



West Coast Sailors

Official Organ of the Sailors' Union of the Pacific

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SAN FRANCISCO, CALIFORNIA

Friday, August 21, 2015

Multi-nation trade pacts threaten the Jones Act

On June 29, President Obama signed into law a bill renewing Trade Promotion Authority (TPA), known as 'fast-track' for trade pacts. The law, which will be in effect for three years with the option for a three-year extension, grants the administration the authority to negotiate trade pacts with other nations and present the final deals to Congress for an up-or-down vote without the possibility of amendment.

Two multi-national trade pacts are currently being negotiated, the Trans-Pacific Partnership (TPP) and the Trans-Atlantic Trade and Investment Partnership (TTIP). Multi-nation trade pacts, such as NAFTA, are opposed by organized labor due to provisions that encourage U.S. manufacturers to shift production centers to foreign nations, costing the jobs of American workers. The opposition to these potential trade pacts is no different. However, the TTIP is of particular concern to the U.S. merchant marine due to the public statements of foreign

interests participating in negotiations on the trade deal combined with the implementation of fast-track authority.

In a press release issued May 28, the European Parliament stated, among other things: "The TTIP talks should remove current U.S. restrictions on foreign ownership of maritime and air transport services and airlines, such as the 'Jones Act' or the 'Air Cabotage law,' which 'seriously hinder market access for EU companies' MEPs also call for more EU access to U.S. telecommunications markets."

The press release followed the public statements of former Belgian Prime Minister Guy Verhofstadt, an independent director of Belgian shipowner Exmar, who said: "It is unfair that European ships cannot engage in cabotage or even international feeding operations in the U.S. because of the so-called Jones Act, while U.S. shipping companies don't suffer from such restrictions here in Europe."

As reported by the maritime in-

dustry publication, *TradeWinds*, Verhofstadt cited the TTIP as an opportunity to open Jones Act markets to foreign interests, adding: "European shipowners should raise their voice. I can only urge you to raise your voice, to the (European) Commission, to the (European) Parliament, to everybody involved, so that steps are taken to remedy this situation."

A leaked confidential briefing paper prepared by the United Kingdom regarding TTIP negotiations was published by *Inside U.S. Trade* in February of this year. The memo, among other things, stated: "The U.S. has been fully aware of the views of the UK and other countries towards the Jones Act for many years. However, there is no realistic chance of a change in U.S. policy on this matter."

"The U.S. is committed to a strong merchant marine for national defense and economic security. In the current security conscious climate, that position can only remain entrenched. Importantly, neither UK nor

other international shipping companies see any advantage in putting pressure on the U.S. over the Jones Act at the present time," according to the memo.

"It is very difficult to estimate how much of that market would be of interest to or successfully competed for by UK, European Union or other non-U.S. shipping if the relevant provisions of the Jones Act were to be repealed," according to the memo.

While it is clear foreign vessel owners and operators have long desired access to established U.S. domestic maritime markets, U.S. cabotage laws have never been included in trade pacts the U.S. has negotiated with foreign nations.

Responding to written questions from Congressman Charles Boustany (R-Louisiana) in September 2013 regarding a different trade agreement, U.S. Trade Representative Michael Froman wrote: "This administration has continuously ensured that the application of the Jones Act is permitted under each of our trade agreements. As we continue to

participate in discussions where this issue may arise, including trade agreement negotiations, we will continue to take this position."

The threat in trade negotiations is that U.S. maritime services, including the Jones Act, could be offered in closed-door talks in exchange for terms the U.S. may be seeking from other nations on various aspects of commerce and trade. With the enactment of fast-track authority, amendment or repeal of the Jones Act could be tucked deep inside a final trade pact, which would then be presented to Congress for an up-or-down vote without the possibility of changing specific provisions, such as possible concessions on U.S. cabotage laws.

The SUP continues to work with others in the U.S. maritime industry and the American labor movement to closely monitor ongoing trade negotiations to ensure U.S. cabotage laws are not placed on the trade table or the chopping block.

Social Security is 80 years young

by Lee A Sanders, President, American Federation of State, County and Municipal Employees, AFL-CIO

President Franklin Roosevelt signed the Social Security Act 80 years

ago this month, on August 14, 1935, but if you read what his critics were saying about it at the time, you might think it was just yesterday. It was a job killer and an attack on Big Business. In the words of then Senator Daniel Hastings (R-Delaware), it would "end the progress of a great country."

Of course, it didn't. Social Security is a major source of income for most of the seniors in this country; nine out of 10 individuals older than 65 – more than 59 million Americans – receive Social Security retirement payments. It's one of our most beloved government institutions.

Social Security has changed America in the past 80 years, but some things never change. We still have politicians charging at our essential social safety net with the same tired arguments.

Just take a look at the Republican candidates running for

President in 2016. Many propose that we raise the retirement age or privatize the program. What used to be the untouchable "third rail" of politics was open game in January when members of the newly elected House of Representatives arrived in Washington. Their first act was to vote for a rule change that could cut benefits in the future.

Why are powerful people going after such a beloved program? They'll tell you that the system is nearly out of money, and that the problem is so deeply rooted there's no way to fix it without reducing benefits. But that's not true. Social Security is on track to be fully funded for the next 20 years, according to the most recent report from the agency's trustees. And after that it will still be 75% funded. And we already know how to fix it.

Right now, Social Security contributions are only collected from the first \$118,000 of a person's yearly earnings. That

means that while the average American contributes approximately 6.2% of her or his annual earnings to Social Security, the wealthiest 16% of Americans contribute a tiny proportion. Economists say the program would be fully funded if we could eliminate that cap and collect equal contributions from high-income workers.

Social Security is of critical importance to our nation. Before the program was established, between one-third and one-half of all senior citizens spent their last years in dire poverty. Today, seniors are the least likely of any age group to live in poverty. The AARP estimates that approximately 35% of all Americans aged 65 and older, or 14.5 million people, would be living in poverty if not for Social Security retirement payments. Our goal should be to improve upon this success, not to go backwards.

The public overwhelmingly supports solutions that preserve

and improve Social Security benefits. A 2014 survey by the National Academy of Social Insurance found that 83% of all Americans, including 71% of Republicans, think high-income workers ought to contribute more to Social Security. And 77% said they would be willing to pay more out of their own income in order to secure a good retirement.

Once upon a time, financial planners pegged Social Security as one leg of a three-legged stool comprising retirement security – along with pensions and savings. Today, with many employers eliminating real defined-benefit pensions and with few Americans saving enough for retirement, Social Security is even more important.

For politicians to continue to attack this program, instead of planning on how to expand it, is a losing proposition. Voters may send them packing toward their own retirements.

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SUP Quarterly Finance Committee Report

SUP QUARTERLY FINANCE COMMITTEE REPORT FOR THE QUARTER ENDED JUNE 30, 2015

The Quarterly Finance Committee, duly authorized to act by the regular meeting at Headquarters on July 13, 2015, hereby submits the following report:

SUMMARY OF CASH AND INVESTMENTS

General Fund.....	\$1,825,224.46
Political Fund	\$6,657.93
Strike Fund	<u>\$1,293,730.99</u>
Total Cash and Investments 2nd Qtr. 2015	<u>\$3,125,613.38</u>

GENERAL FUND

Income:	
Dues, Initiation, Assessments	\$122,214.90
Interest	11,878.50
Donations - <i>West Coast Sailors</i>	1,330.00
Tanker & Joint Committee, Hiring Hall.....	155,876.21
Advertising & Promotion	395.00
Miscellaneous Income, Reimbursements, Fines	6,133.04
Reimbursed Administrative Expenses.....	22,871.54
Contributions - General Fund	<u>1,393.00</u>
Total Income:	<u>\$322,092.19</u>

Expense:	
Auto & Travel	\$672.00
Rent.....	9,594.98
Postage, Printing & Office	4,742.04
Equipment Purchase	925.77
Telephone & Telegraph.....	4,192.69
<i>West Coast Sailors</i> Publishing Expense	13,171.81
Contributions	1,225.00
Per Capita	10,600.00
Salaries & Payroll Taxes.....	187,939.52
Office Workers Pension.....	6,338.20
Insurance.....	50,418.90
Field Expense.....	56.00
Meeting/Committee & Neg., Conference & Conv.	11,442.48
Investment Expense.....	1,643.88
Officials Pension.....	1,927.62
Subscriptions.....	5,227.08
Legal -- Rep.....	3,225.00

Flowers.....	758.65
Misc.....	<u>(134.01)</u>
Total Expense:.....	<u>\$314,327.61</u>

BUILDING CORPORATION

Income:	
Rents	\$196,028.55
Bldg. Util. & Service Reim.	<u>1,200.00</u>
Total Income:	<u>\$197,228.55</u>

Expense:	
Building Services & Utilities	\$28,990.14
Repairs & Maintenance	13,269.81
Insurance.....	6,585.73
Auto	203.95
General Taxes	16,118.52
Salaries & Payroll Taxes.....	16,104.93
Pension	321.27
Legal -- Building Improvements.....	960.00
Office	<u>2,132.41</u>
Total Expense:	<u>\$84,686.76</u>

POLITICAL FUND

Income:	
Contributions	<u>\$3,610.00</u>
Total Income	<u>\$3,610.00</u>

Expense:	
Office	51.80
Contributions	<u>\$4,000.00</u>
Total Expense:.....	<u>\$4,051.80</u>

Net Income 2nd Qtr.	<u>\$119,864.57</u>
Net Income YTD:	<u>\$119,864.57</u>

/s/ Arthur Thanash	/s/ Paul Calais
/s/ Frank Portanier	/s/ David Larsen
/s/ Colin Dewey	

*ACTION BY THE MEMBERSHIP August 10, 2015. M/S/C—That we concur in the report of the SUP Quarterly Finance Committee and, as per past practice, publish in the **West Coast Sailors**. Carried unanimously.*

Final Departures

Joseph Valverde, Book No. 852. Born in New York in 1930. Joined SUP in 1951. Died in Florida, July 16, 2015. (Pensioner)

John Ray Rodriguez, Book No. 3096. Born in California in 1922. Joined SUP in 1947. Died in Daly City, California, July 30, 2015. (Pensioner)

SUP Meetings

These are the dates for the regularly scheduled SUP meetings in 2015:

	<i>Hdq.</i>	<i>Branch</i>	
September	14		21
October	Tues. 13		19
November	9		16
December	14		21

Suez Canal expansion opened this month

An expansion of the Suez Canal that will allow two-way traffic in some sections officially opened on August 6, and is being praised by large shipping companies. Egyptian President Abdel Fattah Sisi officially opened what the government has been calling the “New Suez Canal”.

