



West Coast Sailors

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Oakland plans Port turning basin and other upgrades

Port officials say growth can continue by making roadways more efficient and by accommodating larger ships.

The Port of Oakland will continue to invest in ways that increase its efficiency and keep it competitive, according to the port's new executive director.

"I'm pretty positive about the outlook for the port," said Danny Wan, who was promoted to the position on Nov. 14. Wan noted that the port is seeing record-setting growth. Wan had been port attorney for six years and is a former Oakland city council member.

The port handled a record 2,589,698 TEUs of containerized cargo in its 2018-19 fiscal year, which ended June 30. Between July and October this year, it handled 854,148 TEU (653,350 loaded and 200,798 empty TEUs), compared with 894,672 TEU (630,440 TEU loaded and 264,233 empty) in the same 2018 months.

Port of Oakland saw record container volumes in the fiscal year that ended June 30. (Source: Port of Oakland)

In October, exports were up 10.8% — surprising perhaps, given the continuing tariff war between China and the U.S.

"Our export customers have demonstrated their resilience throughout this tariff stand-off," says John Driscoll, the

port's maritime director.

"I anticipate that that kind of steady growth will continue," said Wan, adding that he and Driscoll will "continue to look at innovative ways to make our operations more efficient," including reducing the turn time for truckers moving containers to and from marine terminals by getting more information to truckers, and getting more gate times for truckers.

"That's the name of the game on the logistics front," Wan told American Shipper in an interview at his office. "As long as we can get more efficient and stay out of the way, I think Oakland will continue to grow."

The port is investing between \$250 million and \$500 million to make its roadways more truck friendly, adding more lanes to Seventh Street, one of the port's main corridors.

The port is a department of the City of Oakland, and Wan notes it is working with other departments to "make sure the city is engaged with us when they plan their side of the fence — that they provide for truck routes, provide a more updated overweight corridor to help us separate our operations from the residential."

The port also plans to expand its two turning basins, where ships can turn 180 degrees so it is easier for them to exit the harbor.

The port's board of commissioners got a briefing in November on a turning basin expansion study.

The port's existing shipping channel and turning basins were designed and deepened to 50 feet in the late '90s and early 2000s based on a "design vessel" or standard, typical vessel with capacity of 6,500 TEUs.

The port has two turning basins, one in the port's outer harbor, which has a diameter of 1,650 feet, and the other in its inner harbor, which has a diameter of 1,500 feet.

Eric Napralla, the chief wharfinger for the port, explained expansion of the inner turning basin is of particular importance since the largest ships that can use it are 1,210 feet long and have a capacity of 14,000 TEUs.

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Congress extends and enhances Maritime Security Program to 2035

House and Senate negotiators on pending defense legislation have agreed to language that would extend the Maritime Security Program for an additional ten years, to fiscal year 2035.

They have also agreed to increase the per-vessel stipend beginning in fiscal year 2022.

The stipend will be \$5.3 million in fiscal years 2022-25; \$5.8 million in fiscal years 2026-28; \$6.3 million in fiscal years 2029-31; and \$6.8 million in 2032-35.

The Maritime Security Program authorizes a maritime security fleet comprised of 60 U.S.-flag, U.S.-owned and U.S.-crewed militarily useful vessels.

Under the program, these vessels and their U.S.-citizen crews are available to meet the requirements of the Department of Defense whenever and wherever necessary.

As of April 2019, 34 container vessels, 18 roll-on/roll-off vessels, six heavy lift vessels, and two tank vessels were enrolled in MSP. Each vessel currently receives an annual stipend of \$5 million paid in monthly installments in return for making the vessel available to the U.S. Government in national emergen-

cies. U.S. citizenship requirements apply to vessel owners and operators although enrolled vessels can be constructed outside the U.S.

The 2020 NDAA would authorize MSP for an additional ten years from fiscal year 2025 (i.e. September 30, 2025) to fiscal year 2035 and would also increase the annual stipend to \$5.3 million a year starting in fiscal year 2022 and then increase it over time starting in fiscal year 2026 from \$5.8 million to \$6.8 million in fiscal year 2032. Current law would have decreased the annual stipend to \$3.7 million for fiscal years 2022 to 2025. As under current law, all of these amounts are subject to annual appropriation.

The 2020 NDAA would also authorize an MSP-like program for two submarine cable installation and repair vessels called the "Cable Security Fleet." Each vessel would be paid \$5 million per year under annual renewable agreements and be required, like MSP vessels, to engage in the U.S. foreign trade and agree to a contingency agreement that would give the U.S. Government the ability make immediate use of the vessel in a national emergency. Like MSP which is a joint program between the

U.S. Maritime Administration and the U.S. Transportation Command, the cable program would be a joint MARAD/DoD program. The goal is to enroll two vessels starting in fiscal year 2021 (October 1, 2020).

The House had also proposed authorizing a tanker program in its version of the NDAA. Under the proposed tank vessel program, the annual stipend would have been fixed at \$6 million per year for a maximum program of ten vessels commencing in fiscal year 2021 (October 1, 2020). The tanker program did not make it into the 2020 NDAA. The bill instead mandates a quick turn-around study of U.S. tanker capabilities and whether they are sufficient to meet the needs of U.S. national security. That report is required to be submitted by the time the President submits his budget for fiscal year 2021, usually by early February. Presumably, the results of that study will form the basis for Congress to revisit whether a tanker program is necessary.

The defense legislation as agreed to by the House and Senate negotiators must now be considered by the full House of Representatives and Senate.

AFL-CIO backs North American trade deal Worker protections included among major changes

Democrats in the House of Representatives said that they had reached an agreement with the administration to enhance labor and enforcement provisions in the United States-Mexico-Canada Agreement, thus securing the support of the AFL-CIO.

"Make no mistake, we demanded a trade deal that benefits workers and fought every single day to negotiate that deal," said AFL-CIO President Rich Trumka.

"And now we have secured an agreement that working people can proudly support."

"Working people are responsible for a deal that is a vast improvement over both the original NAFTA and the flawed proposal brought forward in 2017," he said.

"For the first time, there truly will be enforceable labor standards—including a process that allows for the inspection of factories and facilities that are not living up to their obligations."

He said the new deal eliminates "special carve outs for corporations like the giveaway to Big Pharma in the administration's initial proposal and loopholes designed to make it harder to prosecute labor violations."

"The USMCA is far from perfect," he said. "It alone is not a solution for outsourcing, inequality or climate change."

"Successfully tackling these issues requires a full-court press of economic policies that empower workers, including the repeal of tax cuts that reward companies

for shipping our jobs overseas."

"But there is no denying that the trade rules in America will now be fairer because of our hard work and perseverance."

Working people have created a new standard for future trade negotiations," Trumka said, noting that "President Trump may have opened this deal, but working people closed it. And for that we should be very proud."

The changes to USMCA, which the three countries signed more than a year ago, must now be incorporated into implementing legislation that the House and Senate will both vote on.

The signatures of the leaders of all three countries are pending, and Mexico has expressed misgivings about new labor enforcement provisions.

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Container shipping industry admits problem with fire

A large share of the dangerous-goods shipments on international cargo ships were mislabeled, improperly handled and carried other safety risks, according to an industry study undertaken after a spate of fires on big, ocean-going vessels.

Fires at sea have crippled several big cargo ships over the past two years, and shipping-safety experts say complicated rules and lax investigations are creating a roadblock to finding the causes of the blazes and taking safety measures.

Vessel owners believe many of the fires are caused by potentially dangerous shipments being loaded without notice, and the investigation by the independent National Cargo Bureau suggests there are significant gaps in how the goods are handled, from paperwork to onboard stowage.

More than half the containers NCB, a New York-based not-for-profit group that assists the U.S. Coast Guard with maritime safety oversight, targeted in a yearlong survey of shipping operations fell short of marine industry fire-safety standards, the group said.

"The figures on how much improperly stowed or misdeclared cargo was in the boxes were shocking," NCB President Ian Lennard said.

The NCB probe was launched after a fire in March 2018 crippled the Maersk Honam, a giant container ship operated by A.P. Moeller-Maersk A/S, and killed five of its 27 crew in the Arabian Sea. The front third of the ship was torched in a fire that burned for weeks.

"The Maersk Honam was a wakeup call," Mr. Lennard said. "There is now more attention after the unprecedented ship fires this year and the disasters we saw."

The NCB checked 500 boxes from around the world that moved on Maersk ships, along with vessels from France's CMA CGM SA and Germany's Hapag-Lloyd AG.

The study, undertaken at Maersk's request, deemed 274 containers, or 55% of those examined, to be potential fire hazards. Checks on boxes with dangerous goods coming into the U.S. showed 69% were either not properly secured, warning signs on the boxes were missing or had fallen off, or the cargo was simply wrongly identified in shipping documents. The failure rate for containers that were declared moving nondangerous cargo to the U.S. was 51%.

Boxes from Latin America and India had the lowest scores, with 82% and 87% of them, respectively, deemed potential fire hazards.

The NCB report, which has been submitted to the International Maritime Organization, the global marine regulator, is part of efforts to identify gaps in dangerous goods transport and to improve safety.

Although there are dozens of fires on all kinds of ships each year, catastrophic fires on large oceangoing vessels are relatively rare. The NCB says there were nine major fires on big cargo-carrying ships this year, compared with one—the Maersk Honam—in 2018 and two incidents in 2017.

Cargo that could potentially ignite include charcoal, fertilizer, fish food, chlorine products and other chemicals, car batteries and electronic components. In addition, cargo that isn't properly secured can shift at sea, creating heat from friction that can cause a fire.

Some shipping executives believe the rapid growth of e-commerce, which has led to more fragmented supply chains with more suppliers, and retailers with little experience in shipping regulations, contributes to the problem.

Marine underwriters say about half of all ship fires aren't reported and investigations are infrequent.

"Few incidents make it into a report," said Andrew Kinsey, a senior marine risk consultant at Allianz Global Corporate and Specialty, the commercial insurance arm of German insurer Allianz SE. "If the incident does not involve loss of life and doesn't make headlines, it often goes unreported."

Ships in international waters operate under a complicated regulatory framework that includes provisions for safety investigations. The U.S. Coast Guard and the National Transportation Safety Board investigate accidents of U.S.-flagged vessels because the flag-state for ships is primarily responsible for policing safety conditions for international vessels.

A big share of the international maritime fleet flies so-called flags of convenience from smaller, developing nations to keep costs down, however, partly by sidestepping labor rules in the owners' home countries. Those countries providing flags for such ships generally don't have the resources to fully investigate fires from their own waters.

"The flag state has to do a good part of the investigation, but there is no mandatory requirement to make any findings public," said John Miklus, the president of the American Institute of Marine Underwriters. "If it's a big incident involving passengers, then you will get a report. If it's a fire on a ship in the middle of nowhere, you won't."



SUP Honolulu Paint and Rigging Gang members Nick Mannesotis, Jayar Rezada, Rodney Cho and Emo Aulelela pause for a selfie while hard at work in the rubbish container at the Matson's Sand Island terminal.

Membership and Ratings Committee

The Committee met on December 5, and found the following members eligible for advancement in seniority and rating stamps in the various departments:

Name and Membership Number	Seatime	Rating	Seniority
Matt Henning 5887	6 yrs.	A.B.	A
Valeriy Goncharov 3042	6 yrs.	A.B.	A
Teodoro Gadais 3043	6 yrs.	A.B.	A
Brian McCarthy 6548	6 yrs.	A.B.	A
Kevin Gonzalez 19638	1 yr.	O.S.	B
Ronald Sutherland 19639	1 yr.	O.S.	B
Jonathan Suguitan 2806	30 days	A.B.	C
James Ericson 2807	30 days	A.B.	C

Membership and Ratings Committee's Report: M/S (-several) to concur in the Committee's report. Carried unanimously. Membership and Ratings Committee: Cory Edgil #19409, David Larsen #19878 and Albert Rossi #19140.

