritime Security Program at the level authorized by PL 114-113.

CARRIAGE OF U.S. GOVERNMENT GENERATED CARGOES

U.S.-flag cargo preference shipping requirements are an essential means to help ensure the continued availability of the privately-owned U.S.-flag commercial fleet which, along with its associated American maritime manpower, is a critical national defense asset. Without a fully and appropriately funded Maritime Security Program and without full compliance with cargo preference requirements, the U.S. Government and the American taxpayer would necessarily spend far in excess of the cost of these programs to replicate the national security capabilities of the privately-owned U.S.-flag commercial fleet.

All too often in the past, Federal agencies and departments have ignored U.S.-flag shipping requirements for the carriage of cargoes financed in whole or part by the American taxpayer and Federal government. Not only are U.S.-flag vessels denied cargoes that by law should be transported by U.S.-flag vessels when available at fair and reasonable rates, but there is no recourse in the law when it is ultimately determined

that the law was violated. We would encourage Congress and the Administration to make clear to all Federal shipper agencies that privately-owned U.S.-flag commercial vessels must be used for the carriage of U.S. government generated cargoes as required by law.

Along these same lines, we continue to support legislation that would make clear that the Maritime Administration has ultimate responsibility to determine if a Federal program is in fact subject to U.S.-flag cargo preference shipping requirements.

It is equally important that the Maritime Administration regularly exercise this responsibility, and that Congress ensure that this is in fact done. To this end, Congress should require that the Maritime Administration report to Congress on a regular basis and to document its actions and efforts, specifying the programs, departments and agencies it has reviewed as well as the actions taken to ensure full compliance with cargo preference requirements.

We further reaffirm our position that Congress should restore the U.S.-flag share of PL 480 Food for Peace and other humanitarian food aid cargoes to the 75% level that was in place beginning in 1985 until reduced to 50% in 2012. Food aid cargoes are the single greatest source of preference cargoes. It has provided more than half of the dry preference cargo tonnage available since 2002 and the availability of food aid cargoes will continue to become even more important as Department of Defense cargoes further decline with the drawdown of operations in Iraq and Afghanistan and the broad reduction in overseas and bases. It is no coincidence that as the size of the U.S.-flag fleet has shrunk by more than 26% since the 2012 reduction of the U.S.-flag share of food aid cargoes.

It is important to note that the GAO has reported that when the statutory share of food aid cargoes to be carried by U.S.-flag vessels was reduced from 75% to 50%, USDA shipping costs were not affecting at all and USAID shipping costs fell by less than 9%. The cost of increasing cargo preference requirements for food aid cargoes back to 75% has in the past been scored at only \$11 million per year.

In May, 2011, General Duncan McNabb, Commander, United States Transportation Command, stated “The movement of U.S. international food aid has been a major contributor to the cargo we have moved under the cargo preference law that our U.S.-flag commercial sealift industry depends upon.” Similarly, in July 2015, Jeff Marootian, Assistant Secretary for Administration, United States Department of Transportation, stated “Cargo preference is a pillar that ensures America can activate and sustain a sealift fleet adequate to deploy and support the United States Armed Forces anywhere in the world . . . This program, which benefits both the public and private sectors, is less a burden on the taxpayer than the other options to provide the same capability.”

In addition, we would encourage the Department of Defense (DOD) to ensure that its policies fully encourage and promote the utilization of U.S.-flag commercial vessels. More specifically, DOD should give first priority to U.S.-flag carriers for the full end-to-end movement of defense shipments that include an ocean leg, thereby making use of the carrier’s entire network as committed to under Voluntary Intermodal Sealift Agreement (VISA) contracts.

We would urge that U.S.-flag vessels carrying U.S. Government cargoes be given priority loading and discharging rights in order to minimize or eliminate the costs to the U.S. Government associated with delays while U.S.-flag vessels wait to load and discharge taxpayer-financed cargoes.

ENCOURAGING THE USE OF US-FLAG VESSELS FOR ENERGY EXPORTS

The export of liquefied natural gas from the United States creates a tremendous opportunity to increase the size of the U.S.-flag commercial fleet and to provide much-needed new employment opportunities for American mariners.

To realize this opportunity, we believe that the Secretary of Transportation should be required to report to the Congress on the steps taken to develop and implement a program to promote the carriage of LNG exports on U.S.-flag LNG vessels.

Secondly, in order to address one of the major competitive impediments to operating a U.S.-flag rather than a foreign flag LNG vessel, Congress should extend the provisions of section 911 of the Internal Revenue Code (the foreign source income exclusion) to American mariners working aboard LNG vessels engaged in the carriage of LNG exports from the United States. In the short term, extending section 911 to Americans working aboard vessels carrying LNG exports and thereby treating American mariners in the same fashion that foreign mariners are treated by their flag nations, we would be eliminating a significant economic disincentive to the employment of American mariners aboard foreign flag LNG ships. Without this opportunity for employment, Americans would not attain the seetime requirements and training needed to operate vessels in this trade, preventing the operation of LNG vessels under the U.S.-flag.

Finally, Congress should allow foreign built, foreign flag LNG vessels to document under the U.S.-flag to engage in the carriage of LNG exports in international trade without the need for any vessel construction-related changes provided they meet commonly accepted international standards. In other words, foreign flag LNG vessels meeting International Maritime Organization (IMO) requirements and holding a valid United States Coast Guard Certificate of Compliance for foreign flag LNG vessels entering U.S. waters would be deemed in compliance with all U.S. standards required for documentation under the U.S. flag.

CONCLUSION

Those of us who make our living going to sea in this honorable and fundamental American industry want our daughters and sons to have the same opportunities. A healthy U.S. Merchant Marine will safeguard our country’s military, economic and homeland security. We stand ready to work with you to achieve these objectives.”

DEFEND THE JONES ACT
SUPPORT THE SUP POLITICAL FUND

Hong Kong cargo volume falls further

The Port of Hong Kong is losing its prominent place on global trade maps. The port, which was the world’s busiest as recently as a decade ago, slid to No. 5 after a steep drop in container business last year. Volume has fallen for 18 straight months, as more ships skip the city’s crowded cargo terminals in favor of newer facilities in mainland China. The port ranked fourth in 2014.

The slide is partly a symptom of China’s economic slowdown. But the reasons for Hong Kong’s tumbling trade volume run deeper: Ports outside cities such as Shenzhen, Shanghai and Ningbo can unload cargo faster and cheaper, and are closer to China’s manufacturing zones. The new class of megaships also are too big to fit into Hong Kong’s shallow channels fully loaded, but can enter deep-water ports along the Chinese coastline with ease.

Hong Kong government officials acknowledge that the city’s port faces stiff competition. They add that Hong Kong is working on a project to dredge its harbor and approach channel to nearly 60 feet (currently about 50 feet), to accommodate the draft requirement of new ultra-large container vessels at all tides.

The downward spiral is a troubling prospect for Hong Kong’s economy, which grew last year at its slowest rate since 2008. The port employs nearly 100,000 people, and fuels the logistics and trade sectors, which make up nearly a quarter of the city’s economic activity. Hundreds of companies, from big international freight operators to small import-export specialists, depend on heavy shipping volumes.

“As a leading hub port, the fact that the Hong Kong government couldn’t have preempted the impact of larger ships is quite surprising,” said Timothy Ross, an analyst at Credit Suisse.

The steady descent down the list of Asia’s trading gateways would have seemed unimaginable a few years ago. From the opium wars of the 19th century to the globalization of trade more recently, the Port of Hong Kong has held an unassailable place. Hundreds of trading companies, from the giant Jardine Matheson Holdings business created in the 19th century to small import-export shops, built thriving trade over the decades, much of it tied to goods moving through China.

Today, those goods are more likely to move through Hong Kong’s main competition at Shenzhen, just 20 miles to the north.

Shenzhen’s port faces on deeper water and has more space to accommodate bigger ships. As a result, cargo-handling costs are 5% to 20% less than those in Hong Kong, said Robin Xu, an analyst at UBS Securities. Container volume rose 1.4% at Shenzhen’s terminals through November, compared with the previous year. Hong Kong’s port traffic fell 9.5% through all of 2015.

Hong Kong government officials say finding more space is the only way to bring in more cargo over the long term. Ideas floated in recent years include expanding the existing port or building a terminal on nearby Lantau Island. Both projects would be expensive. A new terminal on Lantau would cost \$7.8 billion, by government estimates.

“There’s not much Hong Kong can do to compete with other booming Chinese ports,” said UBS’s Mr. Xu, beyond making its existing facilities more efficient.

Hongkong International Terminals Ltd., the port’s key operator and a unit of billionaire Li Ka-sing’s Hutchison Port Holdings Trust, is investing \$232 million in equipment over the next few years to improve operating efficiency, for instance.

The port would need bigger improvements to lure back ship operators, however, and that leaves Hong Kong facing the same tough questions as smaller ports.

“Ports must ask, do you want to be a major player in the future and what is the entry ticket to play in that game? They need to keep costs under control, but they also must make the investment to be able to handle large vessels and to handle them fast,” said Lars Jensen, Chief Executive of Sea Intelligence Consulting, a Denmark-based shipping research group. “That is a tough equation to solve.”

Rolls-Royce says robot ships will be trading by 2020

This month, the Rolls-Royce led Advanced Autonomous Waterborne Applications Initiative (AAWA) project presented its first findings at a conference in Helsinki, Finland, expressing high hopes for vessel automation in commercial service, and predicting that it will arrive soon.

“Autonomous shipping (robot shipping) is the future of the maritime industry. As disruptive as the smart phone, the smart ship will revolutionize the landscape of ship design and operations,” said Mikael Makinen, President of Rolls-Royce’s marine division. The firm envisions a future in which new entrants could capture a significant share of business, in the same way as Uber, Spotify and Airbnb have done in other industries.