The project does not run the entire length of the waterway, but adds a second 22-mile section, in addition to deepening and widening of the Great Bitter Lakes bypasses and Ballah bypass, with a total length of 23 miles, so that the total length of the project is 45 miles.

Many press reports put the cost of the project at \$8.2 billion today, more than double the initial \$4 billion estimate.

The Suez Canal Authority said the expansion will “minimize the waiting time for vessels to become three hours at most instead of eight to 11 hours,” and will cut down on trip cost and make the Suez Canal more attractive.

The project involved the removal of 250 million cubic meters of material through dry excavation and 58.8 million cubic meters of dredge material by 45 dredgers. Construction was completed in just one year.

The Suez Canal Authority said the canal expansion “goes side by side with the Suez Canal Area Development Project,” which is aimed at expanding trade along the waterway and will include development of 29,344 square miles around the canal into an international industrial and logistics hub to attract more ships and generate additional income. The development project could cost as much as \$15 billion, and is expected to have a positive impact on the Egyptian economy by boosting hard currency earnings, providing job opportunities and creating new urban communities.

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La Marcha Comienza en: Broad y E Street, Wilmington

Assembly begins 8 a.m. | March departs 10 a.m.
Formacion empieza 8 a.m. | La Marcha sale 10 a.m.

Rally at Banning Park 12 p.m.
Speakers, Music, Shuttle Buses, Hot Dogs, Soft Drinks Available
Reunion en Banning Park 12 p.m.
Voceros, Musica, Autobuses de Transporte, Hot Dogs, Sodas Disponibles

36TH ANNUAL LABOR DAY PARADE

MONDAY/LUNES SEPTEMBER 7, 2015

FOR MORE INFORMATION:
Labor Day Committee
3888 Cherry Ave, Long Beach, CA. 90807
(562) 595-1891

West Coast Sailors

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Court rejects new bid to kill Jones Act by shippers in Hawai’i

Another attempt to lift U.S. cabotage restrictions was dismissed July 30, when a federal court in Hawai’i ruled against a class action brought by shippers against legislation which prohibits foreign shipping companies from carrying U.S. domestic cargo.

The action, brought by six individuals and Kenner Inc., a Honolulu-based distributor of wires and cables, argued that shippers “suffered pecuniary injury when they purchased domestic ocean cargo shipping services on West Coast-Hawai’i routes”, and sued the United States, claiming the “root of their problem is found in the cabotage provisions of the Jones Act”.

Under the Jones Act, vessels carrying cargo between two ports in the U.S. have to be U.S.-built, fly a U.S.-flag, employ U.S. nationals and be owned by U.S. interests. This bar on foreign-owned shipping companies carrying domestic freight causes freight rates to be artificially high, claim the Act’s opponents.

Court documents said: “[The] plaintiffs’ theory is that, by excluding foreign competition, the cabotage restrictions have created an essentially monopolistic Hawaiian ocean shipping market that

has resulted in high prices and a de facto duopoly of two established firms in the Hawai’i-mainland shipping market.

“[The] plaintiffs contend that all Hawai’i residents and businesses, including themselves, have been harmed not only by the increased shipping costs, but also by the resultant inflated costs of doing business in Hawai’i, because higher shipping costs lead to higher prices for imported goods.”

However, judges dismissed the action on the grounds that the claim was too broad to be able to show either direct causation – in that the higher prices could be the result of two companies operating the route, whether the Jones Act was in existence or not – and redress-ability: that they could not show that the lifting of the Jones Act would lead to lower freight rates.

The court also dismissed the argument that the Jones Act violates the nation’s Commerce Clause, ruling that “the requirements of due process are satisfied if the law passed has a reasonable relation to a legitimate legislative purpose and is not arbitrary, capricious or discriminatory”.

Matson and Hawai’i reach settlement on molasses spill

Matson announced last month that a settlement has been reached with the State of Hawai’i to resolve all civil, criminal and administrative claims that the State could have had arising from the discharge of molasses into Honolulu Harbor in September 2013. Matson will pay \$5.9 million to the State as compensation for damaged coral and lost fish, as well as the State’s response and other costs. As part of the settlement, Matson has terminated its molasses operations in Honolulu and has committed to remove the molasses risers and tanks at Sand Island terminal at an estimated cost of between \$5.5 million and \$9.5 million bringing the total cost to Matson of between \$11.4 million and \$15.4 million.

Pro-maritime General Paul Silva confirmed to Joint Chiefs of Staff

The Senate has confirmed General Paul Selva as Vice Chairman of the Joint Chiefs of Staff. The Senate confirmed General Darren McDew to replace him as Commander of the U.S. Transportation Command (TRANSCOM).

General Selva was confirmed as commander of TRANSCOM in April 2014 and took command May 5, 2014. During his time in that command, General Selva frequently addressed the importance and indispensable roles of U.S. merchant mariners, the U.S.-flag fleet and the laws and programs that support them to national defense sealift operations and strategy.

General McDew was confirmed as Commander of Air Mobility Command in April 2014. Previously, General McDew served as Commander of the 375th Air Mobility Wing and as Vice Commander of the 18th Air Force. He started his career as a C-17 and C-130 pilot, and has served in several capacities in Washington, D.C.

ILWU balloting underway

Secret mail-in balloting for national officers of the International Longshore and Warehouse Union began on July 27, and ends September 10.

President Robert “Big Bob” McEllrath, Vice President Ray Familathe (Mainland), Vice President Westly Furtado (Hawai’i) and Secretary-Treasurer Willie Adams are all running for re-election unopposed.

Frank Ponce DeLeon from Local 13 (Los Angeles) is running unopposed to succeed retiring California Coast Committee member Ray Ortiz, Jr., while incumbent Northwest Coast Committee member Leal “Leo” Sundet from Local 8 (Portland) is being challenged by Local 19 (Seattle) President Cameron Williams.

In addition, there are contested races for the Union’s Executive Board.

The terms of national officers of the ILWU is three years.

ILA re-elects Harold Daggett

At the International Longshoremen’s Association Convention in Puerto Rico last month, delegates re-elected President Harold Daggett and his son, Dennis Daggett, as Executive Vice President. The younger Daggett had previously served as President of the Atlantic Coast District.

Also elected were Stephen Knott, Secretary-Treasurer; John Baker, Jr., General Organizer; Jim Paylor, Assistant General Organizer; Wilbert Rowell, General Vice President; Jerry Owens, Civil Rights Chairman; and Benny Holland, Executive Vice President Emeritus.



Maui deck gang from the left: Michael McLavy, Paul Parisi, Jeff Titco, Brett Lange, Mike Worth (Bosun), and Freeman Stamp in Oakland. Photo: Roy Tufono.

Oakland volume grows in July

The Port of Oakland announced this month that containerized imports increased 8.7% for the month of July on a year-over-year basis. July’s increase represents the fifth consecutive month that imports have improved compared to their respective months a year ago.

Exports coming into the Port of Oakland also increased during the month of July on a year-over-year basis, albeit at a smaller rate than imports, according to the port. The 0.94% increase is the first time that exports have grown on a year-over-year basis this calender year. Overall volumes at the Port of Oakland, including loaded and empty containers, grew 1% for the month.

The port said that the figures reflect a continued recovery after a slow start to the year. Volumes at all major West Coast ports dropped in January and February but since then, imports coming into the Port of Oakland imports have been on the rise.

The Port said a shortage of longshore labor slowed vessel operations in July, causing a number of ships to wait upwards of 36 hours to berth. Since then, additional dockworkers have joined the labor pool, which has significantly decreased the number of vessels affected by the backlog.

Meanwhile, the Port of Los Angeles announced this month that containerized cargo volumes there declined 2.5% to 699,127 TEUs for the month of July, compared to the same month a year ago. Imports coming into Los Angeles decreased 3.5%, from 363,393 TEUs in July 2014 to 350,627 TEUs in July 2015, while exports declined 16A%, from 163,294 TEUs in July 2014 to 136,402 TEUs. Combined, total loaded imports and exports decreased 7.5%, from 526,688 TEUs in July 20 14 to 487,029 TEUs.

For the first seven months of the calender year, overall volumes at the Port of Los Angeles are down 3.5% compared to the same period in 2014.

Port of Long Beach cargo volumes make July the busiest in the port’s history

Shipping volumes surged 18% in July at Port of Long Beach, making the month the busiest in the port’s history. More than 690,000 standard container units moved in and out of Long Beach shipping terminals last month, the port reported this month. That’s the most since August 2006, when the port recorded cargo volumes in excess of 675,000 container units.

“It’s been actually a good year, once we recovered from the January, February backlog,” port Chief Executive Jon Slangerup said. “Year to date, we’re well ahead of last year.”

Through July, total shipping volumes at Port of Long Beach are up 2% compared to 2014 levels. Shipping activities were curtailed during the first two months of this year because of a labor dispute between dockworkers and their employers. Labor and management reached an agreement in late February, and a new contract between the International Longshore and Warehouse Union and the Pacific Maritime Association, which represents shipping companies doing business on the West Coast, was ratified in May.

Slangerup said July’s cargo statistics are a sign of strength in the national economy, as well as evidence that fears of shippers sending cargo to more distant ports in the aftermath of this winter’s labor troubles are not being realized. “They just wanted to be assured that we had our act together,” he said. In terms of the broader economy, the National Retail Federation reported earlier this month that imports to major U.S. ports rose 6.5% year-over-year during the first half of 2015.

There is also evidence that Americans are buying more stuff this year than during 2015. The U.S. Census Bureau reported this month that retail and food purchases, including motor vehicles, are estimated to have increased 2.2% above last year’s level to more than \$3 trillion worth of goods from January through July.

At Port of Long Beach, July’s imports rose 16% year-over-year to nearly 346,000 container units. Exports also increased 16% to nearly 144,000 container units. The number of empty containers being shipped through port facilities increased 24% to more than 200,000 container units.

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SUPPORTING THE SUP POLITICAL FUND

SUP Honor Roll

Voluntary contributions from the membership to the following funds:

Organization/
General Fund

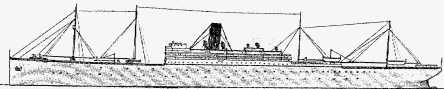
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Knud “Andy” Andersen .. 50.00
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Dues-Paying Pensioners

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Romaine Dudley	Book #2593	Alex Romo	Book #3193
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Kaj E. Kristensen	Book #3120	Ralph Senter	Book #7323
Hannu Kurppa	Book #3162	David Shands	Book #7483
		Arthur Thanash	Book #3249

Elusive peak season drags TransPacific rates to record low

There is still no sign of peak season demand as July ended, with freight rates on the TransPacific hitting their lowest level of the year and Asia-Europe prices continuing to slide, despite capacity withdrawals and canceled sailings.

