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Friday, January 19, 2018

Maritime labor, shipping companies testify on the State of the U.S.-flag industry

n January 17, in Washington, D.C., the House of Representatives Subcommittee on Coast Guard and Maritime Transportation held a public hearing to review the State of the U.S.-Flag Maritime Industry. Led by Subcommittee Chairman Congressman Duncan Hunter (R-California) and Ranking Democrat Congressman John Garamendi (D-California), the hearing clearly demonstrated that absent immediate and affirmative action to bolster the U.S.-flag fleet, our nation will continue to see the available pool of American mariners needed to support he Department of Defense decline to dangerously low levels. Sharing this concern, Maritime Administrator Admiral Mark Buzby reminded the Subcommittee that "mariners are a de facto layer of our national security." Bill Van Loo, Secretary-Treasurer of the Marine Engineers' Beneficial Association, presented testimony on behalf of the seafaring labor Unions (SUP, MFOW, SIU-AGLIW, MM&P, MEBA, AMO) and Eric Ebeling, President of American Roll-on Roll-off Carrier Group, presented testimony on behalf of all the U.S.-flag companies belonging to USA Maritime. The SUP is a member of USA Maritime.

Excerpts from Maritime Labor's statement to the Subcommittee follows: "A strong U.S.-flag fleet and the corresponding base of American merchant mariners is imperative to securing America's economic and national security. Unfortunately, the pool of licensed and unlicensed mariners has shrunk to a critical level. Without governmental action, the military will no longer be able to rely on the all-volunteer U.S. Merchant Marine as our Nation's fourth arm of defense. We are pleased that the Subcommittee has called this hearing and has remained committed ensuring the existence of a vibrant U.S.-flag maritime industry.

"In Peace and War" is the motto of the U.S. Merchant Marine and that motto has been demonstrated in every domestic and international crisis in our nation's history. From the Revolutionary War to World War I to Operation Enduring Freedom and from the evacuation of Manhattan during 9/11 to disaster relief in Haiti, the men and women of the U.S. Merchant Marine have consistently heeded the call to duty. In 1992, General Colin Powell, then-Chairman of the Joint Chiefs of Staff stated: "Fifty years ago, U.S. merchant vessels . . . were battling the frigid seas of the North Atlantic to provide the lifeline to our allies in Europe. The sacrifice of those mariners

was essential to keeping us in the war until we could go on the offensive... In World War II, enemy attacks sank more than 700 U.S.-flag vessels and claimed the lives of more than 6,000 civilian seafarers..." It is worth noting that 700 is almost 10 times the size of the current fleet.

More recently, in 2008, Major General Kathleen Gainey, Commander of the Military Surface Deployment and Distribution Command, stated that "The merchant marine has always been there beside us... There is no amount of thanks that I could give you, because I am here to tell you, having deployed twice, I know how critical it is that equipment and those supplies are delivered on time... You are the

continued on page 5

Government slams Matson's challenge to APL's Guam service

The U.S. Department of Transportation (DOT) told the United States Court of Appeals for the District of Columbia on January 12, that Matson Navigation Company's "untimely" challenge to federal subsidies granted to rival container shipper American President Lines (APL) for Guam and Saipan trade routes as part of the Maritime Security Program (MSP) must be rejected for lack of jurisdiction.

DOT and the Maritime Administration filed a 62-page brief urging the federal appeals court to shut down Matson's petition challenging a pair of administrative approvals they granted in October 2015 and December 2016 to APL to replace two of its vessels participating in the Maritime Security Program and compete along the same trade routes as Matson.

The Maritime Security Program establishes a fleet of privately owned vessels "to meet national defense and other security requirements and maintain a U.S. presence in international commercial shipping." The U.S. may use these privately owned and operated vessels for national defense or military purposes in time of war or national emergency, and in exchange, vessel owners receive payments for participating in the program.

The replacement vessels, the APL Guam and the APL Saipan, scored approval to transport cargo from the U.S. mainland to Palau in Micronesia, the Marshall Islands and New Guinea, and between Asia and Guam, as well as to provide regular service connecting "Asia and both Guam and Saipan," including "direct service from Japan or Korea to Guam."

The agencies say APL met the requirements for the program.

"Based on this record evidence, MarAd reasonably determined that the replacement vessels would be operated in

APL Lines' established world-wide services satisfying the foreign commerce eligibility requirement," the agencies said. "Matson further misconstrues the record by pointing to certain APL advertising and promotional materials, but APL's statements, made subsequent to MarAd's determinations, would not have affected the agency's initial eligibility determination."

Matson, which is based in Honolulu, and has corporate offices in Oakland, is a major Pacific Ocean container shipper, primarily serving routes from the West Coast to Hawai'i, Guam and the Mid-Pacific. Matson has insisted in court documents that it operates non-subsidized vessels in the same domestic shipping trades as the two APL vessels that scored the approvals.

But the DOT and MarAd argued that Matson has failed to demonstrate how it has suffered any injury from APL's purported U.S.-flag, domestic trade with Saipan. "Without any evidence of injury, Matson lacks standing to challenge the agency's determination concerning any purported coastwise trade with Saipan under a U.S. flag," the agencies said.

Matson doesn't participate in the Maritime Security Program, but it argued in court documents that one of the requirements for eligibility is that the participating vessel must operate exclusively in foreign commerce. And because APL's vessels provide service to Guam —which the statute defines as being within the United States— the vessels should not have been deemed eligible for the program and the subsidies that come with it, Matson argued.

The federal agencies said Matson's petition comes too late since Matson didn't launch its administrative appeal with MarAd until February 2017. MarAd denied Matson's appeal in April 2017, setting up Matson's instant appeal to the D.C. Circuit.

What's more, according to the federal agencies, Matson isn't even a contractor in the Maritime Security Program, and the District of Columbia Circuit lacks jurisdiction under the Hobbs Act to directly review the two decisions on the APL vessels' eligibility for the program.

If Matson had wished to challenge MarAd's decision concerning the *APL Guam*, it would have had to file a petition for review by December 21, 2015, which is 60 days after the decision was issued on October 21, 2015.

"Matson cannot establish timeliness for its challenge to the agency's determination concerning the *APL Guam* by bootstrapping that challenge to a challenge to the agency's determination concerning the *APL Saipan*," the DOT and MarAd said in their brief.

The case is Matson Navigation Co. Inc. v. U.S. Department of Transportation et al., case number 17-1144, in the U.S. Court of Appeals for the District of Columbia Circuit.

The SUP has collective bargaining agreements with both APL and Matson.

SUP President Gunnar Lundeberg praised the government for its strong and unambiguous position.

"The Sailors' Union has long opposed Matson's brazen attempt to scuttle APL's U.S.-flag service to Guam in order to regain its monopoly to that U.S. territory,", Lundeberg said. "What is at stake are the jobs of the American merchant mariners employed in the APL Guam and APL Saipan plus the government's national defense priorities. We hope the court swiftly rejects Matson's petition to challenge the status of the Guam and Saipan.

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Preserving sight with hot tea

Having hot tea every day may reduce your risk for blindness.

Researchers have found that a daily cup reduces the risk for glaucoma, a disease in which a buildup of fluid in the eye can damage the optic nerve and lead to gradual vision loss.

The study, in The British Journal of Ophthalmology, included 1,678 participants in a larger national health survey. Using photos of the optic disc and other diagnostic techniques, they recorded instances of glaucoma in 2005 and 2006 and correlated them with reports of beverage consumption over the previous year.

After adjusting for age, body mass

Final Departures

Robert Gall, Book No. 2917. Born in Wisconsin in 1925. Joined SUP in 1944. Died in Heber City, Utah, December 17, 2017. (Pensioner)

Eugene Souza, Book No. 7098. Born in California in 1928. Joined SUP in 1944. Died in Tulare, California, December 29, 2017. (Pensioner)

Kianoosh Barkhordar, Book No. 5754. Born in Iran in 1946. Joined SUP in 1994. Died in California, December 17, 2017. (Pensioner)

index, sex, ethnicity, smoking and diabetes, they found that people who drank at least a cup of hot tea a day were 74% less likely to have glaucoma. They found no association with soft drinks, iced tea, decaffeinated tea or with coffee, caffeinated or not.

This observational study does not prove causality, but the researchers write that tea contains phytochemicals and flavonoids with anti-inflammatory properties that may protect the optic nerve.

"If you drink hot tea, keep on doing it," said the senior author, Dr. Anne L. Coleman, a professor of ophthalmology at the University of California, Los Angeles. "But I wouldn't switch to it if you prefer something else."

SUP Meetings

These are the dates for the regularly scheduled SUP meetings in 2018:

	Hdqs.	Branch
February	Tues. 13	Tues. 20
March	12	19
April	9	16
May	14	21
June	Tues. 12	18
July	9	16
August	13	20
September	10	17
October	Tues. 9	15
November	Tues. 13	19
December	10	17

Russia may enact cabotage law for Arctic oil and gas

Russian President Vladimir Putin this month gathered a group of top-level shipping executives at the Kremlin to encourage them to fly the Russian flag and direct their business to a Russian shipyard. Attendees included top-level leaders from Rosneft Gazprom, Novatek and the United Shipbuilding Corporation.

Putin has previously asked Russian shipowners to commit to ordering newbuilds at the new Zvezda shipyard in the Russian Far East. "As we have already said, for the successful operation of [Zvezda] it is necessary to ensure the effective loading of its capacities, to form a stable, long-term demand for the products. I know that the prospective plan for [orders] until 2035 has been approved," he reminded them. "And this plan, of course, must be strictly followed, not only by Rosneft, but also by other customers."

He asked for news of how the firms' orders at Zvezda are progressing and whether they are giving the yard the technical requirements for their ships in a timely manner. Putin also called on shipyards (in general) to give "distinct financial guarantees" for the quality of their product.

Rosneft already has vessels under construction at Zvezda, but Putin emphasized that "this is not only the task of Rosneft, it is the task of the entire Russian industry." He framed it as a "common responsibility" beyond the bounds of a specific firm or sector – a "national task" aimed at creating jobs and economic development in the Russian Far East.

In addition, Putin let the attendees know that the Russian State Duma may pass a law requiring oil and gas vessels to fly the Russian flag if they wish to trade at ports along Russia's Northern Sea Route. The bill would exclude the busy petroleum ports of Murmansk and Arkhangelsk, but it would likely include the port of Sabetta on the Kara Sea, Novatek's terminal for Yamal LNG.

If Yamal LNG were covered, the new cabotage restrictions could affect future vessels of the Christophe de Margerie class of icebreaking LNG carriers. Foreign shipowners Teekay, Mitsui OSK Lines and Dynagas have agreed to purchase these vessels and charter them out to Sovcomflot; however, Kommersant notes that it is unknown whether international investors would buy more of these ships for Novatek's next project if the vessels would have to be flagged in Russia.

A starfish is destroying the Great Barrier Reef

Deadly starfish are feasting on parts of recovery time between episodes. the world's largest reef system, which is already threatened by rising ocean temperatures, the Great Barrier Reef Marine Park Authority this month.

Crown-of-thorns starfish, a native species whose numbers occasionally grow so out of control they endanger the reef, have been detected on 37 sections of the southerly Swain Reef, more than 60 miles offshore, according to the park authority.

The reef is one of the planet's largest living structures –big enough to be seen from space— and is home to thousands of species, including sharks, turtles and whales. Australia relies on it for about 70,000 jobs and billions of dollars annually in tourism revenue.

Normally, the starfish contribute to the reef's diversity by eating faster-growing coral species, which allow for slower-growing species to thrive. But at outbreak levels, the starfish are able to eat coral –a polyp that builds the limestone reefs on which they communally livefaster than the coral can reproduce.

To eat the hard coral, the starfish has an extrudable stomach that wraps around the coral and ingests it. A starfish can eat its body diameter in coral every night.

Since the inception of a control program in 2012, the marine park authority has culled more than 600,000 starfish from the northern and central reef areas.

One study found that between 1985 and 2012, the reef lost an average of 50% of its coral cover. Starfish predation was responsible for almost half that decline, along with tropical cyclones and bleaching.

The cause of the outbreak is unknown. One hypothesis is that currents are bringing nutrient-rich water from the deep sea up into the shelf, which correlates with starfish larvae growth.

