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Friday, July 24, 2015

Expiration of Export-Import Bank's charter raises new threat for U.S. merchant fleet

At the end of June, the U.S. Export-Import Bank's operating charter expired for the first time in the bank's 81-year history, raising a new threat to the U.S.-flag merchant fleet operating in the international trades.

The U.S. Export-Import Bank helps foreign entities finance the purchase and export of goods manufactured in the United States through loans and loan guarantees. In fiscal year 2013, the Export-Import (Ex-Im) Bank helped facilitate more than \$37 billion in U.S. export sales, supporting more than 200,000 American jobs at businesses large and small. According to a report published by the Ex-Im Coalition, the Ex-Im Bank earned a profit in 2014, covering its expenses and sending \$675 million to the U.S. treasury. In the previous fiscal year, the Ex-Im Bank returned approximately \$1 billion to the U.S. treasury. The Ex-Im Bank is self-sustaining and does not cost U.S. taxpayers a single dollar.

Exports financed with the assistance of the Ex-Im Bank must be shipped on U.S.-flagged commercial vessels, providing a strong source of cargo for the U.S. merchant fleet.

The cessation of Ex-Im Bank activities would create a commercial cargo shortage for these and other U.S.-flagged vessels operating in the international trades and exacerbate the steep decline of the U.S. merchant fleet in this sector, further eroding the peacetime job base for U.S. merchant mariners, who are needed to man military sealift and defense reserve vessels in times of war, conflict and crisis.

The SUP, and the entire maritime industry, continue to work on Capitol Hill to secure congressional reauthorization of the Ex-Im Bank's charter.

The expiration of the bank's charter will prevent it from accepting new applications for financing; however, the Ex-Im Bank will continue to operate until it has serviced all of its financial commitments. As reported by *Inside U.S. Trade*: "The bank in its annual competitiveness report for fiscal year 2014 said its long-term financing can have repayment terms lasting longer than seven years; in fiscal year 2014, the bank authorized \$12.7 million in long-term financing."

The continued existence of the Ex-Im Bank was placed in jeopardy in September 2014, when Congress approved a continuing resolution to fund the federal government through December 11 of that year in order to avert a government shutdown. Rather than setting the expiration of the Ex-Im Bank's charter on December 11, 2014, along with funding for most of the rest of the government, or enacting a multi-year reauthorization of the Ex-Im Bank, opponents of the bank succeeded in having the bank's charter extended only until June 30, 2015.

This move separated reauthorization of the Ex-Im Bank prior to the expiration of its charter from must-pass funding legislation to prevent a government shutdown, and for that matter, from any must pass legislation.

At the time the continuing resolution was approved last September, congressional supporters vowed to continue work-

continued on page 3

APL parent NOL denies sale report

The *Wall Street Journal* on July 16, reported that Temasek Holdings, a Singapore government-owned investment company, has put Neptune Orient Lines (NOL) – the parent company of American President Lines – up for sale.

On the same date, Ng Yat Chung, President and CEO of the NOL Group, issued the following statement to all company employees:

You may have come across the media report, "Temasek Puts Neptune Orient Lines Up For Sale" by the Wall Street Journal and similar articles that are being published by various media. This is but the latest in a series of periodic speculation dating back many years. It is nothing new. Unfortunately until the company returns to sustained profitability, we will remain the subject of speculation from time to time.

In the course of your daily work, I know how distracting it can be with these press reports. I want to thank you for making what you do each day count for the company and our customers. It is not easy to stay focused on serving our customers, but this is what we are called to do.

Whilst I cannot speak on behalf of Temasek and its plans, I can confidently say that Temasek has been a long term supporter of NOL, and like all shareholders, it wants NOL to succeed and generate a fair return on its investment. It is therefore important that we focus on what we can do to ensure that the company returns to profitability as soon as possible.

The implementation of the liner strategy is making a tremendous difference. We have invested in 32 new and modern ships and in the IT Remodel project. After the sale of APL Logistics, our balance sheet is much healthier enabling us to continue to invest in our business and our people. In spite of a rapidly deteriorating freight rate environment – historic lows in many trade lanes – our financial results continue to improve. De-

spite the great difficulties posed by the U.S. West Coast congestions, our service reliability has rebounded. By May, our reliability is the highest in the industry. We will be announcing our half year and second quarter results in less than two weeks, and I will share more updates immediately afterwards.

There is no silver bullet to getting the company back to sustained profitability. It requires continued effort from each of us – corporate, commercial, trade, operations, and procurement – to do our part to implement the liner strategy. We are improving because of the unwavering focus you have each put in. I want you to know how much that is appreciated by me. Keep up the outstanding work, stay the course, and thank you again for all you do for the company and our customers.

However, on July 19, in a statement issued on the Singapore Stock Exchange website, NOL said it "has not made any decision with respect to, and has not entered into any agreement for, a potential sale of the com-

pany." It added: "There is no assurance that any agreement for the sale of the company will be entered into."