Asia-U.S. West Coast spot rates dropped 8% to \$1,175 per 40-foot-equivalent unit at the end of the month, according to the latest reading of the Shanghai Containerized Freight Index (SCFI). The rate is less than half of what it was in mid-February and 36% lower than during the same week last year. TransPacific carriers have also not indicated any plans to remove the surplus capacity on either the U.S. West Coast or East Coast routes, and Alphaliner said this could result in continued rate weakness on the TransPacific trade for the rest of this year.

Asia-U.S. East Coast spot rates shed 6.2% to end July at \$2,635 per FEU. In mid-February during the height of the West Coast port congestion as shippers were diverting cargo, the all-water trade briefly edged past \$5,000 per FEU.

On Asia-Europe, falling spot rates were briefly interrupted by an Asia-Europe general rate increase on July 1. That took rates up more than \$300 per TEU in two consecutive weeks, but they have resumed their southbound slide.

Spot rates tumbled 25% this week to finish at \$518 per 20-foot-equivalent unit, the SCFI data revealed. That is still well above the \$205 per TEU level the Asia-Europe rate reached in mid-June but is 63.4% lower than during the same week last year.

It was even worse on Asia-Med routes, where rates fell 28% to \$529 per TEU, down 68.8% on the same week last year.

With the traditional peak summer season so far failing to provide a boost to vessel demand, Alphaliner reports that the weak cargo outlook is forcing carriers to cut back on their capacity deployment plans.

The analyst said the number of idled ships has increased across all size segments in the last two weeks, with four units of over 10,000 TEU currently idle – all from G6 Alliance carriers which includes APL. These ships were all previously deployed on the Asia-North Europe route but were temporarily without employment because of the canceled sailing program undertaken by the lines.

Carnival pays for passenger disability act violations

The Justice Department and Carnival Corporation have announced a comprehensive, landmark settlement agreement under the Americans with Disabilities Act (ADA) to advance equal access for individuals with disabilities who travel on cruise ships.

The settlement agreement addresses accessibility on 62 ships among the Carnival Cruise Line, Holland America Line and Princess Cruises brands and implements accessibility standards and policies to provide greater access on cruises that embark and disembark from U.S. waters.

“The ADA guarantees people with disabilities equal access to public accommodations,” said head of the Civil Rights Division, Principal Deputy Assistant Attorney General Vanita Gupta. “Cruise ships are floating cities and provide a wide range of facilities and activities subject to the requirements of the ADA, such as lodging, dining, entertainment, recreation and medical facilities. People with disabilities who travel must be able to count on getting the accessible cabin they reserve, and the cruise lines must provide equal access to the choice of amenities and attractions that passengers expect from a major cruise company like Carnival Corporation.”

The settlement agreement is the result of an investigation of complaints by the Justice Department. Carnival officials cooperated with the department throughout the process.

Among the complaints were allegations that the company failed to: properly provide and reserve accessible cabins for individuals with mobility disabilities; reasonably modify policies, practices and procedures to accommodate individuals with disabilities; afford individuals with disabilities the same opportunities to participate in programs and services, including embarkation and disembarkation; and provide effective communication during muster and emergency drills.

Under the agreement, Carnival will pay a civil penalty of \$55,000 to the United States and \$350,000 in damages to individuals harmed by past discrimination.

Forty-two existing ships, and seven ships in various stages of design and construction, will be surveyed and remediated to comply with the ADA regulations. Accessible cabins will be dispersed among the various classes of accommodations and will provide a range of accessible features, including features for guests with hearing impairments.

Three percent of the cabins on 49 ships will be accessible according to three levels of accessibility: fully accessible cabins, fully accessible cabins with a single side approach to the bed, and ambulatory accessible cabins. The remaining 13 ships will be subject to possible remediation if they continue to be in service in U.S. ports four years after the agreement is entered.

Carnival will appoint an ADA compliance officer at the executive level, two ADA responsibility officers – one for Carnival Cruises and one for Holland America Group, which includes Holland America Line and Princess Cruises, and ADA shipboard officers for each ship who are responsible for resolving ADA-related issues that arise at sea.

The settlement represents the first time the Department of Justice has required a cruise company to provide a minimum number of accessible cabins, to conduct a survey of its ships and to develop a remediation plan to comply with the ADA.

It is also the first time that an agreement under the ADA has specifically identified three types of accessible cabins on cruise ships – fully accessible cabins, fully accessible cabins with a single side approach and ambulatory accessible cabins – that will be available to individuals with disabilities.

U.S. blacklists Singapore firm for carrying illicit arms to North Korea

Late last month, the United States blacklisted Senat, a Singapore shipping firm. The Department of the Treasury believes Senat Shipping is supporting illicit arms shipments to North Korea. The blacklisting freezes any U.S. assets held by Senat and its president, Leonard Lai. Senat Shipping denies the allegations.

The Department of Treasury alleges that Senat supported the Ocean Maritime Management Company (OMMC) in arranging a shipment of arms on the *Chong Chon Gang* that was seized in Panama in 2013. OMMC is a North Korean firm already under U.S. sanctions. The *Chong Chon Gang* was seized for transporting undeclared military equipment from Cuba to North Korea under a cargo of sugar.

According to U.S. authorities, Senat arranged the purchase, repair, certification and crew for the OMMC. Senat released the following statement: “The U.S. Treasury’s move to put Senat and Leonard Lai on the OFAC (Office of Foreign Assets Control) list is a misguided measure purely based on Senat’s historical dealings with OMM.” Senat also contends that while they did have a relationship with North Korea in the past and did charter the *Chong Chon Gang*, the relationship was dissolved following the vessel’s seizure.

The Treasury Department also alleges that OMMC operates through a variety of front companies and representative offices to evade sanctions.

UPDATE: Senat has released a strong denial of the allegations levied against it and President Leonard Lai by the U.S. Department of Treasury. In the statement, which was released July 24, Lai states that Senat has not done business with North Korean ship operators since the *Chong Chon Gang* was arrested in 2013.

“Senat wishes to stress that all its dealings were legal and involved commercial shipments of commodities on behalf of international commodity traders. These transactions have always been transparent and can survive any form of scrutiny.”

Senat called the allegations “unreasonable and unfair,” stating that they would soon contact the Department of Treasury to explain their position.

Notice to All SUP Members

NOTICE OF NOMINATION AND ELECTION OF OFFICERS

for the
SAILORS' UNION OF THE PACIFIC
2016-2019 TERM OF OFFICE

The membership of the Sailors' Union of the Pacific is hereby notified that the regular secret ballot Union-wide election of officers will be held from December 1, 2015, through January 31, 2016.

Attention is also called to the fact that nominations for regular office in the Sailors' Union of the Pacific for the 2016-19 term of office will be opened at Headquarters and at all Branches at the Regular meetings in September 2015.

The Regular meetings in September will be held at the following locations, dates and times:

Headquarters: September 14, 2015 - 11:00 A.M.

450 Harrison Street, San Francisco, CA

Branches: September 21, 2015

Seattle, WA: 4269 22nd Ave. W. – 11:00 A.M.

Wilmington, CA: 533 N. Marine Ave.– 11:30 A.M.

Honolulu, HI: 707 Alakea Street – 10:30 A.M.

In accordance with the Sailors' Union of the Pacific Constitution, any eligible member may place his/her own name in nomination for any regular office or may be nominated by another member. Nominations may be made either in person or by mail; however, any nomination made by mail must be received at the Branch or at Headquarters at least one day prior to the meeting at which nominations will be received.

Any member of the Sailors' Union of the Pacific may submit or mail in his/her own name for nomination. However, no person may be a candidate for more than one office with the exception of the positions of Trustees of the SUP Building Corporation and delegates to the SIUNA Convention.

All nominees who wish to run for office must have the necessary qualifications and acceptances in the office of the Committee on Candidates, Sailors' Union of the Pacific, 450 Harrison Street San Francisco, CA 94105, prior to midnight, October 14, 2015.

Balloting will be conducted by mail through an impartial balloting agent approved by the membership.

The election will fill the official positions in the Sailors' Union of the Pacific, as prescribed by the Constitution for a three-year term of office. The jobs are: President/Secretary-Treasurer, Vice President/Assistant Secretary-Treasurer, Business Agent, each at San Francisco.

At Seattle, Branch Agent; at Wilmington, Branch Agent; at Honolulu, Branch Agent.

In addition, five regular positions as Sailors' Union of the Pacific Building Corporation Trustees will be filled and three delegates to SIUNA Convention will be elected.

Any member of the union is eligible to be a candidate for and hold regular office, provided he/she possess the following qualifications:

- He/she is a member in good standing at the time of nomination;
- He/she achieved B seniority as defined in the Sailors' Union of the Pacific Shipping Rules;
- He/she is not disqualified by law.

A member shall not be eligible to be a candidate for and hold any regular office if within the past five years he/she has been convicted of, or served any part of a prison term resulting from conviction of robbery, bribery, extortion, embezzlement, grand larceny, burglary, arson, violation of narcotics laws, murder, rape, assault with intent to kill, assault which inflicts grievous bodily injury, or violation of Title II or III of the Landrum-Griffin Act, or conspiracy to commit any such crimes.

The names and membership numbers of nominees, if obtainable at the time, shall be recorded in the minutes at the September Union meetings. The Balloting Committee shall be elected and shall prepare a list of names and nominees for each office and forward copies thereof to each Branch. Such lists shall be conspicuously posted in each office or hall. All nominees shall be notified by mail of their nomination and such notice shall be mailed within five working days after the nominating meeting.

A Committee on Election composed of five members in good standing shall be elected at Headquarters, whose duty shall be to prepare the ballot. All nominees who desire to become candidates shall have the necessary qualifications and acceptances in the office of the Committee on Candidates prior to midnight of October 14, of the election year.

The acceptance shall be by letter which shall be dated and shall contain the following:

- The name of the candidate;
- His/her home address and mailing address;
- His/her membership number;
- The title of the office or other position for which he/she is a candidate, including the name of the port in the event the position sought is that of Branch Agent or Business Agent or Building Corporation Trustee or SIUNA Convention Delegate.
- He/she is not disqualified by law.

Nominees who fail to comply herewith shall be regarded as having declined the nomination.