The new outbreak comes as scientists warn that coral bleaching -death caused by the stress of rising ocean temperatures- is straining the reef's ecosystem. According to a study published on January 4, in the journal Science, the frequency of coral bleaching has increased to the point that reefs no longer have sufficient

Two control vessels with divers travel to the reef 250 days a year to cull the crownof-thorns population. The divers inject the starfish with a solution of bile salts or white vinegar, which kill the starfish without hurting other marine life.

Last year, the Australian government committed 14.4 million Australian dollars, (U.S. \$11.2 million), to finance a third control vessel for the marine park authority. Since the control program began in 2012, the government has committed 34.4 million Australian dollars to the problem through 2020.

Coral reefs are constantly undergoing change, and they follow a cycle of death and renewal, said Hugh Sweatman, a scientist from the Australian Institute of Marine Sciences. "The critical question is how long will they get to recover?"

West Coast Lailors

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USCG chief calls out failures by TOTE, El Faro captain

acknowledged decisions made by El Faro's captain and safety failures by vessel operator TOTE Services as major causes leading to the sinking of the ro-ro vessel that killed all 33 crew members.

Weighing in on the deadliest U.S. commercial shipping accident in decades, Coast Guard Commandant Paul Zukunft called the October 1, 2015 event "tragic and preventable" in his official comments to his agency's investigation into the accident.

"This casualty did not occur due to a lack of standards or requirements; rather it was the result of poor seamanship compounded by failure of the safety framework that should have triggered a series of corrective actions that likely would have prevented it," Zukunft stated in his report, published last month. (See the December West Coast Sailors.)

He called decisions made by Michael Davidson, the ship's captain, as "by far the most prominent" factor contributing to the accident. Zukunft pointed out that there were many opportunities to take alternate routes away from the path of Hurricane Joaquin, the storm that caused El Faro to take on water and sink in the Bahamas while en route from Jacksonville, Florida to San Juan, Puerto Rico.

"There was adequate information available regarding the threat" posed by the hurricane, Zukunft said, "despite the unusually unpredictable nature of the storm's path and intensity."

Zukunft also acknowledged safety lapses by El Faro's operator, TOTE Services, as major factors. He noted that the company's operations manual made the ship's master solely responsible for weather planning and preparation, which runs counter to the International Safety Management Code.

"The company deliberately abandoned the practice of assisting masters with heavy weather voyage planning, storm system monitoring, and avoidance," Zukunft commented, citing information

The U.S. Coast Guard's top official has from a former company official. "Understanding that the company routinely provided liner service in an area prone to hurricanes during hurricane season, the decision to abandon such a crucial support system is irresponsible and inexcusable."

> Zukunft concurred outright with - or with the intent of – most of his agency's 31 safety recommendations, many of which involved requiring that shipowners install updated shipboard safety equipment. He also agreed with the investigation's recommendation that the USCG's Jacksonville sector initiate civil penalties against TOTE for four offenses, including failure to comply with federal work-rest requirements for El Faro crew members "on multiple dates" prior to the accident.

> He also pointed out procedural gaps by ABS, El Faro's classification society, as by the Coast Guard itself.

> "This is a call to action for the entire maritime community. TOTE, ABS (American Bureau of Shipping), and the Coast Guard must learn and move with a sense of urgency. This tragic story points to the need for a strong and enduring commitment at all elements of the safety framework."

> In response, TOTE did not address Zukunft's specific references to the company, pointing out that the Coast Guard's investigation identified no single cause for the accident.

> "Although the report finds that responsibility for the accident is shared among a number of parties, the El Faro and her crew were lost on our watch. For this we will be eternally sorry," the company said in a statement. "Nothing we can ever do will bring back the members of the TOTE team lost in this accident, but we will do everything possible going forward to ensure the safety of our team members who go to sea."

> TOTE acknowledged the safety recommendations made by the USCG in October when the agency presented its initial findings, as well as those made by the U.S. National Transportation Safety Board last month.

American Maritime Partnership announces new president

The American Maritime Partnership (AMP), the voice of the domestic maritime industry, this month, announced the election of Matt Woodruff of Kirby Corporation as its new President. He succeeds Thomas A. Allegretti, President & CEO of The American Waterways Operators.

"Leading the American Maritime Partnership – which speaks for the half a million American men and women whose employment depends on the domestic maritime industry – is a great honor. Our vibrant domestic maritime industry is an essential foundation for America's economic, national, and homeland security," said Woodruff. "I look forward to working with my colleagues to further strengthen and support the industry's essential work of meeting America's domestic maritime transportation needs with American vessels and seafarers."

In addition to his role with the American Maritime Partnership, Woodruff is Vice President of Public and Government Affairs for Kirby Corporation and serves as the Southern Region Chairman of the American Waterways Operators and Vice Chairman of the Inland Waterways Users Board. He is a retired Commander for the U.S. Naval Reserve, where he served as an intelligence officer.

Joining Woodruff in elected leadership positions on the AMP Board of Directors are Michael Roberts of Crowley Maritime Corp., James (Jim) Weakley of Lake Carriers' Association, and Matthew Paxton of Shipbuilders Council of America (SCA).

The American Maritime Partnership's 450-plus members span the United States and its territories and include a diverse membership of vessel owners and operators, shipbuilders and repair yards, dredging and marine construction contractors, trade associations, pro-defense groups, and more. These diverse but allied interests all recognize that a strong domestic maritime industry is critical for America's economic, national, and homeland security, and is best supported by maintaining the Jones Act as the basis of America's domestic maritime policy. The SUP is a member of AMP.

Los Angeles and Oakland set cargo records in 2017

Los Angeles

The Port of Los Angeles experienced the busiest year for container movement in its 110-year history, Gene Seroka, Executive Director of the Port of Los Angeles revealed to a roomful of stakeholders on January 11, during his annual "State of the Port" luncheon in San Pedro, California. At the invitation-only event, which was organized by the port in conjunction with the Pacific Merchant Shipping Association, Seroka told the attendees that 2017 was monumental for the port.

"Together, we've accomplished a great deal this past year," he told more than 300 stakeholders during the luncheon, held at a hotel ballroom a few minutes' drive from the port. "It was a year of milestones for us at the Port of Los Angeles in the three main areas that we focus: business, community and environment," Seroka said. "And on the business front -which encompasses our cargo and commercial side of the Los Angeles waterfront—we have another record-setting year, with container volumes.

"In 2017, the Port of Los Angeles moved more than 9.3 million twenty-foot equivalent units, which broke our own record, set just last year, for the largest amount of cargo moved in the history of the Western Hemisphere," Seroka revealed, to a vigorous round of applause.

In calendar year 2016, the port moved 8.8 million TEUs, according to its data. Before that, the previous record was set in 2006, when the port handled 8.46 million units.

"The (2017) number is especially impressive when we take into consideration that our ships coming into Los Angeles handle more containers per ship call than any other port in the world," Seroka said. "And these ships keep getting larger. Our customers continue to push the envelope in terms of testing methods with us in how better we can handle business and how much we can move forward with our participation in the overall flow of cargo.

"In fact, between October 17, and 22 of last year, our ILWU longshore workforce and our flagship terminal, APMT, discharged and loaded more than 24,800 TEUs on the *Maersk Evora*, setting an all-time record for container moves on one ship call," he said. "Then, in November, we moved 924,000 TEUs as a port, which also was the single largest movement of cargo for one month of a Western Hemisphere port."

The Maersk Evora, which arrived at the port fully loaded with nine containers above deck, a first for any U.S. port, has a capacity of 13,492 TEUs, according to Maersk.

"Our customers, laborers and supply chain partners have been able to handle extraordinary surges, not only in cargo volume, but changes in our industry," Seroka remarked during his speech. "And we have spent collectively, the last 36 months collaborating in unprecedented ways to find different ideas in how to fashion the product that we put out there for our customers and our supply chain stakeholders, making sure that we adapt to the ever-changing dynamics in our industry.

The Port of Oakland handled the equivalent of 2.42 million TEUs in 2017, making last year the busiest in its 90-year history, the port announced this month. The amount broke the port's previous record of 2.39 million containers, which had been set in 2014.

The port also said that it broke two other records in 2017, with 919,523 loaded import containers and 1.85 million combined imports and exports.

"Our record-setting 2017 has set the stage for the future," Port of Oakland Maritime Director John Driscoll predicted. "With new development projects already underway, we expect to increase our capacity and drive greater volume."

Import growth was the key driver for the record performance, the port said. Oakland reported that imports rose 4% in 2017 over 2016 totals. December imports alone were up 6.4% over the same month in 2016, according to port statistics. The port moved a total of 206,835 units last month, data shows, including 80,490 full exports, 78,703 full imports, 28,555 empty exports and 19,087 empty imports. The port attributed the import rally to a strong U.S. economy, as well as increasing consumer demand for retail products.

Oakland could be positioning itself to also have a record-breaking 2018. The port said it expects Cool Port Oakland -a 280,000 square-foot temperature-controlled distribution center- to open late this summer, and that it projects that the agricultural exports clearinghouse will handle about 30,000 containers full of chilled and frozen meat products annually. Additionally, the port said work on its recently approved 440,000-square-foot Seaport Logistics Complex could begin by spring, instead of the fourth quarter of the year, as had been previously projected.

The Seaport Logistics Complex is a planned \$52 million, 440,000-square-foot distribution center designed for the rapid transfer of cargo between ships, trucks and trains.



Dmitri Seleznev and former Wilmington Branch Agent Keith Miller in the front office at SUP Headquarters this month. Photo Dave Connolly

In Memoriam

Final Departures of SUP members reported in 2017

James Armstrong, Book #3468. Born in Texas in 1922. Joined SUP 1943. Died in California, May 2, 2017. (Pensioner)

James K. Bailey, Book #5739. Born in Rhode Island in 1948. Joined SUP in 1991. Died March 21, 2017. (Pensioner)

John Ban, Book No. 5339. Born in California in 1922. Joined SUP in 1944. Died in San Jose, California, February 13, 2017. (Pensioner)

Michael Binsky, Book #5710. Born in Maryland in 1946. Joined SUP in 1965. Died in Baltimore, Maryland, April 18, 2017. (Pensioner)

Raymond Carreau, Book No. 4116. Born in Canada in 1921. Joined SUP in 1946. Died in Seattle, Washington, March 11, 2017. (Pensioner)

Edward Coester, Jr. Book No. 4749. Born in Washington in 1946. Joined SUP in 1965. Died in Wenatchee, Washington, April 1, 2017. (Pensioner)

Henry Collaco, Book No. 4453. Born in Hong Kong in 1924. Joined SUP in 1946. Died in Las Vegas, Nevada, June 2, 2017. (Pensioner)

James Collinsworth, Book #3939. Born in Kentucky in 1924. Joined SUP in 1943. Died in Tustin, California, August 8, 2017. (Pensioner)

Bobby Lee Cummins, Book No. 4649. Born in Kansas in 1927. Joined SUP in 1945. Died in San Pablo, California, September 28, 2017. (Pensioner)

Ellis DeAngelo, Book No. 2669. Born in Pennsylvania in 1927. Joined SUP in 1950. Died in New York, November 22, 2017. (Pensioner)

Robert Doyle, Book No. 2627. Born in California in 1925. Joined SUP in 1951. Died in Fresno, California, February 6, 2017. (Pensioner)

Romaine Dudley, Book No. 2593. Born in California in 1928. Joined SUP in 1946. Died in Concord, California, July 26, 2017. (Pensioner)

Alfredo Fernandez, Book No. 2191. Born in Arizona in 1929. Joined SUP in 1952. Died in Arizona, November 16, 2017. (Pensioner)

Peter Foti, Book No. 2070. Born in New Jersey in 1929. Joined SUP in 1944. Died in Ledgewood, New Jersey, December 16, 2016. (Pensioner)

William Free, Book #2166. Born in Oregon in 1926. Joined SUP in 1943. Died in Vancouver, Washington, May 2, 2017. (Pensioner)

Daniel Gabaree, Book No. 3023. Born in Vermont in 1946. Joined SUP in 1990. Died September 9, 2017. (Pensioner)

William Geyer, Book No. 2872. Born in Ohio in 1921. Joined SUP in 1946. Died in California, June 30, 2017. (Pensioner)

Peter Giannissis, Book #18219. Born in Greece in 1934. Joined SUP in 1992. Died in Washington, D.C., February 14, 2017. (Pensioner)

Emile "Clay" Giovanna, Book No. 2909. Born in Louisiana in 1923. Joined SUP in 1951. Died in Redding, California, July 26, 2017. (Pensioner)

Dustin Glover, Book No. 2648. Born in Oregon in 1926. Joined SUP in 1946. Died on January 2, 2017. (Pensioner)

Fred Gregorio, Book No. 2880. Born in the Philippines in 1927. Joined SUP in 1947. Died September 24, 2017. (Pensioner)

Dustin Grobschmit, Book No. 3037. Born in Washington in 1980. Joined SUP in 2002. Died in Los Angeles, California, aboard the *R.J. Pfeiffer*, December 21, 2016.