Final Departures

Gene Morford, Book #5390. Born in Indiana in 1920. Joined SUP in 1944. Died July 13, 2019. (Pensioner)

Wayne Tucker, Book #3083. Born in Alabama in 1927. Joined SUP in 1944. Died August 18, 2019. (Pensioner)

Timely Reminder
1st quarter 2020 dues are due and payable now!

SUP Constitution ARTICLE VI DUES AND INITIATION FEE

Section 1. The initiation fee shall be Sixteen Hundred Dollars (\$1600.00) payable in installments with the sum of One Hundred Dollars (\$100.00) being due and owing upon the member's admission into the Union and the balance of Fifty Dollars (\$50.00) per month for each month or part thereof in SUP-contracted vessels.

The initial installment of One Hundred Dollars (\$100.00) shall accompany the application of membership and the dues shall be One Hundred Fifty Dollars (\$150.00) per quarter, payable in advance.

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Booze bulkers: when alcohol is the cargo

It seems like an alcohol aficionado's fairy tale but it's true. Once upon a time, giant tanker ships plied the high seas full of wine, beer and spirits, not crude oil, gasoline and diesel. Massive volumes of liquor were transported in enormous holding tanks as they traversed the oceans, to be pumped out in their final destinations, then bottled and imbibed.

Alcohol (for consumption, not industrial use) is now largely shipped via container. But throughout the 1900s and in select cases into the 2000s, breweries, vineyards and distillers turned to ocean-going tankers for transport.

Ireland's Guinness ran a fleet of coastal beer carriers between 1913 and 1993, using dedicated vessels to bring beer from its brewery in Dublin to the ports of the British Isles. The crew who worked aboard the vessels were known as the "Cross Channel Gangs." Beer was carried aboard the ships in wooden casks through 1953; after that, it was loaded in special aluminum or stainless-steel tanks that each carried 4,032 pints.

Guinness then began to think bigger. It first looked at the transport of beer in much larger parcels in 1971, conducting an experiment with specially fitted tanks aboard the 1952-built *Lady Grania* (all vessels in the fleet were named after members of the Guinness family).

That test was a success, and Guinness converted the 1962-built *Lady Patricia* into a beer tanker at the Bristol shipyard in 1973. That, in turn, led to the construction of the first-ever purpose-designed beer tanker, the *Miranda Guinness*, in 1977.

The *Miranda Guinness* sailed twice-weekly trips between Dublin and Liverpool. It had 15 stainless steel tanks capable of carrying a total of almost 2 million pints of Guinness beer per voyage.

The *Guinness* fleet was the focus of an article by Edward Bourke in the *Journal of Research on Irish Maritime History* that includes an anecdote not mentioned in the official Guinness history.

According to that article, "The *Lady Patricia* was the first ship adapted with beer tanks to carry beer in bulk. These tanks were washed and steam-sterilized en route back to Dublin after the beer had been discharged.

"On one occasion, as the *Patricia* entered a lock on the Manchester Ship Canal, the captain looked over the side and to his horror the lock was filling with frothy tank washings. Someone had started to discharge the rinsings of beer before they had reached the open sea.

"The authorities were very strict about discharges in the canal, which was suffering from serious pollution of all types and was filthy. He had to think quickly and ordered 'full ahead on engines, full astern, stop engines.' The propellers churned up the filthy mud from the bottom of the lock. The stinking ordure that was disturbed concealed the beer foam and nobody was the wiser."

The concept of shipping wine in tanker



was the *Bacchus*, a converted cargo ship launched in France in 1935 with a capacity of 337,000 gallons of wine. After being sunk in World War II, a second cargo ship was converted to a wine tanker with the same name.

But the largest and most famous wine tanker to sail was the SUP ship *Angelo Petri*. The vessel was another conversion job, built at San Francisco's Bethlehem yard using a section of an older tanker originally built in 1943.

The capacity of the *Bacchus* was dwarfed by the *Angelo Petri*, which could carry 2.4 million gallons of wine. To put that in perspective, this is the equivalent of 12.1 million bottles of wine (based on 750 milliliters per bottle) per voyage.

The ship, owned by United Vintners, made its maiden voyage in 1957. It was designed to reduce the overland cost of wine shipments to the East Coast, and conducted around seven round-trip voyages per year until the mid-1970s. It sailed from Stockton, California, via the Panama Canal to Newark, New Jersey — where there were special wine barges and a truck fleet to serve the inbound loads — then made a call in Houston on the return trip, with a portion of the wine cargo unloaded there and barged up the Mississippi River to Chicago. Of the 2.4 million gallons of wine per voyage, around 1.4 million was discharged in Newark and 1 million in Houston.

Unlike the *Bacchus*, which had wine tanks with special varnish, copper pipes and bronze valves, the tanks, pipes and valves aboard the *Angelo Petri* were all stainless steel.

The tanker loaded wine in 26 stainless-steel tanks (each tank ranged in size from 31,000 to 211,000 gallons) and had an additional 1.3 million gallons of capacity in completely segregated tanks for other cargoes, such as fuel. The owner's quarters of the ship were designed to highlight wine colors in each room: from sherry to burgundy to sauternes.

Other smaller wine tankers have been put in service over the past half-century in the Mediterranean market. A number of 1970s-built vessels with an International Maritime Organization designation of "wine tanker" still appear to be in operation in Southern Italy.

One shipping industry expert speaking to FreightWaves recalled a story he was told involving a Mediterranean wine tanker. The original teller of the tale has since passed away so its veracity cannot be confirmed.



"One old guy who used to be involved in the trade told me they used to recoat the tank after every cargo of wine from Greece or Italy. On one occasion, they didn't bother as the ship was going to dry-dock." The next time the ship transported wine, "the importer complained that the particular cargo was of poor quality, as it didn't have any 'body.' The guy told me that the only reason the earlier cargoes had body was that they dissolved the coating each time." The days of giant tankers full of booze are history.

The Battle of Seattle WTO protest twenty years later



Seattle police use gas to push back World Trade Organization protesters in downtown Seattle Tuesday, Nov. 30, 1999. The protests delayed the opening of the WTO third ministerial conference. The SUP, coordinated by then Seattle Branch Agent Vince O'Halloran, fielded a large contingent of members who joined with the rest of organized labor to march in mostly peaceful protest at the historic event.

Twenty years ago, demonstrators converged on downtown Seattle to protest the World Trade Organization.

It was supposed to be non-violent. But in a single day, the city was thrown into chaos.

The "Battle in Seattle" was the final major protest of the 20th Century. And the problems it exposed have become part of the world we live in today.

On November 30, 1999, delegates from around the world were heading toward Seattle's Convention Center for the start of the WTO's ministerial meeting. On the agenda: liberalizing trade in forest products, food, and services. But protesters had other plans.

That morning, they formed a human chain, blocking delegates from leaving their hotel and going to the meeting. Different groups had united to protest the WTO's agenda.

Unions thought the trade agreement would mean American manufacturing jobs would be shipped overseas. Environmentalists accused the WTO of prioritizing trade over environmental protections. And labor activists believed the agreement protected the interests of corporations over the rights of workers.

Jon Holden, president of the Boeing Machinists, was at the protests. He said people were concerned that "these trade deals were really encouraging work to move out of the United States and to other countries."

The North American Free Trade agreement, signed by President Bill Clinton six years earlier, was driving a lot of the concern.

Clinton had promised NAFTA would add jobs, not take them away. But American companies were using NAFTA to transfer jobs to Mexican factories.

Worried that the WTO agreement would lead to more outsourced jobs, the unions joined with others to plan a protest.

Labor unions had a plan to gather, then march. Holden, who was a shop steward in Boeing's Everett plant at the time, said he didn't realize how big the protest was going to get. Holden was supposed to be a marshal. But when he arrived, they started training the marshals in non-violent resistance tactics and how to avoid reacting to police. He remembers wondering, "What kind of marshaling are we going to be doing?"

KUOW's Sam Eaton reported on the protestors forming a human chain to block the delegates from leaving their hotel.

"Several of the delegates have actually been circled by protesters," he said. "The atmosphere, though, is still one of festival."

But as the morning went on, the mood darkened. "I just heard the sound of some windows smashing and people seem very

angry," KUOW's Orlando de Guzman reported. "This situation looks a lot more uncontrolled and a lot more tense."

The unions were continuing with their permitted march. Suddenly, Holden said, there were "a bunch of Seattle Police officers behind us in riot gear. That's when I realized: how am I going to marshal anything?"

And then the march itself swept into the chaos.

The union march split into two factions. The official protest headed towards Seattle Center for a sit in, KUOW's Peter Aronson reported. "But many others have headed toward downtown Seattle, regardless of what their marshals were telling them to do." It wasn't just the unions' march. Protesters dressed as sea turtles merged with union protestors and a group of anarchists wearing masks.

Police had orders to clear them all.

"They've released tear gas," reported KUOW's Orlando de Guzman. "Smoke in the street. A lot of confusion."

"There is a thick cloud starting to move in front of me," he said. "Probably the biggest disappointment was that so much of the media focused on the anarchists and the violence that took place," said Larry Brown. Brown was also a marshal on that day. He's now president of the Washington State Labor Council.

He said their message was buried by the focus on property destruction and the police reaction. So, what happened to the concerns workers raised on November 30, 1999?

Jacob Vigdor, professor of public policy at the University of Washington, noted that manufacturing jobs continued to shift abroad — not only to Mexico, but to China. In the 20 years since WTO, China's imports to Washington ports have tripled. China sends Washington state goods worth ten times what we send to China. Labor's fears about family-wage middle class jobs disappearing became an enduring reality. Only five percent of new households formed in King County since 1999 have been middle class, according to the county demographer.

It means fewer people can afford to own homes. And more people are struggling to make rent.

The warnings the union protesters were trying to send are now our reality. Brown said they wanted people to embrace "the idea that we have to level the political and social consequences.

He sees "discontent, which was part of the results we saw in 2016. Where people were so dissatisfied with the idea that our government was not standing up for them."

You don't have to look back to see the impact of the WTO protests. It's all around us.

Matson maintains moderately lower earnings and operating income outlook

Matson, Inc. (“Matson” or the “Company”) a leading U.S. carrier in the Pacific, reported net income of \$36.2 million, or \$0.84 per diluted share, for the quarter ended September 30, 2019. Net income for the quarter ended September 30, 2018 was \$41.6 million, or \$0.97 per diluted share. Consolidated revenue for the third quarter 2019 was \$572.1 million compared with \$589.4 million for the third quarter 2018.

For the nine months ended September 30, 2019, Matson reported net income of \$67.1 million, or \$1.55 per diluted share, compared with \$88.4 million, or \$2.06 per diluted share, in 2018. Consolidated revenue for the nine month period ended September 30, 2019 was \$1,662.4 million, compared with \$1,657.9 million in 2018.

Matt Cox, Matson’s Chairman and Chief Executive Officer, commented, “Our results in the quarter came in as expected. Within Ocean Transportation, our China trade lane service performed well, but we saw continued weakness in our Hawaii market and experienced softer-than-expected volume in our Alaska service. Within our Logistics segment, we continued to perform well with positive contributions to operating income from nearly all of the service lines.”

Mr. Cox added, “Given the performance year-to-date and our expectations for our businesses in the final quarter of the year, we maintain our 2019 consolidated operating income outlook. As we near the end of this transition year with Lurline expected to enter service this quarter, we take a significant step towards realizing our previously-mentioned approximately \$30 million in financial benefits in 2020, when compared to 2019, driven primarily from the reduction in Hawaii fleet deployment to nine vessels.”

The Company’s container volume in the Hawaii service in the third quarter 2019 was 2.1% lower year-over-year primarily due to negative container market growth. Hawaii’s GDP continues on a slowing growth trajectory despite resilience in key economic factors, such as construction activity and visitor traffic. However, the containerized freight market volume has not been keeping pace with GDP growth. The Company expects volume in 2019 to be lower compared to the level achieved in 2018, reflecting less containerized

freight volume in Hawaii and stable market share.