Companies to be required to reveal C.E.O’s pay versus workers’ pay

The chief executive of General Electric raked in a \$37.3 million pay package last year, a large sum by any standard. But how much larger was it than the average pay of the 305,000 employees who helped General Electric earn billions in profits that year? The industrial giant did not disclose that comparison, and corporate America rarely reveals how the compensation of the chief executive stacks up against that of the workers in the ranks below. That will soon change.

After a long delay and plenty of resistance from corporations, the Securities and Exchange Commission approved in a 3-to-2 vote on August 5, a rule that would require most public companies to regularly reveal the ratio of the chief executive’s pay to that of the average employee.

Representatives of corporations were quick to assail the new rule, which will start to take effect in 2017, saying that it was misleading, costly to put into practice and intended to shame companies into paying executives less.

But the ratio, cropping up every year in audited financial statements, could stoke and perhaps even inform a debate over income inequality that has intensified in recent years as the wages of top earners have grown far more quickly than anyone else’s.

Fifty years ago, chief executives were paid roughly 20 times as much as their employees, compared with nearly 300 times in 2013, according to an analysis last year by the Economic Policy Institute.

“We have middle-class Americans who have gone years without seeing a pay raise, while C.E.O. pay is soaring,” said Senator Robert Menendez, the New Jersey Democrat who helped insert the pay ratio rule into the 2010 Dodd-Frank overhaul of financial regulation. “This simple benchmark will help investors monitor both how a company treats its average workers and whether its executive pay is reasonable.”

The rule, which the S.E.C.’s two Republican commissioners opposed, does not in any way limit how much a chief executive is paid. Instead, it requires that public companies take their chief executive’s compensation, which is already disclosed annually, and compare it with the median pay figure for all their other employees.

Economists who study incomes say that ever-expanding executive compensation packages have played a substantial role in increasing the divide between the wealthy and everyone else. Thomas Piketty, a French economist whose best-selling

book set off a global debate on inequality, asserted that higher wages for top earners in corporate America had been among the main drivers of the widening income differences in the United States. “The system is pretty much out of control in many ways,” he said in an interview last year.

From the start, the pay ratio rule was a source of controversy.

Though the rule seemed to merely require a somewhat simple calculation, the S.E.C. took a long time to finish it, going to great lengths to listen to the concerns that corporations expressed about the costs and complexity of the rule.

The delay frustrated supporters of the rule. Senator Elizabeth Warren, Democrat of Massachusetts, for instance, sent a sharply worded letter in June to Mary Jo White, chairwoman of the S.E.C., complaining about how long the rule was taking.

Some labor Union researchers, however, said that the agency appeared to give up too much ground in the final rule.

“There are definitely weaknesses that we are concerned about,” said Heather Slavkin Corzo, director of investment at the AFL-CIO.

The rule takes a relaxed approach in several areas.

When calculating the median employee pay figure, the rule allows companies to choose a statistical sampling of its employees, rather than an actual survey of all its workers. In addition companies can exclude up to 5% of their employees who are not in the United States.

The rule also lets companies make a so-called cost-of-living adjustment – reflecting that lower wages in some places can buy the same goods and services as higher wages in other places – which would most likely increase the median employee pay figure. Still, companies applying the adjustment would also have to disclose the ratio without the adjustment.

And companies can calculate the median pay of employees on any date within the last three months of its fiscal year. Selecting the right date could result in the company leaving out many lower-paid seasonal workers.

“It allows the company to identify workers based on a snapshot,” Ms. Slavkin Corzo said.

The first disclosures of the ratio will most likely start to appear in filings in early 2018. Before then, opponents of the rule may try to overturn the rule in the courts.

N. Korea opts to move a bit further back in time with Pyongyang time

Many of Japan’s neighbors are marking the 70th anniversary of the end of World War II with parades and speeches.

North Korea is making time for itself – literally.

On August 7, the country said through its state news agency that it would fix a new time zone, called Pyongyang time, to mark the occasion.

The country’s top lawmaking body – the Presidium of the Supreme People’s Assembly – decreed that clocks in North Korea be moved back by 30 minutes, according to the report carried by the North’s Korea Central News Agency.

North Korea currently shares a time zone with South Korea and the peninsula’s former colonial ruler, Japan.

The decree would restore the North to a time zone used before Japan colonized it.

“The wicked Japanese imperialists committed such unpardonable crimes as depriving Korea of even its standard time,” the report quoted the Presidium as saying.

North Korea’s official version of history glosses over the U.S.’s fight against Japan during World War II. Instead, Pyongyang’s official history credits Kim Il Sung, North Korea’s founder, with fighting Japan off the Korean peninsula, which Tokyo governed as a colony for 35 years until 1945.

According to the report, the decision to change time zones was made to honor the feats of its late president, who it said “crushed the brigandish Japanese imperialists..and liberated Korea.”

The new time zone took effect on August 15.

Panama Canal to lower maximum draft due to El Nino and drought

The Panama Canal Authority (ACP) has issued an Advisory to Shipping, which sets a draft restriction for all shipping agents, owners and operators working with the Canal.

The ACP said that the Advisory to Shipment was a temporary and preventive measure, due to an anticipated climatic variability event related to El Nino, a climate phenomenon resulting in periodic warming of the tropical Pacific Ocean. When this occurs, El Nino changes the pattern of rainfall in many regions of the planet. For the Panama Canal, it has triggered a drought in the Canal Watershed, causing the water levels of Lake Gatun and Lake Alhajuela to fall substantially below their average for this time of year.

The Advisory sets the maximum draft at 39 feet Tropical Fresh Water (TFW), effective September 8, 2015. The maximum authorized transit draft is defined as the deepest point of TFW immersion for each specific vessel in Lake Gatun.

The draft restrictions are not expected to significantly affect the efficiency or capacity of Canal operations since only 18.5% of the vessels transit with drafts greater than 39 feet. These measures are being taken to ensure the continuous and safe operation of the Canal during this period.

The Panama Canal also said that the draft may be restricted to 38.5 feet starting September 16, 2015, in order to further guarantee the safety and efficiency of ships transiting the Canal.

The ACP said that it will continue to monitor and manage the water levels of Lake Gatun and Lake Alhajuela and that if further draft restrictions are necessary, it will give at least four weeks notice in advance to allow time for customers to properly plan.

On the other hand, should rainfall increase over the next week or two, ACP said that shipping will be advised of the lifting of the draft restriction.

Slave ships harvest world’s seafood

Papua New Guinea authorities arrested a Thai fishing vessel this month crewed with slave laborers. Six Cambodian and two Burmese were rescued from the Blissful Reefer.

The fishing vessel was impounded in Daru, Papua New Guinea, which is about 120 miles north of Australia. Authorities state that the *Blissful Reefer* is one of 33 fishing trawlers suspected of being part of a trans-national human-trafficking network that distributes seafood caught by imprisoned slaves around the Indonesian islands of Benjina. The trawlers are being tracked in the fishing grounds off the south coast of Papua New Guinea.

The Thai seafood sector is a massive \$7.8 billion industry, which is the third largest seafood exporter in the world. Thailand also has an extensive history of using slave labor. According to the Global Slavery Index, people are routinely enslaved and forced to work on Thai-owned trawlers. It was noted by the Index that about 500,000 people are currently enslaved in Thailand for illegal forced labor.

Not much is known about the crime syndicates that capture and use the slaved labor. But, Thai seafood trawlers are known to transport catches to a large refrigerated “mothership” that ships the fish back to Thailand.

In June 2014, the U.S. State Department downgraded Thailand to the worst category in its annual ranking for human-trafficking, and puts it into the same category as North Korea and the Central Africa Republic. In response to U.S. claims, the Thai government has increased its efforts to prevent and suppress human-trafficking.

Meanwhile, the Royal Thai Navy says it is aware of people being held captive on slave ships off its coast. “The truth is they use fishing boats to transport people and the bottom of the boat becomes like a room to put the people, but it seems like a commercial fishing boat,” said Royal Thai Navy spokesman Rear Admiral Kan Deeubol.

China’s leading shipping companies to merge

China Ocean Shipping Group (COSCO) and China Shipping Group are planning a merger, on government orders.

Local media reports indicate that Beijing ordered the two state-run companies to come up with a roadmap to merge this month. The plans are expected to be ready within three months.

Together, mainland China’s two largest shipping and logistics companies control 11 listed companies in Shanghai, Shenzhen, Hong Kong and Singapore. These include China Cosco Holdings with container and dry bulk fleets, China Shipping Development (CSD) with dry bulk and tanker fleets and China Shipping Container Lines (CSCL), a purely container ship entity.

COSCO and CSCL rank as the world’s sixth and seventh largest carriers respectively by fleet size according to Alphaliner. COSCO is a member of the CKYHE alliance, whereas CSCL has a pact with CMA CGM and United Arab Shipping. Combining their fleets will give rise to the world’s fourth-biggest container line, although the move may raise anti-trust issues in some jurisdictions.

DEFEND THE JONES ACT
SUPPORT THE SUP POLITICAL FUND

ESU Office Assignments

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



AUGUST 2015

Official Publication of the Exxon Seamen’s Union

ESU wage rates increase September 1

In accordance with the provisions of our current Collective Bargaining Agreement (CBA) an increase in base wages, CSB (Continuous Service Bonus), SSHOT (Saturday, Sunday, Holiday overtime) and overtime rates for all ratings will become effective beginning with the pay period that starts September 1, 2015. The Agreement, negotiated between the Exxon Seamen’s Union and SeaRiver Maritime, Incorporated, and ratified by the ESU membership is in effect from September 1, 2014 through August 31, 2019.

In this, the second year of the Agreement, all rates of pay including penalty rates will increase by 3.00%. This increase follows a 3.50% pay increase that took effect on September 1, 2014. In 2016, 2017 and 2018, ESU members will receive an additional 3.00% raise on all rates of pay including OT and penalty rates.