Franklin Haugen, Book No. 5394. Born in Wisconsin in 1927. Joined SUP in 1944. Died in Vancouver, Washington, April 30, 2017. (Pensioner)

James Heaton, Book No. 5425. Born in Missouri in 1927. Joined SUP in 1944. Died in La Pine, Oregon, February 4, 2017. (Pensioner)

Carsten Hjelle, Book #4393. Born in Norway in 1918. Joined SUP in 1935. Died in Burlingame, California, July 10, 2017. (Pensioner)

Joseph Iturralde, Book No. 883. Born in Hawai'i in 1931. Joined SUP in 1968. Died in Hawai'i, January 17, 2017. (Pensioner)

Herbert James, Book #4312. Born in Hawai'i in 1937. Joined SUP in 1968. Died in Carson City, Nevada, April 19, 2017 (Pensioner)

Stanley Lane, Book No. 4106. Born in Louisiana in 1945. Joined SUP in 1976. Died in San Pedro, California, October 4, 2017. (Pensioner)

Enele (Henry) Lavea, Book #4121. Born in American Samoa in 1959. Joined SUP in 2000. Died in Wahiawa, Hawai'i, March 11, 2017.

Robert Liftee, Book #17990. Born in Hawai'i in 1951. Joined SUP 1990. Died in Reno, Nevada, August 3, 2017. (Pensioner)

Charles Maringer, Book No. 6489. Born in Washington in 1935. Joined SUP in 1976. Died in Washington, December 2, 2017. (Pensioner)

Charles McDougall, Book No. 6316. Born in California in 1923. Joined SUP in 1946. Died in San Mateo, California, October 1, 2017. (Pensioner)

Joseph McShane, Book No. 6410. Born in Massachusetts in 1926. Joined SUP in 1951. Died in Roslindale, Massachusetts, April 7, 2017. (Pensioner)

George Mendoza, Book No. 6392. Born in California in 1928. Joined SUP in 1944. Died in the Philippines, February 16, 2017. (Pensioner)

Trevelyn Motlow, Book No. 6493. Born in California in 1952. Joined SUP in 1977. Died in Elk Creek, California, July 30, 2017. (Pensioner)

Ramon Perez, Book No. 3740. Born in Puerto Rico in 1929. Joined SUP in 1947. Died in Washougal, Washington, June 9, 2017. (Pensioner)

Elmer Pollard, Book #3799. Born in Oklahoma in 1922. Joined SUP in 1952. Died in Oklahoma City, Oklahoma, May 1, 2017. (Pensioner)

Valdemar Puente, Book No. 3517. Born in Texas in 1927. Joined SUP in 1945. Died in San Francisco, California, October 25, 2017. (Pensioner)

Mario Ramella, Book No. 2382. Born in California in 1924. Joined SUP in 1940. Died in Castro Valley, California, February 4, 2017. (Pensioner)

Anthony Reynolds, Book #3173. Born in Texas in 1939. Joined SUP in 1959. Died in Kingwood, Texas, September 7, 2017. (Pensioner)

Frederick Schafer, Book #7446. Born in New Jersey in 1921. Joined SUP in 1967. Died in Washington, August 28, 2017. (Pensioner)

Ralph Senter, Book No. 7323. Born in Texas in 1929. Joined SUP in 1955. Died in Lynwood, Washington, November 2, 2017. (Pensioner)

George K. Shaffer, Book #7055. Born in California in 1920. Joined SUP in 1947. Died in Woodland Hills, California, August 23, 2017. (Pensioner)

Martin Smith, Book No. 6700. Born in New York in 1922. Joined SUP in 1943. Died in Peoria, Arizona, May 19, 2017. (Pensioner)

Harold Smith, Book No. 7362. Born in Oregon in 1929. Joined SUP in 1946. Died in California, July 30, 2017. (Pensioner)

Ernest Stimach, Book No. 6536. Born in California in 1927. Joined SUP in 1944. Died in Burlingame, California, February 9, 2107. (Pensioner)

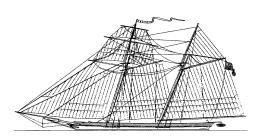
Vincent Sullivan, Book No. 7487. Born in California in 1932. Joined SUP in 1975. Died in Napa, California, June 5, 2017. (Pensioner)

Rory Swank, Permit No. 19454. Born in California in 1987. Joined SUP in 2014. Died in Cape Canaveral, Florida, December 16, 2016.

Troy Tichenor, Book No. 3149. Born in Texas in 1927. Joined SUP in 1948. Died in Arcadia, California, March 13, 2017. (Pensioner)

George Wong, Book No. 3582. Born in California in 1932. Joined SUP in 1951. Died February 9, 2017. (Pensioner)

Carl Ziegeler, Book No. 267. Born in New York in 1934. Joined SUP in 1952. Died in Wilmington, California, August 8, 2017. (Pensioner)



Moon is about to do something it hasn't done in 150 years

On January 31, three separate celestial events will occur simultaneously, resulting in what some are calling a super blue blood moon eclipse. The astronomical rarity hasn't happened for more than 150 years, according to Space.com.

A super moon, like the one visible on New Year's Day, is the term for when a full moon "is closest to the Earth in its orbit, appearing bigger and brighter than normal."

On January 31, the moon will be full for the second time in a month, a rare occasion —it happens once every two-and-a-half years— known as a blue moon.

To top it off, there will also be a total lunar eclipse. But unlike last year's solar eclipse, this sky-watching event isn't going to be as visible in the continental United States. The best views of the middle-of-the-night eclipse will be in central and eastern Asia, Indonesia, New Zealand and Australia, according to Space.com, although Alaska and Hawai'i will get a glimpse, too.

For the rest of the United States, the eclipse will come too close to when the moon sets for the phenomenon to be visible.

Because of the way the light filters through the atmosphere during an eclipse; blue light is bounced away from the moon, while red light is reflected. The eclipsed moon's reddish color earned it the nickname blood moon.

"We're seeing all of the Earth's sunrises and sunsets at that moment reflected from the surface of the moon," Sarah Noble, a program scientist at NASA (National Aeronautics and Space Administration) headquarters, said in a release.

Scientifically, Simpson said, the event is pretty meaningless. The moon's obit is well studied and well understood by scientists. The real impact, she said is how astronomical events like this get people interested in science.

"Anything that keeps people interested in science and makes them realize science is important is a good thing," she said.

SUPPORT FOOD FOR PEACE BY SUPPORTING THE SUP POLITICAL FUND

Maritime labor, shipping companies testify on the State of the U.S.-flag industry continued

to this nation."

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

Unfortunately, despite the constant reminders from leaders in the Department of Defense (DOD) that our Nation needs a vibrant civilian U.S. Merchant Marine in order to meet the needs of the military, the commercial sealift capacity and its pool of highly trained and experienced mariners is reaching a diminished point of no return. In March 2016, then Maritime Administrator Paul Jaenichen testified before the Subcommittee on **Surface Transportation and Merchant** Marine Infrastructure, Safety and Security of the Senate Committee on Commerce, Science, and Transportation. In his statement he noted that the number of vessels in the U.S.-flag foreign trade fleet declined from 106 vessels in 2011 to 79 vessels today.

This loss of ships has resulted in a drastic reduction in the pool of available mariners needed to meet DOD requirements. At Congressional hearings in 2017, General Darren McDew, Commander of the United States Transportation Command, warned that there is currently a shortage of approximately 2,000 mariners. He added that the reduced mariner pool puts our industry on the edge of being able to sustain immediate sealift requirements and that it would not be able to meet sustained requirements beyond the first four to five months of a conflict. It should be emphasized that it is very difficult to gauge the number of civilian mariners immediately available to serve aboard vessels needed in times of war. When merchant mariners are not at sea they have a number of professional and personal obligations and may not be able to drop everything in order to sail. Therefore, any assumption on the number of civilian mariners available should be considered a bare minimum and we should seek to enact policies and programs that will increase the pool significantly.

The shortage of U.S. mariners should be concerning to every American. While fewer seagoing opportunities force mariners to find employment in other fields, it must be emphasized that it takes many years for an individual to gain the education, experience, and sea-time necessary to obtain U.S. Coast Guard-issued licenses and credentials. For instance, it takes a minimum of 10 years to accumulate the skills and experience necessary to obtain a license as a Chief Engineer or Captain. Our country and industry will not be able to recover overnight from the continued downsizing of our fleet and the outsourcing of American maritime jobs. When the call goes out for mariners to once again respond to our Nation's call, we must be prepared to respond.

The maritime Unions regularly recruit young people to seek a career in the industry. One program that we are particularly proud of is Military to Maritime where the private industry has worked with this Committee and the military to ensure exiting service members seamless entry into a career at sea. Young people who are considering a career as a merchant mariner must not be discouraged to do

fourth arm of defense and you are critical so by a lack of government support and recent trends that promise no realistic future for employment.

> In order to change course and reverse the downward trend, the U.S. maritime labor organizations vow to work closely with Congress, the Administration and other government officials. We must protect and fully fund existing programs and create new programs and opportunities that will increase the number of vessels operating under the U.S.-flag and the corresponding shipboard jobs for U.S. mariners. In order to remain available in times of war and to support our Nation's economic security, the U.S.-flag merchant marine must be supported during times of peace. In order to accumulate the necessary sea-going experience to maintain their **United States Coast Guard credentials** and advance their licenses and endorsements, U.S. citizen mariners must be employed on U.S. flag vessels actively engaged in the carriage of government and commercial cargoes.

> The development of new meaningful and realistic maritime policies and programs must be accompanied by a strong reaffirmation from both Congress and the Administration that our country is committed to maintaining a viable and competitive U.S.-flag merchant marine owned and operated by American citizens and crewed by American licensed and unlicensed merchant mariners in order to meet the economic, military and homeland security requirements of our nation. That commitment should be accompanied by a coordinated approach to a national maritime policy that starts with ensuring a steady stream of cargo. Consequently, we offer our sincere appreciation to Chairman Hunter, Ranking Member Garamendi and the Members of your Subcommittee for taking the initiative to schedule this hearing and your leadership in working to find ways in which Federal programs and policies can enhance the performance of the U.S.-flag merchant marine.

CARRIAGE OF U.S. GOVERNMENT GENERATED AND FINANCED **CARGO**

U.S.-flag cargo preference shipping requirements are an essential means to help ensure the continued availability of the privately-owned U.S.-flag commercial fleet. It is the various cargo preference laws that guarantee a minimal level of cargo for taxpaying American companies who employ American mariners and comply with all the relevant laws and regulations. It is the same companies and mariners that have demonstrated a strong commitment to America's national and economic security.

We strongly urge Congress to restore the U.S.-flag share of P.L. 480 Food for Peace cargoes to the 75% level that was in place from 1985, after significant legislative compromises, until 2012 when it was reduced to 50%. Food Aid cargoes are the single greatest source of preference cargo and its importance will only increase if DOD cargoes continue to decline. It is no coincidence that the size of the U.S.-flag fleet has shrunk by more than 26% since the 2012 reduction of the U.S.-flag share of food aid cargoes along with the significant reduction in military cargo transported as a result of the reduced footprints in Iraq and Afghanistan.

It is important to note that the cost of utilizing U.S.-flag ships for Food Aid cargoes accounts for less than 1% of the program's budget. Further, the cost of reinstating the requirements for food aid cargoes back to 75% has been scored at only \$11 million per year.