In China, the Company’s container volume in the third quarter 2019 was 3.4% lower year-over-year primarily due to the timing of an additional sailing in the year ago period. Matson continued to realize a sizeable rate premium in the third quarter 2019 and achieved average freight rates that approximated the level achieved in the third quarter 2018. For 2019, the Company expects volume to approximate the prior year level. In the fourth quarter of 2018, the Company experienced unusually strong performance as a result of the U.S.-China trade situation. For the full year 2019, the Company expects average freight rates to approach the levels achieved in 2018.

In Guam, the Company’s container volume in the third quarter 2019 was 2.1% lower on a year-over-year basis. For 2019, the Company expects volume to approximate the level achieved last year and expects the highly competitive environment to remain.

In Alaska, the Company’s container volume for the third quarter 2019 was flat year-over-year. The Company experienced slightly lower northbound volume including the impact from the timing of an additional northbound sailing in the year ago period. Southbound volume was modestly higher year-over-year. For 2019, the Company expects volume to be modestly higher than the level achieved in 2018 with higher northbound volume and approximately flat southbound volume compared to the levels achieved in 2018.

The contribution in the third quarter 2019 from the Company’s SSAT joint venture investment was \$0.8 million lower than the third quarter 2018. For 2019, the Company expects the contribution from SSAT to be lower primarily due to higher terminal operating costs, partially offset by higher lift volume.

As a result of the performance in the first nine months and the outlook trends noted above, the Company expects full year 2019 Ocean Transportation operating income to be approximately 25% lower than the \$131.1 million achieved in 2018 after taking into account a full year net operating expense impact of \$7.2 million associated with the sale and leaseback of *MV Maunalei*.

Chevron reports third quarter net income of \$2.6 billion

Chevron Corporation (NYSE: CVX) reported in November earnings of \$2.6 billion (\$1.36 per share - diluted) for third quarter 2019, compared with \$4.0 billion (\$2.11 per share - diluted) in the third quarter 2018. Included in the current quarter was a tax charge of \$430 million related to a cash repatriation. Foreign currency effects increased earnings in the third quarter 2019 by \$74 million.

Sales and other operating revenues in third quarter 2019 were \$35 billion, compared to \$42 billion in the year-ago period.

“Third quarter earnings and cash flow were solid, but down from our very strong results of a year ago,” said Michael Wirth, Chevron’s chairman of the board and chief executive officer. “Lower crude oil and natural gas prices more than offset a 3% increase in net oil-equivalent production from last year’s third quarter.”

“Strong execution allows us to continue to deliver on our financial priorities, which are to pay the dividend, fund our superior portfolio of capital projects, further strengthen our balance sheet and return cash to shareholders. In the third quarter, we increased share repurchases to \$1.25 billion, further demonstrating our commitment to deliver strong shareholder returns through the price cycle,” Wirth stated.

“We also advanced capital projects and added resource opportunities. In September, we sanctioned a waterflood project in

the St. Malo Field in the Gulf of Mexico. We also acquired deepwater exploration blocks in the Mexican Gulf of Mexico and Brazil’s Campos and Santos basins, strengthening our deepwater exploration portfolio.

“Global demand for energy continues to grow, and we are committed to meet this demand with less environmental impact. We recently announced new goals to reduce net greenhouse gas emission intensity from upstream oil and natural gas production,” Wirth continued. “During the third quarter, we began capturing and storing carbon dioxide at our Gorgon LNG facility in Australia, one of the world’s largest greenhouse gas mitigation projects. Also, construction is underway on a new solar farm, which will supply low-carbon electricity to the Lost Hills Oil Field in California.”

U.S. downstream operations earned \$389 million in third quarter 2019, compared with earnings of \$748 million a year earlier. The decrease was due to higher operating expenses, primarily turnaround and maintenance costs, and lower margins on refined product sales.

Refinery crude oil input in third quarter 2019 increased 8% to 992,000 barrels per day from the year-ago period, primarily due to the acquisition of the Pasadena refinery in Texas. Refined product sales of 1.29 million barrels per day were up 5% from third quarter 2018, mainly due to higher gasoline sales.

CMA CGM to raise \$2 billion from port terminal, Q3 earnings almost triple

CMA CGM has reported earnings before interest, taxes, depreciation and amortization (EBITDA) of \$1.012 billion during the third quarter of 2019, almost three times higher than the \$364.5 million earnings reported during the same quarter a year ago.

The company attributed the sharp increase in earnings to a reduction in costs, but said the purchase of CEVA Logistics continues to weigh heavily on the bottom line of the container shipping and logistics conglomerate.

CMA CGM, ranked fourth globally in terms of container shipping capacity by Alphaliner, also saw revenue surge 25.8% on a year over year basis during the third quarter to \$7.624 billion.

However, while the carrier’s profit from shipping operations rose to \$158.9 million during the quarter from \$103.1 million a year earlier, its overall consolidated net profit slumped to \$45.4 million from \$103.1 million during the third quarter of 2018.

CMA CGM denied the completion of its multi-billion purchase earlier this year of CEVA Logistics was overburdening the company with debt, but did confirm it would continue to divest in a bid to raise \$2 billion by next year.

“In line with the CEVA Logistics acquisition financing plan, the Group has lightened its capital structure by divesting and refinancing certain of its assets,” the company reported. “These transactions should enable the Group to raise more than \$2 billion in cash by mid-2020, extend the Group’s debt maturities and reduce its net debt by more than \$900 million.”

“The plan includes raising \$860 million

from vessel sale and leaseback transactions, of which \$650 million was completed during the third quarter of 2019. An additional \$210 million is scheduled “to close over the coming weeks,” said CMA CGM. “The proceeds will primarily be used to pay down the loan contracted to acquire CEVA Logistics, with the balance currently standing at \$200 million.”

The carrier will also raise \$968 million by selling stakes held in 10 port terminals to Terminal Link, a joint venture set up in 2013 which is 51% owned by CMA CGM and 49% by China Merchants Port (CMP).

Terminal Link currently holds stakes in 13 port terminals.

“Terminal Link will finance these acquisitions through a capital increase of \$468 million subscribed by CMP and a loan by CMP that in eight years will be converted into a capital increase subscribed by CMA CGM,” reported the carrier. “The transaction, which is subject to antitrust and other regulatory approvals, is expected to close in spring 2020.”

CMA CGM has now pushed back on its profitability hopes for its newly acquired logistics business which it values at \$1.7 billion.

“The Group confirms the profitability targets previously announced for CEVA Logistics but sets their effects to 2023/2024 due to the challenging environment in certain industrial sectors,” the company reported. “The Group remains firmly committed to returning CEVA Logistics to a sustainable and structural profitability, thanks to the wide variety of measures and investments undertaken since the acquisition closed.”



OS Jamie McKeller sends ashore the heaving line during mooring operations on arrival of the containership *Daniel K. Inouye* in Honolulu on December 1, 2019. Photo: Robin Colonas.

**ATTEND YOUR MONTHLY
SUP UNION MEETINGS!**

Weird GPS spoofing incident reported aboard M/V Manukai in Shanghai

In July 2019, the *MV Manukai* was arriving at the port of Shanghai, near the mouth of the Huangpu River. This busy tributary of the Yangtze winds through the city and includes the Bund, a historic waterfront area and tourist hot spot. Shanghai would be the American container ship's last stop in China before making its long homeward journey to Long Beach, California.

As the crew carefully maneuvered the ship through the world's busiest port, its captain watched his navigation screens closely. By international law, all but the smallest commercial ships have to install automatic identification system (AIS) transponders. Every few seconds, these devices broadcast their identity, position, course, and speed and display AIS data from other ships in the area, helping to keep crowded waterways safe. The position data for those transponders comes from GPS satellites.

According to the *Manukai's* screens, another ship was steaming up the same channel at about seven knots. Suddenly, the other ship disappeared from the AIS display. A few minutes later, the screen showed the other ship back at the dock. Then it was in the channel and moving again, then back at the dock, then gone once more.

The captain determined that despite the GPS data, the ship in question had been stationary at the dock the entire time. The other ship had been stationary at the dock the entire time.

When it came time for the *Manukai* to head for its own berth, the bridge began echoing to multiple alarms. Both of the ship's GPS units—it carried two for redundancy—had lost their signals, and its AIS transponder had failed. Even a last-ditch emergency distress system that also relied on GPS could not get a fix.

Now, new research and previously unseen data show that the *Manukai*, and thousands of other vessels in Shanghai over the last year, are falling victim to spoofing GPS systems in a way never seen before.

Nobody knows who is behind this spoofing, or what its ultimate purpose might be. These ships could be unwilling test subjects for a sophisticated electronic warfare system, or collateral damage in a conflict between environmental criminals and the Chinese state that has already claimed dozens of ships and lives. But one thing is for certain: there is an invisible electronic war over the future of navigation in Shanghai, and GPS is losing.

Although the *Manukai* eventually docked safely, its captain was concerned enough to file a report later that day with the US Coast Guard's Navigation Center, which collects reports of GPS outages worldwide.

"All [antenna] connections are secured and dry," he wrote. "There have been no other issues with these units. [I] suspect GPS signal jamming is occurring at this berth."

In fact, something far more dangerous was happening. Although the American ship's GPS signals initially seemed to have just been jammed, both it and its neighbor had also been spoofed—their true position and speed replaced by false coordinates broadcast from the ground. This is serious, as 50% of all casualties at sea are linked to navigational mistakes that cause collisions or groundings.

When mariners simply lose a GPS signal, they can fall back on paper charts, radar, and visual navigation. But if a ship's GPS signal is spoofed, its captain—and any nearby vessels tracking it via AIS—will be told that the ship is somewhere else entirely. Nor did the attacks stop once the

Manukai was safely at its dock. Several times that day, its AIS system reported that it was over three miles distant.

Half a world away from Shanghai, a tip landed on the Washington, DC, desk of a researcher at the Center for Advanced Defense Studies (C4ADS), a nonprofit that analyzes global conflict and security issues. The new tip, from a shipping industry source, suggested that somebody was spoofing GPS signals in Shanghai.

This was the first time that C4ADS had heard of widespread maritime spoofing not obviously linked to the Russians. A few months earlier, the organization had published a report that detailed how Russia used GPS jamming in the Crimea, the Black Sea, Syria, Norway, and Finland.

After receiving the tip, C4ADS looked at the AIS data, which it purchased from a startup that records AIS broadcasts around the world. Analysts noticed that the attacks had actually started the previous summer, increasing as the months rolled on. The most intense interference was recorded on the very day in July that the *Manukai's* captain reported difficulties, when a total of nearly 300 vessels had their locations spoofed. While the disruption was affecting ships right across Shanghai, most of those spoofed were vessels navigating the Huangpu River.

And this was very different from the hacking seen in Russian waters, where vessels were all spoofed to a single point. The Shanghai data showed ships jumping every few minutes to different locations on rings on the eastern bank of the Huangpu. On a visualization of the data spanning days and weeks, the ships appeared to congregate in large circles.

The C4ADS researchers had never seen circular patterns like this before. Perhaps bugs or malware in the ships' AIS or GPS systems were causing the effect? To rule that out, they sought data from another form of transportation completely: cycling.

China has about as many bicycles as the rest of the world combined, with nearly 10 million in Shanghai alone. Some of the city's cyclists use smartphone fitness apps to track their rides. One in particular, Strava, shares a global heat map of anonymized activities from the previous two years. Zooming in to Shanghai, C4ADS analysts could see the same mysterious riverside circles glowing on Strava's heat map. The spoofing attacks were affecting all GPS devices, not just those on ships.

C4ADS shared its findings with Todd Humphreys, director of the Radionavigation Laboratory at the University of Texas at Austin and a leading authority on GPS hacking. Humphreys examined the data, but the closer he looked, the more confused he became. "To be able to spoof multiple ships simultaneously into a circle is extraordinary technology. It looks like magic," he said.

In September, Humphreys showed a visualization of the data at the world's largest conference of satellite navigation technology, in Florida. "People were slack-jawed when I showed them this pattern of spoofing," he said. "They started to call it crop circles."