The AAWA initiative’s researchers suggested that engineering hurdles would not be a major obstacle. “The technologies needed to make remote and autonomous ships a reality exist – the sensor technology needed is sound and commercially available and the algorithms needed for robust decision support systems – the vessel’s ‘virtual captain’ – are not far away. The challenge is to find the optimum way to combine them cost effectively in a marine environment,” said Jonne Poikonen, senior research fellow at Finland’s University of Turku and a leader of the project’s technology research.

The consortium will soon begin testing of a sensor package mounted on the Finferries passenger vessel *Stella*, which operates on protected waters of the Archipelago Sea between Korpo and Houtskär. Dry bulk firm ESL Shipping Limited has also joined to help explore the use of autonomous ships for short sea shipping.

Rolls-Royce researches also plan a series of studies on safety and on cybersecurity, which will be used to make recommendations to the IMO and to class societies for rules specific to autonomous ships.

“This is happening. It’s not if, it’s when. This work supports the development of remote controlled and autonomous vessels and will enable proof of concept demonstration following the completion of the project. We will see a remote controlled ship in commercial use by the decade,” said Oskar Levander, Vice President of innovation at Rolls-Royce Marine.

Megaships yet to deliver promised benefits to shippers

Megaships have a detrimental impact on supply chains by reducing capacity for just-in-time production and forcing factories to increase safety stocks, according to the transport procurement head of a major global shipper.

Jim Lim, responsible for strategic business procurement for global logistics, freight and transport at Applied Materials said he believes the impact of megaships on supply chains has so far been more negative than positive. “Potential positives of megaships for shippers such as the possibility to scale quickly and increase supply on major trade lanes have yet to be realized,” said.

The reduction in the number of ports visited and lower frequencies as a result of the deployment of bigger ships mean there is more risk to schedule reliability. This creates lead-time issues for shippers, a problem compounded by industry in the form of alliances, slot sharing, mergers and bankruptcies. Ongoing adjustments by lines to operations, routing and schedules create more problems.

Factories typically operate with daily and weekly buckets of production they use to create build and logistics plans. Shipments may involve high volume items, seasonal goods and new product launches.

“When container lines change operations, routings and schedules, it means there is a corresponding impact to underlying transit and cycle time in build and logistics plans. This reduces control and consistency in the supply chain. Performance reliability is important for supply chain effectiveness.”

Lim said the focus of carriers on port-to-port transportation together with the highly commoditized nature of freight procurement adds complexity to supply chains. “The big lines are very focused on port-to-port trades so when I negotiate with them it is primarily to port only and we take the gains we can from the negotiation. The trend is not to look to lines as one-stop providers of supply chain needs but to look to local providers for bargains on intermodal segments. On the whole we see increasing volatility in ocean pricing, services and trades,” he said.

An end to the rock-bottom rates shippers have enjoyed may be in sight, Lim said, but he noted an incoming negative for lines could be increased near-shoring of manufacturing by shippers away from traditional manufacturing locations such as China to locations like Eastern Europe, which are closer to destination markets.

Applied Materials is a NASDAQ-listed supplier of equipment to enable the manufacture of semiconductor chips for electronic products such as flat panel displays for computers, smartphones and televisions.

Mariners: Be aware of social media consequences

The Norwegian Hull Club has issued a warning to seafarers about how journalists and pirates might use their social media postings.

The Club says that social media platforms such as Facebook, Sina Weibo and Instagram are used to keep in touch with family and friends and also to “snoop around in the lives of more distant acquaintances. However, not everyone fully understands how social media works and that traditional media and journalists use it as a source for information.

The Club uses the example of a Facebook post made by a crew member on board one of its members offshore units. The unit was in distress and being evacuated: “We are currently awaiting helicopter evacuation away from this unit – anchor chains punctured one of the legs in the heavy weather tonight. Home, sweet home!”

In another case, a master was informed by his company that one of their vessels was hijacked. On his open Facebook profile, he discussed detailed information about the hijacked crew members on board with another colleague. “We know that pirates are using social media actively in their communication and information gathering. The above mentioned master did not think about that. Neither did he know that everyone could access his open Facebook profile.”

The Norwegian Hull Club uses social media as one of its intelligence sources in emergency response, in order to identify possible information that can give improved situational awareness. The Club also uses it to make clients aware of postings that are related to the ongoing situation and it often finds “on-scene-reporters” that probably are unaware of the reach of their pictures and status updates.

The Club asks seafarers to consider the consequences of their postings:

1. Security/safety risk: If Norwegian Hull Club can find your post, it is possible that people with evil purposes could find it. Do not put yourself and your colleagues in danger in a thoughtless second.
2. Economical risk: Your company might be fighting hard for their contracts in a challenging market. “Funny” party pictures from on board your vessels could be enough to send the client to a competitor they see as more professional.
3. Reputational risk: When you are on board, you are representing your company. A scatterbrained comment that you think you are sharing with your friends, can make headlines in the hands of a journalist looking for “breaking news.”

The Club offers the following checklist to ask before posting: Will I be OK with my superior seeing this? Will I be OK with the shipowner seeing this? Will I be OK with a client seeing this? Will I be OK with a journalist seeing this? Do I know how open my social media profile is? Am I familiar with the default Facebook settings? Do I know all my Facebook friends? Do I know the intentions of my high school classmates from 20 years back? Is my post in compliance with the company media policy? Am I the nominated media spokesperson?

If your answer is “no” to any of the above questions, you should probably reconsider your post, says the Club.

Shippers fight safety: Petition U.S. for relief from container weight rule

Groups representing U.S. agricultural exporters and large freight consolidators at a congressional hearing this month insisted on federal intervention if ocean carriers refuse to compromise in implementing a pending international requirement for shippers to declare the weight of tendered containers before they are loaded on the ship, and attest to their accuracy, to prevent maritime accidents.

But lawmakers indicated that they were not inclined to take any action. “I don’t think this is a congressional issue. There’s not going to be legislation,” Duncan Hunter, Chairman of the House Transportation & Infrastructure Subcommittee on Coast Guard and Maritime Transportation, said. “I think this is a deal that needs to be worked out between the shippers and the cargo owners.”

The National Industrial Transportation League is the largest trade association in the United States that purely focuses on shipper transportation issues. Many of its members are in the industrial sector.

The container weight rules were promulgated two years ago by the International Maritime Organization (IMO), part of the United Nations, in reaction to carrier concerns about mis-declared container weights and overstuffed containers contributing to accidents at sea and on shore. Since 1994, regulations under the Safety of Life at Sea (SOLAS) treaty and U.S. law have required shippers to provide the ship masters with the gross weight of the cargo prior to loading. The SOLAS amendment essentially removes the ability of cargo owners to estimate the weight of ocean shipments on shipping documents.

There are two allowable methods by which shippers can determine a container’s weight – weighing the container after it is packed or weighing all contents of the container, including packing materials, and adding that weight to the weight of the empty container. The weight is considered certified when someone at the company signs the shipping documents.

The issue has become increasingly contentious in recent weeks as the July 1 deadline approaches, with some shippers accusing container lines of forging ahead with an implementation scheme while uncertainty remains over how to define the proper container weight and transmit the data to carriers. Shippers also complain about a lack of harmonization among nations regarding enforcement protocols, while carriers and marine terminals are free to set their own rules for transmission methods, time frames and consequences for incomplete or untimely data. Furthermore, they also say it is unfair to hold the shipper accountable for the accuracy of the container’s tare weight when the equipment belongs to the carrier or third-party leasing companies.

Opponents argue that moving ahead with the “verified gross mass” (VGM) rule as scheduled will lead to red tape that causes massive backlogs and imposes heavy costs on exporters. They cite public comments by Coast Guard officials that the existing regulatory structure is acceptable to ensure compliance and that no further rulemaking or policy guidance is necessary. Their proposed alternative would hold shippers responsible for certifying the gross weight of the contents and carriers responsible for providing the weight of the equipment they control. The steamship lines would then combine the two weights to create a VGM to be submitted to the terminal operator before loading.

Donna Lemm, Vice President of global sales for Mallory Alexander International Logistics, told the subcommittee that member companies of the Agriculture Transportation Coalition (AgTC) want Congress to exercise its authority to review international treaties or pass legislation codifying the Coast Guard’s position that current methods of cargo weight disclosure are compliant, if liner carriers are unwilling to accept their alternative. The AgTC also called on the Coast Guard to issue a full rulemaking, complete with a public comment period, saying that the changes are too significant to simply let carriers be the de facto enforcing mechanism, with the sea service only getting involved if it notices a problem during regular vessel inspections. The House T&I subcommittee should also pressure the Coast Guard to issue written, public guidelines on the acceptable methods for reporting weight, including the “rational” one of carriers certifying the weight of the container itself, the AgTC said.

The group also called on the Federal Maritime Commission to get involved and decide whether the collective efforts of ocean carriers to enforce the VGM rule, and to refuse to accept cargo from shippers and NVOs that don’t provide the VGM according to carrier guidelines, are consistent with the Ocean Shipping Act, which allowed ocean carriers to enter confidential service contracts with shippers.

Under questioning, Lemm said the tare weights on the container are often off by 10% to 12%, or about 800 pounds for a 40-foot container weighing 8,000 pounds. She admitted that the primary concern of agricultural exporters is that they will be held liable if the gross weight is not accurate in the event of an accident.

Lemm said using scales at terminals to obtain the total container weight is virtually impossible because few ports have the equipment. Earlier this month, terminal operators at the ports of Los Angeles, Long Beach and Oakland said they didn’t have the infrastructure to supply the VGM information. When scales are available, it costs shippers \$200 to \$250 to weigh a container a, she said.

Rear Admiral Paul Thomas reiterated the Coast Guard’s position that existing U.S. regulations “already ensures that the weight of a container is known before it is shipped over road or rail, if lifted at a terminal or is loaded on a ship. It’s is precisely because of this underlying regulatory framework that additional regulations are not needed in the U.S.” The information to be in compliance is already being generated to meet various U.S. laws, he explained.