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

Unfortunately, the P.L. 480 program is not the only source of diminishing preference cargoes. The Export-Import Bank has historically been an important source of cargo for the industry. Since 2014 though, the Bank has lacked the quorum needed to approve transactions over \$10 million. The effect is that 80-90% of the Bank's activities have been frozen along with the resulting internationally bound cargo subject to U.S.-flag shipping requirements. We implore your colleagues in the Senate to confirm nominees so that the Bank can become operational again.

All too often, federal departments and agencies and government contractors have ignored U.S.-flag shipping requirements for the carriage of cargoes paid for by the American taxpayer and Federal government.

Not only are U.S.-flag vessels denied the cargoes that, by law, should be transported by U.S.-flag vessels, but there is no recourse when it is ultimately determined that the law was violated. We implore Congress and the Administration to reinforce, to all Federal agencies and their contracting officers, strict adherence to cargo preference laws.

In 2008, Congress passed the Duncan Hunter National Defense Authorization Act for Fiscal Year 2009. Section 3511 of that legislation included strengthened cargo preference language that made it abundantly clear that the Maritime Administration was the ultimate arbiter of cargo preference. The law further gave the Maritime Administration penalty authority for when they found violations. Unfortunately, the Administration has failed to fully adopt that language. As an industry and a country we must be concerned that the refusal to implement this law indicates an unwillingness to abide by cargo preference laws.

It is important that the Maritime Administration regularly exercise this responsibility and that Congress monitor that enforcement. To this end, Congress should require that the Maritime Administration submit a periodic report to Congress detailing its efforts and actions taken to ensure full compliance with cargo preference laws. Congress should receive a detailed record of the bills of lading that the Maritime Administration is, by law, required to collect on all cargoes subject to cargo preference. This includes cargo that is directly shipped by the government, financed by the government, and cargoes shipped by a government contractor.

While opponents of the cargo preference laws may claim that the ships carrying preference cargo have no military utility, they are flatly wrong. Every ship operating under the U.S.-flag provides a vital source of employment for the pool of mariners who serve as our Nation's 4th arm of defense.

It is very simple. Without cargo, our ships do not sail and our mariners do not stand by.

MARITIME SECURITY PROGRAM

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

The MSP is a unique public private partnership that ensures that the DOD has the sealift capability and foreign intermodal networks it needs while saving the American taxpayer the billions of dollars it would take for the government to develop and maintain such capacity itself. Developed under President George H.W. Bush and first implemented under President Bill Clinton, each President and Congress has demonstrated strong support for the program since 1996.

Since 2009, privately-owned U.S.-flag commercial vessels and their civilian U.S. citizen crews have transported more than 90% of the sustainment cargo needed to support U.S. military operations and rebuilding programs in Iraq and Afghanistan. Significantly, vessels enrolled in the MSP carried 99% of these cargoes. Without the assured U.S.-flag sealift capability provided by the MSP, U.S. troops stationed overseas could find themselves dependent on foreign vessels and foreign crews to deliver the supplies and equipment they need to carry out their mission.

In 2015, Maritime Administrator Paul Jaenichen told this Committee that "The most significant challenge facing the MSP is the declining Department of Defense cargo due to the drawdown of operations in Iraq and Afghanistan coupled with the over 80% reduction in personnel and military bases overseas."

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

These factors affect the ability of U.S.-flag operators to keep their vessels under the U.S.-flag and to reinvest in new ships which are long term assets and must meet certain specifications in order to be eligible for the MSP. While government cargoes continue to decline, the MSP allows American ship operators to compete for commercial cargo with vessels that fly "flags of convenience" and thus have very low labor, safety, and environmental regulations, and enjoy significant tax incentives along with direct state subsidies. Further, in order to ensure a robust national fleet, other countries often require that a certain percentage of commercial cargo entering or exiting their ports be transported on ships flying their national flag and employing their citizens.

We are extremely pleased that Congress, with strong leadership from the

continued on page 6

Maritime labor testifies continued

Chairman and Ranking Member of this Subcommittee, recently increased the funding authorization for the MSP. This increase, which provides each vessel operating in the program with \$5 million through FY' 2022 rather than previously authorized \$3.1 million, represented an important step in ensuring the viability of the 60 ships operating in the program.

While Congress strongly affirmed support of the program by increasing the authorization, it is important to note that the MSP relies on annual appropriations. As noted by Chairman Hunter and Ranking Member Garamendi as well as a bipartisan group of 77 of their colleagues in a letter to the Appropriations Committee last year, "The Program utilizes existing U.S. maritime private sector capabilities at a fraction of the cost of what it would take if the Federal government were to replicate the vessel capacity and global intermodal systems made available to the Department of Defense by the MSP contractors who continuously develop and maintain modern logistics systems for commercial and defense purposes. The cost to the government of replicating the vessels and intermodal system is estimated at least \$65 billion."

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

In order to secure the availability of U.S.-flag ships with American mariners whenever needed to assist and supply the forward deployed warfighter, we ask for your help to secure full FY' 2019 funding for the Maritime Security Program at its Congressionally authorized level.

THE JONES ACT

The cornerstone of America's domestic maritime policy is the Jones Act. This body of law requires that vessels engaged in commerce between U.S. ports are owned and crewed by American citizens and built in American shipyards. The oceangoing vessels engaged in domestic commerce provide important employment opportunities for licensed and unlicensed American mariners who are also ready and qualified to serve aboard vessels needed by the Department of **Defense.** Without the Jones Act, our country would be reliant on foreign companies and foreign mariners, with unfettered access to our inland river systems, to deliver our domestic cargo.

Congress should continue to support the Jones Act as it is a critically important part of our Nation's maritime policy and our national security.

ENCOURAGING THE USE OF U.S.-FLAG VESSELS FOR INTERNATIONAL COMMERCIAL CARGO

The export of strategic American energy assets presents a tremendous opportunity to increase the size of the U.S.-flag commercial fleet and to provide much-needed employment opportunities for American mariners.

We strongly support the efforts of Congressman Garamendi, Congressman Hunter, and Congressman Duncan and their legislation, H.R. 1240 the "Energizing American Maritime Act" that would require up to 30% of exports of strategic energy assets to travel on U.S.-flagged vessels.

Further we ask that Congress and the Administration consider any and all ways to incentivize or mandate other commercial cargoes to be shipped on U.S.-flag vessels. The U.S.-flag fleet is currently responsible for only 2% of the global U.S. trade. One way this can be accomplished is through the negotiation of bilateral shipping agreements. Congress should give the Administration whatever additional authority it needs to negotiate meaningful bilateral cargo sharing agreements with America's trading partners to provide U.S.-flag vessels with a greater share our foreign trade.

CONCLUSION

We want to ensure that this industry is viable for generations to come. The important role that the U.S. Merchant Marine serves to safeguard our country's military, economic and homeland security cannot be understated.

We are encouraged that the Administration and Congress seem poised to consider comprehensive infrastructure policy. It is important that a renewal of the U.S. Merchant Marine is considered as a part of that discussion. We stand ready to work with you to achieve these objectives."

Patriot Contract Services

LMSR wage and benefit rates

effective January 27, 2018

USNS Gilliland, USNS Gordon, USNS Shughart, USNS Yano

Full Operating Status (FOS)

	Monthly Base Wage	Daily Base Wage	Hourly Overtime Rate	Vacation Days Per Month	Monthly Benefit Base	Monthly Supple. Benefit	Daily Supple. Benefit	Money Purchase Plan
Bosun	7,919.23	263.98	27.98	16	5,794.33	3,090.31	103.01	11.72
AB	5,605.35	186.84	19.54	16	4,120.31	2,197.51	73.24	11.72
OS	4,529.51	150.98	18.03	16	3,159.27	1,684.94	56.17	11.72
Reduce	ed Operati	ng Statu	s (ROS)					
	Maralaha	<u> </u>	,				.	Daily

	Weekly Base Wage	Daily Base Wage	Hourly Overtime Rate	Vacation Days Per Month	Monthly Benefit Base	Monthly Supple. Benefit	Daily Supple. Benefit	Daily Money Purchase Plan
Bosun	1,392.41	198.91	27.98	6	5,794.33	1,158.86	38.63	11.72
AB	985.90	140.83	19.54	6	4,120.31	824.06	27.47	11.72
OS	754.45	107.76	18.03	6	3,159.27	631.86	21.06	11.72

Matson Navigation Company

wage rates for M/V Kamokuiki effective July 5, 2017

	Base	Base	Supple.	
	Wage	Wage	Wage	
Rating	Monthly	Daily	<u>Daily</u>	
Bosun (1)	\$5,160.90	\$172.03	\$63.47	
AB (3)	\$3,464.10	\$115.47	\$49.50	

Unlicensed personnel shall earn ten (10) days of supplemental wages for each thirty (30) days employed, or pro rata.

Overtime	Overtime	Cargo Rate	Cargo Rate
Rates	<u>Hourly</u>	<u>0800-1700</u>	<u>1700-0800</u>
Bosun (1)	\$33.28	\$26.79	\$44.16
AB (3)	\$33.28	\$26.79	\$44.16

SUP Money Purchase Pension Plan: \$25 per day for all ratings.

Former Fitzgerald, McCain skippers face criminal charges by U.S. Navy

The U.S. Navy is filing criminal charges against two former commanders of military ships that were involved in fatal collisions with cargo vessels in the Pacific Ocean last year.

In a statement on January 16, Acting U.S. Navy Chief of Information Captain Greg Hicks said that Admiral Frank Caldwell, the officer overseeing the USS Fitzgerald and USS John S. McCain collision incident investigations, has decided to file multiple criminal charges against high ranking officers that were serving on each vessel during the collisions.

The John S. McCain and oil/chemical tanker Alnic MC collided off the coast of Japan on August 21, 2017, killing 10 U.S. sailors. In the crash between the Fitzgerald and ACX Crystal on June 17, seven U.S. sailors were killed and three others severely injured.

"After careful deliberation, Admiral Frank Caldwell announced that Uniform Code of Military Justice charges are being preferred against individual service members in relation to the collisions," Hicks said.

In the Fitzgerald incident, court-martial proceedings are being convened to review evidence supporting possible criminal charges against the vessel's then-Commanding Officer, two Lieutenants, and one Lieutenant Junior Grade. The charges include dereliction of duty, hazarding a vessel and negligent homicide.

In regards to the John S. McCain collision, one court-martial proceeding is being convened to review evidence supporting possible criminal charges against the warship's then-Commanding Officer.

The charges include dereliction of duty, hazarding a vessel and negligent homicide. In additional, a charge of dereliction of duty for a Chief Petty Officer is pending, according to Hicks.

A report released last November by the Navy's operations chief said that both accidents were preventable and blamed both on human error.

The collision between the John S. McCain and Alnic MC resulted primarily from "complacency, over-confidence and lack of procedural compliance," the unclassified version of the 72-page report notes. "A major contributing factor to the collision was sub-standard level of knowledge regarding the operation of the ship control console."

In particular, the report states that the commanding officer of the John S. McCain, Commander Alfredo Sanchez, disregarded recommendations from his executive officer, navigator and senior watch officer to establish sea and anchor watch teams in a timely fashion to ensure the safe and effective operation of the ship.

The collision between the *Fitzgerald* and *ACX Crystal*, the U.S. Navy determined, was avoidable and resulted from an accumulation of smaller errors over time, ultimately resulting in a "lack of adherence to sound navigational practices."

Specifically, the report states that watch teams on the Fitzgerald "disregarded established norms of basic contact management" and, that leadership on the vessel "failed to adhere to well-established protocols" in place to prevent collisions.

The report notes that the ship's top three leaders -Commander Bryce Benson, Commander Sean Babbitt and Command Master Chief Brice Baldwin - were all absent from the bridge at the time of the collision.