In spoofing, every receiver within range usually receives the same fake signals, and thus believes itself to be in the same location.

The Shanghai "crop circles," which somehow spoof each vessel to a different false location, are something new. "I'm still puzzled by this," says Humphreys. "I can't get it to work out in the math. It's an interesting mystery." It's also a mystery that raises the possibility of potentially deadly accidents.



Matson's CV-2600 containership *Manukai*, entering Honolulu harbor here, may have been a target of a sophisticated new electronic warfare tactic called GPS spoofing during a recent port call in Shanghai, China.

Marine fuel industry uncertain at IMO emissions crossroads

Faced with imminent new global marine pollution rules, shipping companies and insurers are puzzling over the risks.

To reduce emissions of toxic sulphur that cause premature deaths, shipowners who have long relied on the dirtiest residues of oil extraction will have to either switch to low-sulphur fuel or install exhaust gas cleaning systems from Jan. 1.

Neither option has been fully tested for long, and some problems have already been reported, both with the more expensive new fuels and with devices known as scrubbers which extract the sulphur on board.

Interviews with key players in the industry show varying levels of alarm at potential risks, which they say range from unexpected fires or collisions due to engine failure to liability for inadvertently flouting the rules.

The container shipping industry alone is having to invest \$10 billion to adhere to the new rules, analysts say, and is concerned about extra costs were things to go wrong.

If different types of the new, cleaner fuel are mixed, for example, they may produce a residue which could eventually clog up an engine and, in a worst-case scenario, damage or break it.

Several large ship owners said handling the new fuels correctly and making sure the scrubbers were properly deployed would minimise danger, but that if care was not taken, problems could arise.

"The big guys are going to be serviced by the right people ... there is bigger risk for the smaller ships," Hugo De Stoop, chief executive of leading Belgian tanker operator Euronav, told Reuters.

Euronav has bought the equivalent of almost six months' supply of compliant fuel and is storing it in a megatanker off Malaysia. If a ship is too far away and has to buy fuel, it will try to buy a single type, or, if only a blend is available, ask to see the seller's lab tests.

"We don't always believe that people have done the test, been diligent about it," he said.

Khalid Hashim, managing director of one of Thailand's largest dry cargo ship owners, Precious Shipping, said it had not allowed co-mingling of marine fuel, also known as bunker fuel, for over five years and required all of it to be sample tested.

"Of course this costs us annually around \$100,000, but we prefer that cost than to use untested bunker oil based solely on the Bunker Delivery Receipt and find that we have a massive problem on our ship," he said.

The company had taken measures to reduce its ships' fuel consumption to offset some of the extra costs and had installed extra compartments for the tanks on board to avoid mixing, he said.

Around 172 ships have avoided the problem because they are powered by sulphur-free liquefied natural gas (LNG), data from Norwegian risk management and certification company DNV GL showed, but this in an expensive option.

Some ship owners have balked at paying for the new 0.5% sulphur fuel, which is quoted at more than twice the price of the 3.5% high-sulphur grade in northern Europe at the moment.

More than 3,000 ships – around 5% of the global fleet – will have scrubbers fitted by 2020 so they can clean the exhaust gas and so continue using existing fuel, the DNV GL data showed.

Some ports have banned one type of scrubber, the open-loop version which empties washwater residues into the sea, and insurers have reported cases of fires or corrosion with the devices.

Norwegian ship insurer Gard cited a few cases where sparks from welding or cutting fell into a scrubber through uncovered openings: in one case it spread to the engine room through glass reinforced epoxy piping.

Nautilus International, a union which represents over 20,000 workers in shipping, said the use of new fuel types would place extra strain on crews, who have reported incidents including power loss when changing fuels, filter problems and leaks.

"These are complex requirements," Nautilus professional and technical officer David Appleton said, calling for comprehensive training and protection in cases of inadvertent infringements.

An underlying problem is that oil refineries are not obliged to produce tailor-made shipping fuel, said Neil Roberts, head of marine underwriting at Lloyd's Market Association, which represents the interests of all underwriting businesses in London's Lloyd's insurance market. "The ship's crew has to test it and filter it," he said.

The IMO said it does not have a remit to regulate the fuel industry but that international standards for the new fuel and information about compatibility between types had been issued as part of comprehensive preparations.

"IMO is ready, and we are confident IMO member states and the shipping sector are ready for January 1," an IMO spokesperson said.

Protection and Indemnity (P&I) clubs, through which groups of shipping companies cover injury and pollution claims, are in wait-and-see mode.

Alvin Forster, deputy director with North P&I club, cited possible engine failure in busy shipping lanes, while Precious Shipping's Hashim said members investing in expensive low

New government Jones Act interpretations for offshore operations opposed by maritime industry

The US maritime industry fears a Trump administration proposal to modify decades of ship transportation rulings could weaken Jones Act enforcement, potentially altering a century of legal precedent governing movement of crude oil, refined products and other commodities between US ports.

“This interpretive guidance is a huge loophole that is being written into the Jones Act,” Aaron Smith, CEO of the Offshore Marine Service Association, told S&P Global Platts in an interview. “This is interpretive guidance that weakens US law.”

Last month, the US Customs and Border Protection proposed changes to rulings it had made dating back to 1976 related to ship movements for US offshore oil and gas projects. These rulings had allowed movement of certain equipment, such as risers and pipeline connectors, between offshore projects in US waters and US ports on a foreign ship.

The Jones Act, also known as the Merchant Marine Act of 1920, requires ships transporting goods between the US ports to be US-flagged, US-built and majority US-owned. But these rulings allowed specific waivers from the Jones Act for some offshore oil and gas operations.

Under the change proposed last month, the definition of “vessel equipment” deemed to fall outside of Jones Act requirements may be broadened, potentially

opening up additional vessel movements to federal interpretation.

Matt Woodruff, chairman of the American Maritime Partnership, the US maritime industry’s trade group, said that “some aspects of the proposed changes by CBP could be implemented in such a way that creates new loopholes to the Jones Act, enabling foreign vessels to do work in American waters that by law must be performed by Americans.”

“A robust domestic maritime industry is essential to the nation’s security and ability to maintain military readiness, and only full enforcement of the US Jones Act can compete against the foreign subsidies that support foreign shipping,” Woodruff said.

CBP has attempted to make similar changes to previous rulings, in both 2009 and 2017, but those efforts were largely abandoned due to fierce opposition from the international ship operators and oil companies. This proposed change already faces similar opposition, but this time from the domestic maritime industry.

“I wish CBP would get back in their lane, where the Constitution directs them to be, and not try to interpret away the Jones Act,” Smith with OMSA said.

A CBP spokesman did not respond to a request for comment.

CBP is expected to make a final decision on the proposal in late December.

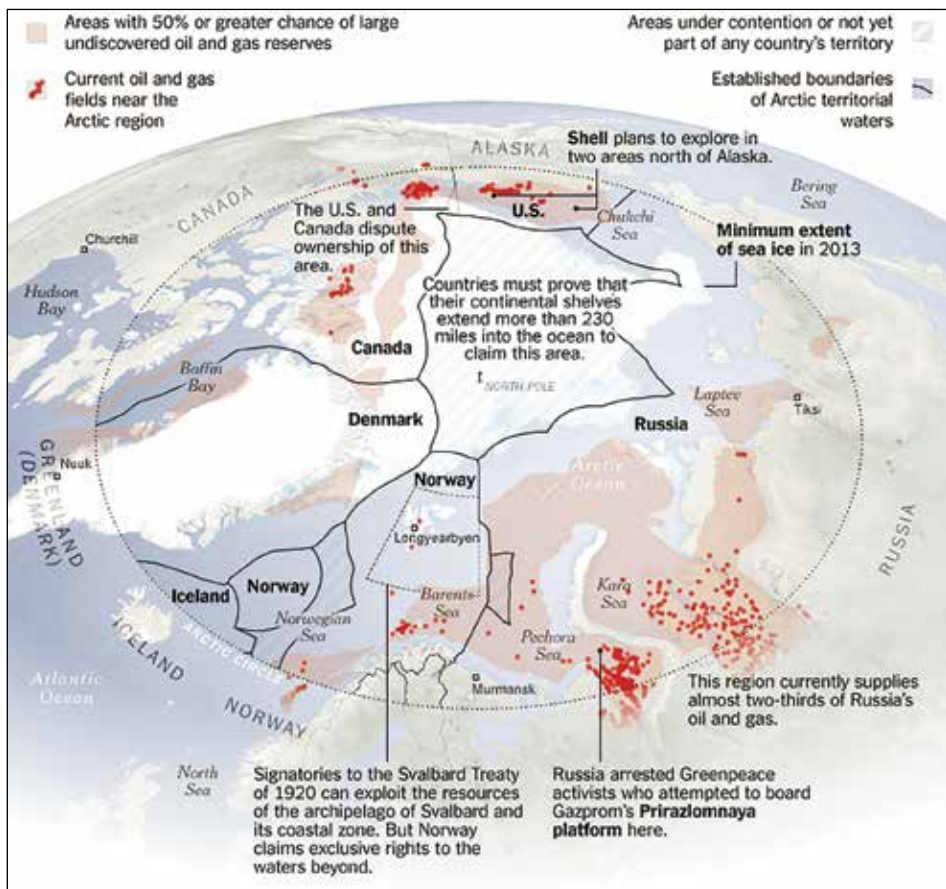
Senate bill to plan for Arctic shipping opportunities

A bill introduced by Senators Lisa Murkowski (R-Alaska), Roger Wicker (R-Mississippi) and Dan Sullivan (R-Alaska), calls for a series of steps that will help better position the U.S. to take advantage of emerging opportunities for Arctic maritime transportation.

S. 2786 would create an advisory committee to study Arctic maritime transportation, including Arctic seaway development. The committee would be

tasked with developing a set of policy recommendations to enhance the U.S. leadership role in improving the safety and reliability of maritime transportation in the Arctic Region.

Senator Dan Sullivan said, “As rapidly changing sea ice opens new shipping lanes, the Arctic will experience an increase in maritime traffic. Though these circumstances will create new opportunities, they will also present unique obstacles to overcome.



A depiction of Arctic Sea national jurisdictions with continental shelf territorial claims including developed and prospective oil and gas fields. Melting polar ice caps are expected to continue to expand the feasibility of Arctic sea routes for ships.



Crew aboard the Matson containership R.J. Pfeiffer held an impromptu memorial ceremony for deceased member Vern Johansen on the bow. From left to right AB Rodelio Santos, AB Antonio Respicio, Bosun Joe McDonald, SUP delegate Abe Krula, AB Dave Garcia, AB Gordon Klein, SIU Steward Barry Alviso. Johansen was Wilmington Branch Agent and the SUP Welfare Plan Administrator.

Port of Oakland plans upgrades to turning basins *continued from page 1*

The inner harbor channel is also where the Oakland International Container Terminal operated by SSA Marine is located, by far the largest marine terminal in the port, handling 62% of the port’s containers.

“We are looking at having to serve vessels that are over 1,300 feet in length in the future,” Napralla said. While the extra 100 feet may not sound like much, he says, pilots who navigate the ships in the tight space require extra space. During the board meeting, he showed a video of a ship turning in the basin.

Two years ago, CMA CGM conducted a test docking of an 18,000-TEU ship, the CMA CGM Benjamin Franklin, at the port’s outer harbor and at several other West Coast ports. The ship is 1,310 feet long, compared with the 1,070-foot height of Salesforce Tower, the tallest building in San Francisco, across the bay.

While there are berths at the port than can accommodate such large ships, Napralla explained, they have had to be brought in “surgically” — during daylight hours, shutting down other port traffic.

That would be difficult to do on a regular basis since it would have a ripple effect of delaying other ships in the port.

Cestra Butner, the president of the Port’s board of commissioners, expressed concern that big ships might arrive at the port before the turning basins could be expanded.

“We should have started this a lot sooner. ... I’m just trying to get it to happen as quickly as we possibly can because I don’t think there is any question about the ships coming,” Butner said.