He said the SOLAS amendments offer flexible approaches for achieving compliance and “there is no reason the amendments should cause any delays in our supply chain.”

Shippers and carriers need to determine together which of those methods they are going to use, Thomas added. “If it’s disrupted it’s because the shippers and the carriers haven’t been able to figure out which of those many methods that meet the SOLAS requirements they are going to employ.”

Canada, for comparison, has issued guidelines laying out penalties for shippers that don’t comply with the VGM, something the Coast Guard has chosen not to do.

The container weight rules needed to be tightened because overloaded containers, either inadvertently or on purpose, too often are delivered to ports for ocean carriage, John Butler, President of the World Shipping Council, testified.

The World Shipping Council is the voice of international container lines operating in the U.S. market and was one of the driving forces behind the VGM changes at the IMO.

Ocean carriers need to know how much the cargo weighs so they can properly load the vessel to maintain stability and minimize structural stress. When cargo is out of balance, container stacks can collapse, containers are lost overboard and seafarers are at risk of injury or death. Heavy boxes that dislodge from cargo handling equipment can also kill longshoremen on the wharf.

Mis-declared container weights contributed to the breakup of the containership MSC Napoli in 2007, according to British authorities.

The need to address the mis-declared container problem was reinforced in 2012, when Ukrainian Customs authorities weighed containers at their ports and found that 56% of them exceeded the shipper-declared weights. Other countries, including India and New Zealand, conducted similar tests and found similar results, according to Butler’s testimony. It did not indicate how much the overages were.

And in an April 7 letter to the subcommittee, Jim Newsome, the CEO of the South Carolina Ports Authority, said that a sample weighing recently conducted at the Port of Charleston also revealed notable discrepancies between the declared weights and the actual weights of the containers.

Currently, container lines get weights for their stow plans a number of different ways: in-gate scales at the terminal, shipper declarations, understanding what certain commodities weigh and if that squares with the declared weight, and devices on cranes and yard equipment that alarm for grossly overweight boxes.

Carriers have overweight rules in their tariffs and if a container is determined to be loaded beyond its capacity, carriers can strip out the contents, load them into the appropriate number of containers and bill the shipper for the extra expense.

The tare weight is a “non-issue,” Butler said. “No one is going to hold a shipper liable for any inaccuracy in the tare weight of the container. That’s our equipment. We put that number there. And if there’s a problem associated with it, that’s for us.”

The AgTC has been aggressive in its criticism of the World Shipping Council for pushing through a rule at the IMO that it considers unnecessary from a safety standpoint and without U.S. exporter input. The shipper group has suggested that individual liners appear willing to compromise on VGM compliance methods, but are being held to the party line by World Shipping Council leadership. In its statement to the Committee, the AgT said that shippers set its policies and that it sent someone (Lemm) to testify who is in the trenches of ocean shipping, while the World Shipping Council sent its lawyers.

International minimum wage for able seafarers pegged at \$614 per month

The recommended International Labor Organization (ILO) Minimum Wage for Able Seafarers will remain at its current level of \$614 basic pay per month until at least 2018. This follows an ILO Joint Maritime Commission (JMC) meeting held in Geneva this month, comprising representatives of maritime employers coordinated by the International Chamber of Shipping (ICS) and seafarers’ unions coordinated by the International Transport Workers’ Federation (ITF).

The decision process is based on a number of pre-defined considerations: 1) the basic pay or wage be based on the list of countries and areas that are representative of maritime nations (those with at least two million gross tons of shipping) and of countries and areas which are major suppliers of seafarers (those with at least 10,000 seafarers); 2) that the formula utilize the average United States dollar exchange rate for the three most recent months in order to minimize the short-term effect of drastic fluctuations in currency exchange rates; 3) that the period of measurement of the change in consumer prices correspond to the full period of time between adjustments; and 4) that the formula include a weighting of one for countries and areas with fewer than 10,000 seafarers and of two for those with 10,000 or more.

With the exception of 11 countries, prices increased in all countries and areas concerned over the period of adjustment. In 37 countries and areas, the increase was less than 10%, while the rest experienced inflation of over 10%.

Speaking after the ILO JMC meeting on behalf of ICS, the spokesperson for the Shipowners’ Group, Max Johns (German Shipowners’ Association) said: “The continuation of the current minimum wage until at least 2018, at the increased level which came into effect in January 2016 as a result of the previous JMC agreement, means that employers should benefit from a period of stability in what are otherwise very challenging markets for the global industry.”

ICS, in its role as an official ILO social partner, says that it firmly continues to support the global minimum wage, a concept unique to the international shipping industry. While the ILO minimum only refers to the basic wage for the non-officer grade of Able Seafarer, the total minimum payable is actually much higher when account is taken of overtime payments and other pay related entitlements under the ILO Maritime Labor Convention, says ICS.

The ILO Joint Maritime Commission is next expected to review the ILO minimum wage during 2018.

ESU Office Assignments

For the month of May, John Straley will be in the Seabrook office.



APRIL 2016

Official Publication of the Exxon Seamen's Union

New Merchant Mariner Credential booklets

The National Maritime Center (NMC) has been working with the Government Printing Office to refresh the Merchant Mariner Credential (MMC) booklet. A new design is complete, and the supply of the current MMCs is being depleted. The new MMCs feature an improved layout with graphic images of historic lighthouses, the Eads Bridge, the Merchant Marine Emblem, and a first-order Fresnel lens. Additionally, the cover of the MMC has been stiffened for greater durability. All currently active credentials will remain valid until their printed expiration dates. There will be no change to endorsement labels that are issued as a result of an application for a raise of grade or increase in scope of a valid MMC. Medical Certificate reminder: When renewing your MMC please ensure that you transfer your medical certificate from the back of your old MMC to the new MMC booklet. Your MMC is not a valid document without a valid Medical Certificate. Additionally, everyone should ensure their documents (including TWIC) are in order prior to leaving home for a vessel assignment. SeaRiver Fleet Manning expects that everyone have at least two months of validity on their documents when signing on the vessel. Anyone joining a ship without proper documents will not be signed on and also be responsible for all travel, lodging and subsistence for their return home.

TSA Pre✓

Traveling to and from vessel assignments in most cases involves traveling by air and as we all know the experience of flying on planes and going through airports is barely tolerable these days. One way to minimize the stress of going through long security lines at the airport is to sign up for TSA Pre✓. TSA Pre✓ is an expedited security screening program connecting travelers departing from airports within the United States with smarter security and a better air travel experience. Passengers considered low-risk who qualify for the program can receive expedited screening either as a member of the program or another specific trusted traveler group. If you are eligible and approved for the TSA Pre✓ program, you will be given a known traveler number “KTN” to use when making flight reservations. Participating airlines will print an indicator on your boarding pass. When you arrive at the airport, look for signs for the TSA Pre✓ lanes. Advantages of joining TSA Pre✓ include an expedited security screening

for a better travel experience with shorter lines and much faster access to your boarding gate. Further, there is no need to remove your shoes, laptops, 3-1-1 liquids, belts or light jackets. The process to apply for your “KTN” is fairly simple and some application centers are located at TWIC offices or in larger airports. You can complete the online application or you can complete the entire process in person at an application center. Schedule an appointment online or by calling (855) 347-8371 weekdays, 8 a.m. to 10 p.m. ET. Walk-ins are welcome but appointments take priority. If you apply online, you will still need to visit an application center to complete the following: 1. Provide required documentation and fingerprints. Bring your current U.S. passport or a driver’s license and birth certificate. 2. Pay a non-refundable \$85 fee valid for five years with a credit card, money order, company check or certified cashier’s check. 3. You can check your status online at any time but receiving your KTN normally only takes a few days.

ESU 2016 Officers Election

In the fall of this year several ESU Executive Board and Ship Representative positions are up for election. On December 31, 2016, the term of office for the Vice President/Treasurer, Deck, Engine, Steward’s Department Trustees and the Ship Representative on the *S/R American Progress* come to an end. Therefore, in accordance with our Constitution and By-Laws a general election for these positions will be held from mid-October through mid-December, 2016. To be eligible for an Executive Board position including Trustee, a candidate must be a member in good standing and have at least two years of continuous service with the company. He/She must be a qualified driver possessing a valid driver’s license and have been a member of the ESU for at least one year. A “Candidate Intent Form” (CIF) for the particular office is due to the ESU office no later than October 1, 2016. Candidate Intent Forms are available from your Ship Representative or by contacting the ESU office. A complete list of all election and voting requirements can be found in Article V of the Constitution and Bylaws. It is a good idea that CIFs be sent via certified mail with return receipt requested as forms received after October 1 are ineligible. Once a CIF is received in the ESU office it will be reviewed, and if all is in order

the candidate’s name will be placed on the ballot. Ballots will be mailed out to the membership during the first part of October. To ensure fairness and oversight the ballots will be counted by the American Arbitration Association in New York which is among the oldest and most reputable organizations of its kind. The ESU is a modern operation that is equipped with the same office equipment found in any office environment today. Computer use and document control comprise a major part of the everyday work routine. It is important that the Vice President/Treasurer be familiar with or be able to learn how to use computer accounting software and become familiar with tax filing regulations with state and federal agencies. The volume of communication documents generated is significant and therefore at least a basic level of computer skill is needed to perform the necessary duties. Verbal and written communication skills are essential as well. Executive Board Officers use written communication through email and formal business letters almost every day. The ability to write is also necessary for the production of this *ESU News* which is written monthly by the Executive Board member in office. Job descriptions for all offices are described in Article IV of the ESU Constitution and By-Laws.