A complete and comprehensive compilation of all wage tables can be found in Article XVII (pages 66-80) of the CBA. Below are excerpts of wage tables from the Agreement that reflect the increase for the year 2015. The monthly wage schedule, including additional compensation for years of continuous service (CSB), shall be as follows:

Total Monthly Wages - Base+CSB -- Effective 9/1/2015

RATING	START	1	2	3	5	10	15	20	25	30
Pumpman	5105	5426	5638	5686	5791	6005	6062	6110	6161	6218
MM/2nd PM	4824	5119	5323	5364	5465	5671	5710	5767	5818	5870
QMED-Oiler	4214	4471	4663	4692	4783	4970	5018	5062	5100	5146
M/M AB	3622	3852	3994	4030	4099	4241	4284	4320	4361	4397
Able Seaman 1	3631	3864	4013	4049	4133	4286	4327	4363	4399	4440
Able Seaman	3209	3415	3550	3578	3648	3790	3816	3857	3886	3926
Maint. Seaman	2906	3084	3218	3247	3314	3449	3478	3516	3540	3581
Fleet Chef	4814	5095	5287	5328	5429	5616	5671	5710	5762	5806
Cook	3600	3809	3953	3982	4058	4205	4236	4274	4308	4351

Hourly Wages - Base+CSB -- Effective 9/1/2015

RATING	START	1	2	3	5	10	15	20	25	30
Pumpman	21.27	22.61	23.49	23.69	24.13	25.02	25.26	25.46	25.67	25.91
MM/2nd PM	20.10	21.33	22.18	22.35	22.77	23.63	23.79	24.03	24.24	24.46
QMED-Oiler	17.56	18.63	19.43	19.55	19.93	20.71	20.91	21.09	21.25	21.44
M/M AB	15.09	16.05	16.64	16.79	17.08	17.67	17.85	18.00	18.17	18.32
Able Seaman 1	15.13	16.10	16.72	16.87	17.22	17.86	18.03	18.18	18.33	18.50
Able Seaman	13.37	14.23	14.79	14.91	15.20	15.79	15.90	16.07	16.19	16.36
Maint. Seaman	12.11	12.85	13.41	13.53	13.81	14.37	14.49	14.65	14.75	14.92
Fleet Chef	20.06	21.23	22.03	22.20	22.62	23.40	23.63	23.79	24.01	24.19
Cook	15.00	15.87	16.47	16.59	16.91	17.52	17.65	17.81	17.95	18.13

MONTHLY SUM FOR SATURDAY, SUNDAY, AND HOLIDAYS (SSHOT)

For work performed during regular scheduled hours on Saturday, Sunday and holidays, the following sums will be paid during each month of the year:

RATING	Effective September 1, 2015	Hourly
Pumpman	1399	5.83
MM/2nd PM	1320	5.50
QMED-Oiler	1243	5.18
Maint. Man/AB	1063	4.43
Able Seaman 1	998	4.16
Able Seaman	953	3.97
Maint. Seaman	823	3.43
Fleet Chef	1306	5.44
Cook	982	4.09

OVERTIME AND PENALTY PAYMENTS

Effective September 1, 2015, hourly overtime and penalty rates of pay, as provided for within the Agreement:

RATING	OT	PT
Pumpman	32.93	9.22
MM/2nd PM	31.06	8.70
QMED-Oiler	29.34	8.89
Maint. Man/AB	25.10	8.53
Able Seaman 1	23.62	9.04
Able Seaman	22.24	8.53
Maint. Seaman	19.31	6.64
Fleet Chef	30.83	8.70
Cook	23.11	8.53

TANK CLEANING OFF-WATCH RATES

Effective September 1, 2015
Entry Ratings: 24.77; AB and other ratings: 30.12
If tank or bilge is not entered: QMED, PM: 30.12
If tank or bilge is entered: QMED: 35.37; PM: 39.76

Philly Tankers agrees to sell four product tanker contracts to Kinder Morgan

On August 10, Philly Tankers AS announced that its wholly-owned U.S. subsidiary, Philly Tankers LLC, has signed definitive documentation with a subsidiary of Kinder Morgan, Inc. for the assignment of its existing contracts for the construction of four 50,000 dwt product tankers. The vessels will be constructed by Aker Philadelphia Shipyard, Inc. and are planned to be delivered between November 2016 and November 2017.

Each of the four contracts will be assigned by Philly Tankers LLC to the Kinder Morgan entity immediately prior to delivery of the relevant vessel. The transaction is valued at a total of \$568 million. It is anticipated that Philly Tankers’ pre-tax gain on the assignment of all four contracts will be approximately \$45 million. Proceeds from the transaction are expected to be distributed to Philly Tankers AS shareholders after delivery of all four vessels.

Philly Tankers was established in June 2014 to provide major oil companies and other end-users with modern tonnage and offer investors pure play exposure toward the Jones Act tanker space. Philly Tankers is listed on the Norwegian OTC and is majority-owned by Aker Philadelphia Shipyard ASA, a leading U.S. commercial shipyard constructing vessels for operation in the Jones Act market.

Ship reports

S/R American Progress

As we go to print, the vessel was scheduled to depart Singapore sometime during the third week of August bound for Long Beach, CA, after extensive work at Keppel shipyard in Singapore. Before departing the ship loaded a cargo in Singapore for delivery in the U.S. Board Member at Large, Ein Cooley aboard for the return trip and is filling in as the Union Rep. For the most part things went well during the yard period without any major complaints. Crew should have ample time to get the vessel ship shape post yard on the approximate 25-day return trip.

Eagle Bay

ESU Board officer visited the ship in Long Beach on August 10, at Tesoro 121. The next two trips south from Valdez are slated for San Francisco with discharges at Chevron and Tesoro. Steward’s Department trainer, Jim Mann joined the vessel in Long Beach for his first roundtrip to work with Steward Department personnel. While the ship was in port U.S. Public Health Inspector Michael Garcia was aboard for the Eagle’s first inspection. The vessel passed thanks to Fleet Chef Randy Rockel and Cook Danny Breaux for their continuous hard work in the area of food safety. Joe Bernavich filling in as Ship Representative.

Liberty Bay

The vessel arrived at Vigor Marine in Portland, OR on August 8, and was taken out of service for approximately two weeks to undergo an inspection of machinery and warranty items for its first year of service. Regular Ship Representative AB Joe Buffington is aboard and reports most everything is going well except for outage of the wifi and internet since arriving Portland.

MMC production improvements

Merchant Mariner Credentials (MMCs) are currently created using a labor-intensive process. The National Maritime Center (NMC) will soon begin using automated printers for MMC production which will significantly improve the quality and security of the credentials. The automated process will include a new laminate and improved print quality. The new laminate will contain the Department of Homeland Security, United States Coast Guard, and the United States Merchant Marine seals as well as other features.

All currently issued and active credentials will remain valid until their printed expiration dates. There will be no change in the way endorsement labels are issued and applied to MMCs.

In the coming months, the NMC will also introduce an updated MMC booklet that, while retaining the same form, fit, and function, will include new graphics on the credential pages. Additional information will be provided prior to their issuance.

The ESU News is written and edited by the Exxon Seamen’s Union.

EXXON SEAMEN’S UNION

Founded March 28, 1941

Affiliated with the Sailors’ Union of the Pacific

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Board Member at Large Ein Cooley	Steward Trustee Joel Mitchell

Nicaragua has big expectations for its canal but critics voice concerns

Egypt and Panama have proven canal for commercial shipping can be profitable and lend themselves to being major players in world trade. But, now here comes Nicaragua that is getting a \$50 billion investment from a Chinese based investment group. In June 2013, Nicaragua’s National Assembly approved a bill to grant a 50-year concession to the Hong Kong Nicaragua Canal Development Company to finance and manage the project. HKND Group is a privately-held international infrastructure development firm headquartered in Hong Kong and with offices in Managua, the capital of Nicaragua. HKND Group has extensive experience in construction management and infrastructure development. HKND Group is led by its Chairman and Chief Executive Officer, Wang Jing.

The Nicaragua Grand Canal will run through Lake Nicaragua and run as a connection between the Atlantic and Pacific oceans. Construction of the canal began in December 2014 and it is expected to open in 2020. The 173-mile canal will have three sections. The West Canal will run from Brito at the Pacific Ocean up to the Rio Brito Valley and enters Lake Nicaragua, which is the center of the canal. The Eastern Canal will run along the Rio Tule valley through the Caribbean highland to the Rio Punta Gorda valley to the Caribbean Sea.

Nicaraguan government officials foresee a commercial waterway that will reshape international trade and lift the nation out of poverty. The project will generate about 50,000 jobs during its construction phase, and another 200,000 jobs once it is operational. A free trade zone with commercial facilities as well as

tourist hotels and an international airport at Rivas will be built as well.

Nicaragua has seen a steady growth of 5% in GDP over the past three years, but 43% of Nicaraguans live below the poverty line.

The Panama Canal, whose expansion is expected to be completed by 2016 and already handles about 14,000 ships a year, is nearing completion. Many industry observers wonder if there is enough demand for a second shipping route in Central America. The Panama Canal currently accommodates vessels capable of carrying 5,000 TEUs and will be able to handle ships transporting 13,000 TEUs when the project is completed. But Nicaraguan officials contend that its canal will accommodate ships up to 23,000 TEUs.

Critics have also voiced concerns regarding the canal’s environmental impact. Lake Nicaragua is Central America’s largest freshwater lake and many fear it will be contaminated. To accommodate the new generation of ships that will go through the canal, a trench 65-mile, 1,700 feet wide and over 90 feet deep will be dredged in Lake Nicaragua. Critics also fear that the dredging of the will have a disastrous impact on aquatic life by introducing invasive new species and releasing toxic chemicals into the water system. Others also expect the lake’s salt levels to rise once the canal reaches the Pacific Ocean.

Small-business owners on the shores of Lake Nicaragua have also expressed fears that the canal could affect their trade. And reports estimate that 120,000 Nicaraguans could be dislocated due to the project.

Welfare Notes

August 2015

To Do List Before Retirement

Check with the Pension Department on your pension and the Welfare Plan office on your coverage.

Your active medical and dental coverage will terminate when you retire. As an example if your shipping time has given you active plan eligibility through April 2016 and you retire effective December 1, 2015, your active eligibility terminates December 1, 2015.

If you are 65 years old or older, you should already be enrolled for Medicare Part A. Medicare Part A covers in-patient hospitalizations after a deductible. Most people do not pay for Medicare Part A.

Since active plan coverage will terminate when you retire, you should also visit the Social Security/Medicare office to inquire about Medicare Part B and Medicare Part D. The Plan office will help you complete forms for your enrollment.

Medicare Part B covers Medicare eligible physician services, outpatient hospital services, certain home health services, and durable medical equipment. Medicare Part D is the Medicare Prescription Drug Plan. Medicare can advise you of the plans available and the cost.

The cost of the Medicare Part B premium (currently \$104.90 per month) is reimbursed to Pensioners on their pension check. The amount of the Medicare Part B premium is then deducted from the Pensioners’ Annual Allowance.

The cost of the Medicare Part D premium and cost of co-payments for medical services covered by Medicare Part B and prescription co-payments covered by Medicare Part D can be submitted as claims to the Pensioners Annual Allowance.