While the Army Corps of Engineers performs and funds maintenance of the channels and turning basins, the port and the federal government share the cost of improving and enhancing them.

In August, the port submitted an application to the corps for a feasibility study that it plans to begin next year. Napralla said the study will assess the environmental impacts, costs and benefits, and optimal design of the proposed project. He cautioned that the study could determine the project does not “pencil out.” The study alone is expected to cost upwards of \$5 million to \$6 million, with the corps funding up to \$1.5 million. Wan notes that the port does not

have taxing powers and funds operations with revenue bonds, supported by lease revenue from terminal operators and other businesses in the port.

Assuming the turning basin project is approved and funds are appropriated, the project would probably be built and “go live,” Napralla said.

While Oakland is unusual among U.S. ports in that outbound containers often exceed inbound containers, a longtime goal of the port has been for a carrier to make Oakland a first inbound port of call on at least one transpacific services.

Wan says the port believes the “the elements are there for first call,” pointing to companies like Tesla and others that are building manufacturing and distribution areas in Northern California and Nevada.

He says there is heavy investment in distribution and warehousing facilities around Reno and that “the natural port for that is the Port of Oakland.”

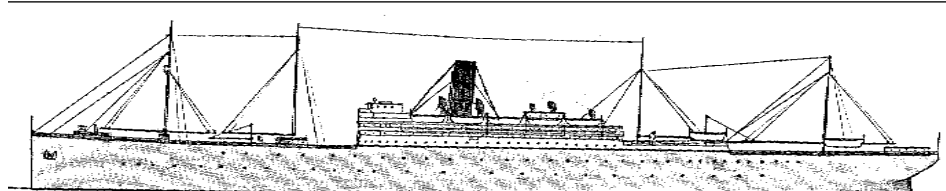
“If the railroads could help us in terms of making that connection between us and Reno, I think there is lots of business to be had, lots of money to be made.”

As head of the Port of Oakland, Wan also oversees Oakland International Airport and the port’s commercial real estate holdings, which include Jack London Square, an entertainment district that abuts the eastern end of the port. In November, plans were announced for a huge new food hall at Jack London Square.

That end of the port is the location of the Charles P. Howard Terminal, formerly used by Matson Navigation before it relocated operations to another terminal further west on the Oakland Estuary.

The Oakland Athletics have proposed building a new baseball stadium and 6,000 housing units on the Howard Terminal, which now serves ancillary uses such as storing trucks.

While the port has been negotiating with the owners of the Athletics since 2017, the plan is hugely controversial, with many members of the maritime community believing it is wrong to use scarce waterfront property for non-maritime uses, that it will worsen traffic congestion at the port and that the stadium will create safety problems by mixing port truck traffic with cars driven by baseball fans.



“A working class hero is something to be.”
—John Lennon

U.S. projected to be net energy independent within months

Norwegian market research consultancy Rystad Energy believes that the U.S. will become net energy independent within months, the firm said in a forecast.

"This milestone follows a strong period of growth in both hydrocarbon and renewable resources, and we forecast that the U.S. will have primary energy surplus – and not a deficit – by February or March 2020, depending on the intensity of the winter season," says Sindre Knutsson, vice president of Rystad Energy's gas markets team. "By 2030 total primary energy production will outpace primary energy demand by about 30%."

Rystad expects that the next benchmark monthly release from the Energy Information Agency (EIA) will show that on average, the U.S. has been self-sufficient in primary energy over the course of a one-year period. It would be the first time that this has occurred since Ronald Reagan's first term in office.

"These changes in the U.S. energy balance could turn its petroleum deficit of \$62 billion in 2018 to a surplus of \$340 billion by 2030. That adds up to a \$400 billion shift, in the space of only a dozen years, thanks primarily to the gargantuan rise of output from the U.S. shale sector," Knutsson said.

The expected increases by 2030 include

an 80% increase in output from the main U.S. shale oil fields and a 40% increase in natural gas production, which together account for the lion's share of the energy increase. Rystad also expects explosive growth in renewables, with solar output up by more than 350% and wind by 250% (from relatively small base levels). Coal production is expected to fall by nearly 40% over the same period.

Domestic demand is expected to grow only minimally over the same period, leading to a marketable excess supply of energy products. Rystad forecasts that the U.S. fossil fuel surplus will increase to 12 million boepd by 2030, boosting natural gas and oil exports.

"The emerging energy surplus will make the U.S. less vulnerable to foreign energy-related politics and facilitate growing exports. While renewable energy output will be consumed domestically, the future for oil and gas exports is bright," Knutsson said. "The growth of the shale industry will continue to revolutionize the US energy balance and create new opportunities for exports and developments in the country's total trade balance."

The expected petroleum surplus would be worth \$340 billion, enough to offset more than half of today's \$620 billion U.S. trade deficit.

Maersk blames fuel and logistics costs for job cuts

The world's biggest container shipping operator is adjusting its workforce for a period of rising costs and dimming demand growth. Maersk Line parent A.P. Moller-Maersk A/S will cut about 200 jobs at its headquarters in Copenhagen and at the Hamburg Süd German shipping business. The job cuts come as the shipping giant prepares for significantly higher fuel spending next year and just as it prepares to invest more in inland logistics services. The rising energy costs will come from a new emissions-reduction mandate. Maersk's attention to its business model is also at work as the company directs resources to growth outside traditional port-to-port services. The carrier is reining back capacity growth and automating more ocean operations with tools like instant digital quotes for booking. That will cut costs for simple transactions—and potentially reduce the need for people to handle the bookings.

Oakland exports rise 5.8% in November

The Port of Oakland announced that export cargo volume there increased 5.8% during the month of November, compared to the same month a year ago.

November marked the second consecutive month export levels have risen in Oakland, the Port said. Export volume had previously climbed 10.8% during the month of October.

According to port data, Oakland handled the equivalent of 81,781 loaded export containers during November. The port attributed the strong showing to increased overseas demand – primarily in Asia – for U.S. goods perceived to

have higher quality. It singled out American-produced farm goods, as an example.

The port said import volume declined 7.2% last month compared to November 2018. The decline was attributed to importers, who rushed cargo into the United States last year, in an attempt to beat the anticipated tariff increases.

Oakland's total cargo volume – imports, exports and empty containers – was down 0.8% through the first 11 months of 2019, the Port said. It attributed the decline mostly to a 10.5% drop in empty container handling compared to the same period a year ago.

Canadian railroad reaches tentative deal with teamsters

Canadian National Railway said it has struck a tentative agreement with the Teamsters representing 3,200 conductors and yard-crew workers, bringing an end to a week long strike that threatened to upend the economy.

Details of the agreement weren't available. A spokesman for Canadian National said some unionized workers started returning to work. Teamsters, the union representing the workers, said they hoped normal operations would resume soon. The strike began on Nov. 19.

"We want to thank our customers for their patience and support and assure them CN is preparing to resume full rail operations as soon as possible," said Jean-Jacques Ruest, the railroad's chief executive.

Canadian National operates Canada's biggest rail network, carrying everything from crude-oil exports to automobiles headed to U.S. and Canadian cities.

The network handles over 250 billion Canadian dollars (\$188 billion) in goods annually and carries over 300 million metric tons (over 330 million tons) of cargo. During the strike, Canadian Na-

tional said shipping was reduced to about 10% of its capacity.

The strike stalled crop, mining, oil and gas and manufacturing shipments within Canada and to foreign buyers. The province of Quebec warned it faced a severe shortage of propane, which is used by commercial farmers.

Before the railroad and Teamsters reached a deal, lobby groups representing the forestry, agriculture and mining sectors said unlike the U.S., Canada's rail-service sector essentially operates as a duopoly, dominated by Canadian National and Canadian Pacific Railway Ltd. That leaves "shippers with very few, if any, alternatives during a service disruption," the lobby groups said in a joint statement.

Economists had warned an extended strike lasting into early December would lead to a C\$3 billion-plus hit to the Canadian economy and a flat reading for fourth-quarter economic output.


A number of industrial sectors and regional political leaders pressed Canadian Prime Minister Justin Trudeau to introduce legislation to end the labor disruption.

American Maritime Workers: Everyday Heroes

Civilian Maritime Worker
Pearl Harbor Day
George Walters

On the 78th anniversary of the Pearl Harbor attack, we recognize George Walters, one of the many civilian mariners that didn't think twice and took heroic actions that risked his own life to defend U.S. maritime assets - such as the USS Pennsylvania - and fought back against the Japanese air raid. When the yard came under fire, Walters moved his 50-foot-high crane back and forth to shield the USS Pennsylvania and signal to gunners incoming aircraft attacks. His actions helped save the vessel from destruction.

#AmericanMaritimeHeroes

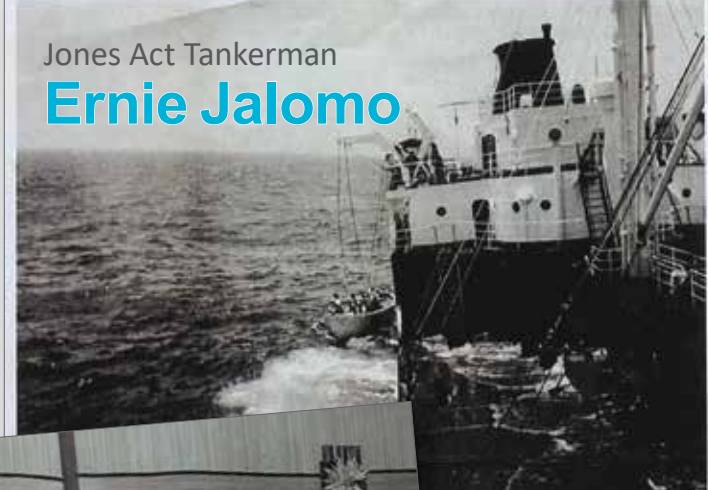


The sacrifice and heroic actions of SUP members during World War II, also celebrated last month for Veteran's Day, are remarkable. But heroism is not exclusive to the realm of the spectacular. Without the more mundane Jones Act-supported shipbuilding and seagoing trade and the jobs that go with them, the nation would cede defense capacity to other flags during a time of well-known foreign interference.

On December 7, 1941, George Walters climbed the ladder to the cab of his crane at Pearl Harbor and went to work. Consider too the SUP Jones Act sailor Romero Jalomo, known as "Ernie," who had coffee before standing a watch in March of 1962, then launched a boat to dive in the ocean to save a life and later receive a Coast Guard award. Ernie was also a steady member of the SUP shoregang in Los Angeles, working a forklift storing American President Lines ships. As his friend and brother Tom Larkin said "A hero isn't only someone who does one great deed in his lifetime, but also someone who does something well all the time and for a long time." In later years, despite major medical problems, Ernie's relentlessly positive attitude was uplifting. "He was confined to bed and I was there to visit him, but somehow it was he who was helping me," Tom said. "That's what heroes do."

The heroes of World War II are special but not unique. Instead they are excellent representatives of generations of sailors, in war and peace, before and after. There is the extraordinary flair of a civilian George Walters fighting attacking Zeroes with a crane in the brilliant flash of Pearl Harbor, but there are also sailors of dependable excellence in the normal call of duty, of steady forbearance in customary work, such as Ernie Jalomo, who are equally deserving. They are all American Maritime Heroes.

Jones Act Tankerman
Ernie Jalomo



m
P15
27 March 1962.

... quick positive action which ...
... bable drowning as described ...

...erving as Able Seaman; the ...
... of the Aloha by the motor lifeboat ...
... an 80-year-old man in the water having diffi-
... where you continued to assist the man, keeping his face above ...
... launch.

This quick action on your part was in the finest tradition of the sea and reflects credit on you as an able seaman of the U.S. Merchant Marine. A copy of this commendation will be made a part of your official record in the files at the U.S. Coast Guard Headquarters, Washington, D.C.

Sincerely yours,
Rear Admiral, U.S. Coast Guard,
N. W. Snow,
Commander, Eleventh Coast Guard District.