Joe Bernavich retires

Able Seaman Joseph Bernavich has elected to retire effective March 9, 2016, with 15 years of company service. Joe began his career with SeaRiver Maritime, Inc. in March of 2001, in the Deck department as a step-up Able Seamen aboard the *SR Benicia*. Joe hired in with previous sea going experience, quickly proved his more than capable Deck Department skills and was promoted to the AB position a few months later. During his career Joe was always a staunch union supporter and served the ESU membership as the ESU Ship Representative to the *SR Baytown* from January 2006 until the vessel was taken out of service in 2010. More recently, Joe served on the ESU Executive Board as Board Member at Large from 2009 through 2014 and was a valuable participant during the 2011 and 2014 contract negotiations. Joe’s retirement plans include plenty things to keep him busy at his home outside of Cody, Wyoming. Whether it’s taking care of his horses, maintaining his property or off a hunting trip there is always something for the outdoor enthusiast. The Exxon Seamen’s Union would like to express its sincerest thanks to Joe for his commendable support to the ESU throughout his career. Joe was an excellent shipmate and we wish him all the best in the future.



Ship reports

S/R American Progress

ESU Board member John Straley visited the *Progress* on April 2, at Gulf Copper Shipyard in Galveston, TX. The vessel was in Galveston for a few days for minors repairs and tank cleaning. Crew was staying very busy during the inport. Regular Ship Representative AB Mike Harrison aboard and at the time there were no problems. Later, towards the middle of April the ESU office received a complaint about running out of fresh stores, milk, etc. It’s unacceptable to run out of fresh stores while trading in the Gulf of Mexico and Florida. Next trip the vessel is scheduled to load in Beaumont again for discharge in Florida.

Eagle Bay

ESU officer Leo DeCastro visited the vessel at anchor in Long Beach on April 6. Regular ship representative Thor Floreen departed to paid leave and Ed Stoeckel is filling in with the Ship Rep. duties. Vessel is slated for back-to-back trips from Valdez to Long Beach.

Liberty Bay

ESU officer Leo DeCastro visited the ship at Tesoro 121 in Long Beach on March 30. Vessel continues on the Valdez to southern California run but has a split discharge scheduled into the Puget Sound in mid-May. Regular Ship Representative Joe Buffington aboard and reports everything going well on the *Liberty*.

EXXON SEAMEN’S UNION

Founded March 28, 1941

Affiliated with the Sailors’ Union of the Pacific

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President/Secretary John Straley

Vice President/Treasurer Leo DeCastro	Deck Trustee Jeffrey Harris
Board Member at Large Don Picou	Engine Trustee William Ackley
Board Member at Large Ein Cooley	Steward Trustee Joel Mitchell

Three men rescued from uninhabited island

Three men who were stranded on an uninhabited Pacific island for three days are now safe, after using palm fronds to spell the word "help" in the sand.

The three's 19-foot skiff capsized after setting out to sea from Pulap, Micronesia. The men reported their vessel was capsized by a large wave a few hours after their departure on April 4, and they spent the night swimming until they arrived at Fandadik Island, approximately four nautical miles from Pulap.

A U.S. Navy P-8 Madfox 807 aircrew from Misawa Air Base in Japan was conducting a search pattern for the missing mariners when they spotted survivors holding lifejackets and their makeshift sign. This information was relayed back to U.S. Coast Guard search and rescue watchstanders in Guam and shared with the family. The survivors were then picked up and transferred by a local small boat back to Pulap.

AMVER (Automatic Mutual-Assistance Vessel Rescue System) vessels *Brilliant Jupiter* and *Ten Yu Maru* also assisted in the search. The vessels diverted from their route and conducted a combined 17 hours and searched 178 miles of track-line.

"Our combined efforts coupled with the willingness of many different resources to come together and help, led to the successful rescue of these three men in a very remote part of the Pacific," said Lt. William White, Sector Guam public affairs officer.

AMVER, sponsored by the Coast Guard, is a computer-based voluntary global ship reporting system used worldwide by search and rescue authorities. With AMVER, rescue coordinators can identify participating ships in the area of distress and divert the vest-sited ship or ships to respond.

Since March 28, watchstanders throughout the Coast Guard 14th District have coordinated rescue efforts in the Pacific for seven separate search and rescue cases of this nature, involving 10 AMVER vessels and six aircrews resulting in 15 lives saved.

"The Coast Guard 14th District covers an area of responsibility more than 12.2 million square miles of land and sea, an area almost twice the size of Russia," said Jennifer Conklin, search and rescue mission coordinator at the Coast Guard Command Center Honolulu. "Oftentimes, we are thousands of miles away from those who need help and because of that our partnerships with the Navy, other search and rescue organizations, partner Pacific nations and AMVER are essential."

Stand up to live longer

Sitting too much may increase the risk of dying prematurely, while replacing sitting time with just standing or moderate physical activity could counteract the effect.

Researchers used survey data from 54 countries, analyzing time spent sitting more than three hours a day along with data on population size, actuarial tables and overall deaths. The study is *The American Journal of Preventive Medicine*.

More than 60% of people worldwide spend more than three hours a day sitting down, and the researchers calculated that sitting time contributed to some 433,000 deaths a year from 2002 to 2011. They estimated mean sitting time across countries at 4.7 hours a day. Reducing that time by 50%, they calculated, would result in a 2.3% decline in all-cause mortality. The association between time spent sitting and mortality has been found in other studies, and the link persists even after accounting for other physical exercise.

"This is the best data we have for now," said the lead author, Leandro Rezende, a doctoral candidate at the University of São Paulo School of Medicine, "but we don't know if it's a casual relationship. There are things we can do. Stand up, and go have a drink of water instead of keeping the water bottle at your desk. Or just stand up every so often. Standing alone increases your energy expenditure."

Editor's Note: To receive the *West Coast Sailors* via first-class mail it's \$25 per year U.S. mail; \$50 per year international.

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Welfare Notes

April 2016

Initial Active Eligibility & Coverage

Active members become eligible for coverage in the month after they complete 120 qualifying mandays within a 12-month period. Once a member becomes eligible, the member must enroll in a plan for coverage. The medical and dental plan choices are dependent upon your residence or the port from which you ship.

Continuing Eligibility & Coverage for Active Participants

After the initial eligibility requirements have been met, continuing eligibility requires the participant to work at least 60 qualifying mandays within the eligibility period. The time worked for continuing eligibility may change the beginning and ending months for the new eligibility period because continuing eligibility is a rolling eligibility period. The new eligibility period starts in the month following the 60th day worked.

As an example, if a member with a Group One Eligibility period January 1, 2016 through December 31, 2016 ships 60 Group One Days in June and July 2016, the new Group One Eligibility period will be August 01, 2016 through July 31, 2017. A new rolling eligibility period begins in the month following the 60th Group One Day worked. The time worked does not add 12-months onto his previous eligibility.

If a member with a Group Two Eligibility period January 01, 2016 through June 30, 2016 works 60 Group Two Days in March and April 2016, the new Group Two Eligibility period will be May 1, 2016 through October 31, 2016. A new rolling eligibility period begins in the month following the 60th Group Two Day worked. The time worked does not add 6-months onto his previous eligibility.

Group One Mandays can count for Group One, Group Two, or Group Three eligibility.

Group Two Mandays can count for Group Two, or Group Three eligibility.

Group Three Mandays can count only for Group Three eligibility.

Group One eligibility is good for 12-months of member and dependent coverage. Group Two eligibility is good for 6-months of member and dependent coverage. Group Three eligibility is good for 6-months of member only coverage.

Please contact the SUP Welfare Plan office for any eligibility or coverage questions.

Michelle Chang, Administrator mcsupsiupd@sbcglobal.net

Patty Martin MPP & 401(k) Plans, Death Benefits
martinpatty59@sbcglobal.net

Virginia Briggs Claims vbriggs80@sbcglobal.net
Michael Jacyna Eligibility mjacyna67@sbcglobal.net
Training Representative Berit Eriksson 206-551-1870
berittrainrep@sbcglobal.net

SUP Welfare Plan 730 Harrison Street, #415, San Francisco, CA 94107
Phone Numbers: 415-778-5490 or 1-800-796-8003 Fax: 415-778-5495
SIU-PD Pension 415-764-4987 SIU-PD Supplemental Benefits 415-764-4991
Seafarers Medical Center 415-392-361.

Medical office moves to San Pedro

The medical office of Dr. Mona Shah is moving closer to the SUP Union Hall in Wilmington. The new address effective May 2, 2016 will be as follows:

Prime Medical
Mona Shah, M.D.
1600 S Gaffey St
San Pedro, CA 90731-4628

Membership and Ratings Committee

The Committee met on April 7, 2016, and found the following members eligible for advancement in seniority and rating stamps in the various departments:

<u>Name and Membership Number</u>	<u>Seatime</u>	<u>Rating</u>	<u>Seniority</u>
Milton Caballero 4820	6 Years	A.B.	A
Diomedes Vigo 19441	1 Year	A.B.	B
Noel Romero 19442	1 Year	A.B.	B
Waldemar Janczak 19443	1 Year	A.B.	B
Jean-Paul Root 19444	1 Year	O.S.	B
Rolando Cantigo C-2585	30 Days	A.B.	C
James Stimage C-2586	30 Days	A.B.	C
Ken Barnhouse C-2587	30 Days	A.B.	C
James Pennings C-2588	30 Days	A.B.	C
Raghen Hill C-2589	30 Days	O.S.	C
Andre Johnson C-2590	30 Days	O.S.	C
John Barut C-2591	30 Days	A.B.	C
Lawrence Wotton C-2592	30 Days	A.B.	C

Membership and Ratings Committee's Report: M/S to concur in the Committee's report. Carried unanimously. Membership and Ratings Committee: Robert Reed #3203, Faith Matas #19399, and Cliff Alexis #C2468.

ATTEND YOUR MONTHLY SUP UNION MEETINGS!

SUMMARY ANNUAL REPORT FOR SIU PACIFIC DISTRICT SUPPLEMENTAL BENEFITS FUND, INC.