ESU Office Assignments

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



Official Publication of the Exxon Seamen's Union

ExxonMobil Seminar dates for 2018

(Late Career Pre-Retirement Planning Course)

Houston Campus, TX

April 18-19

If you are eligible, or soon to be eligible to retire from the Company, you should consider attending a pre-retirement planning seminar that is offered by ExxonMobil. Eligibility normally means within three years of the minimum age to retire for the unlicensed group (50) with a minimum 15 years of service at the time you elect to retire. The classes tend to fill up quickly; some may be filled up by the time we go to print. If you are interested in attending and know the session you wish to attend, you should then notify Helen Wright at 832-624-7759 for enrollment. Limited space is available per each class so plan. Below are the dates for 2018.

Date	Location	<u>Date</u>	Location
February 14-15	Houston Campus, TX	May 16-17	Baton Rouge, LA
February 22-23	Paulsboro, USA	May 16-17	Calgary, Canada
February 27-28	Baytown, TX	May 23-24	Houston Campus, TX
March 1-2	Irving, TX	June 5-6	Houston Campus, TX
March 6-7	Fort Worth, TX	June 12-13	Baytown, TX
March 13-14	Houston Campus, TX	June 19-20	St. Johns, Canada
March 14-15	Fort Worth, TX	June 20-21	Paulsboro, USA
March 20-21	Baton Rouge, LA	June 27-28	Houston Campus, TX
March 20-21	Fort Worth, TX	July 11-12	Houston Campus, TX
April 18-19	Clinton, NJ	July 12-13	Clinton, NJ

2018 PPE reminder

Personal protective equipment packets with clothing order instructions and safety eyeglasses card should be mailed to fleet personnel from the SeaRiver Safety Department around the last week of January. Some employees may receive an e-mail with an attachment that includes forms and instructions on how to order the clothing through Wayne Industries.

Employees are eligible to order six (6) articles of clothing per year (6 pair of coveralls, or 6 shirts and 6 pants or a combination of the aforementioned). Steward department personnel will also receive their packets, which will have different options.

The maximum reimbursement for safety glasses is \$150 and will be reimbursed through company payroll after you submit your receipt. Safety glasses frames and lenses must meet Z87.1 standard and needs to be specified on the receipt.

The Safety Shoe Program was changed during 2011 bargaining and is now a cash subsidy amount of \$200 and will be paid on a non-taxable basis through payroll by February 15, 2018.

The Winter (Arctic) Clothing allowance, was last paid in 2015 and is due to be paid again by February 15, 2018. Under this program, employees are allowed to purchase winter clothing from any vendor they choose and receive a tax assisted payment of \$400 dollars in mid February once every three years.

The ESU was notified by the Company that the entries for the Shoe Allowance and the Artic Clothing Allowance should be on the January 31, 2018 pay vouchers.

Ship reports

S/R American Progress

ESU Board officer Leo DeCastro visited the vessel at Valero Dock in Port Arthur, Texas, on January 5, where the ship was loading its first U.S. cargo since coming back from the shipyard. Ship Representative AB Larry Miles reports all is going OK. The vessel is expected to resume its previous routes loading gasoline in the Gulf Coast to Florida.

Eagle Bay

ESU Board officer Leo DeCastro visited the ship at Andeavor 121 on December 29, in Long Beach, California. The vessel continues to trade between Valdez, Alaska, and multiple discharges in the West Coast ports. Temporary ship representative AB Peter Flaherty filling in and reports all is well. The vessel spent a few days in Port Angeles, Washington, to discharge the slops they have been carrying for awhile and also to complete inspection of tanks for Crowley.

Liberty Bay

The *Liberty* continues loading in Valdez, Alaska, for discharges in the Puget Sound and San Francisco. Current trip south is scheduled for discharge in San Francisco, and then up to the Puget Sound where the vessel will be completing tank inspections also for Crowley. Inspections will be done at the Port Angeles City Dock, Washington.



Accepting 2017 Environmental Achievement Awards on behalf of SeaRiver are left to right: Lesa Green, Kelly Baughman, Francisco Sta Cruz, Greg Ferrone, Michael Harrison, Greg Saupe, Didi White, John Haw and Andy Bush.

2017 Environmental Achievement Awards

In November the SeaRiver fleet received 2017 Environmental Achievement Awards presented by the Chamber of Shipping of America at a dinner ceremony in the Ronald Reagan Building in Washington, D.C.

Awards were presented to the *S/R American Progress*, recognizing the seagoing employees of SeaRiver Maritime for their dedication to working safely and protecting the environment. This award was given to the vessel for operating 19 years with zero recordable safety incidents and zero spills. Additionally, the *Liberty Bay* (three years) and *Eagle Bay* (two years) received awards for the same accomplishments.

Operations Vice President Keith Trotter said, "These results underline the level of professionalism our officers and mariners continue to demonstrate. A strong focus on doing every task safely and looking out for one another will be critical as we navigate through the transition in 2018."

From the ESU's perspective this kind of recognition rings very hollow now with the pending sale of the fleet to Crowley. Especially when we consider that despite our outstanding safety and environmental achievements, those achievements were not good enough to convince ExxonMobil to stick with a proven group instead of taking a chance by out sourcing to a third party.

2018 ESU Holiday schedule

As per the CBA, Article IV, the following is the schedule of Holidays for 2018. Holidays are observed on the day designated by federal guidelines, i.e., the Federal Uniform Holiday Act.

New Year's Day Monday, January 1 Martin Luther King Day Monday, January 15 Presidents' Day Monday, February 19 Memorial Day Monday, May 28 Independence Day Wednesday, July 4 Labor Day Monday, September 3 Columbus Day Monday, October 8 Veterans Day Monday, November 12 Thanksgiving Day Thursday, November 22 Christmas Day Tuesday, December 25

EXXON SEAMEN'S UNION

Founded March 28, 1941

Affiliated with the Sailors' Union of the Pacific

P.O. Box 754, Seabrook, TX 77586 Tel (832) 295-3047 Fax (832) 201-0441 E-Mail: esusea@sbcglobal.net

President/Secretary John Straley

Vice President/Treasurer Leo DeCastro Board Member at Large Don Picou Board Member at Large Ein Cooley

Deck Trustee Jeffrey Harris Engine Trustee William Ackley Steward Trustee Joel Mitchell

DOT announces important changes to regulations governing drug testing

On November 13, 2017, the U.S. Department of Transportation (DOT) issued amendments to its drug testing regulations. These changes were scheduled to take effect January 1, and apply to all who ship with the Sailors' Union of the Pacific (SUP). These are the significant changes that SUP members should be aware of:

The following drugs have been added to the panel that mariners are tested for: hydrocodone, hydromorphone, oxymorphone, and oxycodone. (Some of the brand names for these drugs are: Norco, Vicodin, Vicoprofen, Percocet, Percodan, Zohydro ER, Hysingla ER, Dilaudid, Exalgo, Numorphan, Oxaydo, OxyContin, Oxyfast, Roxicodone, Opana, Opana ER and Xtampza ER.) If you are not sure if you are taking one of these medications, talk to your doctor or pharmacist.

If a mariner tests positive for one of the drugs listed above, the Medical Review Officer (MRO) will verify whether the mariner has a legally valid prescription for the drug. If the mariner has a legal prescription, the drug test will be reported as negative. The MRO must then allow the mariner five (5) business days so that the mariner's physician can contact the MRO, to see if a different drug can be prescribed that does not make the mariner

medically unqualified and will not pose a safety risk. If the prescription cannot be changed or the doctor does not respond, and the MRO determines that the drug is a safety risk, the MRO will report this information to the Seafarers Medical Center. The mariner will then be medically unqualified to ship through the SUP, until the prescription is changed, or the mariner is no longer taking this drug.

If the mariner tests positive for one of these drugs and does not have his or her own valid prescription for the medication, the test will be reported by the MRO to the Coast Guard as a positive test.

You should be aware that the Coast Guard does not permit a mariner to ship if he or she is taking any of the opioids listed above. If you are currently taking one of these prescriptions, talk to your provider about other treatment options. If you feel that you may require treatment for addiction to a medication and you would like to have a confidential discussion about your options, you may contact the SUP Welfare Plan's Employee Assistance Provider, Human Behavior Associates at 1 800.937.7770 or www.callHBA.com

The complete DOT notification is available online at the following web address: https://tinyurl.com/yclx2jqn.

Membership and Ratings Committee

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

Name and Members	ship Number	Seatime	Rating	Seniority
Matthew Sprague	#19539	1 Year	AB	В
Peter Samuelsen	#19540	1 Year	AB	В
Jayson Lacey	#19541	1 Year	OS	В
Charles Stearer	#19542	1 Year	AB	В
Robert Richard	#19543	1 Year	OS	В
Romelito Linatoc	#19544	1 Year	AB	В
Robert Bamberg	C2721	30 Days	AB	C
Steven Browning	C2722	30 Days	OS	C
Isaiah Seals	C2723	30 Days	OS	C
Henry Ramirez	C2724	30 Days	AB	C
Donal O'Sullivan	C2725	30 Days	AB	C
Ayed Ihsun	C2726	30 Days	OS	C
Bosun Stamp - None				

Membership and Ratings Committee's Report: M/S to concur in the Committee's report. Carried unanimously. Membership and Ratings Committee: Allen Gonzalez #3003, Cirilo Sajonia #19387 and Kenneth Thueringer #3298.

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

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Welfare Notes - January 2018

SIU Pacific District Pension Plan Notes

The Plan provides two types of pension – Deferred Vested Pensions and Pensions Vesting at Retirement. The latter are employer subsidized early retirement benefits. If you qualify for more than one pension, you will receive only the one that is the largest. A few highlights from the SIU Pacific District Pension Plan rules are outlined below:

Deferred Vested Pension

The Plan provides a Deferred Vested Pension benefit payable at Normal Retirement Age (usually age 65.) The amount of the benefit depends on the pension credits accumulated.

One Year of Vesting Service

125 days of covered employment within a calendar year

Benefit Credits

125-199 days: pro rata benefit 200 days: full year vested benefit credit

Vesting Requirements

Before August 1, 1999, 10 years of vesting service for active employees

After 7/31/1999, 5 years of vesting service for active employees

If following a Plan participant's most recent year of vesting service, a participant with less than 10 aggregate years of vesting service has one or more one-year service breaks before January 1, 1999, then the required number of aggregate years of vesting service shall continue to be ten until the participant completes one year of vesting service after December 31, 1998.

(Exceptions to the above vesting periods may apply in accordance with break in service rules.)

Breaks in Service

Until your benefit is "vested", you may lose your accumulated pension credits if you have a Break in Service. Prior to January 1, 1985, you experience a Break in Service for purposes of the Deferred Vested pension if the number of consecutive calendar years in which you have 62 or fewer days of service equals or exceeds the number of accumulated prior calendar years in which you had 125 or more days of service provided, however, that from January 1, 1985 and after, you will not suffer a Break in Service until you have at least five consecutive calendar years with 62 or fewer days of service. Your accumulated years of vesting service cannot include years lost because of a previous break in service.

(Above is a brief extract from the break in service rules only. Contact the Plan Office for discussion of how break in service rules may apply to your particular circumstances.)

Pensions Vesting at Retirement

The following pensions may be payable before Normal Retirement Age based on the number of qualifying years earned within the applicable qualification period:

Pension Type	Qualifying Years Requirement	Minimum Age
Long Term	25	55
Basic	20	55
Reduced	15-19	65
Disability	Minimum of 10 years	Any age

Year of Qualifying Time

200 days of covered employment within a calendar year equals a full year of qualifying time. Less than 200 days within a calendar year will earn a pro rata partial year of qualifying time. No credit will be earned for covered employment in excess of 200 days in any calendar year.

Loss of Qualifying Time

A Plan participant shall lose all qualifying time credit if he or she: 1) has failed to maintain seniority shipping rights under the provisions of the Collective Bargaining Agreement; or 2) has failed to work at least 1 day in covered employment or in a non-covered standby employment for a contributing employer in any 2 calendar year period after having attained seniority shipping rights; or 3) did not have seniority shipping rights on June 15, 1965 under the provisions of the Collective Bargaining Agreement, provided that a Plan participant shall be deemed to have seniority shipping rights on June 15, 1965 if he or she was working in covered employment on June 15, 1965, or was eligible for registration or employment on a seniority basis on that date at one of the hiring halls of the Pacific District Unions.

Any such Plan participant who reenters covered employment after having so forfeited his qualifying time shall accumulate qualifying time only after the date he or she last forfeited Qualifying time.