50 years of Union gains under pressure

Over the past fifty years most Union hard-won rights are now and have been under attack from billionaires and their political pawns. With that in mind, here are the hard-won rights in their present day context with sources cited:

Unions won us weekends. And yet: "Approximately 70% [of Americans] worked at least one weekend a month, with 63% saying that their employer expected them to put in time on an average Saturday and Sunday." -- Forbes.

Unions won us paid time off. And yet: "A total of more than 30 days of vacation time allotted to workers in France, Germany, Spain and the United Kingdom stands in stark contrast to the 10 public holidays in the U.S., which are not guaranteed to come with pay." -- CNBC

Unions won us sick leave. And yet: "While the majority of large US corporations offer paid sick leave, data from the US Bureau of Labor Statistics show that 36% of workers don't have such protections." - Fortune

Unions won us social security. And yet: "The tax cuts... will have a negative effect on Social Security in the near term, chiefly by reducing the program's income from the taxation of benefits." -- Los Angeles Times

Unions won us a minimum wage. And yet: "Adjusted for inflation, the federal minimum wage peaked in 1968 at \$8.68 (in 2016 dollars). Since it was last raised in 2009, to the current \$7.25 per hour, the federal minimum has lost about 9.6% of its purchasing power to inflation." -- Pew Research

Unions won us (theoretically) equal pay. And yet: "U.S. women working full-time earned just \$0.80 for every dollar earned by a man in 2016. The wage gap widens even more when broken down by race. Black women make \$0.63 for every dollar, while Latina women earn \$0.54 cents." -- CNBC

Unions won us anti-discrimination laws. "Companies are more than twice as likely to call minority applicants for interviews if they submit whitened resumes than candidates who reveal their race--and this discriminatory practice is just as strong for businesses that claim to value diversity as those that don't." -- Harvard Business School

Unions won us the eight hour workday. And yet: "A survey, which was conducted via Slack over a span of roughly three minutes, found that 97 out of 97 respondents have at some point in the recent past checked their work email addresses on their cellphones or non-work-related computers." -- The Atlantic

Dive boat age a factor in safety rules exemption

The dive boat *Conception* was exempt from some Coast Guard safety rules intended to help passengers escape in an emergency, according to an article by Mark Puente and Richard Winton that was published in the Nov. 25 edition of The Los Angeles Times.

Thirty-four people sleeping in stacked bunks below the waterline died in a Sept. 2 fire aboard the boat.

Investigative reporting by The Times found that the *Conception* was one of several hundred passenger vessels built before 1996 that are eligible for special exemptions from some safety standards imposed on more recently built vessels.

The newer rules require vessels to have

Unions won us overtime pay. And yet: "A paltry 7% of salaried workers received overtime pay." -- US Department of Labor

Unions won us child labor laws. And yet: "Governors and state lawmakers, who succeeded this year in curbing union powers, are pushing to revise their child-labor laws to help companies such as groceries get workers. Wisconsin will let employers treat teenagers as adults in pay and hours, and Maine lawmakers want to let companies keep teens working longer hours." -- San Francisco Chronicle

Unions won us the 40 hour work week. And yet: "In a Gallup survey of 1,200 adults, 21% work between 50 and 59 hours a week, 18% work more than 60 hours, and 11% work between 41 and 49 hours. That means that 50% of the adults surveyed work more than 40 hours a week." -- Gallup

Unions won us employee pensions. And yet: "The Pension Benefit Guaranty Corporation, the agency set up 40 years ago to guarantee those pensions, made clear in its annual report released last month that one group of pension funds would most likely run out of money within a few years. Absent new legislation, the already modest pensions of some retired workers will be eliminated." -- New York Times

Unions won us collective bargaining rights. And yet: "The lack of collective worker power helps explain why workers' wages have been stagnant for the past 40 years, and why working people are so frustrated -- as they have not reaped any of the gains of an improving economy." -- Economic Policy Institute

Unions won us age discrimination laws. And yet: "Tech workers of all ages think older engineers are highly qualified, have good experience, and can share wisdom. But many older engineers are worried about losing their jobs as the tech workforce skews heavily towards Millennials." -- IEEE

Unions won us whistleblower protection. And yet: "22% of corporate employees who reported misconduct faced retaliation, up from 12% in 2007. Most alarming, increases in the incidence of retaliation are outpacing the overall rate of increases in whistleblowing disclosures." -- Ethics Resource Center

Unions won us privacy rights. And yet: "The battle for workplace privacy is over; privacy lost. Despite repeated language in judicial opinions regarding the need to balance the competing rights of employers and employees, no balancing occurs." -- American Bar Association

an escape hatch at least 32 inches wide as well as illuminated exit signs.

The *Conception*, which was built in 1981, had 26-inch escape hatches. The exit signs on board were not illuminated.

Four survivors—the captain of the boat, the second captain, the second galley and a deckhand—told NTSB investigators that they had tried several times to rescue the 33 passengers and one crewmember who were sleeping below deck and unable to escape.

A preliminary NTSB investigation found that the *Conception* had violated a requirement that it have a roving watch on duty at night.

The NTSB has said the final report into the accident will be released in 2020.

Welfare Notes December 2019

To Do List Before Retirement

1. Check with the Pension Department on your pension and the Welfare Plan office on your coverage.
2. 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 March 2020 and you retire effective January 2020, your active coverage terminates January 2020.
3. 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.
4. 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.
5. 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.
6. The cost of the Medicare Part B premium will be reimbursed to you on your pension check. The amount reimbursed for the Medicare Part B premium is then deducted from the Pensioners' Annual Allowance available to the Pensioner.
7. 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.
8. 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.

Michelle Chang, Administrator mcsupsiupd@sbcglobal.net

Patty Martin, MPP Plan, 401(k) and Death Benefits martinpatty59@sbcglobal.net

Gina Jew, Claims gina@marinersbenefits.org

Michael Jacyna Eligibility mjacyna67@sbcglobal.net

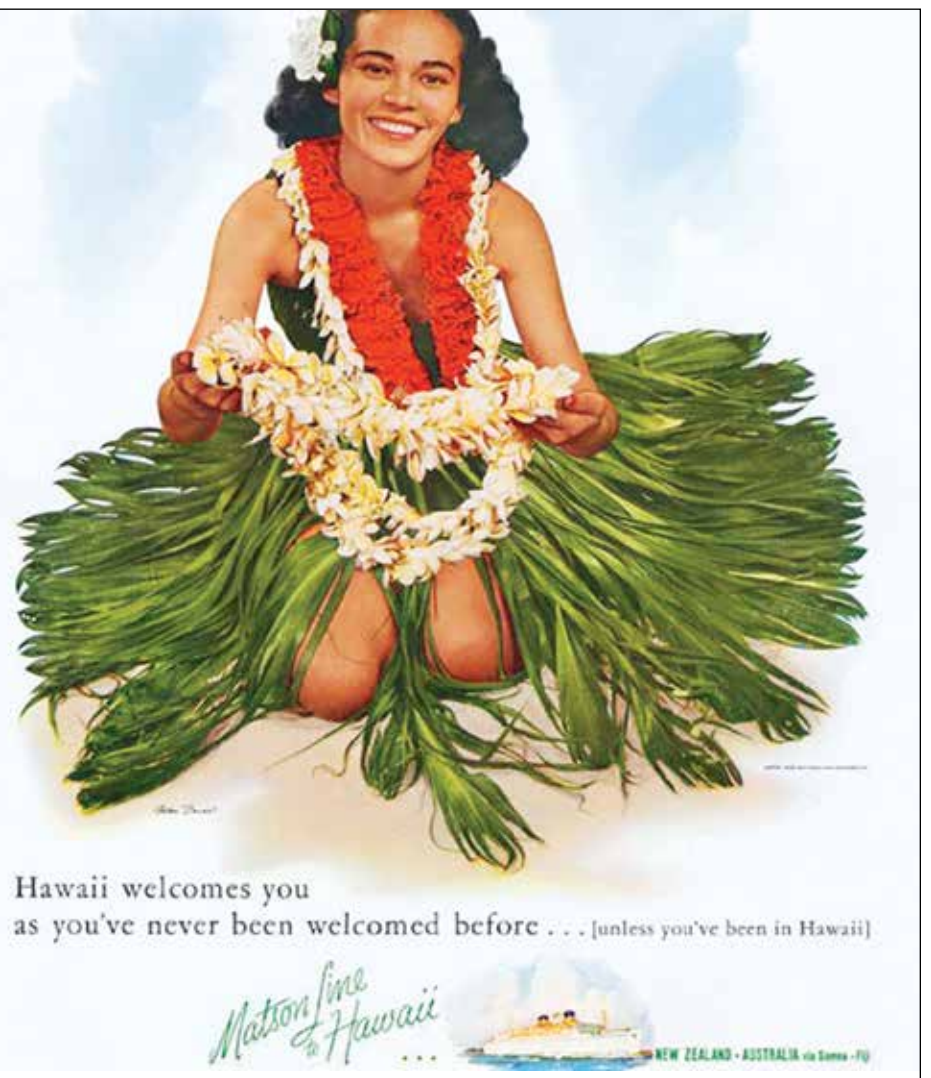
Training Representative Berit Eriksson 206-551-1870 berittrainrep@sbcglobal.net

SUP Welfare Plan 730 Harrison Street, #415 San Francisco, CA 94107

Phone Numbers: 415-778-5490 or 1-800-796-8003 Fax: 415-778-5495

SIU-PD Pension 415-764-4987 SIU-PD Supplemental Benefits 415-764-4991

Seafarers Medical Center 415-392-3611



“

Our labor unions are not narrow, self-seeking groups. They have raised wages, shortened hours, and provided supplemental benefits. Through collective bargaining and grievance procedures, they have brought justice and democracy to the shop floor.”

—John F. Kennedy

Happy Holidays



Holiday celebrations up and down the Coast send good cheer to all hands at sea and ashore. From the Sailors' Union of the Pacific, Happy Holidays and good luck in the New Year!





SUP PRESIDENT'S REPORT

SAN FRANCISCO BAR PILOTS

On November 13th and 21st negotiations with the San Francisco Bar Pilots resumed and advanced. In attendance for the Union was dock bosun Leo Moore, delegate Mike Koller, Steve Ross, Chris Auer, Geoffrey Knight, Dave Minard, Aidan Minty, Mike Sposeto, and others, as well as SUP Vice President Matt Henning and myself. A number of proposals were exchanged, and the working conditions and compensation related to them were explained and debated. We are scheduled to meet again with the employer on December 17. The present Agreement expires on December 31, 2019.

CHEVRON SHIPPING CO.

On November 30, 2019, by letter Chevron Shipping Co. was formally notified of the Union's desire to amend and renew our collective bargaining agreement covering all unlicensed personnel in the Company's U.S.-flag ships. On December 4, 2019 at the request of management and along with SUP Vice-President Matt Henning, I met informally with Assistant Fleet Manager Chad Culbertson and Docking Master Peter Nevins in San Ramon to review the calendar and align availability towards a schedule of meetings for negotiations. We expect bargaining to commence in mid- to late-January and urge all members to submit issues or proposals for consideration and discussion. Those issues or proposals are best in any written form but can also be transmitted verbally to the Union via the boarding agent or by phone call. The present Agreement expires on January 31, 2020.

JONES ACT

A new attack on the Jones Act came in the regulatory sheep's clothing of green energy when Customs and Border Patrol (CBP) issued guidance in a Notice of Proposed Rulemaking (NPRM). The guidance is really notification of a changed Jones Act interpretation meant to aid foreign offshore oil, gas, wind and fishery operations.

The CBP proposal would redefine "vessel equipment" under the Jones Act to include "those items that aid in the installation, inspection, repair, maintenance, surveying, positioning, modification, construction, decommissioning, drilling, completion, workover, abandonment or similar activities or operations of wells, seafloor or subsea infrastructure, flowlines, and surface production facilities." The proposal would also allow that "certain lateral movements do not constitute transportation under the Jones Act." Taken together as a whole this interpretation opens the door for certain foreign-flagged vessels to perform work formerly restricted to U.S.-flag vessels with American mariners.