The company also advised shareholders and investors to "exercise caution" when dealing in its shares and other securities. "The company has a duty to consider its options to maximize shareholder value as part of its conduct of normal business," it said. "The company is focused on returning its core liner business to sustainable growth and profitability."

NOL, which operates globally under the APL brand, was founded in 1968 as Singapore's national shipping line. Temasek owns 65% of the company while the other 35% are traded on the Singapore Stock Exchange.

APL is ranked as the 14th largest container shipping line in the world, with 91 owned and chartered ships with aggregate capacity of 497,877 TEU by the information service Alphaliner.

APL operates nine U.S.-flag ships enrolled in the Maritime Security Program, crewed on deck by the SUP.

In Memoriam



Longtime SUP official Bill Berger passes. See page 11.

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



SUP Honor Roll

Voluntary contributions from the membership to the following funds:

Organization/ General Fund

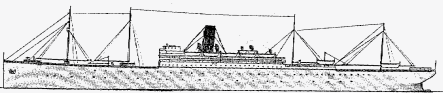
John Hamann 20.00
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West Coast Sailors

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Robert Barbee 25.00
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Al & Joe Brown 50.00
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Dues-Paying Pensioners

Gordon Abbott	Book #3785	Duane Nash	Book #2437
Robert Copeland	Book #4763	John Perez	Book #3810
Donald Cushing	Book #4777	Alex Romo	Book #3193
Romaine Dudley	Book #2593	Francisco Salvatierra	Book #7498
Diane Ferrari	Book #2251	James Savage	Book #7488
Kaj E. Kristensen	Book #3120	Ralph Senter	Book #7323
Hannu Kurppa	Book #3162	David Shands	Book #7483
Dave Larsen	Book 19078	Arthur Thanash	Book #3249

Final Departure

William Berger, Book No. 4642. Born in Wisconsin in 1921. Joined SUP in 1942. Died in Walnut Creek, California, June 30, 2015. (Pensioner)

Timely Reminder 3rd quarter dues are due now!

SUP Constitution

ARTICLE VI

DUES AND INITIATION FEE

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

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

CEOs made 373 times what average worker did in 2014, annual AFL-CIO analysis finds

At major U.S. companies last year, chief executive officers made 373 times the average pay of non-supervisory workers, according to an AFL-CIO analysis released May 13. The AFL-CIO shared the results of its analysis on its Executive Paywatch website, which it updates annually with new figures. By comparison, the version of the website released in 2014 said the CEO-to-worker pay ratio stood at 331-to-1 for the 2013 calendar year.

Last year, the labor federation said, the average annual pay for production and nonsupervisory workers stood at \$36,134 per year, according to figures from the Labor Department's Bureau of Labor Statistics. Average pay for chief executive officers of companies listed on the Standard & Poor's 500 index, meanwhile, was \$13.5 million per year, according to data on the companies' proxy statements submitted to the Securities and Exchange Commission (SEC).

The AFL-CIO's website lists the annual total compensation of the 100 highest paid CEOs of S&P 500 companies. Topping the list was David M. Zaslav of Discovery Communications Inc., who made more than \$156 million last year, followed by Mario J. Gabelli of Gamco Investors Inc., who took home \$88.5 million in total compensation and Satya Nadella of Microsoft Corp., whose compensation totaled \$84.3 million.

"Big corporations spend freely on executive perks and powerful lobbyists to strip rights from workers, but when it comes to lifting up the wages of workers that make their companies run, they're nowhere to be found," AFL-CIO President Richard Trumka said in a statement. "Too often workers are seen as costs to be cut, rather than assets to be invested in. Americans deserve better from those who have earned so much off the backs of working men and women, and we must start by adding transparency to the CEO pay process and requiring companies disclose their CEO-to-median employee pay ratios."

Although the SEC in 2013 proposed a rule to require companies to disclose the ratio of their CEOs' pay to that of their rank-and-file workers, the rule has not been finalized. Democrats in Congress earlier this year urged the agency to finalize the rule.

Meanwhile, the SEC, in April, proposed a regulation that would require companies to disclose executive compensation as compared to the company's performance.

The labor federation singled out Douglas McMillon, CEO of Wal-Mart Stores Inc. The ratio of CEO-to-worker pay at Wal-Mart, the AFL-CIO said, was particularly egregious, with McMillon earning \$9,323 per hour compared to the company's \$9 hourly starting salary for retail workers.

McMillon's total compensation in 2014 was \$19.4 million, the AFL-CIO said, for a ratio of 536-to-1 when compared to the \$36,134 annual pay of an average production or nonsupervisory worker across all industries.