If your spouse is not eligible for Medicare or you have other dependents you will need to inquire about other health care options available for them when your active coverage terminates. It would also be in your best interest to inquire about additional supplemental plans for yourself.

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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 415-392-3611

Seattle-Tacoma port alliance approved by federal agency

The Federal Maritime Commission (FMC) has unanimously approved a port alliance between Seattle and Tacoma. Formerly rival Washington State ports, the new Northwest Seaport Alliance brings terminal operation and marketing under a single umbrella. Officials indicated that this is not a merger and that both ports will remain separate organizations and retain ownership of their respective assets. But the Seattle-Tacoma alliance creates the third-largest container gateway in the U.S. after the Los Angeles-Long Beach and New York-New Jersey ports.

The catalyst for this agreement is the increased need for deeper waterways and expanded facilities as more 20,000 TEU box ships are constructed. Seattle and Tacoma now have the means to reconstruct or combine smaller facilities into bigger, modern terminals better suited for large container ships. The Alliance also creates the Port Development Authority (PDA), which will focus on investing in cargo, rail and truck capacity as well as client recruitment and retention. The PDA began operation August 1.

“The Pacific Northwest is a key region for inbound and outbound United States cargo, moving cargo not only for the regional trade but also cargo headed to destinations throughout the entire Midwest. This alliance will help the region remain competitive into the future,” said FMC Chairman Mario Cordero.

Membership and Ratings Committee

Met on August 6, 2015, and found the following members eligible for advancement in seniority and rating stamps in the various departments:

Name and Membership Number		Seatime	Rating	Seniority
Sterling Jones	19410	1 Year	A.B.	B
Rico Ecalnir, Jr.	19411	1 Year	A.B.	B
Graham Sharpe	C-2530	30 Days	A.B.	C
Kathleen Healey	C-2531	30 Days	O.S.	C
Korey Sterner	C-2532	30 Days	O.S.	C
Mohsin Mohamed	C-2533	30 Days	O.S.	C
Kwesi Adu-Gyamfi	C-2534	30 Days	A.B.	C
Jose Ysern	C-2535	30 Days	O.S.	C
Steve Fuentes	C-2536	30 Days	A.B.	C
Octavio Ortega	C-2537	30 Days	A.B.	C
Rating Stamps - None				
Membership and Ratings Committee’s Report: M/S to concur in the Committee’s report. Carried unanimously. Membership and Ratings Committee: William Williamson #3651, Apolinario Aguirre #3814, and Lynn Gador #3024.				

Union warns seafarers over cruise recruitment scam

A new cruiseship industry recruitment e-mail has been branded a “scam” by the International Transport Workers’ Federation (ITF), which is warning seafarers to keep well away.

The ITF says it has identified “Silversea Cruise Line recruitment”, which is attempting to pass itself off as luxury cruise operator Silversea Cruises, as the latest scammer to attempt to extort commissions from seafarers for non-existent jobs with the offer of hugely attractive wage rates.

The scammer is advertising jobs with the cruise line paying out wage rates from \$4,000 to \$5,000 per month for a standard 8:00 A.M. to 5:00 P.M. daily, five-day work week, for positions ranging from able seamen to chief engineer. But for the highest-qualified vacancies, the bogus agency says applicants can earn up to \$100,000 per quarter. On top of that, it is offering overtime pay at \$41 per hour for contracts ranging from six months to two years.

The supposed recruiter’s e-mail contact address is, however, not the Silversea company address but an Outlook e-mail account careerprincesscruise@outlook.com.

The ITF says such e-mails often lead to a request for upfront commission from potential applicants, something that goes against international maritime law.

The ITF “urges anyone who is looking for a job on cruiseships to be aware of these fraudulent websites and advertisements and to always check with the real companies if the site is legitimate. If an offer sounds too good to be true, it usually is”. It adds that such scams contravene the International Labor Organizations (ILO) Maritime Labor Convention regulation.

In a statement, the ITF said: “Any website or advertisement guaranteeing a job onboard but requiring the payment of a fee is a scam since the International Labor Organization, through the Maritime Labor Convention, clearly states that seafarers should not have to pay any agency fees to obtain employment.

“This goes for all positions, since every person working onboard a cruiseship is a seafarer regardless of whether they work in the deck and engine or the hotel and catering departments.”

The ITF’s Norwegian representative, Johan Oyen, of the Norwegian Seamen’s Union, says the fraudulent websites and advertisements are targeting “young and vulnerable” people who want to start a career at sea. He says that, due to the difficulty of finding out who is behind the employment scams, the ITF has been unable to secure prosecutions against the perpetrators. “The only thing we can do is try to make people aware and hope they do not fall victim to the scams,” he said.

The ITF is considering responding to some of the job applications to see if it can trace where the money goes and uncover the owners of the accounts behind the scam.

Maritime Administrator responds to criticism of Maritime Heritage Grants

[Editor’s Note: Last month’s West Coast Sailors carried an article entitled “Where Did the Maritime Heritage Grant Money Go?” by former Maritime Administration Chief Counsel Denise Krepp. The article was critical of MarAd’s use of the grants. In the August 3, online issue of the American Shipper, Maritime Administrator Paul “Chip” Jaenichen responded to Krepp’s article.]

Over recent months, I’ve been struck by frantic efforts to portray a shady world of legal irregularities, sinister connections and improbable coincidences surrounding the handling of funds from recycled obsolete Federal vessels. Among these, there was even an eyebrow-raising, anxiety-inducing column driven by the conspicuous question: “Where did the Maritime Heritage Grant money go?”

Every question – good or bad – deserves an answer, and as maritime administrator of the United States, I feel that the U.S. maritime industry and our greater community deserve a factual answer.

So, where did the Maritime Heritage Grant money go?

Brace yourselves. The Maritime Heritage Grant (MHG) Money went to – and continues to go to – maritime heritage preservation efforts.

Since 2001, the Maritime Administration has sent over 200 obsolete federally-owned commercial vessels to domestic steel recyclers. Awarding vessels to U.S. recyclers on a “best government value” criteria consistent with Federal Acquisition Regulation practices (evaluating recyclers’ performance history, dismantling schedule, and other non-monetary factors), ensures a safe and environmentally-responsible final chapter for these aging Federal assets. In addition, by allocating the recycling proceeds to three MarAd program areas, we are enabling these vessels to serve our Nation long past the end of their operational lives.

As required by law (54 U.S.C. § 308704) –MarAd allocates vessel recycling proceeds in the following manner:

- 25% for maritime heritage preservation efforts, including the National Maritime Heritage Grant Program operated by the National Park Service (NPS).
- 25% for the upkeep and care of the U.S. Merchant Marine Academy (USMMA) and six state maritime academies.
- 50% for the maintenance and repair of National Defense Reserve Fleet Vessels.

Since 2005, MarAd has collected nearly \$75.8 million from vessel recycling sales, and by law, MarAd maintains a full accounting of these funds. I am proud to report that MarAd has made approximately \$19 million, or 25% of the collected funds, available for maritime heritage preservation efforts.

Of this \$19 million:

- \$1.3 million funded a myriad of Federal Maritime Heritage Asset preservation projects, including documenting oral

histories of surviving WWII merchant mariner veterans, and creating a public database detailing 80 years of federally-owned vessel characteristics, milestones in service, licensure and other points of interest.

- \$2.8 million was transferred to NPS in 2014 to administer a round of National Maritime Heritage (NMH) Grant Awards.

- \$2 million was transferred to NPS in 2015 for a subsequent round of NMH Grants.

If you’re thinking “not so fast there, that doesn’t add up to \$19 million,” you’re 100% correct.

The remainder of the funds is slated to be split between the future preservation of Federal Maritime Heritage Assets and annual transfers to NPS of at least \$2 million to fund future rounds of NMH Grant Awards. To be clear – just like money in the bank, the fact that the funds have not been spent does not mean that they are “missing.”

Since our nation’s inception, robust maritime capabilities, industries and services have fueled our prosperity and enabled us to grow into the global economic and military power we are today. MarAd takes great pride in America’s maritime heritage, and we want more Americans to know about the crucial roles mariners have and continue to play for our nation. That’s why we have partnered with the experts at NPS and chosen a sustainable and effective course to fund our Nation’s maritime preservation efforts for the long run.

President Abraham Lincoln once stated that “if given the truth, (the American people) can be depended upon to meet any national crisis. The great point is to bring them the real facts.” At the end of the day, opinions are not evidence, and manipulating facts to whip people into frenzy does not strengthen our industry.

That’s why MarAd makes a persistent effort to maintain transparency across all of our agency’s divisions, and bring our industry the real facts driving our actions, including the funding of Maritime Heritage Grants. That’s why you will find all of the figures mentioned above published on our website, readily available for review.

As a final thought, I’m proud of the work done every day by the men and women of MarAd to support the maritime industry. The maritime industry – and its heritage – is vital to our nation and its economy.



SUP shift-ship gang aboard the Lihue, this month, in San Francisco from the left: Lorenzo Otis, Sadeq Nasser, Bosun Lesnek Jeziorski, Gio Navarro, Romelito Linatoc, Faith Matas, James Salera, Trumel Hampton and Rahgen Hill. Photo Roy Tufono.

U.S. Navy ordered to shock test aircraft carrier *USS Gerald R. Ford*

Top Pentagon officials have ordered the Navy to conduct shock tests at sea for its new aircraft carrier over objections from the service, which says the requirement may delay deployment by as long as six months. Navy officials have argued that postponing full shock testing of the \$12.9 billion *USS Gerald R. Ford*, the costliest U.S. warship, until as late as 2025 is justified because its components are being fully tested, it’s designed to be hardened against combat shocks and it’s being evaluated through modeling and simulation.

Deputy Defense Secretary Robert Work, the Defense Department’s No. 2 civilian official, decided otherwise and directed that the tests be completed before deployment of the ship designated CVN 78 and built by Huntington Ingalls Industries Inc., according to a memo sent to the Navy and a spokeswoman for the service.

The test “will be conducted to ensure the survivability of the CVN 78 design is understood prior to beginning operational deployments,” Frank Kendall, the undersecretary for acquisition, wrote on August 7, to Navy Secretary Ray Mabus, conveying Work’s decision.

In a shock trial, underwater charges are set off to assess how well a ship can withstand them. A crew is on board, and the test isn’t intended to damage equipment. The results are used to judge vulnerabilities and design changes that may be needed.

The decision ordering the testing by Work, a former Marine who served as Navy undersecretary, is part of continuing debate inside the Pentagon over testing the Ford carrier. It has pitted the Navy against the Pentagon’s director of combat testing and at least three other civilian officials who all pushed for the test. The chief tester, Michael Gilmore, has said that if the carrier performs as the Navy maintains, the process should take no more than three months.