This is a summary of the annual report of the SIU Pacific District Supplemental Benefits Fund, Inc., EIN 94-1431246, for the year ended July 31, 2015. The annual report has been filed with the Department of Labor, as required under the Employee Retirement Income Security Act of 1974 (ERISA).

Benefits under the plan are provided by the SIU Pacific District Supplemental Benefits Fund, Inc., a Trust Fund.

Basic Financial Statement

The value of plan assets, after subtracting liabilities of the plan, was \$277,852 as of July 31, 2015, compared to \$36,743 as of August 1, 2014. During the plan year the plan experienced an increase in its net assets of \$241,109. This increase includes unrealized appreciation or depreciation in the value of plan assets; that is, the difference between the value of the plan's assets at the end of the year and the value of the assets at the beginning of the year or the cost of assets acquired during the year. During the plan year, the plan had total income of \$12,771,153, including employer contributions of \$12,767,344, earnings from investments of \$1,572, and other income of \$2,237.

Plan expenses were \$12,530,044. These expenses included \$343,735 in administrative expenses and \$12,186,309 in benefits paid to participants and beneficiaries.

Your Rights to Additional Information

You have the right to receive a copy of the full annual report, or any part thereof, on request. The items listed below are included in that report:

1. An accountant's report;
2. Financial information and information on payments to service providers;
3. Assets held for investment; and
4. Transactions in excess of 5% of plan assets.

To obtain a copy of the full annual report, or any part thereof, write or call the office of SIU Pacific District Supplemental Benefits Fund, Inc., the plan's administrator at 730 Harrison Street, Suite 400, San Francisco, CA 94107 telephone number (415) 764-4990. The charge to cover copying costs will be \$4.25 for the full annual report, or \$0.25 per page for any part thereof.

You also have the right to receive from the plan administrator, on request and at no charge, a statement of the assets and liabilities of the plan and accompanying notes, or a statement of income and expenses of the plan and accompanying notes, or both. If you request a copy of the full annual report from the plan administrator, these two statements and accompanying notes will be included as part of that report. The charge to cover copying costs given above does not include a charge for the copying of these portions of the report because these portions are furnished without charge.

Tugs attacked by pirates in SE Asia

On April 15, the tug boat, *TB Henry* was hijacked and four of her crewmembers kidnapped off of Lahad Datu, Malaysia, near the intersection of Indonesian, Malaysian and Philippine waters. The attackers have not been definitively identified, but officials suspect militants associated with the designated terrorist group Abu Sayyaf. The kidnapping was the third occurrence of the month.

The *TB Henry* and her 10 crewmembers had finished delivering a cargo of coal to the island of Cebu. They were making the 500 nautical miles return trip to Tarakan, North Kalimantan, Indonesia, when pirates attacked their vessel in the region of Tawi-Tawi, the southernmost point of the Autonomous Region in Muslim Mindanao (ARMM), Philippines – the same area as the previous two hijackings.

The *TB Henry's* crew resisted the pirates and prevented them from taking possession of the tug and her tow. One was shot in the chest while resisting capture. The wounded crewmember and five others managed to escape, and were rescued by Malaysian forces; four others were taken hostage. The kidnappings bring the total number of mariners held hostage in the attacks to 18, the majority of them Indonesian nationals.

On April 19, Indonesia's coordinating minister for political, legal and security affairs, Luhut Pandjaitan, told reporters that the operator of the first vessel in the string of hijackings – the tug *Brahma 12* – had negotiated to pay a ransom of one million dollars for the release of her 10 crewmembers. He said that the discussions in that case were relatively straightforward, but that the pirate group holding the second set of hostages was more difficult to negotiate with. Pandjaitan suggested that the kidnappings were motivated by financial considerations. "They are a group that's motivated by money, not ideology," he said.

Separately, Indonesian military spokesman Tatang Sulaiman called for joint maritime patrols with the Philippines and Malaysia. "We are trying to set up cooperation on coordinated patrols between Malaysia, Indonesia and the Philippines," he said. "If there is some kind of disturbance or security threat, it could be overcome in [our] respective areas," Sulaiman said, adding that Indonesia had already sent two warships to the area.

However, the forceful government response to the outbreak of pirate attacks is creating unintended consequences for the local population, officials say. On Tawi-Tawi and nearby islands, business owners and residents reported that following the tug hijackings, Malaysian security forces have effectively created a maritime blockade in an attempt to prevent infiltration by Abu Sayyaf. Traders and entrepreneurs have reportedly had to stop shipments of goods with partners in Sabah island, an Abu Sayyaf stronghold, as Malaysian authorities are intercepting shipping. Tawi-Tawi gets approximately 80 percent of its goods from Sabah, local officials say.

The congressional representative of Tawi-Tawi, Congresswoman Ruby Sahali, appealed to the Philippine government to help address the issue with Malaysian officials. "This problem is so serious. At least 13 wooden-hulled vessels carrying food supplies from Sabah, bound for our province, were recently stopped by Malaysian authorities," she said, adding that the price of rice has doubled since the start of the blockade.

SUMMARY ANNUAL REPORT FOR SIU PACIFIC DISTRICT SEAFARERS' MEDICAL CENTER FUND

This is a summary of the annual report of the SIU Pacific District Seafarers' Medical Center Fund, EIN 94-2430964, for the year ended June 30, 2015. The annual report has been filed with the Department of Labor, as required under the Employee Retirement Income Security Act of 1974 (ERISA).

Benefits under the plan are provided by the SIU Pacific District Seafarers' Medical Center Fund, a trust fund.

Basic Financial Statement

The value of plan assets, after subtracting liabilities of the plan, was \$(156,720) as of June 30, 2015, compared to \$(155,407) as of July 1, 2014. During the plan year the plan experienced a decrease in its net assets of \$1,313. During the plan year, the plan had total income of \$653,439, including employer contributions of \$650,279, earnings from investments of \$35, and other income of \$3,125.

Plan expenses were \$654,752. These expenses included \$196,488 in administrative expenses, and \$458,264 in benefits paid to participants and beneficiaries.

Your Rights to Additional Information

You have the right to receive a copy of the full annual report, or any part thereof, on request. The items listed below are included in that report:

1. An accountant's report;
2. Financial information and information on payments to service providers; and
3. Assets held for investment.

To obtain a copy of the full annual report, or any part thereof, write or call the office of SIU Pacific District Seafarers' Medical Center Fund, the plan's administrator, at 730 Harrison Street, Suite 400, San Francisco, California 94107, telephone (415) 392-3611. The charge to cover copying costs will be \$2.75 for the full annual report, or \$0.25 per page for any part thereof.

You also have the right to receive from the plan administrator, on request and at no charge, a statement of the assets and liabilities of the plan and accompanying notes, or a statement of income and expenses of the plan and accompanying notes, or both. If you request a copy of the full annual report from the plan administrator, these two statements and accompanying notes will be included as part of that report. The charge to cover copying costs given above does not include a charge for the copying of these portions of the report because these portions are furnished without charge.

You also have the legally protected right to examine the annual report at the main office of the plan at 730 Harrison Street, Suite 400, San Francisco, California 94107, and at the U.S. Department of Labor in Washington, D.C. or to obtain a copy from the U.S. Department of Labor upon payment of copying costs. Requests to the Department should be addressed to: Public Disclosure Room, N-1513, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210.

Australia monitored death ship master for 18 years

An Australian senate inquiry has revealed that Venancio Salas, captain of the "Death Ship" *Sage Sagittarius*, was known to Australian authorities for almost 18 years, but it was local media, rather than the nation's Department of Border Protection that alerted authorities of his return to the country.

Australia's Department of Border Protection has been forced to defend its monitoring of foreign sailors after Salas was discovered on a ship at the Port of Gladstone in February by Australian regional media. He was wanted for questioning by the New South Wales Coroner at the time and was subsequently subpoenaed to appear at an inquest underway into the death of two Filipinos as the ship approached Australia in late 2012.

A Senate Inquiry into flag of convenience shipping asked Border Protection officers to explain how the captain, who has previously confessed to selling guns and assaulting a gay crewman, was able to return to Australian seemingly unnoticed. Border Protection confirmed it had "holdings" on Salas relating to a range of interactions since December 24, 1994, and authorities had boarded the *Sage Sagittarius* on a number of occasions.

Salas had returned to Australia on board the bulk carrier *Kypros Sea*, and Senate committee chair Glen Sterle said a "gaping hole" has been exposed in national security involving foreign flag of convenience ships.

Sage Sagittarius has been dubbed the Death Ship after three crew members died under suspicious circumstances over a six week period between August and October 2012. The ongoing inquest is examining the first two deaths that occurred on *Sage Sagittarius*. Cesar Llanto, disappeared overboard as the vessel approached Australian waters northeast of Cairns. Chief Engineer Hector Collado, died as a result of a 36-foot fall on board the bulk carrier. The third death, that of Japanese superintendent Kosaku Monji, who was crushed to death on a conveyor belt, is beyond the scope of the inquiry as it occurred when the ship was docked in Japan.

Last year, the inquest heard that Salas regularly bullied galley worker Jessie Martinez. On one occasion, he allegedly punched him so hard he struggled for breath for days afterwards. The captain also admitted to selling guns to crew members and taking a commission. Most of the crew members on board were armed. Australian news sources report that, when pressed, Salas admitted to collecting the gun brochures and permits from the crew before the *Sage Sagittarius* docked in Newcastle to prevent the Australian Federal Police from finding them.

Australia announced the Senate inquiry into flag of convenience shipping last year after a television program highlighted the suspicious deaths on the *Sage Sagittarius*.



SUP President's Report

April 11, 2106

CHEVRON SHIPPING COMPANY

“Justice delayed is justice denied,” so the old saying goes. But in this instance, it was worth the wait as the SUP won a significant victory over Chevron Shipping this month when Arbitrator Andria Knapp determined that the company violated the collective bargaining agreement and the National Labor Relations Act by unilaterally implementing one-person watches at sea.