Wal-Mart announced in February that it was raising its minimum wage to \$9 per hour this year, and to \$10 next year. "Under growing pressure from workers, shoppers, investors, taxpayers and elected officials, Wal-Mart was pushed to raise wages for a half-million workers," the AFL-CIO said on the Executive Paywatch site. "But Wal-Mart still can do a lot more to give working people the wages necessary to build a middle-class life by offering a starting wage of \$15 an hour and consistent and full-time work for employees who want it."

SUP Meetings

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

	Hdq.	Branch
August	10	17
September	14	21
October	Tues. 13	19
November	9	16
December	14	21



Arthur Thanash observing Bloody Thursday at ILWU Local 10 in San Francisco, along with Dave Connolly, who took the photo.

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Congressman highlights importance of Jones Act

In a statement on the floor of the House of Representatives on June 9, Congressman Derek Kilmer (D-Washington) highlighted the importance of the Jones Act to national defense, the U.S. economy and America's industrial base, and observed the 95th anniversary of the law's enactment.

"Mr. Speaker. I rise today to recognize an important milestone in maritime history.

"On June 5, 1920, the landmark Merchant Marine Act became law, establishing the importance of maintaining a strong domestic maritime fleet.

"That law, known as the Jones Act, was the anchor that allowed the United States to launch a highly trained and skilled group of mariners who can serve to protect our nation in times of national emergency. It supports our shipyard industrial base and preserves our capacity to defend our homeland, patrol the seas, and promote American jobs.

"Ninety-five years later, it's clear that the Jones Act has stood the test of time.

"General Paul J. Selva, the Commander of U.S. Transportation Command, recently said, 'I can stand before any group as a military leader and say without the contribution that the Jones Act brings to the support of our industry there is a direct threat to national defense, and I will not be bashful about saying it and I will not be silent.'

"I couldn't agree more.

"General Selva doesn't stand alone in defending the Jones Act from its critics.

"In fact, Congress passed one of the strongest statements of support for the Jones Act last year as part of the National Defense Authorization Act, recognizing that it promotes 'a strong domestic trade maritime industry, which supports the national security and economic vitality of the United States and the efficient operation of the United States transportation system.'

"Mr. Speaker, I look forward to working with my colleagues to maintain the Jones Act for a new century, fight for our domestic maritime industry, and make sure that high quality, American-made vessels are being piloted by American mariners."

House members promote U.S.-flag shipping as part of "Make It in America" push

House Democratic Whip Steny Hoyer (D-Maryland) is spearheading a push to enhance U.S. manufacturing through the "Make It in America" initiative which is being promoted along with a call for more reliance on U.S.-flag shipping. Congressman John Garamendi (D-California) has also been steadfast in his support for Make It in America saying it will help build the American economy and solidify this country's middle class. While discussing the initiative recently, Congressman Garamendi, as he often does, tied in the importance of American shipbuilding and jobs for U.S. mariners. "American mariners, captains, and seamen ... are absolutely essential for the American defense and security," he declared. "Make it in America, ship it on American-built tankers – we are talking about tens of thousands, indeed, over 100,000 jobs and a supply chain for jobs all across the country."

Congressman Hoyer later lauded Garamendi's continued and "tenacious" support of the Make It in America initiative and echoed the California Congressman's support for U.S. shipping: "Congressman Garamendi, as I said, was among those who spoke about new ways to help traditional manufacturing when he discussed the role our shipbuilding industry plays in helping American businesses move natural gas and other goods to market at home and abroad. That shipbuilding industry was critically important to us winning in World War II, and now, as Mr. Garamendi pointed out, it is a shadow of its former self, and we need to rebuild it, and we need to be shipping goods on American fleets."

Expiration of Export-Import Bank charter *continued from page 1*

ing toward a multi-year reauthorization of the Ex-Im Bank during the extension period. And they have.

On June 10, Senator Mark Kirk (R-Illinois) facilitated a 'test-vote' on renewing the Ex-Im Bank's charter. Senator Kirk offered an amendment to the National Defense Authorization Act (NDAA) to reauthorize the bank. The Senate voted on a motion to table the amendment, which would have nullified it. A total of 65 senators voted against nullifying the amendment, demonstrated a filibuster-proof majority of support for reauthorizing the Ex-Im Bank in the Senate. The amendment was withdrawn from consideration because the NDAA was not considered a good vehicle for reauthorization of the Ex-Im Bank by its Senate supporters.

Reports now indicate a Surface Transportation funding bill that needs to be passed prior to the expiration of the Highway Trust Fund on July 31, is the most likely vehicle for an amendment to reauthorize the Export-Import Bank.

APL tops reliability poll

APL was the most reliable carrier in May according to the latest global liner performance report by SeaIntel Maritime Analysis. Neptune Orient Line's (NOL) liner subsidiary reportedly had a global on-time performance of 85.5%.

The report, which ranks the performance of the top 20 carriers, says that there was a global improvement in container lines' schedule reliability from April to May 2015. It noted that schedule reliability increased considerably in May to a global performance of 78.3% compared to 72.8% in the previous month.