More broadly, the debate reflects tensions between the military services, which want to field new weapons systems as soon as possible, and testing specialists who have gained clout since Congress created the office of combat testing in 1983, the U.S. Government Accountability Office said in a June report.

Conducting tests on the Ford before deployment would delay the return to an 11-carrier fleet, the number mandated by Congress, the Navy has said. The Navy has operated with 10 carriers with the retirement of the *USS Enterprise* in 2012. Extended deployments of the remaining ships have placed stress on crews, the service has said.

Pentagon leaders considered the test’s timing and implications and its impact on the deployment schedule, Kendall’s spokeswoman, Maureen Schumann, said in an e-mail.

After discussions with the Navy, the leaders “concluded that impacts on operational deployments did not outweigh the utility of obtaining information about potential vulnerabilities, which could be revealed through testing,” she said.

Work made “the right decision,” Senate Armed Services Committee Chairman John McCain said. McCain, an Arizona Republican, has pressed the Navy to do the testing that he said “will mitigate the risks of integrating several new technologies, improve the design of future carriers, and, most importantly, increase” the vessel’s survivability and the “ability of the crew to survive battle damage.”

In its report on the defense authorization bill for fiscal 2016 (H.R. 1735), the Senate Armed Services Committee said the Ford’s new catapult, arresting system and radar “as well as a reliance on electricity rather than steam to power key systems” mean “there continues to be a great deal of risk in this program.” The Senate version of the bill, now in negotiation in a House-Senate conference committee, would add \$79 million for the shock test and a requirement for the Navy to certify that it will be performed no later than September 30, 2017.

It also would hold up \$100 million in procurement spending on the second carrier in the new class, the *USS John F. Kennedy*, until the Navy submits its certifications. The House version doesn’t have those provisions.

The Senate defense appropriations subcommittee, unlike its House counterpart, also would provide the \$79 million for testing in its proposed fiscal 2016 spending bill.

Seven foreign-flag cruise lines to be fined for violating clean air standards

The U.S. Department of Environmental Conservation (DEC) has penalized seven major cruise lines for emissions violations since 2010. The violations were revealed in Norwegian Cruise Line’s quarterly Security and Exchange Commission filing. Carnival, Holland America Line, Royal Caribbean International, Celebrity Cruises and Silversea Cruises are the other six cruise lines being penalized. The DEC has issued 18 violations involving 48 instances of excessive emissions since 2010.

The cruise lines violated the Alaska Marine Vessel Visible Emission Standards, which concern the opacity of visible emissions from ships within three miles of shore.

Details of the violations have not yet been made public because the penalties are still being negotiated. According to DEC officials, the penalty is usually about \$37,000 per incident. In 2000, Royal Caribbean paid for a five-year \$250,000 cruise ship opacity monitoring program to settle past opacity violations

DEFEND THE MARITIME SECURITY PROGRAM

SUPPORT THE SUP POLITICAL FUND



SUP President's Report

August 10, 2015

APL MARINE SERVICES

The future of APL and its parent company, Neptune Orient Lines (NOL), remains murky.

In a page-one article in last month's *West Coast Sailors*, the *Wall Street Journal* reported that Temasek Holdings, a Singapore government-owned investment company, had put NOL up for sale. Temasek owns 67% of NOL while the remainder is traded on the Singapore Stock Exchange.

This month, maritime industry publications reported that Temasek had hired New York-headquartered Citi-Group to seek buyers for NOL. Ng Yat Chung, NOL Group President and Chief Executive, commented that "the company has a duty to consider all options to maximize shareholder value." The company is reportedly worth \$2 billion.

In late July, NOL announced its second quarter 2015 financial results. The company reported revenue of \$1.55 billion, a decline of 24% compared to the second quarter of 2014. NOL also reported a net profit of \$890 million, which encompassed a \$3 million operating profit plus an \$887 million gain on the sale of APL Logistics, its former supply chain management business.

It must be noted that the second quarter profit was the first for the company since 2010. In fact, NOL has had accumulated total net losses of \$1.5 billion since 2009.

NOL said that the second quarter of 2015 saw severe freight rate erosion with rates in major trade routes, falling to some of the lowest levels seen in recent years, seriously affecting profitability. The freight rate erosion is due to container shipping business overcapacity and weak market demand. NOL said it will remain focused on improving cost competitiveness, yield optimization and service reliability to return the liner business to sustained profitability.

APL, NOL's container shipping line, recorded a 12% volume reduction in the second quarter of 2015, compared to the same period last year, due both to weak global demand and the carrier's continued efforts to trim capacity in unprofitable trade routes to optimize yield. Its average freight rates dipped 17% amidst pressure from overcapacity in the industry. Versus the same period of 2014, APL's revenue fell by 22% to \$1.3 billion in the second quarter 2015.

It should also be noted that APL's global market share is falling, with its global capacity shrinking from 4.2% in 2010 to currently 2.8% according to Alphaliner, a company that collects shipping data.

For the nine vessels the company operates under the U.S. flag that are enrolled in the Maritime Security Program (MSP) and crewed on deck by the SUP, the decline in cargo has been precipitous. Since 2010, the drop in cargo has been approximately 60%.

The loss of cargo being attributed to the winding-down of the wars in Iraq and Afghanistan, the decline in government-impelled cargoes, and general world-wide container ship overcapacity.

It must be noted that it costs APL \$7 million per year to operate a U.S.-flag ship, considerably higher than a foreign-flag vessel. This is offset partially by the \$3.1 million per ship the company receives in MSP payments but that still leaves almost \$4 million in out-of-pocket costs to a company that is struggling.

NEGOTIATIONS

Since the contract with APL expires on September 30, the SUP, MFOW and SIU-AGLIW notified the company on July 21, of our desire to bargain a new Agreement.

Therefore, in accordance with Article XVII, Section 5 of the SUP Constitution, a Negotiating Committee shall be elected at the September Headquarters meeting. The Committee shall consist of at least five members from the rank-and-file who have recent experience sailing with APL.

Members who want to submit proposals for consideration by the Negotiating Committee should send them to Headquarters.

ITB MOKU PAHU

As reported in June, Matson notified the Union that the company was no longer interested in operating the *Moku Pahu* for the Hawaiian Commercial & Sugar Company and that American Ship Management (ASM)—the parent company of Patriot Contract Services—would likely be the successor operator.

After discussions with ASM, signed a Memorandum of Understanding, subject to membership approval, on July 31, with the company.

The Agreement with ASM mirrors that of Matson in regard to General Rules, SUP Work Rules and SUP Shipping Rules. The wages and wage-related items are the same as were negotiated with Matson for the vessel in 2013. The Agreement terminates on June 30, 2017, the same date as the Matson contract.

Recommend membership ratification of the Memorandum.

SUP WELFARE PLAN

As the membership knows, members of the Union who are employed by APL, American Ship Management, Foss, Matson, Patriot Contract Services and the San Francisco Bar Pilots are participants in the SUP Welfare Plan. They receive medical benefits from the Plan that are a result of collective bargaining by the Union with employers for contributions to the Plan.

While the collective bargaining agreements have provisions for cost increases, the premiums demanded by health care providers far exceeds those increases.

The new rates agreed to at the June 16, meeting of the Trustees of the SUP Welfare Plan are as follows:

Kaiser Southern California: An increase of 5% effective July 1. The rate for a single participant increased to \$546.73 from \$520.71 per month. For a married participant without children, the rate increased to \$1093.47 from \$1041.42. For married participants with children, the rate increased to \$1,547.25 from \$1,473.61. That amounts to a \$50,400 annual increased cost to the Plan.

Kaiser Hawai'i: An increase of 15.3% effective August 1. The rate for a single participant increases to \$630.66 from \$547.04; \$1261.33 from \$1094.07 for married participants; and an increase to \$1891.99 from \$1641.11 for married participants with children. The annual premium increases will cost the Plan an additional \$87,700 for the year.

Kaiser Northern California: This was the one bright spot as rates actually decreased by 4.96% effective July 1, saving the Plan \$97,200 annually. The rate for a single participant decreased to \$741.66 from \$780.40; \$1483.32 from \$1560.80 for married participants; and \$2,098.90 from \$2,208.53 for married participants with children.

Group Health Cooperative: An increase of 6.7% effective August 1. The rate for a single participant increases to \$599.99 from \$562.43 per month; for married participants to \$1,120.43 from \$1,050.29 and for married participants with children to \$1876.09 from \$1,758.65. The increase will cost the Plan an extra \$55,200 a year.

Health Net (HMO): An increase of 8.3% effective August 1. The rate for a single participant increases to \$1,050.78 from \$958.42; for a married participant to \$2,101.60 from \$1,916.87 and for a married participant with children to \$3,047.41 from \$2,779.54.

Health Net PPO (California): An increase of 19.7% effective August 1. The rate for a single participant increases to \$1,454.09 from \$1,214.78; for a married participant to \$3,126.26 from \$2,611.75; for a married participant with children to \$4,580 from \$3,583.57.

Health Net PPO (Non-California): An increase of 19.7% effective August 1. The rate for a single participant increased to \$1,309.58 from \$1,094.05; for a married participant to \$2,815.58 from \$2,352.20; for married participants with children to \$3,863.27 from \$3,227.46.

The increases for the Health Net California PPO Plan and the Health Net Non-California plans resulted in an additional \$67,600 annual expense for the SUP Welfare Plan. Because of the cost the Trustees agreed to renew these plans on a month-by-month basis.

In addition to escalating premiums, the impact of the Affordable Care Act (Obamacare) is financially significant. Taxes and fees under the Act include a \$63 per year Reinsurance Fee on every participant and dependent of the Plan and a \$1.00 per year Excise Tax on every participant and dependent of the Plan since January 1, of 2013, to help fund the Patient-Centered Outcomes Research Institute (PCORI). This tax will rise to \$2.00 per participant and dependent in 2015 and will increase by an amount, not presently known, through 2019. In addition, the health care providers, the SUP Welfare Plan has contracts with, can legally tack on a 2% tax on their rates to help fund the Act and have done so. Also under the Act, dependent "children" between the ages of 19 and 26 are required to be covered which has added significantly to SUP Welfare Plan expenses over the past four-and-a-half years.

Also looming on the horizon is the so-called "Cadillac Tax" provision of the Affordable Care Act. Starting in 2018, premiums exceeding \$10,200 for individuals or \$27,500 for a family will be taxed 40% annually. This excise tax will be paid by the health care provider who will then pass on the cost to the SUP Welfare Plan in the form of even higher premiums.