A Plan participant cannot lose previously acquired qualifying time if he or she has fulfilled all of the eligibility requirements for a Basic or Long Term Pension at any time since June 16, 1978.

Integration Agreements

The SIU Pacific District Pension Plan entered into INTEGRATION AGREEMENTS with the Chevron/SUP/Marine Pension Plan, ExxonMobil and the San Francisco Bar Pilots Marine Pension Plan.

Example Calculation for a Pro-rata Benefit(s):

Applicant is age 60;

Applicant has accumulated 32 Qualifying Years.

Applicant is entitled to receive the current maximum amount of \$2,075.00

SIU-PD Pension Plan: 23.0 Qualifying Years
Other Plan: 9.0 Qualifying Years

Total Qualifying Years: 32.0

\$2,075.00 ÷ 32.0 Qualifying Years = \$64.84375 (Per Qualifying Year)

 $64.84375 \times 23.0 = 1.491.40625$ SIU-PD Pension Plan

\$ $64.84375 \text{ x} \quad \underline{9.0} = \$ \underline{583.59375}$ Other Plan

32.0 \$2,075.00

In no event does the SIU Pacific District Pension Plan integrate with any of the other plans for vesting or Deferred Vested Benefit purposes.

Space does not allow a full listing of the SIU-PD Pension Plan rules. Questions regarding Exceptions, Break-in-Service rules or Accumulated Vesting or Qualifying Time should be directed to the Plan Office.

SIU Pacific District Pension Plan: 415-764-4987

UN pursues new treaties Death in the East China Sea to protect the high seas

The United Nations General Assembly voted last month to pursue an international treaty to protect the marine environment on the high seas.

According to the Pew Charitable Trusts, the treaty would be the first of its kind, extending beyond MARPOL's (International Convention for the Prevention of Pollution from ships) regulation of marine pollution and UNCLOS' (United Nations Convention on the Law of the Sea) demarcations of sovereignty. It would provide a cohesive global system to coordinate the conservation and use of marine biodiversity and to account for the impact of human activities on the high seas, including fishing and shipping. It would also pave the way for the creation of marine protected areas (MPAs) and fully protected marine reserves on the high seas, which would protect key areas of biodiversity.

"After more than 10 years of discussion, it is encouraging that United Nations member states unanimously agreed to move forward in 2018 with negotiations for an international agreement that would fill the gaps in ocean management," said Liz Karan, Director of Pew's campaign for the treaty. "The international community, including scientists . . . agrees that at least 30% of the world's ocean should be set aside in MPAs and reserves to achieve a sustainable ocean. Protecting biodiversity on the high seas will be a key component of moving toward this goal."

"This is the biggest opportunity to change the status quo we have ever had," said Will McCallum, head of oceans for Greenpeace, speaking to *The Guardian* newspaper. "It could change everything."

The vote means that the UN will hold four meetings over the next two years at which representatives will draft a final treaty, a process that is similar in nature to the series of meetings that led to the Paris Climate Agreement. If a new high seas protection treaty is ultimately enacted, it will have to rely on the efforts of member states' navies and maritime authorities for enforcement.

The UN is also moving towards an international treaty to establish "zero tolerance" for land-based discharge of plastics into the ocean. Ships have been forbidden to throw plastic over the side ever since MARPOL was enacted, but no international law exists to prevent communities on shore from polluting the seas with long-lasting, harmful plastic waste. Last month, the UN Environment Assembly adopted a resolution on marine litter and microplastics that calls on member states to take a "source-to-sea approach" to combat the shoreside trash that ends up in the water.

"At the current rate, we'll end up with more plastic in the oceans than fish by the middle of the century, and ultimately that comes back to our own food chain," said Erik Solheim, Executive Director of UN Environment. "We don't need food to be systematically wrapped in plastic, and we certainly don't need plastic straws or throwaway plastic coffee cups . . . This is an environmental disaster caused by laziness that is easily fixed by a healthy dose of innovation and political will."

Maritime Union of Australia questions national fuel security

The Maritime Union of Australia (MUA) is calling on the federal government to look at ways to increase Australia's fuel security after an incoming Liberal Senator raised concerns over the nation's small national reserves of fuel. Analysts say reserves could be as low as two to three weeks.

Senator Jim Molan, the former chief of operations for coalition forces in Iraq, said if Australia's current stockpiles of petrol, diesel and aviation fuel ran dry then the military would effectively be grounded.

"We are almost unique throughout the world in that we don't have a government-mandated strategic reserve of fuel," Molan told the Australian Broadcasting Company. "You can have all the fantastic equipment this government is building and buying, but if you haven't got fuel ... then we've got a discontinuity at the center of our strategy."

Australia is the only member of the International Energy Agency (IEA) that does not meet the requirement of 90 days of liquid fuel supplies. Parliament has passed a bill to make Australia complaint by 2026, but this relies in part on other countries to release oil on our behalf.

At the time of the November release of the 2017 Foreign Policy White Paper, another ex-military member of Federal Parliament, Liberal backbencher Andrew Hastie, said he was very concerned about the issue and is open-minded to any suggestions, such as a fuel levy. Such warnings are not new, with former Liberal senator Bill Heffernan in December 2015 saying that Australia's security was being put at risk because of dwindling fuel supplies and urged the government to address the problem.

MUA National Secretary Paddy Crumlin says the government had allowed refineries to close and the number of Australian-crewed fuel tankers to decline to zero under its watch. "There are now no Australian-crewed tankers supplying fuel to our nation, down from 12 in the year 2000. At the same time, the number of refineries has halved to four. This means we now import more than 90% of our fuel and that number is rising," Crumlin said.

"A Senate inquiry into fuel security in 2015 heard that Australia's total stockholding of oil and liquid fuel comprises of two weeks of stocks at sea, five to 12 days of supply at refineries, 10 days of refined stock at terminals and three days of stocks at service stations.

"This isn't only a matter of fuel security but also national security," says Crumlin. "Unlike Australian seafarers, foreign crews have no background checks yet they are carrying petroleum products, ammonium nitrate and LNG around the Australian coast."

Hopes of finding any surviving seafarers in the Panama-flag, Iranian-owned tanker Sanchi have ended as the vessel has finally sunk, after burning at sea for a week.

Sanchi, built in 2008 and part of National Iranian Tanker Company's fleet, collided with the Hong Kong-flag CF Crystal, a 2011-built Panamax bulk carrier, on January 6, and had been burning since then.

China's Ministry of Transport said on January 14, that another explosion occurred on the Suezmax tanker at about noon Shanghai time, causing the vessel to sink in the East China Sea.

Of the 32 crew members on Sanchi, 29 remain missing after three bodies were found during search-and-rescue operations conducted by Chinese, Japanese, and South Korean personnel. The crew comprised 30 Iranians and 2 Bangladeshis. A body found on January 8, is believed to be an Iranian crew member although identification is pending.

Mohammad Rastad, a spokesperson for an Iranian team sent to assist with the search-and-rescue operations, was quoted by Reuters as saying there was no chance that any survivors could be found. He said crew members of CF Crystal had indicated to investigators that all the Sanchi seafarers were killed within an hour of the collision due to the explosion and the release of toxic gases.

Sanchi was carrying 136,000 tons of gas condensate from Assaluyeh, Iran, to Daesan, South Korea, when it collided with CF Crystal, which was carrying U.S. wheat cargoes to Machong, China.

All 21 seafarers on CF Crystal, comprising Chinese nationals, were unhurt. CF Crystal has been brought to Luhuashan for investigations.

Los Angeles city attorney sues port trucking companies, alleges driver exploitation

The office of Los Angeles City Attorney Mike Feuer has filed lawsuits against three Port of Los Angeles drayage trucking companies, alleging that each has engaged in "a scheme to misclassify truckers working in their employ as independent contractors instead of employees" so that the companies can dodge obligations to provide workers benefits, pay relevant taxes, and shift operating costs.

The city attorney's office announced the litigation against CMI Transportation, K&R Transportation California and Cal Cartage Transportation Express on January 8. The companies, which are each named in three separate lawsuits, rely on fleets of truck drivers to provide short distance transit of cargo between the ports, railyards and warehouses.

The lawsuits allege that the companies purposely classify their drivers as independent contractors rather than employees to avoid obligations to pay employee benefits, including unemployment insurance, workers' compensation, minimum wage, and reimbursement for thousands of dollars of business expenses.

"Allegedly misclassifying drivers also allows each company to avoid paying applicable California taxes, instead shifting this responsibility to the drivers," the city attorney's office explained in a statement. "While these companies increase their profits, drivers may take home as little as a few cents in a work period."

CMI, K&R and Cal Cartage each allegedly exert "near complete control" over their drivers' assignments and details of their work – the most significant factor in determining if a worker is an independent contractor or an employee under California law, the city attorney's office alleges.

"The companies allegedly make assignments, unilaterally set the rates they pay drivers and retain and exercise the right to terminate drivers without cause," the city attorney's office said in a statement. Each of the companies exert further control

over their drivers by allegedly utilizing a leasing scheme for trucks, which pushes their associated costs to the drivers."

The terms of the leases allegedly place strict quotas on drivers' workloads and, in practice, substantially restrict the ability of drivers to take the truck with them if they are terminated or want to pursue other opportunities. Thus, Feuer's office has said, drivers are essentially forced to continue working for these companies or risk losing their significant investment in their trucks.

The lawsuit seeks to enjoin each of the trucking companies from continuing to engage in their current business practices and to adopt measures that immediately remedy violations. It also seeks restitution of any money or property the companies acquired or retained as a result of the alleged business practices, as well as civil penalties of up to \$2,500 for each violation.

"We allege these port trucking companies take advantage of hundreds of hard-working drivers, requiring them to pay onerous expenses just to do their jobs, while leaving them without basic benefits and protections-all to boost the companies' profits," Feuer said. "It's wrong and we're fighting to stop it."

Los Angeles City Councilman Joe Buscaino, who represents the district that includes the port applauded the city attorney's actions.

"I commend the City Attorney for dedicating the resources of his office to addressing this problem, filing this lawsuit and fighting on behalf of the people of California, who deserve a fair competitive marketplace where no company is allowed to gain an unfair advantage by exploiting human beings for the sake of corporate profits," he said in a statement.

The three trucking companies being sued by the city have yet to publicly issue any comments on the litigation, but the Harbor Trucking Association

DEFEND THE MARITIME SECURITY PROGRAM SUPPORT THE SUP POLITICAL FUND



SUP President's Report

January 8, 2018

GOVERNMENT VESSELS

Ready Reserve Fleet (RRF) vessels:

In accordance with the Memoranda of Understanding between the SUP, Matson and Patriot Contract Services covering the *Cape Henry, Cape Horn, Cape Hudson* (managed by Matson) and the *Admiral Callaghan, Cape Orlando, Cape Taylor, Cape Texas, Cape Trinity and Cape Victory* (managed by Patriot), there shall be a 2% increase in wages and wage-related items (overtime, vacation pay) effective January 22.

Also, in accordance with Agreements with Matson and Patriot, the Unions have the right to allocate funds from the wage increase to the various benefit funds.

Therefore, recommend, subject to membership approval, that the wage increase be allocated to increase the daily contribution rate to the Pacific District Pension Plan from \$10 to \$20. As the membership will recall, the contribution rate was raised to \$20 in bargaining with Matson last summer and an allocation of \$10 to \$20 was made in October from the wage increase for the Watson-Class LMSRs. The rates for the RRF Fleet will be published in next month's *West Coast Sailors*.

Surge LMSRs:

In accordance with the Memorandum of Understanding between the SUP and Patriot covering the Large, Medium-Speed, Roll-On/Roll-Off (LMSR) vessels in surge status (*Gilliland, Gordon, Shughart* and *Yano*), there shall be a 2% increase in Total Labor Costs (wage, overtime, Supplemental Benefits, contributions to the various plans) effective January 27.

Since these vessels will not be operated by Patriot after April of this year, there is no recommendation to allocate to the Pension Plan, therefore, recommend that wages and overtime be increased 2%, in addition to all the other Total Labor Costs...

New wage rates for the Surge LMSRs will be published in this month's *West Coast Sailors*.