"APL has been working hard to improve the reliability of our product," said Nathaniel Seeds, Chief Operating Officer of APL.

Based on the figures published in June, APL claims its schedule reliability in its key trade lanes have shown an improving trend over the first five months of the year. "APL's on-time performance in the head-haul Asia-North Europe trade recorded an improvement from 62% in January to 94% in May 2015," the company said. "A similar trend is also visible in the head-haul TransAtlantic westbound trade as APL increased its service reliability from 55% in January to 64% in May."

Likewise, APL's on-time performance in the head-haul Asia-U.S. West Coast and Asia-U.S. East Coast trades rose to 65% and 74% respectively in May. "The results are 41% and 15% higher than its performance in the respective trades in January when port congestion, particularly in the West Coast, impacted global schedule reliability," the company stated.

Legislation would honor World War II mariners

Congresswoman Susan W. Brooks (R-Indiana) introduced legislation on July 13, awarding the Congressional Gold Medal to U.S. Merchant Mariners serving during World War II. House Resolution 2992, the "Merchant Marine of World War II Congressional Gold Medal Act" will present the World War II Merchant Marine with the highest civilian award Congress can bestow for their heroic efforts providing critical supplies of war to U.S. troops by sea.

"The brave actions of the Merchant Marine during World War II proved instrumental in securing victory for the Allied Powers," Brooks said. "These loyal and courageous men put their lives on the line for the cause of freedom, and selflessly answered their nation's call to duty. Unfortunately, their sacrifice is commonly overlooked, and there are fewer surviving merchant mariners every year. It is time for Congress to honor their service before we miss the opportunity to properly recognize these heroes."

During wartime, merchant mariners serve as an auxiliary to the Navy and are responsible for the transoceanic transport of military and civilian personnel as well as combat equipment, fuel, food, commodities and raw materials. During World War II, risking their lives to provide the needed supplies for battle, merchant mariners bore a higher per-capita casualty rate than any other branch of the U.S. Armed Forces. In total, hundreds of Mariner ships and thousands of men were lost to enemy combatants during the course of the war.

Congresswoman Brooks is also a cosponsor of H.R. 563, "Honoring Our WWII Merchant Mariners Act of 2015" introduced by Congresswoman Janice Hahn (D-California). The bill would provide surviving WWII Merchant Mariners with a one-time \$25,000 benefit. Merchant Mariners never received full veteran benefits. The legislation will provide modest benefits to the nearly 5,000 surviving WWII Merchant Mariners.

"Recognizing the World War II Merchant Marine veterans is one of my highest priorities," Hahn said. "I applaud Congresswoman Brooks for introducing legislation to honor these unsung heroes with the Congressional Gold Medal and am happy to cosponsor her legislation. I also appreciate her co-sponsorship of H.R. 563, legislation I introduced to give long overdue compensation to the Merchant Marine World War II veterans."

International Longshoremen's Association begins contract extension talks with employers

Representatives from the International Longshoremen's Association (ILA) and the United States Maritime Alliance (USMX), stated that the two sides "concluded two days of productive exploratory talks on extending the current Master Contract and will begin full wage scale meetings in mid September, 2015."

"We are ready to move forward on talks aimed at extending the current ILA-USMX Master Contract," said ILA President Harold J. Daggett and CEO of USMX Dave Adam in a joint statement.

The current ILA USMX Master Contract runs until September 2018, but the two sides have agreed to be proactive and begin talks that would extend that agreement by up to seven years.

"The ILA and USMX are committed to keeping commerce moving at U.S. Eastern and Gulf Coast ports and we think this extension will achieve that goal," said the ILA and USMX.

The ILA, which represents East Coast and Gulf Coast dockworkers, and the USMX, which represents employers, said that they will continue their dialogue regarding a labor contract extension at the ILA's Quadrennial Convention later this month, as well as when the ILA wage scale delegates and management representatives come together for meetings in September.

**DEFEND THE JONES ACT
SUPPORT THE SUP POLITICAL FUND**

SUP Committee on Constitution

Report of the Committee on Constitution

Monday, June 22, 2015 at SUP Headquarters, San Francisco

In attendance: Norm Christianson, Seattle Branch
Eli Wegger, Wilmington Branch
Maea "Jay" Loe, Honolulu Branch
Diane Ferrari, Headquarters
Izzy Idris, Headquarters
Dave Frizzi, Headquarters
Gunnar Lundeberg, ex officio
Dave Connolly, secretary

Under the authority of Article XXVIII of the SUP Constitution, the elected Committee on Constitution met on Monday, June 22, 2015 to consider the resolutions submitted to the meetings since the last election. President Gunnar Lundeberg began the meeting by explaining the process according to the Constitution that under Section 1 of Article XXVIII membership on the Committee is restricted to three members from Headquarters and one each from the Branches holding regular meetings. Making note of the fact some Branches were without quorums routinely, and therefore not always holding regular meetings, Lundeberg nevertheless considered the participation of the Branches to be essential to the both democratic nature of the Union and to the successful work of the Committee and authorized their attendance. Lundeberg noted that the Committee is authorized to take three types of action on the proposals: to accept or concur, to reject or non-concur, or to concur with amendment.