Maritime labor has filed initial opposition and is joined by U.S. offshore development and fishing industry association groups. As the Jones Act battleground now spreads from the offshore supply industry business to the offshore wind industry, these regulatory interpretations are critical. They hold power over either the growth or reduction of U.S. mariner job base as well as a protected beachhead for the next Jones Act attack. The Customs Bulletin can be viewed at <https://tinyurl.com/y6q5g8wo> and there is more on this available in the December West Coast Sailors.

2019 IN REVIEW

2019 was a year of transition and reinvestment for the SUP. Politically we re-joined with allies to battle for the three pillars of the U.S. Merchant Marine: the Jones Act, the Maritime Security Program (MSP), and cargo preference. The Jones Act raids were familiar but freshly launched from across the political spectrum. On MSP, we acted before the expiration of the existing program, to pro-actively seek and despite obstacles achieve the industry unity necessary for new ten-year re-authorization. [As the West Coast Sailors goes to press, a House and Senate conference committee has passed an MSP

that appears to confirm the legislation that we worked to achieve. See page 1 for more detail.] If signed by President Trump it would bridge a fiscal gap in the years 2022 – 2025 and authorize funding for MSP throughout the new ten-year period, helping protect our work in the international trades until 2035. We fought off old and new attacks on cargo preference laws, noting in particular those U.S.-flag protections on military cargo preference that have been on the books even longer than the Jones Act (Military Cargo Preference Act of 1904). And as we fought to maintain federal government support for its own U.S. merchant marine the government locked us out – as part of the shutdown early in the year, and we dealt with the sudden and adverse onset of a blocked merchant mariner credentialing system.

In March, the membership elected a new president and vice-president to carry on the work of retiring Gunnar Lundeberg, and re-elected the Business and Branch Agents in a certified election. Long-time staffers were also celebrated at retirement for their immeasurable contributions, including the editor of the West Coast Sailors, Teresa Anibale, relieved by Julia Preciado, and SUP Controller Jihan Johnson, relieved by Alice Wong.

This summer and fall we upgraded our physical assets in the Wilmington Hall with a new lease that included the return of the front office, expanded now for member access to a computer station. This move allowed the restoration of the reading room and member lounge in the rear. At Headquarters, the trustees of the SUP Building Corporation invested in an expensive but necessary new roof which along with other improvements will maintain the asset at a high level of safety and functionality for many years to come.

We maintained and improved the benefits for pensioners and active members alike (via continued excellent health care, increased Medicare reimbursement and maintained gap health coverage for pensioners, addition of Teledoc and Minute Clinic benefits for example). We maintained and strengthened our Coast Guard and MSC-approved training programs helping to deliver to the workplace qualified sailors with valid credentials and certifications across our contracts. At the same time we continued to emphasize the importance of membership marlinpike competency and education and provided quality instruction. We improved by streamlining our drug screen and physical certifications process with the Seafarer's Medical Center improving not only the dispatch process for Agents but the documentation requirements for members.

The Union's government portfolio of jobs was renewed first by the award of our shallow draft tanker bid for the continued operation of the SNLC Pax, a one-year contract with four one-year options. During the third quarter, the five-year contract for the operation of the eight Watson-class LMSR ships was extended twice from October 2018 to the end of March 2020. We also submitted option year pricing for the continued operation of ten Ready Reserve Force ships operated by Matson and Patriot. In October, the Pacific District unions were notified that U.S. Maritime Administration was protesting the total labor cost increase at the offered 3% rate. Maritime labor was united in its objection to our perception of interference of MARAD in the contracting process (specifically the Service Contract Act of 1964 and the Federal Acquisition Regulations) and the issue is still pending. Under these contracts the Union's dispatch and training expertise continues to be a reliable maritime asset of the national defense. Crewing these ships, as well as the Jones Act and MSP ships that support them, is a rare capability and an organizational test of readiness that the SUP passed again and again across both the standard and special demands of the year. Just as we settled into the steady crewing much of the redeployed APL fleet to new ships from new Branches, particularly in Wilmington and Honolulu, we finished crewing the Aloha-class new-builds with Kaimana Hila and began the Kanaloa-class with the dispatches to the new Lurline in early December, with the new Matsonia to follow early next year. We crewed for new commercial trades such as Lihue in Alaska, for example, and new military missions such as Cape Vincent to the Mediterranean and the extended multi-purpose cruise of the Cape Hudson over a long deployment and now soon to be repeated.

These achievements are neither fixed nor pre ordained but they are all connected. Because we all reinvest in the Union with our best work every single day – our contracts and jobs, hiring halls and finances, wages and benefits, are secure and improving. Steady as she goes.

HOLIDAYS

Holiday Luncheons

At SUP Headquarters in San Francisco, the holiday luncheon will be held at the SUP Hall on December 13, 2019 from 1100 to 1400.

Christmas Eve

Since Christmas Eve is a Mainland ILWU holiday, SUP halls in Seattle, San Francisco and Wilmington will be closed on Tuesday, December 24, in accordance with the Agreements with APL and Matson. It is a holiday for vessels in Pacific Coast ports on that day and for those working under the SUP Maintenance agreements. Christmas Eve is not an ILWU holiday in Hawai'i, however, the Honolulu Branch will close at Noon.

Christmas

All SUP halls will be closed on Wednesday, December 25, in observance of Christmas Day.

New Year's Eve

Since New Year's Eve is a Mainland ILWU holiday, SUP halls in Seattle, San Francisco and Wilmington will be closed on Tuesday, December 31, in accordance with the Agreements with APL and Matson. It is a holiday for vessels in Pacific Coast ports on that day and for those working under the SUP Maintenance Agreements. New Year's Eve is not an ILWU holiday in Hawai'i, however, the Honolulu Branch will close at Noon.

New Year's

All SUP halls will be closed on Wednesday, January 1, 2019, in observance of New Year's Day.

Jack Hall Day

The Honolulu Branch will be closed on Thursday, January 2, in observance of this ILWU Local 142 holiday. The holiday applies to all Matson vessels in Hawai'i ports plus the Paint & Rigging

Gang and members working under the Extra Maintenance Agreement.

Jack Hall, an organizer in Hawai'i in the 1930s and later an ILWU Vice President, was a former member of the SUP.

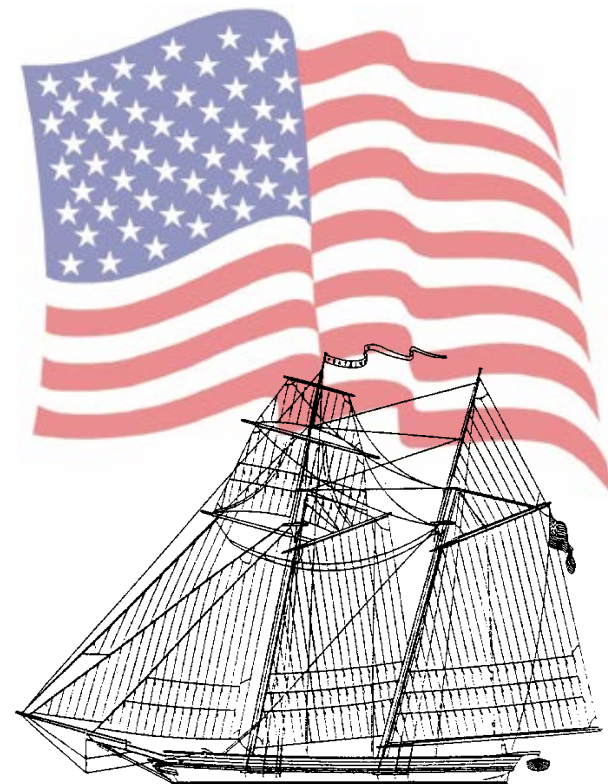
Martin Luther King, Jr. Day

All SUP halls will be closed on Monday, January 20. This is a holiday under all SUP Agreements except Foss Maritime Company.

ACTION TAKEN

M/S/C (Edgil-several) to approve and concur in the balance of the President's Report.

Dave Connolly



VICE PRESIDENT'S REPORT

December 2019

Ships checked:

Daniel K. Inouye- Jose Angeles, Delegate. Robert Reed, Bosun. Continuing southern triangle run, investigating possible harassment claims.

Maunawili- Ronda Benoit, Delegate. Julian Torre, bosun. Continuing northern triangle run with no major beefs.

APL President Kennedy- Jennifer Corner, Delegate. David Ibarra, Bosun. In and out of Oakland with no major beefs.

APL President Roosevelt- Javier Rosales, Delegate. Roger Tupas stepped up to relief Bosun.

APL Gulf Express- Aaron Weibe, Bosun. Delayed for one week in Jebel Ali for engine repairs.

USNS Sisler- Ed Zepeda, Delegate. Jeff Nicholas, Bosun. At anchor in Diego Garcia for the foreseeable future.

USNS Dahl- Alex Glosenger, Delegate. Xerxes Cunanan, Bosun. At anchor in Saipan, no major beefs.

USNS Watkins- Jonathan Pampilon, Delegate. Percy Quiteles, Bosun. FOS status and conducting sea trials on the East Coast.

Cape Vincent- Napoleon Ramon, Delegate. Jordan Polon, Bosun. FOS status report on mission and looking into possible lodging claims.

Cape Henry- Phil Coulter, Bosun. Continuing top-side maintenance and preservation work while engine room repairs ongoing.

Cape Hudson- Bosun Kim Dulay relieved by Mark Relajo. Preparing for possible activation in January.

Florida Voyager - Bob Turner, Bosun. Final preparations being made for negotiations in January 2020.

SF Bar Pilots- Mike Koller, Delegate. Continuing negotiations in December with agreement expiring at end of year.

Matthew Henning

Negative stability causes livestock disaster

Over 14,000 sheep have died after a ship carrying the animals capsized off the coast of Romania. The vessel, the *Queen Hind*, overturned on November 24, in the Black Sea shortly after loading the sheep at Midia port.

The Saudi Arabian port of Jeddah was one of the vessel's reported destinations.

The cause of the capsizing are unknown but local media reports claim the vessel may have been overloaded.

Romanian police, military, and divers desperately attempted to right the vessel and tow it to port in a bid to save the trapped animals.

However, while the crew of 20 Syrians and one Lebanese were safely rescued, only 33 sheep out of 14,600

are thought to have survived.

Animal welfare activists call livestock vessels such as the *Queen Hind* "death ships," claiming animals are treated appallingly during loading and at sea, and are effectively cooked to death on board during the hot summer months.

Eurogroup for Animals is now urging the European Union to take legal action against Romania, the EU's third-largest sheep breeder after Britain and Spain.

It claims the 1980-built 3,786 gross ton *Queen Hind* was approved in March by the Romanian National Veterinary and Food Authority to travel with the live animals "despite being outdated, not built for live transport, and encountering engine problems as recently as last year."

New Buoy to Aid in Tsunami Prediction

University of South Florida (USF) geoscientists have tested a new shallow water buoy that can detect the small movements and changes in the Earth's seafloor that are often a precursor to deadly natural hazards, like earthquakes, volcanoes and tsunamis.

The buoy, created with the assistance of an \$822,000 grant from the National Science Foundation's Ocean Technology and Interdisciplinary Coordination program, was installed off Egmont Key in the Gulf of Mexico last year and has been producing data on the three-dimensional motion of the sea floor. Ultimately the system will be able to detect small changes in the stress and strain the Earth's crust, said USF Professor Tim Dixon.

The patent-pending seafloor geodesy system is an anchored spar buoy topped by high precision GPS. The buoy's orientation is measured using a digital compass

that provides heading, pitch, and roll information – helping to capture the crucial side-to-side motion of the Earth that can be diagnostic of major tsunami-producing earthquakes.

The experimental buoy rests on the sea bottom using a heavy concrete ballast and has been able to withstand several storms, including Hurricane Michael's march up the Gulf of Mexico. The system is capable of detecting movements as small as one to two centimeters.