The beef originated in 2013 when the *Florida Voyager* departed a Singapore shipyard bound for Hawai‘i. The company requested and the Union agreed –on a non-precedent basis and retaining the right to grieve– that a one-person watch could be used on that 19-day sea passage so that more shipboard maintenance could be accomplished. Before the vessel arrived in Hawai‘i, the Union asked for a permanent resumption of the two-man watch which was reinstated for cargo operations. Departing Hawai‘i for the West Coast, the company, despite the Union’s protest, again imposed the one-man watch by order of the master.

Subsequently, the master of the *California Voyager* pulled this stunt when the vessel was transiting the Panama Canal with cargo, which the SUP again protested.

The SUP exchanged correspondence and met with Chevron to resolve the issue, but with no success as the company insisted it was a “management right” as per Article IV of the 2012-2017 Agreement to impose the one-person watch.

Hence, on July 11, 2014, the SUP filed unfair labor practice charges against Chevron with the National Labor Relations Board. The NLRB on September 9, 2014, referred the dispute to arbitration in accordance with the Agreement.

The arbitration hearing was finally held on June 4 and 5, 2015, in Oakland before Arbitrator Knapp. The Union was represented by Peter Saltzman of the Leonard Carder law firm while the company was represented by in-house counsel Dan Orfield.

Testifying for the Union were SUP members Jennifer Corner and Wil Williamson who both gave compelling evidence on the nature of the work aboard Chevron tankers and the disruptive effect on sleep and safety when the one-man watch is imposed at sea. Written statements backing the Union’s position were submitted by SUP members Thor Erikson, Mike Fox, and Scott Oliphant, all currently sailing as Bosun in company vessels – each with over 20 years of experience with Chevron.

SUP Vice President Dave Connolly, who handled the beef from its inception and did much of the work in compiling the Union’s case, and your secretary testified as to the bargaining history with Chevron and the fact that the one-man watch was never proposed by the company in negotiations in 2012.

The chief witness for Chevron was Chris Hendry, Manager of Human Resources. It became clear under questioning that Hendry was the company official that erroneously interpreted the Agreement that gave Chevron skippers the green light to implement the one-man watch at sea – at their discretion. Hendry also testified that before coming ashore he had never worked in a U.S.-flag ship, but had sailed as mate in foreign-flag tankers including those owed or chartered by Chevron – where work rules and watchstanding are basically determined by topside. He also stated that he was not that familiar with the SUP/Chevron Agreement.

As Arbitrator Knapp wrote in her April 6 decision:
“The SUP has represented unlicensed sailors at Chevron and its predecessor, Standard Oil, for 70 years. It would appear from this history that the two-person watch was such an inherent and integral part of operations while underway at sea that the parties did not think it was necessary to memorialize it in writing. There is also the possibility that there is no mention of the two-person watch because the parties had so internalized the two-person watch principle that they did not even think about it when they sat down at each bargaining session to address their more pressing labor relations problems. Whatever the reasons why two-person watches are not

expressly mentioned in the Agreement, the evidence establishes that the two-person watch has been a term or condition of employment in the Deck Department for decades. As a result, it must be considered an implied term of the Agreement.

Chevron contends that if there were an established past practice of two-person watches, changes in the shipping industry have eliminated the basis for it. Its argument is not persuasive. At sea, there is nothing more important than the safety of the crew, the vessel, and the cargo. After all, in the event of an accident, there is nowhere to go but down. The two-person watch is based on what it takes to safely and effectively stand watch while at sea on an oil tanker. Those conditions have not changed: someone still needs to be at the helm and on the lookout for external hazards on the surrounding seas, and someone still needs to ensure that the ship itself is running properly. (This latter applies more to the middle-of-the-night watches, when the engine room is unmanned; during the day there are other crew around to monitor the ship’s operations.) It is only market forces in that have changed, resulting in a need for more maintenance, more frequently. Chevron cannot be blamed for wanting to use its employees’ time as efficiently as possible, but its ‘changed circumstances’ argument here is not a convincing rationale for unilaterally eliminating the long-standing practice of the two-person watch.

“In summary, the long-established two-person watch standard is an implied term of the parties’ collective bargaining agreement, and the Company violated the Agreement when it unilaterally eliminated the two-person watch and replaced it with a one-person watch while Company vessels were at sea.”

Arbitrator Knapp retains jurisdiction over the issue to ensure that Chevron complies with her ruling.

CALIFORNIA LABOR FEDERATION, AFL-CIO

As a Vice President of the California Labor, AFL-CIO, attended and participated in an Executive Council meeting in Los Angeles on April 5, in preparation for the Federation’s Pre-Primary Convention. The Executive Council reviewed and made recommendations to the convention on all candidates running for Congress, the state legislature and a ballot proposition for the June 7 primary.

Candidates for the U.S. Senate seat being vacated by retiring Senator Barbara Boxer were invited to address and respond to questions from the Executive Council. All candidates for the Democratic and Republican parties were invited to attend but only Kamala Harris, California’s Attorney General and Congresswoman Loretta Sanchez accepted the offer. Both Harris and Sanchez gave good overall presentations with Congresswoman Sanchez being the most specific on issues affecting workers.

Unfortunately, the majority of the Executive Council voted to recommend Harris. As the membership knows, the SUP endorsed Congresswoman Sanchez last September, based on her 20-year record of supporting the Jones Act, the Maritime Security Program, Food for Peace, cargo preference and the Export-Import Bank.

Polling indicates that given California’s open primary, Sanchez and Harris will be the two top candidates for the November 9 General election. The California Labor Federation Convention is in July and hopefully the recommendation for the U.S. Senate will be revisited.

The Pre-Primary Convention convened in Los Angeles on April 6, with delegates from California’s 2.1 million Union workers debating the recommendations of the Executive Council. The SUP was represented by Dave Connolly, Diane Ferrari, and your secretary.

The pre-primary endorsement serves as the launching pad for the massive grassroots voter outreach efforts that will activate tens of thousands of volunteers from now until election day. The California Labor mobilization relies heavily on personal communication at the door, on the phone and at the work site to educate voters about

key issues in the upcoming primary. Members interested in participating should contact their local labor council.

California Labor Federation Executive Secretary-Treasurer, Art Pulaski, said: “Our power derives from workers coming together on nights and weekends to talk to friends, neighbors and coworkers about the importance of this year’s election. What our grassroots efforts lack in money, we more than make up for it in face-to-face voter engagement. With big money perverting our political process, the labor program to engage and mobilize voters on worker issues is more important than it’s every been. We’re ready to get to work electing a slate of pro-worker candidates committed to making California the bet place to live, work and raise a family.”

A complete list of the Federation’s Primary recommendations will be published in the May West Coast Sailors and may be viewed online at the Federation’s website.

QUARTERLY FINANCE COMMITTEE

In accordance with Article XVII, Section 2, of the SUP Constitution, a Quarterly Finance Committee shall be elected at today’s Headquarters’ meeting to review the finances of the Union of the first quarter of 2016 and report back to the membership at the May membership meetings.

In the event the Committee cannot be filled today, recommend that when the quarterly audit is completed, which will be in about three weeks, necessary Committee members be shipped off the hiring hall deck as per past practice. The Quarterly Finance Committee will turn-to on Monday, May 9, at 8:00 A.M.

ACTION TAKEN

Quarterly Finance Committee: Nominated and elected: Diane Ferrari, Dave Frizzi, Robert Leeper, Frank Portanier and Arthur Thanash,

M/S to concur with the balance of the President’s report. Carried unanimously.

Gunnar Lundeberg

Nautical terms in everyday speech

Pooped... (tired or overwhelmed)

The word pooped derives from the Latin *puppis*, meaning the stern or aftermost part of a vessel. Strictly speaking, the “poop” is the name given to the short, aftermost deck raised above the quarterdeck of a sailing ship but is sometimes incorrectly used to describe the nonraised aftermost deck as well. A ship is said to be “pooped” when a wave breaks over her stern as she is running before a gale. “High o’er the poop audacious seas aspire,” wrote Scottish poet-lexicographer and sailor William Falconer in his narrative poem “The Shipwreck.” In his most notable work, *Universal Dictionary of the Marine*, he described “pooping”: “The shock of a high heavy sea upon the stern or quarter of a ship when she scuds before wind in a tempest. This circumstance is extremely dangerous to the which is thereby exposed to the risk of having her whole stern beat inwards, by which she would be immediately laid open to the entrance of the sea, and of course, founder or be torn to pieces.” The nautical term has washed into the English vernacular in a big way. The word *pooped* is used describe a person who has taken a figurative beating and is overwhelmed by exhaustion. Ironically, William Falconer drowned in 1769 when his ship, the frigate *Aurora*, foundered off Cape Town, South Africa.

Jones Act provides an important barrier to terrorist infiltration of the homeland

by Daniel Goure, Ph.D.

The debate of enhancing U.S. border security has focused almost exclusively on illegal movement of people and drugs into the southern United States from Mexico. Yet, the southern border is actually the smallest at 1,989 miles. The U.S. border with Canada is almost three times longer at 5,525 miles.

All of this country's land borders are dwarfed by the 95,000 miles of national shoreline. This includes the Pacific, Atlantic and Gulf coasts as well as the Great Lakes separating the United States from Canada. Along this shoreline are many of America's greatest cities: Los Angeles, San Francisco, Portland, Seattle, Chicago, Boston, New York, Philadelphia, Charleston, Savannah, Miami and Tampa. Virtually all of these are associated with ports through which pass millions of cargo containers and hundreds of thousands of passengers.

Moreover, the United States is a nation of rivers. A ship entering the homeland through a coastal port such as New Orleans will have access to the deep interior. The inland waterways of the United States encompass over 25,000 miles of navigable waters, including the Intracoastal Waterway, a 3,000-mile waterway along the Atlantic and Gulf Coasts. This liquid highway touches most of America's major eastern cities including Washington DC, Philadelphia, Baltimore, Chicago, New Orleans and Mobile. Inland and intracoastal waterways directly serve 38 states from the nation's heartland to the Atlantic seaboard, Gulf Coast and Pacific Northwest.