The Committee considered seven (7) proposed amendments to the SUP Constitution and six (6) proposed changes to the SUP Shipping Rules. There were also three (3) miscellaneous proposals that could not be categorized as either an amendment to the Constitution or a change in the Shipping Rules.

The following is a brief summary of the content of the resolutions, and the discussion and decision on each question culminating in the Committee's recommendation to the membership.

Proposed SUP Constitutional Amendments

Resolution No. 1 (McDonald)

To increase initiation fee to an amount equal to two weeks of the monthly base wage of an AB at the Matson rate, to raise the initial initiation installment from \$100.00 to \$150.00, and to require the entire initiation amount be paid before upgrading to "B" seniority. (Amend Article VI, Section 1.)

The Committee understood that the proposal was a method of keeping pace with inflation. They voiced concerns about increasing the potential hardship of members with lower seniority but also noted that the actual amount was not very different than the present amount. Ultimately they saw it as a complicated and potentially confusing change to the existing simplicity of the initiation fee.

Therefore, their recommendation was to non-concur.

Resolution No. 2 (McDonald)

To add "Union employees" to the penalty of expulsion from membership for "selling" employment. (Amend Article XIX, Section 4.)

The Committee considered the issue of in the context of a former agent's questionable behavior in the recent past, and also throughout Union history, but since it appeared extremely unlikely that any such activity was happening, since it is already implicitly prohibited by the Constitution, and since there is the option of using the Constitutional trial procedures to deal with any such case, it was the consensus opinion that it was unnecessary.

Therefore, their recommendation was to non-concur.

Resolution No. 3 (McDonald)

To add "He/she shall inspect the rooms of departing members to ensure the sanitary condition of the room" to the duties of the Business Agent. Amend (Article XIV, Section 5.)

The Committee considered the proposal as important but impractical. Shuttle ships that don't call in U.S. ports may not have regular agent visits and in many cases sailors depart before an agent is aboard. They also agreed that the delegate is already empowered under the Shipping Rules to ensure that "the rights and interests of members are protected" and they understood that sanitary conditions are fundamental to the rights and interest of sailors. They also noted that traditionally the bosun in the ship has checked the rooms before the departure of the sailor. In cases of sanitary violations, it was understood that members could and should notify the agent for investigation and penalty. That long-standing past practice with regard to this issue is emphasized here and was considered sufficient.

Therefore, their recommendation was to non-concur.

Resolution No. 4. (McDonald)

To increase the registration fee to twice the daily base wage of an AB at the Matson rate. "Must pay a fee to register equal to two (2) times the daily base wage for an AB Watchstanders/Dayman on the date the application is submitted, based on the current Offshore Matson Agreement." (Amend Article III, Section 2 (b).)

The Committee considered resolution in context of the legal history of the registration fee. Noting that the Department of Labor dictated in the past that the registration fee must be less than the required dues payments they saw the proposal as potentially illegal.

Therefore, the recommendation was to non-concur.

Resolution No. 5. (McDonald)

To include in officer benefits individual and family medical and dental service "the same as that provided to the membership." (Amend Article XV, Section 1(c).)

The Committee discussed the benefits of officials available under the Constitution.



Committee on Constitution members from the left: Jay Loe, Dave Frizzi, Norm Christianson, Eli Wegger, Diane Ferrari and Izzy Idris.

They understood that it currently provides for the same medical and dental coverage as the membership under Article XV, Section 1(c).

Therefore, since it was considered unnecessary their recommendation was to non-concur.

Resolution No. 6 (McDonald)

To add "leaving a room in an unsanitary condition" to the same penalties as missing a ship and to change those penalties as follows:

First Offense: a fine equal to four (4) hours of overtime at the rate payable in that billet where the offense occurred.

Second Offense: double the first offense.

Third Offense: double the first offense and a thirty (30) day suspension from registration.

And to also distribute two (2) hours or half of the penalty in each case to the member dispatched to the unsanitary room. (Amend Article XIX, Section 13.)

The Committee debated the value of adding unsanitary rooms to the missing ship fines. They noted that Section 5 of the same article already provides for a penalty for "bad conduct" under which an unsanitary room can be recognized. The Committee was uncomfortable with tying penalties to rates because it appeared a complicated and potentially confusing concept. Finally, noting that it is the responsibility of the bosun to ensure that the departing sailor completes the necessary sanitary work they considered the subject already covered by past practice and the Constitution.

Therefore, their recommendation was to non-concur.

Resolution No. 7 (Gibson)

To require elections of Negotiating Committee members from the ports where jobs will be called from that contract. (Amend Article XVII, Section 5.)