450 HARRISON STREET

Since the beginning of the year, the Headquarters building in San Francisco has needed several repairs.

The boiler to heat the building stopped working. After bringing in professionals to see if it could be repaired, it was decided to seek competitive bids to replace it. The \$62,000 bid submitted by California Boiler was selected. To date the Union has paid the company \$18,600.

Plumbing has also been an issue, with \$5,727.74 pending to be paid to Professor Plumber for work on the second floor men's room. Also the drinking fountain on the first floor had to be replaced by Cal-Steam and Professor Plumber at a cost of \$1,813.15.

In addition, electrical work needed to be done in the Library at a cost of \$3,600.

GREATER RINCON HILL COMMUNITY BENEFITS DISTRICT

The SUP got hit with another unwanted expense when the San Francisco Board of Supervisors on July 31, voted to authorize the formation of the Greater Rincon Hill Community Benefits District.

Started by Rincon Hill property owners who desire to assess themselves to beautify the neighborhood by planting trees, building parks and widening sidewalks, the Community Benefits District will cost the Union \$7,277.69 per year and added to the Headquarters building's property taxes which are \$28,221.04 annually.

On behalf of the Union, your secretary voted to oppose the creation of the District. However, the vote was 70.05% to support its creation and 24.93% to oppose.

SUP ELECTION: NOMINATIONS

In accordance with Article XII of the SUP Constitution, nomination of regular Union officers for the 2016-2019 term shall be made at the Headquarters and Branch meetings in September.

Written notice of this fact shall be published in the August edition of the *West Coast Sailors* and posted in all halls.

Any eligible member may place his/her own name in nomination for any regular office or may be nominated by another member.

Nominations may be made either in person or by mail; however, any nomination made by mail must be

continued on next page

SUP Branch Reports

Seattle

July 20, 2015

Shipping: 1 Bosun to a Navy bottom filled with by a B member; 6 Able Seaman jobs shipped and filled with 1 A-card, 3 B's, 1 C and 1 D; and 12 standbys to 7 A-card and 5 B cards.

Registration: 7 A cards for a total of 20; 8 B cards for a total of 19; and 5 C cards for a total of 13.

Ships Checked

Matson vessels *MV Manoa* and *SS Kauai* called twice in Seattle with little or no problems. The SUP/MFOW sent crew members to the APL vessels *APL Cyprine* and *APL Agate*. And to the Patriot vessels *USNS Pax*, *USNS Dahl*, *USNS Gordon*, *USNS Pomeroy* and the *USNS Waters*.

I represented the SUP at the following meetings: The King County Labor Council Executive Board meeting, the Marine Exchange Board of Directors meeting, and the Seattle Marine Business Coalition meeting.

Norm Christianson served as Chair in the Seattle Branch monthly meeting and had recently served in the SUP Constitutional Committee meeting. Norm answered good questions from the members regarding the Committee's recommendations during the meeting and the Seattle Branch voted unanimously to accept the Constitution Committee's recommendations.

The returning crews off these *Watson*-Class vessels report that they are "doing very well" in the "payoffs" in these bottoms. Shipping is excellent if your certifications and documents are in order.

We are closing fast on the TWIC card three year date of past renewals. If you renewed your TWIC card and chose the free three year option. My suggestion is you start immediately to renew. My experience in reviewing these cards is well over three fourths of the industry chose the three year option. That means the TWIC centers will soon be overburdened once again and waits may be lengthy towards reissue.

Vince O'Halloran
Branch Agent

Labor Day celebration in Seattle

The Martin Luther King, Jr. Labor Council's Labor Day Celebration will be held on Monday, September 7, from 11:00 A.M. to 3:00 P.M. at Lower Woodland Park (N. 50th Street & Woodland Park Ave. N.). The event is free (food and soft drinks, etc.) with many activities for the kids.

SUP members join pension ranks

The following SUP members joined the rank of pensioner, bringing the total number of SUP members to 223:

Gerald B. Ingemansson, 78, Book No. 379, joined SUP in 1953, 19 years seetime.

Ramiro A. Montoya, 64, Book No. 6498, joined SUP in 1979, 30 years seetime.

Wilmington

July 20, 2015

Shipping for the period: Bosun: 3, AB: 14, AB Maint: 5, OS: 1; and standby: 69. Total jobs shipped: 92.

Registrations: A: 35 B: 31 C: 20 D: 22.

Ships Checked

Manulani, *Matsonia*, *Mahimahi*, *Maunawili*, *Mississippi Voyager* (Ken Dooley Bosun, no beefs); *APL Korea* (Bosun Bob Strabbing, getting off, and Delegate Greg Schauf bring in clean ship); *Mokihana*, *Oregon Voyager* (John McAuliffe, Delegate); *Maunalei*, *APL Singapore* (restricted to ship beef, HQ working on it); Leon Gandy made: *RJ Pfeiffer*, *APL Thailand*, *Mokihana*, and *Manukai*.

Meetings attended: June 15, attended LA Federation of Labor Delegates Meeting with Eli Wegger and Bob Bugarin. This month we celebrated the \$15/hour wage signing. On June 18, Maritime Trades Department lunch/meeting at the Teamsters Hall in Long Beach. MTD President, Bob Bugarin, introduced speaker, Councilman Joe Buscaino of the 15th District who gave a positive speech about our district which includes LA Harbor. We had a good crowd with several SUP brothers in attendance. On July 2, Harbor Labor Coalition meeting and on July 9, MTD meeting.

On June 26 to June 28, the *Lane Victory* celebrated its 70th anniversary. I was quite impressed by revamped displays in Hold 2. It now tells a story not only about the ship, but also about World War II and the role the Merchant Marine played in it. Definitely worth a look.

On June 30, Bill Berger passed away. It's like we lost an SUP library. He was more than that. He was a mentor to us all. Bill was an active member for 73 years as sailor and agent. Smooth sailing Bill. This September 13, there will be a Celebration

of Life. Contact the halls to RSVP if you would like to attend.

On July 1, I visited Ernie Jalomo at the hospital. He lost his second foot to diabetes. However, he was in good spirits.

Thanks to Leon Gandy for relieving me for a two week vacation.

Mark Hurley, Branch Agent

Honolulu

July 20, 2015

Shipped the following jobs in the month of July: 2 Bosun steady, 4 AB Day steady, 2 AB Day relief, 1 AB Day return, 6 AB Watch steady, 2 AB Watch relief, 1 AB Watch return, 2 AB Maint steady, and 1 OS. The shipping jobs were filled by 7 A cards, 11 B cards, and 3 C cards.

Shipped 27 standby jobs. The standby jobs were filled by 11 B cards, 8 C cards, 7 D cards, and 1 MFOW member.

Registered in July: 11 A cards, 9 B cards, 0 C cards, 2 D cards. To date totaled registered: 11 A cards, 12 B cards, 5 C cards, 2 D cards

Ships Checked

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

I represented the SUP at the AFL-CIO Executive board meeting and Mario Higa (MFOW agent) and I had a meeting with the United Aloha Way.

The Hawai'i Labor Unity Picnic will be held on September 6, 2015 (Sunday) at the Waikiki Shell from 1500 hours until 2000 hours. Bring your Union ID and any food donation you want to give. If you are planning on attending, please see me about food tickets. There will be free parking; I am just waiting for the parking passes.

Mike Dirksen, Branch Agent

Business Agent's Report

August 10, 2015

Maui - Matson broke out the Maui two weeks ago in place of the Kauai due to boiler issues. Ship in good hands with Mike Worth as Bosun and Jeffrey Titco delegate.

Matsonia - In and out of Oakland. Paul Fuentes Bosun with Noel Itsumaru as delegate.

Kauai - Laid-up alongside Oakland #62 for boiler repairs. Hopefully fixed by the end of August. Subject to change.

Mahimahi - In and out Oakland in good hands with relief Bosun Izzy Idris and Paul Barbour as delegate.

Manoa - In and out twice with no beefs; Swede as serang, delegate Duke Maringer.

Mokihana - Switch up runs out of Los Angeles.

Moku Pahu - Called the crew back from a short lay-up alongside Oakland #68. Under new management: American Ship Management (ASM). Ship sailed for Honolulu. Hussein Ali as Bosun, Delegate Elorde Ramos.

APL Belgium - In from the East Coast returned to the West Coast to fall back on the TransPacific run. Teo Rojas time's up. Robert Jones relieved him as Serang. Big turnover next trip.

APL Singapore - Ongoing safety issues and concerns with the stores cranes. APL has been notified numerous times and should rectify this problem immediately. Paul Harsany delegate.

Oregon Voyager - In and out of Richmond Long Wharf.

Mississippi Voyager - Up and down the West Coast.

California Voyager - Made a trip to the Gulf.

Admiral Callaghan - Robert Reed, Bosun with GVUs Tito Abaya and Randy Cruz.

Cape Orlando - Bosun Jim Linderman with GVUs Jose Ysern and Raul Guillen. There's talk about going to Mare Island Shipyard in Vallejo, some time in September.

Cape Henry - Military exercises going full steam in Alameda #3. Dave Frizzi as Bosun, GVUs E. Baptista and R. Brito.

Reminder these RRF jobs are for our entry level rating members to be able to get sea and union time. And eventually move on to get the military training.

Rating and Membership Committee meets first Thursday of each month. If you are upgrading, send only COPIES of your discharges. When the upgrade process is complete, we shred everything and nothing is returned. Maintain current MMC, drug card, annual card, TWIC, passport. And for those members that have Military training stay current with your certifications its your responsibility.

When dispatched to any standby job, you will complete the duration of the job or be subject to be fined.

Roy Tufono

ATTEND YOUR UNION MEETINGS!

Hawaii Labor Unity Picnic

Labor Day Celebration & FOOD DRIVE
to benefit the HI State AFL-CIO Labor Community Services food pantry

FREE for Labor Union Members & 'Ohana

Sunday, September 6, 2015
3:00 pm to 8:00 pm
at the Waikiki Shell

FUN FOR ALL AGES
FOOD* MUSIC PRIZES
ALL FREE!

BRING YOUR
-union ID
-food drive donation
-family
-mats, chairs & umbrellas

BUT leave your coolers & alcohol at home!

FREE VALET PARKING
-Public lot in front of Waikiki Shell (self-park)
-Waikiki Elementary FREE valet parking on grass
Tips accepted for free valet service

*Meal ticket to be picked up under your union tent or by other arrangement with your union.

Contact:
YOUR UNION-SUP