A significant portion of the movement of ships in U.S. waters is governed by the Merchant Marine Act of 1920, also known as the Jones Act. Only vessels conforming to the provisions of the Jones Act are permitted to carry passengers or cargo between two U.S. ports, a process also termed "cabotage." These vessels must be built in the United States, owned by U.S. citizens, and operated under the laws of the United States. In addition, all officers and 75 percent of the crews of vessels engaged in cabotage must be U.S. citizens, with the remainder being citizens or lawfully admitted aliens.

The Jones Act was meant to pursue a number of national objectives. The most obvious was to support a robust U.S. shipbuilding industry and merchant marine. In addition, Jones Act ships provided an important logistics support capability for the U.S. Navy.

A less well-appreciated but ever more important service provided by the Jones Act is in the area of homeland security. Since 2011, the Departments of Defense and Homeland Security along with domestic law enforcement agencies at both the state and federal levels are expending enormous amounts of manpower and resources to secure the nation's ports and waterways. Foreign owned and operated ships routinely enter U.S. ports. But their movements and those of their crews are subject to a variety of controls and restrictions. For example, without valid passports, foreign sailors are restricted to their ships and the immediate port area.

It is particularly important that those vessels and crews which routinely travel

between U.S. ports and especially the inland waterways through America's heartland pose no threat to the homeland. It is for this reason that the higher standards with respect to ownership and manning requirements for Jones Act ships are so significant.

The task of securing U.S. seaports and foreign cargoes is daunting by itself. It makes no sense to add to the burden facing domestic security agencies by allowing foreign-owned ships operated by foreign crews to move freely throughout America's inland lakes, rivers and waterways. The requirement that all the officers and fully 75 percent of the crews of vessels engaged in cabotage be U.S. citizens goes a long way to reducing the risk that terrorists could get onboard or execute an attack on a U.S. target. In effect, there is a system of self-policing that reduces the requirement for law enforcement and homeland security organizations to expend time and effort to ensure that these vessels and crews are safe to traverse U.S. waters. Were the Jones Act not in existence, the Department of Homeland Security would be confronted by the difficult and very costly requirement of monitoring, regulating and overseeing foreign-controlled, foreign crewed vessels in coastal and internal U.S. waters.

[Editor's Note: This article was published by the Lexington Institute, an Alexandria, Virginia-based think tank.]

Panama Canal threatens West Coast ports' regained market share

West Coast ports have regained the market share of U.S. containerized imports they lost last year during the long-shore labor disruptions, but industry analysts say the deployment of bigger ships through the enlarged Panama Canal later this year could swing the balance back to the East Coast. Market share numbers released this month by PIERS, show the West Coast share of U.S. imports is back in the range of 51% to 53%, where it has been in recent years. That's noticeably higher than it was in February 2015 when the West Coast's share of U.S. imports plunged to 46%.

West Coast ports went into gridlock in early 2015 due to work slowdowns by the International Longshore and Warehouse Union and retaliation by the Pacific Maritime Association during the lengthy and contentious coastwide contract negotiations. East Coast ports' market share, which is normally in the 40% to 42% range, shot up to 46.6% in February 2015, according to PIERS. The Gulf Coast's share, which is usually 5%-5.5%, increased to about 6.5% in early 2015.

The TransPacific trades returned to normal by last summer. Imports through the East Coast were strongest in the early summer, peaking in July, while imports through West Coast ports increased in late summer, peaking in August and September. Higher value merchandise is normally shipped in late summer and fall for the holiday shopping season. Shippers are willing to accept a higher all inclusive freight rate and intermodal rail rate through the West Coast in return for faster time to market. Lower value, redundant shipments that are governed mostly by

Vice President's Report

April 2016

Florida Voyager: Terry Black, delegate. Calling at various Gulf Coast ports before heading to a Spanish shipyard with the crew retained. Arbitration award finally settles the watchstanding question—it's a two person watch at sea. See President's Report.

APL Guam: Manny Rezada, bosun. Clarification on call-out coffee-maker: payable at sea and in port. Paint locker is without a vent. Pressing management for a shipyard modification and cartridge-style respirators.

APL Korea: Aaron Weibe, delegate with Jon Rose, bosun. Lodged complaint with management and MM&P over the retaliatory behavior of the chief mate. Various problems under investigation with SUP Wilmington Branch Agent Bob Burns in the lead.

APL Philippines: Jennifer Corner, delegate. Clarification on fire and boat drill payment for dayworkers already on overtime when a drill exceeds one hour (continuous). Cargo rate of pay for rigging staging covered in Section 19(h) of SUP Work Rules. Bosun working on watch payable at the overtime rate on overtime hours and straight time rate on straight time hours.

APL China: Janan Johair, delegate. Clarification on maintenance overtime work periods and watch relief protocols. Monitoring the situation.

APL Singapore: Reginald Clark, delegate. Email from bosun Dale Gibson with washdown questions. Wilmington Agent Bob Burns to handle on arrival.

USNS Red Cloud: Mahdi Asad Al-Rasullulah, bosun. Finally sailed from New Jersey yard for a loadport and overseas deployment. Returning sailors after a layup are re-dispatched under the MOU for a fresh 120 days. SUP Shipping Rules apply except where in conflict with the MOU.

USNS Dahl: Jon Clark, delegate. Reliefs in process.

Cape Victory: Gerry Gianan relieved by Jonathan Pampilon, bosun. Family emergency forced bosun off the ship. Year-long dispatch makes valid STCW medical certificate for the assignment difficult. Management agreed to allow on-board application for new certification.

USNS Shughart: Cliff Alexis, delegate. Clarification and intervention on restriction and cash money draws. Awaiting shipyard departure of Red Cloud, the ship anchored within sight of the Statue of Liberty. Seattle Branch Agent Vince O'Halloran successfully pressed management to set up launches for shore leave for U.S. mariners in a U.S.-flag ship in New York harbor. Even in the land of the free, sailors must fight for shore leave.

SNLC Pax: Adam Tassin, delegate. Many problems dealt with on a daily basis. Strange launch schedule amounting to restriction for AB's in Japan under investigation.

Moku Pahu: Rocky Cassaza, delegate. Bosun Hussein Ali got off in African port with second and third degree burns. New bosun Saher Ali dispatched. Clarification on cargo rate of pay for cleaning rose boxes (yes, if actually in the rose box) and cargo holds (usually no). Support in Section 20 of the SUP Work Rules.

Dave Connolly

onne Bridge in New Jersey is raised and bigger ships can be accommodated at the largest East Coast port of New York and New Jersey, vessels of 10,000 to 12,000 TEU capacity will be introduced into all-water services through the Panama Canal, he said.

Of course, even larger vessels, up to 18000 TEU capacity, are regularly calling at West Coast ports. Carriers have told the Port of Long Beach they will continue to upgrade the size of vessels calling in Southern California. The steady flow of megaships into the TransPacific is forcing freight rates lower, but when compared to other global trade lanes, and especially the Asia-Europe trade where the world's largest ships now call, freight rates in the TransPacific are not as low, he said.

The combination of declining all-water freight rates to the East Coast, and more aggressive intermodal pricing by eastern railroads compared to the intermodal pricing policies of western railroads, is driving more cargo to East Coast ports that is destined to the mid-South, Wheeler said. Charleston is seeing increased cargo flows to destinations such as Memphis, Nashville and Birmingham, he said.

By the same token, when the Panama Canal is ready for full commercial use, the first shift of cargo to that route will come not at the expense of West Coast ports, but rather will be cargo from North Asia that had migrated from the Panama Canal to bigger ships transiting the Suez Canal the past two years, he said. When bigger ships are able to transit the Panama Canal later this year, there will be a shift of cargo from North Asia away from the Suez Canal to the Panama route, he said.

price normally move in higher volumes during the winter and spring on the less costly all water services from Asia to the East Coast.

January and early February this year were busy months for West Coast ports, and TransPacific freight rates were higher, during the run-up to Chinese New Year in Asia. After the factories closed for the two-week celebration, volumes dropped steeply and West Coast market share also went lower.

The bottom line, as far as West Coast ports are concerned, is that most beneficial cargo owners did not make permanent changes in their cargo routing due to the port congestion that resulted from almost four months of work slowdowns from October 31, 2014, until a tentative contract was reached on February 20, 2015.

The next big change in cargo routing and market shares could occur this summer. After numerous delays, the Panama Canal Authority is assuring customers that completion of the third set of locks, which will allow larger ships to transit the canal, is set for late June. John Wheeler, vice president of carrier sales at the South Carolina Ports Authority, said carriers say they are committed to deploying larger vessels on those routes this summer. If the canal is not immediately ready for commercial service, carriers will most likely begin the services through the Suez Canal, and then migrate them to the Panama Canal when it is ready.

Wheeler said that initially the current strings of vessels with capacities up to 5,000 twenty-foot-equivalent units will be upgraded to about 8,000-TEUs. In late 2017 or shortly thereafter, when the Bay-

SUP Branch Reports

Seattle

March 21, 2016

Shipped during the period: 3 Boatwain billets shipped and filled, all to Navy Bottoms and all filled with B cards 7 Able Seaman jobs filled by 7 B cards. 9 standbys went to 8 A-cards and 1 B card. Registered: 5 A cards for a total of 12; 12 B cards for a total of 23; and 5 Ccards for a total of 11.

Ships Checked

Matson vessels *MV Manoa*, *SS Maui* and *SS Kauai* all called Seattle. And we shipped return MFOWW members to the *SS Lihue*. Seattle also dispatched SUP members to the following bottoms. The *APL Agate* and *APL Coral*. The *USNS Soderman*; *USNS Pomoroy*; *USNS Sisler*; *USNS Watkins*; *USNS Watson*; *USNS Waters*; and *USNS Charlton*.