The Committee discussed the proposal in the context of the past practice of electing any member in good standing to the Committee at the meeting at SUP Headquarters since that is where the negotiations are held. They also reviewed the existing language of the Constitution which does not prevent members from the Branches to be elected to the Negotiating Committee.

Therefore, their recommendation was to non-concur.

Proposed SUP Shipping Rule Changes

Resolution No. 1 (Wegger)

To reduce Class "A" seniority covered employment requirement from six to five years. (Amend Shipping Rule No. 4.)

The Committee heard the proposal as delivered in person by Committee member Eli Wegger. He noted that the industry standard for full seniority was generally less than what was required by the SUP. He argued the proposal would benefit members of lower seniority and that retaining such members will be important in the future. The Committee noted however that shuttle and military ships allow members of lower seniority to advance relatively quickly. There was a lot of discussion about the composition of the membership and the impact of any changes. They noted that most book members considered that the seatime standard that was required of them should also apply to newer members as well. They also understood that the present requirement was not simply about achieving proficiency in marlinspike seamanship but was also about knowing the agreement and all the other aspects of the Union. Finally, they agreed that the question of seniority structure should be re-visited in the future.

Therefore, their recommendation was to non-concur on a 5 to 1 vote.

Resolution No. 2 (McDonald).

To increase the mandatory trip off to a minimum of 60 days for ships engaged in foreign voyages. Amend Shipping Rule No. 56.

The Committee understood the proposal in the context of intending to provide additional work to B, C, and D members. They noted that practically with 42 day reliefs it would amount to significantly longer period of 84 days. The Committee noted that the job would be held by a single member for a considerably longer period and discussed other potentially negative consequences.

Therefore, their recommendation was to non-concur.

Resolution No. 3 (McDonald)

To prevent a member who has 200 days or more in a particular ship from being

Report of the Committee on Constitution continued

dispatched again to the same ship in the same rating (but not the same ship in a different rating) until 200 days is served in a different ship. In cases of pierhead jumps or where the job hangs on the board the repeat job will be shipped as a relief trip. (Amend Shipping Rule No. 26.)

The Committee considered the proposal in the context of Shipping Rule 26 on the bosun but also with the understanding that the Shipping Rules already prevent the baseballing or "conspiring between two or more members to lock up any jobs" in Shipping Rule No. 57. They noted the resolution as potentially confusing and unnecessary.

Therefore, their recommendation was to non-concur.

Resolution No. 5 (Howell)

To require that the initial jobs aboard any ship that is laid up for more than 90 days are evenly distributed "between the different ports that the ship will regularly run." (Amend Shipping Rule No. 21 or Shipping Rule No. 11.)

The Committee reviewed the existing rules and history around ship lay up and the recent amendment of Shipping Rule No. 11. They also noted that transportation would not be paid by the Company and would not be entirely fair to the port where the ship laid up.

Therefore, their recommendation was to non-concur by a vote of 5 to 1.

Resolution No. 6 (Gibson)

To require Class "A" seniority for all members of the Membership and Ratings Committee. Amend Shipping Rule No. 4.

The Committee reviewed the process of the Membership and Ratings Committee. They understood that San Francisco Business Agent Roy Tufono had taken over and had conducted the meetings in accordance with the Shipping Rules. Accordingly, they considered the proposal unnecessary.

The recommendation was to non-concur.

Miscellaneous Proposals

Resolution No. 1 (Wegger)

To allow members who have taken a distribution on their Money Purchase Pension Plan retirement accounts to register for shipping as a Class "D" registrant.

The Committee considered the proposal as delivered in person by Committee member Eli Wegger. He noted several cases in the past of members that had to take the pension because of financial hardships. He also argued that the proposal contains a severe penalty in the reduction of seniority. The Committee heard from President Lundberg about the history and structure of the SUP Money Purchase Pension Plan, noting that any changes would require amendments to the Plan and compliance with tax law. The Committee debated the issues at length including the penalties paid for early withdrawals, the effect on the membership, the possibility of a loan provision in the 401(k) Plan, the effect on the Money Purchase Plan of many new and continuous withdrawals, among many other things.

Therefore, their recommendation was to non-concur by a vote of 4 to 2.

Resolution No. 2 (Tavai)

To remove the "annual 90 day seagoing employment" rule from the SUP Maintenance Agreement with Matson for Class "A" members.

The Committee understood the proposal as related to the Matson bargaining of 2008 where the Maintenance Agreement was revised to include the 90 day per year requirement. They heard from Committee member Jay Loe about the intent of the proposal especially with regard to B, C, and D members' need to gain seagoing experience for the purpose of improved seamanship. However, the Committee declined to accept jurisdiction on the issue and referred the proposal to the next Matson Negotiating Committee.

Therefore, their recommendation was to refer the proposal to the 2017 Matson Negotiating Committee.