Kwajalein Range Services:

Last month Patriot informed the Union that Kwajalein Range Services had requested Patriot to submit proposed pricing for two six-month extensions of the current crewing services contract which expires at the end of February.

The SUP, MFOW and Patriot agreed, subject to membership approval, to submit pricing for the two possible contract extensions at a Total Labor Cost that is 2.75% higher than current costs.

Recommend membership approval of the proposed increase.

UFCW LOCAL 5

In 2006, Northern California grocery store and other retail workers represented by the United Food Commercial Workers (UFCW) voted to merge several locals including Locals 120, 373, 1096, 839, 870, 1179 and 428 into a single large Union local called Local 5 representing 25,000 workers from Salinas to Eureka.

Since the mid-1990's the SUP has been the collective bargaining representative of the Union representatives of Local 870 based in Hayward. The other locals had been represented by the Federation of Agents and International Representatives known as FAIR. After the merger, the SUP was notified by members and prospective members of significant interest in unit-wide SUP representation with a view to improvements that might be available with a standardization of contracts and collected pledge cards to that effect.

In December of 2015 there was a National Labor Relations Board (NLRB) hearing on the matter in San Francisco, followed by an election in January of 2016 at which the SUP was declared the winner. Then followed NLRB decisions in favor of SUP on election

protests raised by FAIR, and the new unit was finally confirmed and consolidated under SUP representation in April. In May, SUP Vice President Dave Connolly, held an informational meeting with the unit membership in Hayward in preparation for bargaining followed by several meetings of the Negotiating Committee whose members included Efrain Aguilera, Alfredo Delgado, Marla Donati, Maggie Federer, Mike Frenna, Mike Henneberry, Mike Jones and Connolly.

The Committee developed proposals for bargaining and vetted them with the membership, but due to a delay related in part to the employer's own negotiations with Safeway, bargaining finally commenced on April 21, 2017 and in June the employer recognized the SUP as the sole representative of all of Local 5's representatives, Directors, and other staff in a Memorandum of Understanding. On August 23, 2017, the SUP Negotiating Committee and Dave Connolly met with the employer, represented by Local 5 President John Nunes, and resumed bargaining reaching a tentative agreement that was endorsed by the Committee. In discussion ahead of ratification there were meetings between the Committee, the employer, and the membership that produced clarifications and some minor revisions. A final Agreement was ratified at a meeting on November 15, 2017 in Hayward, with the members voting in favor by a margin of 34 to 1.

First among its achievements is broad new recognition of the SUP as the sole representative of a single bargaining unit that created uniform rates of pay, conditions and benefits at Local 5. It also included wage increases of 2% on January 1, 2018, another 2% on January 1, 2019, and an additional 2% on January 1, 2020 as well as a 3% lump sum retroactive ratification bonus. The concession-free agreement also confirmed and maintained access to Plan A health benefits, reduced the number of%age pay progression steps, confirmed a phone allowance, expanded a sick leave donation policy, and standardized the vacation benefit for those not already receiving the higher rate, among other improvements. The agreement expires on December 31, 2020 unless automatically renewed. Recommend membership ratification.

QUARTERLY FINANCE COMMITTEE

In accordance with Article XVII, Section 2 of the SUP Constitution, a Quarterly Finance Committee shall be elected at today's meeting to review the finances of the Union for the fourth quarter of 2017, and report back to the membership at the February Union meetings. In the event the Committee cannot be filled today, or is short-handed when it convenes, recommend that committee members be shipped off the hiring hall deck as per past practice.

The Quarterly Finance Committee will meet at Headquarters at 8:00 A.M. on Tuesday, February 13.

HOLIDAYS

Martin Luther King, Jr.'s Birthday: All SUP halls will be closed Monday, January 15. This is a holiday under all SUP contracts except Foss Maritime Company. Due to the holiday, the Branch meetings will be held on Tuesday, January 16.

Lincoln's Birthday: Since this holiday falls on a Monday, February 12, in accordance the agreements with APL, Chevron, Matson and the San Francisco Bar Pilots, the Headquarters meeting will be held on Tuesday, February 13.

Presidents' Day: All SUP halls will be closed Monday, February 19, in accordance with the Agreements with APL, Foss, Matson and Patriot Contract Services. Due to the holiday, Branch meetings will be held Tuesday, February 20.

Washington's Birthday: This holiday, which also falls on Monday, February 19, this year, is observed under the Chevron Agreement, and for all Marine Employees and Dispatchers employed by the San Francisco Bar Pilots.

ACTION TAKEN

M/S to allocate from the RRF wage package for an additional \$10 contribution to Pension Plan. Carried unanimously.

M/S to allocate 2% increase in wages in Surge LMSR's entirely to wages. Carried unanimously.

M/S to allocate 2.75% increase in KRS contact to wages. Carried unanimously.

M/S to ratify UFCW agreement. Carried unanimously. M/S to elect Quarterly Finance Committee. Elected were: Phil Coulter, Paul Fuentes, Frank Portanier, Isiah Stafford, and Mike Worth.

M/S to concur with the balance of the President's Report. Carried unanimously.

Gunnar Lundeberg

Grounding in Canada: Master was multi-tasking

The Transportation Safety Board of Canada has released its report into the October 2016 grounding and abandonment of the passenger vessel *Stellar Sea* in Warn Bay, British Columbia, stating that insufficient passage planning and inadequate lookout for hazards contributed to the incident.

On a cloudy afternoon of October 1, 2016, the *Stellar Sea*, with 26 passengers and two crew members on board, departed Tofino, British Columbia, on a bear-watching excursion. The master navigated the vessel along the confined shallow waters of Fortune Channel while, at times, looking out for wildlife. The master was also communicating with the company, the deckhand and the passengers. After spotting a bear in Warn Bay, he navigated in its direction. At approximately 1744, the *Stellar Sea* struck a rock and went aground, causing two passengers to fall and sustain minor injuries.

The company dispatched two vessels to rescue the passengers. Nine of them boarded the first vessel to arrive. However, as the ebbing tide caused the *Stellar Sea* to heel progressively to port, the remaining 17 passengers were instructed to abandon ship and move onto the rock until the second rescue vessel arrived. The Canadian Coast Guard (CCG) was informed of the occurrence four-and-a-half hours after the grounding and once the passengers had been safely evacuated. The vessel was refloated and towed on October 3 for inspection and repairs.

The investigation determined that there was insufficient passage planning prior to the occurrence. Planning did not include strategies to identify and mitigate the risks posed by navigating alone in a challenging marine environment, filled with numerous hazards, such as rocks, reefs and a large tidal range. For example, the chart plotter and the echo sounder system were not used to their full potential, and available safety zone alarms were not enabled.

The investigation also found that there was inadequate lookout for hazards during the voyage. No dedicated lookout had been posted. The master, alone in the wheelhouse, was performing multiple tasks that interfered with his ability to focus on the course ahead. As a result, no one saw the protruding rock in time to prevent the accident.

In June 2017, in response to the 2015 capsizing of the whale-watching vessel *Leviathan II*, the Safety Board recommended to Transport Canada that it require commercial passenger vessel operators to adopt explicit risk management processes and that it develop comprehensive guidelines to assist with the implementation and oversight of those processes.

In March 2017, *Stellar Sea's* owner company updated the emergency and operational procedures manual to emphasize the requirement to contact the CCG in an emergency. The frequency of safety drills was also increased.

Hawai'i study says interisland ferry isn't realistic

Results are in from a new Hawai'i state study: The ferry isn't going to happen. There's more hype than actual interest. There's no pier space. And it's just too expensive.

The situation probably won't change until "substantially" cheaper or "drastically" faster ferry technologies are created, according to the Hawai'i Department of Transportation, even though "no other state depends on ocean or water transport to the degree Hawai'i does."

Inter-island, intra-island and intra-county routes were all written off as infeasible. High costs and a lack of pier space are the top reasons a ferry wouldn't work, according to the report. Generally, support is high, but few people would actually use it. A state subsidy would be needed to sustain the system.

A July state audit found Hawai'i still owed \$33 million on the Superferry, which ran from 2007 to 2009 until it was shut down for failing to complete an environmental review prior to commencing operation. Taxpayers would continue to pay off the Superferry charges until 2028. The state also paid \$38 million for Superferry barges and vehicle ramp systems. They were later sold to Vogel Equipment at just one% of the original value, or \$380,000, according to a state audit.

But if history is any indication, this isn't the last Hawai'i will hear of a ferry. More than 70 studies, reports and publications on a Hawai'i ferry service have been published since 1956—before Hawai'i became a state. Half of those are feasibility studies, much like the report made public this month. Many of those studies also came to the conclusion that the ferry wouldn't work, according to the report, which was paid for with a \$50,000 appropriation from the Legislature.

The latest DOT study looked at four types of vessels and multiple routes, such as one that once ran from West Oahu to downtown. Based on public feedback, the state determined the impact of a ferry on that commuter route "would possibly go unnoticed." The estimated cost of a round-trip daily ticket for West Oahu commuters would be \$20.

Infrastructure costs exceed \$100 million

Of the 12 harbors analyzed, some would need infrastructural improvements such as an expanded parking lot, or ramps to load cars and cargo onto ferries. Infrastructural improvements could cost more than \$100 million.

Maui's Kahului Harbor, deemed "the most popular inter-island ferry destination from Honolulu" in the report, already has such high traffic that it couldn't handle a ferry service.

Environmental factors were also a consideration in the study. Invasive species such as fire ants, coqui frogs and the gorse plant found on Hawai'i Island could be accidentally transported to other islands through soil, litter or personal items stowed on board, according to the report. The Superferry developed a list of protocols to combat the transport of invasive species, but there would still be a risk.

Further complicating the situation, the federal government would need to sign off on the project. Necessary infrastructural changes "in or over water" would trigger a federal review under the National Environmental Policy Act, the report said.

Vessels would cost from \$10 million to \$104 million, according to the study, as they would have to be built in the United States.

Supporting the concept

Public interviews of almost 1,500 randomly selected Hawai'i residents suggest people support an inter-island ferry, the report said, because it would provide an alternative mode of travel. People also tended to believe costs would be lower than other travel options and a ferry would be the more environmentally conscious choice.

More than half of the residents said they "strongly support" an inter-island ferry, while 20% "somewhat support" the idea. Kauai had the least support of all islands, though more than half of respondents there "somewhat" or "strongly support" the ferry. Overall, more people said they were likely to use a ferry that transported vehicles than a passenger-only ferry.

On average, the public felt a reasonable round-trip ticket cost was around \$90, while \$135 was pricey and \$190 was too expensive. Interviews indicated people would be comfortable spending an additional \$90 to bring their car. The state determined an "optimal" ticket price would be \$140, based on that feedback. Just more than 60% of interested respondents said they would be willing to pay that much.

"The probability of commercial success for a prospective ferry system in Hawai'i is heavily dependent on a small portion of residents who are interested inter-island and intra-island travel by ocean," according to the report. "... Through a different lens, the concept of inter-island travel by ferry appears to meet needs unmet by air travel, but the numbers do not support this."

Few respondents said they would take a ferry route that lasted six hours or overnight. Given Hawai'i's ocean conditions and the current speed capacity of vessels, surveys indicate many respondents had unrealistic expectations of travel time. Almost half of public participants wanted ferries to make trips two or three times per day, while 30% wanted to see a daily ferry schedule.

Almost 80% of participants said a ferry should be supported with state dollars. Most respondents supported the idea of a public-private partnership, like the now-defunct Superferry, to operate the ferry, while "very few" said it should be state-run.

Interviews with public sector groups that might have a role in a ferry system showed they wanted higher government subsidy levels than business sector groups. The exception to these findings was the intra-county route from Maui to Molokai. Feedback from the public and other parties "accentuate a very real need for this service to be restored," according to the report, even though the route wouldn't be financially sustainable on its own.

Vice President's Report

January 2018

A good delegate has open access to the vast institutional knowledge of the SUP that is embedded in the printed word of our collective bargaining agreements. Remember that these documents are the accumulated memorialization of decades of bargaining, gathered by accretion and spanning many different eras. They are the distillation of the striving and concerns, the employment aspirations and realities, of sailors more or less like yourself. Understanding the basic principles of fairness that they address and using them on deck in day-to-day application – solves small problems before they become big problems, standardizes good conditions, and builds Union strength toward to a shared goal: a decent life in a dangerous place.