I represented the SUP at the following meetings: the King County Labor Council Executive Board and Delegates meetings. The Seattle Marine Business Coalition meeting; the Port of Seattle “Arena location” meetings.

On March 9, along with Herb Krohn of United Transportation Union and Mike Elliot of Brotherhood of Locomotive Engineers and Trainmen I attended a meeting with Congressman Dave Reichert (R-Washington). Congressman Reichert sits on the House Ways and Means Committee and is Chair of the Sub-Committee on Trade. In that position we asked Congressman Reichert’s help in ensuring that there would be “no agreement to weaken the Jones Act” in the Trans-Pacific Partnership trade negotiations. Congressman Reichert said he had been alerted to my question beforehand and had already directed his Chief of Staff to investigate applications for amendments to the Jones Act and he further stated he will not allow such amendments and will defend the Jones Act vigorously.

Vince O’Halloran, Branch Agent

Wilmington

March 21, 2016

Shipping: Bosun: 2, AB: 5, AB Maint: 4, Standby: 52. Total Jobs Shipped: 66 Registrations: A:27 B:21 C:20 D:13

Ships Checked

Mahi Mahi, *Mauna Lei*, *Mokihana*, *RJ Pfeiffer*, *APL Belgium*, *APL Thailand*, *APL Singapore*.

This report should include the effort Mark Hurley has made to assist me in making the transition to Agent be as smooth and effective as possible. He has been a great help.

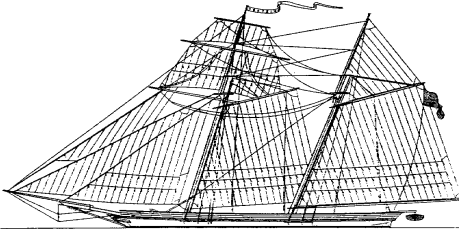
Additionally, I visited, *Mahimahi*, *Mokihana*, *Maunalei* and *R.J. Pfeiffer*. Also, called on the, *APL Belgium*, *APL Thailand* and *APL Singapore*.

On the *APL Belgium* one of our sailors asserted that he was threatened by topside that were he to sign on, he would be fired by the Captain at his first opportunity. I have sent communications to APL Labor Relations personnel asking for a written clarification as to why the sailor was rejected for employment and there has been no written response. A verbal response was, however, provided by APL Labor Relations Office personnel. The response provided some insight into whether the issue is being taken seriously, stating:

“We have looked into the matter and feel it would best for all concerned if the sailor in question looks for another ship”.

Other than the above all other vessels seem to be running as well as can be expected.

Bob Burns
Branch Agent



Honolulu

March 21, 2016

Shipped the following jobs in the month of March: 1 Bosun steady, 1Bosun return, 3 AB Day steady, 1 AB Day relief, 3 AB Watch steady, 2 AB Watch reliefs, and 1 AB Maint steady. The shipping jobs were filled by 5 A cards, and 7 B cards.

Shipped 26 standby jobs. The standby jobs were filled by 12 A cards, 4 B cards, 9 C card, and 1 D card.

Registered in March: 12 A cards; 11 B cards; 1 C card and 1 D card. To date total registered are 16 A cards, 14 B cards, 6 C cards and 2 D cards.

Ships checked

I visited the *Manukai*, *Maunalei*, *RJ Pfeiffer*, *Maunawili*, *Manulani*, *Manoa*, *Mokihana*, *Maui*, *Kauai*, *Mahimahi*, *Matsonia*, and the Paint and Rigging gang. All are running with few or minor beefs.

I represented the SUP at the Hawai’i Ports Maritime Council meeting and the AFL-CIO Executive Board meeting.

We had the pleasure of SUP President Gunnar Lundeborg attending this month’s meeting. Gunnar listened to and answered all questions and everyone was happy with what they heard.

Mahalo for a job well done by Mark Hurley, outgoing Wilmington Branch Agent and Aloha to Robert Burns; new Wilmington Branch Agent.

Mahalo,

Michael Dirksen
Branch Agent

Business Agent’s Report

April 11, 2016

Manoa- In and out of Oakland on the northwest run. “Maltese Falcon” on a trip off; in good hands with Sam Scott relief Bosun and Mark Pfaff as delegate.

Mahimahi- In and out Oakland. Rumors have them laying alongside the berth in Honolulu for three to four days so they could get on schedule for the northwest run. Remoni Tufono Bosun and Haz Idris delegate.

Kauai- Matson called for a standby crew for the *Kauai*. Next day called back the crew; all returned but one. Job filled by a book member. Mick McHenry returned as Bosun, Paul Davis as delegate. Two days later sailed for Seattle.

Lihue- Called back the crew for the *Lihue*, after a long 80-day layup in Shanghai shipyard. *Lihue’s* been running steady since the activation last year. Marc Calairo is Bosun.

Matsonia- Last trip in Oakland. There was an issue with the Chief Mate running the crane, which was resolved right away. Hard working gang with Teo Rojas as Serang, Lynn Gabor as delegate.

Maui- In at Oakland #62, discharging cargo then shift to Oakland# 67 Howard Terminal for lay-up. Rumors have her breaking out in two weeks. Subject to change. Jesper Pfeil as Bosun, Arsenio Purganan as delegate.

APL Thailand- In and out of Oakland. Shipped a steady Bosun John Duran, Rolando Mendoza as delegate.

APL Korea- Ongoing issues onboard this ship with topside; Jon Rose Bosun, Aaron Wiebe delegate.

APL China- In and out Oakland#57; Mike Bloemhof as Bosun,Christpoher Go’s time’s up as delegate; will elect a new delegate for the trip.

APL Belgium- In and out of Oakland this trip less eventfully. Dennis Belmonte as Bosun, Nick Hoodgendam, delegate.

APL Philippines, *APL Singapore-* In and out with little or no beefs.

Mississippi Voyager- In and out RLW in good hands with Ron Gill, Bosun, Josh Crouch delegate.

Oregon Voyager, California Voyager- Checked in with these with little or no beefs.

Cape Orlando- Jim Linderman Bosun. OK.

Cape Henry- Gabriel Sapin Bosun. OK.

Admiral Callaghan- Phillip Coulter Bosun. OK.

Cape Horn- Joel Schor Bosun. OK.

Cape Hudson- Mark Relojo Bosun. OK.

San Francisco Bar Pilots - Change day Pilot Boat *California* with Boat Captain Mark Hargus and crew outbound for Station. Leo Moore, Dock Bosun, Big Mike Koller delegate.

Double check your documents, keep them current. Members with military training: it’s your responsibility to update your certificates.

Assisted in dispatching.

Roy Tufono

The *Titanic* – then and now

The *Titanic* struck an iceberg and sank on its maiden voyage on April 15, 1912, killing 1503 people. The vessel now lies in 13,000 feet of water, 370 miles off the coast of Newfoundland, Canada, nearly two and a half miles below sea level overlooking a small canyon. No light reaches the wreck at its resting depth, but at *Titanic Belfast*, claimed to be the world’s largest *Titanic* exhibition, visitors can view high definition footage of what *Titanic* looks like today.

Titanic Belfast is built where the *Titanic* was designed and launched. The vessel was launched in 62 seconds on May 31,1911, and now 105 years later, Australian businessman Clive Palmer is planning a replica. Earlier this year, Palmer announced that *Titanic II* will set sail in 2018. The vessel’s maiden voyage will be from Jiangsu, China, to Dubai. The plans are on-going. Originally *Titanic II* was slated to make the journey from Southampton, England, to New York (the route planned for the first ship) by 2016. The billionaire, whose projects have also included plans to build a Jurassic Park-style theme park full of animatronic dinosaurs, reportedly signed the shipbuilding deal with the Chinese shipyard CSC Jinling back in 2012.

Palmer’s new nine-deck ship will be 886 feet long, slightly more than *Titanic*, 174 feet high and will have a maximum speed of 24 knots. She will accommodate 2,400 passengers, 177 more than the *Titanic*, and 900 crew.

Palmer’s Blue Star Line is building the \$600 million *Titanic II* based on its “unsinkable” predecessor, but has updated the design to meet modern safety requirements. The ship will carry enough lifeboats for every passenger and will also be wider than the original to meet modern maritime safety regulations. The hull will be welded, not riveted like that of the *Titanic*.

A third *Titanic* is also under construction. A life-sized Chinese replica is expected to be complete by August 2017 and open to the public in October 2017.

Shipbuilder Wuchang Shipbuilding Industry Group, a Chinese State-run shipbuilder, is undertaking the \$161.3 million project. Sichuan-based company Seven Star Energy Investment Group is providing the funds. Su Shaojun, chairman of Seven Star, said that he wanted, through the reconstruction, to share and spread the spirit of the *Titanic*: love and self-sacrifice. The replica will be the centerpiece of a theme park expected to attract tourists from around the world. Su has stated that Seven Star has launched the *Titanic* Foundation which aims to provide assistance to shipwreck accident victims. Three percent of ticket sales and one percent of the theme park’s income will go to the foundation.

Dispatcher’s Report

Headquarters—March 2016

Deck	
Bosun.....	9
Carpenter.....	0
MM.....	8
AB	13
OS	3
Standby	18
Total Deck Jobs Shipped	51
Total Deck B, C, D Shipped.....	31
Engine/Steward	
QMED.....	0
Pumpman.....	0
Oiler.....	0
Wiper.....	0
Steward	0
Cook	0
Messman	0
Total E&S Jobs Shipped.....	0
Total E&S B, C, D Shipped	0
Total Jobs Shipped - All Depts.	51
Total B, C, D Shipped-All Depts.	31
Total Registered “A”.....	18
Total Registered “B”	37
Total Registered “C”	19
Total Registered “D”	27

Support the SUP Political Fund