Resolution No. 3 (Gibson)

To publish wages of all employees of the Union and Welfare Plan in the West Coast Sailors.

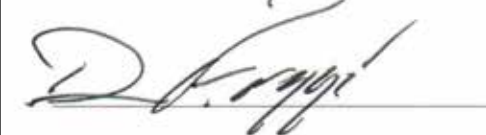
The Committee noted that the wages of all Union officials were published annually in the *West Coast Sailors*. They also understood that the majority of Union and Welfare Plan employees were covered by a collective bargaining agreement with the Office and Professional Employees Union Local 3. The notion of transparency of compensation of Union employees who are not members of the SUP was acknowledged but considered inappropriate.

Therefore, the recommendation was to non-concur.

Sincerely,

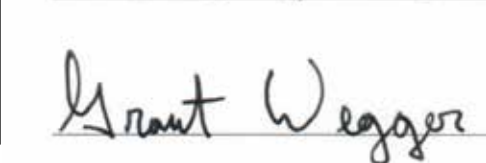
 Norman Christianson #4770

 Diane Ferrari #2251

 Dave Frizzi #2255

 Izzy Idris #885

 Maea Loe #4120

 Grant Wegger #3637

GOP funding bill would force the NLRB to lay off one-third of its staff

The Obama Administration is blasting a Republican-authored funding bill for the National Labor Relations Board, the Labor Department and other agencies, saying the cuts would force the NLRB to lay off one-third of its staff.

In an eight-page letter to Senate Appropriations Committee Chairman Thad Cochran (R-Mississippi), Obama's Office of Management and Budget Director Jack Lew detailed dozens of objections to the funding bill, which also covers the Labor, Education and Health and Human Services Departments. "The board would be forced to reduce its staffing levels by over one-third, hampering its ability to investigate and litigate unfair labor practices and conduct secret ballot elections around the nation," Lew told Cochran.

But Lew stopped short of saying Obama would veto the Senate bill. And his letter did not compare the Senate's bill to the more-draconian House GOP funding bill for the NLRB and the other agencies. That measure has the same cut and the same bans on NLRB action.

"We have a number of serious concerns about this legislation, which would underfund these important investments" in health care, public health, job training and education "and (which) includes highly problematic ideologically motivated provisions," Lew wrote to Cochran.

"The cuts would result in tens of thousands of the nation's most vulnerable children losing access to Head Start,

millions of fewer workers receiving job training and employment services, and drastic cuts to scientific research awards and grants, along with other impacts that would hurt the economy, the middle class, and Americans working hard to reach the middle class," Lew added. He also objected to cutbacks in student aid grants and oversight. One of the most-draconic cuts, Lew said, is to the NLRB. It's so large, he added, that the agency might have trouble doing its job of overseeing and ruling on labor-management relations for most of the private sector, plus the Postal Service.

The Senate's planned money bill would "slash funding for the National Labor Relations Board by more than \$30 million, or 11%, below both the president's budget and below even the 2013 post-sequester levels, crippling its ability to protect workers from unlawful treatment on the job for taking action to improve their working conditions," Lew said.

Lew also objected to two ideological "riders" senators included, hampering the agency's ability to enforce labor law. The House version of the measure has those riders, too.

"Other riders in the bill would harm workers. For example, the bill blocks a (Labor Department) regulation that would protect retirement savers by ensuring that investment advisors are acting in the best interest of their clients. This is a common-sense rule that protects those saving for retirement from being steered into invest-

ments that are in their advisors' financial interest, but not theirs," Lew said.

And it "blocks NLRB's rules to level the playing field for workers who want to vote on whether to have a voice in the workplace and interferes with the NLRB's adjudicatory function by prohibiting it from deciding cases regarding joint-employer standards or the appropriate size of a bargaining unit," he said. But job safety agencies get hurt by GOP cuts, too, Lew added.

"The bill also prevents the Occupational Safety and Health Administration from moving ahead to update 40-year-old exposure limits for respirable silica, which can cause cancer and silicosis – an incurable and sometimes fatal lung disease.

"The administration believes that the Congress should consider appropriations bills free of ideological provisions," Lew said right after that.

The anti-OSHA rider is on top of cuts in OSHA's funding and funding for the Mine Safety and Health Administration. The administration objects to those slashes, totaling \$106 million (11%) below Obama's budget request.

Such cuts "would lead to fewer inspections of dangerous workplaces, a slower response to fatalities and serious injuries, and diminished protections for workers who report unsafe and unscrupulous behavior," Lew said.

"This would result in weaker protections for low-wage workers deprived of fair pay,

parents who seek to take legally protected leave after their children are born, and underage workers who are put in harm's way. As a result, almost \$80 million less in back wages would be recovered—money that would make a real difference for these workers and their families.