To individually assist that collective purpose, all delegates are authorized to stand up for their shipmates, and they can do so in part by maintaining a permanent delegate's file. This collection of relevant understandings can be a store and transfer of knowledge and care when it is passed on to the next delegate, or if a delegate has yet to be elected, to the bosun for safekeeping.

If there is no file, then the delegate should set about building it with whatever information is available. It should contain the latest Agreement and its appendices, the SUP Constitution, recent ship meeting minutes, important and agreed on clarifications consistently applied, spare OT sheets and forms, recent wage scales and recurring issues from the West Coast Sailors, contact information for Union Headquarters and Branches and benefit plans.

Figuratively it may hold the unwritten but time-tested SUP methods of resilience, sound judgment, and critical thinking. New delegates take note: the file comes to you with heart and fight and balance and pride.

USNS Sisler: Eduardo Zepeda relieved Adam Tassin as Delegate. In good shape in distant tropical outpost. Many returning members providing a solid and recurring base of ship- and site-specific operational expertise. Clearance and travel delays are a routine part of the job.

USNS Dahl: Jonnell Hodges, Bosun. In Boston shipyard in the freezing cold and snow making proper coatings application unpredictable and unreliable. January activation probably delayed. Most of the laid-up crew registered to return and standing by.

USNS Gilliland: Chris Cupan, Bosun. Supposed to shift into dry dock in New Jersey in January and then come out to turnover to new operation in late March.

USNS Watson: Jesus Hermosillo, Bosun. In the Philly shipyard where the wind off the Delaware River keeps the deck below zero all day long. Bosun reports good progress in the yard. Expecting activation for sea trials and Newport News layberth and ROS in February.

Manukai: Chris Bujnowski, Delegate. Engine stores issue still under research and investigation. Penalty meal claim for in port security watchstanders on 4 x 8 watch no good. One person watch all the time lays out the 4 x 8 meal relief rules in Section 56 of both Matson and APL Agreements.

Mahimahi: Jim Stelpstra, Delegate. Bosun Mike Worth relieved by Dennis Sumague. Clarification on washdown and overtime in general.

Manulani: Michael Ruan, Delegate. Investigated and advised on strange and unsubstantiated charges of threatening behavior.

Moku Pahu: Terrin Dowdell relieved Jill Holleman, Delegate. Arrived from Philippines in San Diego with military cargo. Crew changes ably filled by Wilmington Branch Agent Leon Gandy. Clarification on overtime hours, discussion on safe cargo ops. Headed for Long Beach then ports in Texas and Louisiana. New Bosun is Hamilton Parone.

United Food and Commercial Workers Local 5 representatives: Efrain Aguilera, Marla Donati, Mike Frenna, Alfredo Delgado, Carl Nakano, Delegates. Represented members on payroll issues related to the new progression step eligibility rules as well lump sum payment options post-ratification of the Agreement. See President's Report.

Foss Maritime Company: JD Rymel, Delegate. Drafted a proposed Supplemental Agreement consistent with Section 16 "Conditions Not Specifically Covered" to handle contingencies related to temporary barge swap between northern and southern California. Rejected by management, Union invoked existing language in Section 34.

Separately, due to business conditions and the imbalance of IBU/SUP work in their traditional jurisdictions, management informed the Union on January 10, that they intended to de-crew a steady boat (was 2 SUP and 2 IBU) leaving a single steady boat in each jurisdiction and supplemented with a third rotating boat crewed in part by the 100-hour engineer guarantee under section 29.06.

After careful review, determined that the qualifications required to determine proficiency under Section 25.08 are relevant and appropriate in third boat assignments, e.g. normal engineer qualifications related to internal and external fuel transfers. Seniority rules given a base level of minimum qualifications but is not controlling in the case of higher seniority members without minimum qualifications.

Dave Connolly

ATTEND YOUR MONTHLY SUP UNION MEETINGS!

SUP Branch Reports

Seattle

December 18, 2017

Shipped 7 AB's, 1 Matson relief to an A-card, 5 to Navy bottoms going to 1 A, 2 B's, and 2 C-cards, and 1 Steady AB to APL taken by a D card; 3 Patriot Ordinary Seaman billets taken by 2 B's and 1 C; 1 Patriot cook to a D. Also shipped 15 standby AB's to 6 A's, 7 B's, and 1 C card.

Registration: 5 A cards for a total of 10, 6 B cards for a total of 21, 8 C cards for a total of 14 and 4 D cards for a total of 10.

Manoa called for a gang to rig the portside lifeboat falls, and the Chief Mate reports a job well done. The job was divided between contractors and the SUP gang, with the sailors on the forward falls. The report is that the SUP was rigged and ready in half the time, and left the decks grease free and ready to sail before knockoff.

Vice President Dave Connolly attended the holiday party and monthly meeting. During the meeting Brother Connolly discussed the upcoming Constitution Resolution Committee and the importance of participation in the process. He also reinforced the importance of our political fund, and the need for us to engage the public whenever we can to educate the non-seafarers about our roll in defense and the economy. Most people only notice us when we are fast to a pier. When our ship sails we are forgotten and become a good view to the wealthy neighborhoods that surround our harbors. When you are on "the beach" take some of your time to talk up the Jones Act, Unions, Maritime Security Program and cargo preference, to those in your communities.

Seattle had a fantastic holiday party this year. A good time was had by all, and it was great to see the pensioners, shipmates, and friends together. It was a "contractual" three entrée feast with MFOW/SUP family members pitching in with some delicious home cooked specialties, and all hands did their best to finish it off. A big thanks to all who helped make the celebration a success and with the cleanup after.

Members, when you make the hall, bring all your documents with you. Let's go through them to be sure you are current. Other than your drug-free you cannot go to work on documents that will expire during your dispatch and your passport must be valid six months beyond.

Brendan Bohannon Branch Agent

Wilmington

December 18, 2017

Shipping: Bosun: 1, AB: 10, AB/D: 2, OS/STOS: 1, GVA/GUDE: 1. Shipped 56 standbys for a total of 71 jobs shipped.

Registration: A:26 B:33 C:15 D:11

Ships checked

Mahimahi, Maunawili, APL Korea, Maunalei, APL Belgium, Mokihana, R.J. Pfeiffer, APL Singapore, and Manulani: all running smoothly with no major problems. Minor clarifications about overtime and food storing. Shipping is still good in Wilmington: APL, Matson and Patriot.

Thanks to all those that participated in the Union meeting; we need a quorum to vote. We need your support to keep our Union strong.

A special thanks to Mustafa Tofail, Ernesto Jacalan, Costica Oprisoru, and Mark Hurley who helped make the Christmas party a success.

> Leighton Gandy Branch Agent

Dispatcher's Report

Headquarters—Dec. 2017

Deck
Bosun5
Carpenter0
MM 6
AB5
OS2
Standby 27
Total Deck Jobs Shipped45
Total Deck B, C, D Shipped 29
Engine/Steward
QMED
Pumpman0
Oiler0
Wiper0
Steward 0
Cook
Messman <u>0</u>
Total E&S Jobs Shipped0
Total E&S B, C, D Shipped 0
Total Jobs Shipped - All Depts 45
Total B, C, D Shipped-All Depts 29
Total Registered "A"25
Total Registered "B"51
Total Registered "C"20
Total Registered "D"22
9



Wilmington Christmas Party, December 16, at the MM&P/MEBA hall. From the left: Mike Haslam, Bill DeBenedictis, SUP Wilmington Branch Agent Leon Gandy, former Branch Agents, Mark Hurley, and Duane Nash; Joe McDonald, and new retiree Tom Larkin.

Honolulu

December 18, 2017

Shipped 27 standby jobs. The standby jobs were filled by 14 B cards, 6 C cards, and 7 D cards.

Registered in Honolulu: 11 A cards, 10 B cards, 3 C cards and 10 D cards.

Ships checked

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

APL Guam- No major beefs

APL Saipan- No fans in two rooms and ice machine is not up to contract standards; the SUP is still working on this issue.

USNS Charlton- no major beefs that I know about.

I represented the SUP at the Hawai'i Ports Maritime Council meeting, and the AFL-CIO executive board meeting.

This is the beginning of a new year and I hope that 2018 turns out to be a great year for all of the SUP and its members and families. With that being said, now is a good time to check your papers and anything with less than six months left, you should start the renewal process. Especially if you are planning on sailing on an APL shuttle ship.

Mahalo,

Michael Dirksen Branch Agent

Business Agent's Report

January 8, 2018

Mississippi Voyager- In and out of Richmond Long Wharf. Still running steady up and down the coast the only Chevron vessel on the West Coast; in good hands with Bob Turner, Bosun and John McAuliffe, delegate.

Oregon Voyager, Florida Voyager, Texas Voyager- These vessels are running out of the Gulf of Mexico and out of the East Coast.

Mahimahi- In at Oakland #62. By-passed Oakland last trip to get back on schedule; weather was a factor. Clarification on jurisdiction. Running smooth with Mike Worth, Bosun and James Stelpstra, delegate.

Manoa- In and out Oakland #62 with no beefs on the Northwest run. Fell behind schedule due to weather; skipped Oakland last trip to get back on schedule. In good hands with Robert Reed, Bosun and Duke Maringer, delegate.

Kauai- In and out of Oakland #63 on New Year's Day. Sailed for Honolulu. Sahri Ali, delegate and Marc Calario, Bosun.

Matsonia- In at Oakland #62. *Matsonia* schedule to discharge cargo, shifted to #86 Howards Terminal, then lay-up for one or two trips. Les Jeziorski, Bosun and Mick McHenry, delegate.

Cape Orlando- Chris Bunheirao, Bosun. Routine.

Cape Henry- Last week the ship shifted to their new berth: #96 in San Francisco.

Admiral Callaghan- Routine with the gang. In good hands with Mark Pfaff, Bosun.

Cape Horn- Routine with the gang with Paul Fuentes, Bosun.

Cape Hudson- Running smooth with Phil Coulter, Bosun.

APL Korea- Sailed for Dutch Harbor with no beefs. Good trip. Romelito Linatoc, delegate and Steve Fuentes, Bosun.

APL Thailand- In and out of Oakland with little or no beefs. Gary McDevitt, delegate and Nick Hoodgendam, Bosun.

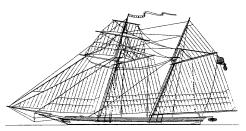
APL Belgium- In and out of Oakland #58. Little or no beefs with relief Bosun Aaron Wiebe and James Salera, delegate.

APL China, *APL Philippines*-Checked these ships with little or no beefs.

All hands: Keep your Union dues current!!

Worked in the front office and dispatch.

Roy Tufono



Port of Seattle selects new Executive Director

Last month, the Port of Seattle selected Rear Admiral Stephen Metruck (USCG, retired) as its new Executive Director. In a unanimous vote, the port's five commissioners picked the former Coast Guard Chief Financial Officer to oversee the growth of Seattle-Tacoma International Airport and the city's seaport.

Metruck takes over in the wake of former port CEO Ted Fick's resignation, which had considerable influence on the port's deliberations. In selecting a lifelong public servant, the commissioners are looking to shift away from allegations that Fick—an executive with a private-sector background—created an illegal bonus package for port employees and directed port business to his father's firm. "First and foremost, we sought a great public servant to lead our outstanding organization with transparency and strong values. Admiral Metruck brings an exemplary record of service and achievement to the Port of Seattle," said Commission Vice President Courtney Gregoire in a statement.

"We wanted to hire somebody who knew who he really worked for, and that's the citizens of the region," said Commissioner Fred Felleman, speaking to the *Seattle Times*. The commissioners even changed the top executive's title from "CEO" to "Executive Director" to reemphasize the port's public service mission.

Admiral Metruck is already familiar with the region and the seaport: he served as the captain of Coast Guard Sector Seattle from 2005 to 2008. "Having served here before, I also know there is no better place in the country to live and work. I'm looking forward to being back," he said in a statement. He served a total of 34 years in the Coast Guard and retired as Commander of the Fifth District in 2015. Before that post, he served as the Coast Guard's Chief Financial Officer, overseeing the service's \$10 billion budget.