Dixon said the system is designed for subduction zone applications in the Pacific Ocean's "Ring of Fire" where offshore strain accumulation and release processes are currently poorly monitored. One example where the group hopes to deploy the new system is the shallow coastal waters of earthquake prone Central America.

Partial China trade deal signals de-escalation and detente

The United States and China have agreed to a limited trade deal that cancels US tariffs on Chinese imports due to go into effect while reducing some, but not all, tariffs already in place, the White House said.

In exchange, Beijing agreed to buy \$50 billion worth of US farm goods and tighten intellectual property protections.

"The United States and China have reached an historic and enforceable agreement on a Phase One trade deal that requires structural reforms and other changes to China's economic and trade regime in the areas of intellectual property, technology transfer, agriculture, financial services, and currency and foreign exchange," the office of the United States Trade Representative said in a statement. "The Phase One agreement also includes a commitment by China that it will make substantial additional purchases of US goods and services in the coming years."

The "phase one" deal — part of a larger, overall trade agreement with China that still needs to be negotiated — would significantly throttle back tensions between the two superpowers that have rattled the container shipping sector and US import community for more than a year and a half. President Donald Trump in early October announced that an agreement on phase one had been reached, but it took another two months for the details to be

hammered out. It was not immediately clear when the accord would be signed.

News of the agreement will be welcomed by US importers and others who blamed the tariffs in large part for the global economic slowdown that has crimped container volumes. The National Retail Federation (NRF), an outspoken critic of the Trump administration's trade policies, said the US-China trade war has been a "drag" on the US economy.

On agriculture, the Chinese made detailed commitments that would see them purchase at least an additional \$16 billion annually in commodities on top of the pre-trade-war level of \$24 billion and endeavor to buy as much as \$50 billion annually.

"... [T]ariffs are bad for both consumer and business confidence, and we hope that the December tariffs will be canceled or postponed as a sign of good faith," said Jonathan Gold, NRF's vice president for supply chain and customs policy.

NRF released its Global Port Tracker report, as compiled by Hackett Associates, forecasting that November container volumes are expected to jump to 1.95 million TEU, up 3.7% from 1.88 million TEU in October and an 8% year-over-year gain. NRF said the jump was linked to retailers front-loading imports from China ahead of the scheduled December tariffs.

Matson and Swire Shipping to share ships in new South Pacific service

Matson Navigation Co. and Swire Shipping have entered into a vessel-sharing partnership serving the South Pacific islands, according to Freightwaves. Swire is the liner shipping arm of China Navigation Co. based in Singapore and engaged in the Asian and western Pacific trades since 1872. Swire Shipping will reportedly charter and deploy a vessel on the new service and Matson will deploy the two foreign-flagged ships *Imua II* and the *Olomana*. Both vessels are small geared container ships of about 8,000 deadweight tons. Expected to begin in January of 2020, the service will depart Auckland, New Zealand, and will serve Tonga, Samoa (Apia), the Cook Islands and Fiji with a departure from Auckland every 10 days.

"Today's launch will enable us to offer expanded global coverage into the Pacific Islands, as well as specifically providing New Zealand customers with a new direct service alternative. We will be working closely with customers... to explore opportunities for landside delivery in the Pacific Islands as well as offering innovative digital solutions," said Jeremy Sutton, General Manager, Swire Shipping.

Although both data and volumes are scarce in the South Pacific trade, industry press has indicated that hard fought competition between the carriers is traditional in this region.

In January 2013, Matson expanded its presence in the Pacific with a new South Pacific service. Matson's service offerings already include the core trade lanes from New Zealand and Australia to the island nations of Fiji, Samoa, American Samoa, Cook Islands, Tonga, Niue, Nauru and the Solomon Islands. In addition, Matson offers service from the U.S. West Coast and Hawaii to American Samoa, Samoa and Tahiti, including U.S.-flag service in the SUP-crewed *Kamokuiki*.

Historically, Matson vessels, including both freighters and luxury passenger ships, served the South Pacific for five decades, beginning in the 1920s. Its customer service and on-time delivery has distinguished Matson as a leading carrier throughout the Pacific, serving different island economies for more than 130 years.



The USNS DAHL at anchor in the western Pacific. The DAHL is part of the Maritime Prepositioning Force capable of immediate deployment at 24 kts and carrying container and rolling stock to sustain a Marine Corps Air Ground Task Force for at least 30 days with or without a dock. DAHL is crewed on deck by the SUP.

DEFEND THE JONES ACT
SUPPORT THE
SUP POLITICAL FUND

SUP BRANCH REPORTS

WILMINGTON

November 2019

Shipping: Bosun: 3, AB/W: 13, AB/D: 1, OS/STOS: 2, GVA/GUDE: 0, and standby: 39 for a total of 58 jobs shipped.

Registered: A: 21 B: 50 C: 5 D: 4

Ships checked: D.K. Inouye, R.J. Pfeiffer, Mokihana, Manulani, Manulei, Kaimana Hila. President Kennedy, President Cleveland, President Wilson, President Eisenhower.

All ships sailing in and out occasional clarifications. Shipping has been very good in Wilmington, rotary jobs on Matson and APL turning over every week and activations of Military ships by Patriot. This time of year is the best for junior members who want to ship out. APL has reduced the number of standbys being called.

When your dispatch is complete, clean your room before leaving the ship.

Keep your dues current and be sure to check your documents, dues and document must be current to ship. When you get new documents let me know so I can update your records. This is your Union participate, come to meetings, read The West Coast Sailors and stay informed.

Leighton Gandy, Branch Agent

HONOLULU

November 2019

Shipped the following jobs in the month of November: 1 Bosn steady, 1 Bosn relief, 4 AB Day steady, 2 AB Day relief, 2 AB Day return, 9 AB Watch steady, 2 AB Watch reliefs, 1AB Maint, and 1 OS Watch steady. The shipping jobs were filled by 9A cards, 11 B cards and 3 C card.

Shipped 26 standby jobs. The standby jobs were filled by: 1 A cards; 13 B cards; 7 C cards; 5 D cards. Registered in Honolulu: 9 A cards; 22 B cards; 9 C cards; 7 D cards.

Ships checked: I visited the RJ Pfeiffer, Maunalei, Manoa, Mokihana, Mahimahi, Matsonia, Kamokuiki, Maunawili, Kaimana Hila, DK Inouye and the Paint and Rigging gang. All are running with few or minor beefs.

APL Guam-no major beefs

APL Saipan-no major beef

USNS Charlton-no major beefs

USNS Watson-no major

I represented the SUP at the Hawaii Ports Maritime Council meeting, and the Hawaii AFL-CIO executive board meeting. I also attended the Hawaii State AFL-CIO biennial convention where I was re-elected as a Vice President to the AFL-CIO executive board.

I want to wish everyone to have a great New Year. 2020 is here. A new decade!

Remember to check your documents and anything with less than six months to expiration you should start the renewal process.

Remember to check your documents and anything with less than six months to expiration you should start the renewal process.

Michael Dirksen, Branch Agent

SEATTLE

November 2019

Five Patriot AB billets were filled with 3 B, and 2 Registrants; one OS activation navy job went to a C card; seven Standby AB's taken by 1 A, 4 B's and 2 D cards. Registered: 2 A cards for a total of 1; 17 B cards for a total of 24; 3 C cards for a total of 5; 7 D cards for a total of 11.

The new Seattle Document Reminder program that was started last month has been met with positive reviews from all members that have received it. Thank you to all that have responded with new expiration dates or renewal inquiries. If your documents in the Seattle files are flagged, you can expect and email reminding you the first week of the month. However, I have a disclaimer in the email that reads, "This is a courtesy and does not in any way supersede your own responsibility for maintaining your qualifications.", and I cannot stress this enough. While I am happy to do this for the Membership it is not in our rules and you should not expect this extended courtesy if you register in another port or fall off the registration list for a prolonged period. If you are not a Seattle Sailor, and would like to participate in this program, I will need a scan of all relevant current documents to pdf, a good email address, and a phone number emailed to the Seattle Hall, to seattle@sailors.org .

Brendan Bohannon, Branch Agent

Dispatcher's Report Headquarters—December 2019

Deck	
Bosun	5
Carpenter.....	0
MM	4
AB	11
OS	4
Standby	10
Total Deck Jobs Shipped.....	34
Total Deck B, C, D Shipped.....	27
Engine/Steward	
QMED.....	0
Pumpman	0
Oiler	0
Wiper	0
Steward	0
Cook.....	0
Messman	0
Total E&S Jobs Shipped.....	0
Total E&S B, C, D Shipped	0
Total Jobs Shipped - All Depts.	34
Total B, C, D Shipped-All Depts.	27
Total Registered "A"	27
Total Registered "B"	44
Total Registered "C"	8
Total Registered "D".....	9

SUP Meetings		
These are the dates for the regularly scheduled SUP meetings in 2019/2020:		
	Hdqtrs.	Branch
January	13	21
February	10	18
March	9	16

BUSINESS AGENT'S REPORT



San Francisco Business Agent Roy Tufono took over the watch in the dispatcher's office along with SUP Pensioner Art Thanash at the holiday party on December 13, 2019.

France may scuttle mariner pensions

"Tugboat captain Jean-Yves Lagarde should be only 10 years from retiring under the French mariner pension rules that date back to the 17th century. But President Emmanuel Macron's ambition to simplify France's pension system may scuttle his plan.

The 45-year-old mariner spent a decade traversing the world's oceans on cargo ships before returning to the port town of La Rochelle to work on tugs.

"We have a pension plan that has stood the test of time for four centuries," Lagarde said. The showdown against unions will set the tone for the second half of Macron's mandate, with more reforms including an overhaul of unemployment benefits lined up, and comes as discontent swirls in hospitals, the police force and in schools.

Sailors are covered by France's earliest pension regime, drawn up in 1673 during the rule of Louis XIV to look after seamen disabled at sea.

They are entitled to retire on a full pension aged 52.5 – nearly a decade earlier than some workers – if they have worked for 37.5 years.

A career toiling in punishing conditions merits the early retirement accorded to mariners, Lagarde said. He joined a nationwide strike on Dec. 5 called by public-sector unions to force Macron to back down.

The last time a French president squared off against unions over special pension regimes it ended badly. In 1995, strikes paralyzed Paris and prime minister Alain Juppe pulled the reforms in a stinging defeat from which he failed to recover.

After Greece and Italy, France is the third biggest spender on pensions among developed nations, spending 14% of national output on pensions, OECD data shows. In comparison, Germany spends 10%, the United States 7% and Britain 6%.

Sailors' Snug Harbor Can Help Retired Mariners With Demonstrated Financial Need

Sailors' Snug Harbor (SSH), one of the oldest secular charities in the United States, has funds available to help career mariners with financial need. More than 16,500 mariners have been assisted by SSH since its inception in the early nineteenth century.

What kind of help can SSH provide?

SSH assists mariners financially in their homes. Mariners who meet the following criteria are eligible for assistance:

- 65 years of age or older or on disability—some exceptions can be made;
- 2,555 days of deep-sea time, at least five years on U.S.-flag ships OR 14 years working on inland rivers;
- Proven need for financial assistance;
- Less than \$50,000 in assets (primary residence excluded).

A three-year look-back period will be used to determine eligibility. If the mariner is eligible for public benefits, such as VA benefits, Medicaid or SNAP, those benefits should be accessed first.

The SSH website, www.thesailorssnugharbor.org, has a link to the application that each interested mariner must complete. The application requires detailed information about current living arrangements, financial history, etc.

If you are interested in learning more about SSH benefits, please contact:

Sailors' Snug Harbor | Toll Free: 1-888-257-5456

Fax: 212-513-0243 | info@thesailorssnugharbor.org

Sailors' Snug Harbor was incorporated in 1806 as the result of a bequest made by Captain Robert Richard Randall, a New York merchant who wanted to aid impoverished seafarers, many of whom were abandoned in ports when they were too old or sick to continue working.