The Senate bill "underfunds enforcement of minimum wage, child labor, family leave, and other wage and hour laws by \$67 million, or 24%, below the president's budget," Lew said. And he objected to the Senate's plan to ax \$35 million in grants to states to encourage them to enact paid family leave laws.

"Millions of families cannot afford to use unpaid leave," which is now law. "The United States is the only advanced economy that does not offer paid maternity leave and one of only two advanced countries that do not offer paid sick leave," he said.

That's why Obama's Labor Department is using the grants to encourage the states to act. Left unsaid: Federal family leave legislation, supported by Unions and pushed by women's groups, is going nowhere in the anti-worker Republican-run Congress.

Lew also said the Labor-HHS bill "fails to protect the quality of service at the Social Security Administration (SSA)," cutting the money by \$892 million. Cutting funding for SSA concerns both their union, AFGE, and the elderly whom Social Security serves.

Mega canal, mega mistake?

Nicaragua's proposed mega canal could become a mega mistake an international panel warns. The group of experts, brought together by Florida International University, claim that the \$50 billion proposed canal could prove disastrous for Nicaragua if a proper evaluation of the canal's impact is not undertaken.

A report released last month summarizes the comments and concerns raised by the panel of experts who reviewed an early draft of the environmental impact study for the Nicaragua canal. The panelists reviewed ecological and hydrological assessments for a project back in March. They found the evaluations were narrow in scope and did not take into account the full impact of the construction and operation of canal facilities.

"Because of the unprecedented magnitude of the project and the limited information available about some of the construction plans, the effects of the proposed disturbances on the ecological processes, as well as the level and significance of many of these impacts cannot yet be fully analyzed," the report says.

In particular the experts raise concern over the short timetable of the study. The study was conducted in 1.5 years, while similar smaller-scale projects typically look at large time periods to conduct their assessments. A proposed 1970s sea-level canal through Panama spent 10 years determining environmental feasibility before scrapping the project.

Similarly, the Three Gorge Dam project in China, which was smaller in scope than the Nicaraguan canal, went ahead based on an environmental study of roughly the same magnitude. The experts claim that the Three Gorge Dam project, has since become a prime example of the unanticipated environmental costs of megaprojects, from frequent landslides to water pollution and even increased seismic activity.

They go on to say that larger regional effects of habitat and species loss must be considered, instead of just the impact of the construction area. Additionally, the panelists raise serious concerns about the lack of data available regarding water quality and flow of the canal, which will pass through Lake Nicaragua, the world's largest fresh water source.

The proposed Nicaraguan canal, will span 172 miles and is expected to rival the expanded Panama Canal in terms of capacity. If completed, it may be operational as early as 2020. Hong Kong-based HK Nicaragua Canal Development Investment Co Ltd (HKND Group) is responsible for construction on the project.

The experts' misgivings are based on a preliminary draft of the environmental impact study, however, the completed study has not been released to the public. The final Environmental and Social Impact Assessment (ESIA) was delivered to HKND, as well as the Nicaraguan government on May 31.

"Unfortunately, aside from a few optimistic reports in state-sponsored media claiming that the project is "viable," the contents of the ESIA remain unknown to Nicaragua's people and the international community," the experts say in a written release.

They go on to add, "It's time for the Nicaraguan government to make [the] assessment of the canal's environmental and social costs available to the public. Holding it in secrecy not only undermines the power of the Nicaraguan citizenry to assess the project, it calls into question the legitimacy of the entire ESIA process."

Costa Rican President Luis Guillermo expressed frustration early this month over a lack of information given to his government. Most notably the leader wanted to know about the possible effects of sedimentation in the San Juan River, which runs through both Costa Rica and Nicaragua.

Australia orders government inquiry into flag-of-convenience system

The deaths of three seafarers' onboard the Japanese-controlled, 105,000-dwt bulker *Sage Sagittarius* has prompted an Australian senate investigation into the security of the flag-of-convenience (FOC) system. (Editor's note: See last month's *West Coast Sailors*.)

The investigation has been opened as the result of an inquest by the New South Wales coroner's court into two of the deaths that occurred in Australian waters.

On August 30, 2012, Chief Cook Cesar Llanto disappeared without a trace off Queensland and, two weeks later, Chief Engineer Hector Collado fell to his death in the engine room after being struck on the head.

A third fatality occurred in Japan when company superintendent Kosaku Monji, who was investigating the deaths, was crushed by the ship's loading equipment. However, Hachiuma Shipping which controlled the vessel when the incident occurred, said at the time, the death was determined to have been accidental by the Japan Coast Guard and no criminal investigation followed.

The Australian hearing had heard evidence of a bullying culture onboard the vessel by the ship's master, Venancio Salas. The *Sage Sagittarius* was registered Panama, which is still considered an FOC by maritime Unions.

It is the first such state investigation ordered since the Australian House of Representatives Standing Committee on Transport produced the 1992 Ships of Shame study into ship safety. That probe was undertaken following the loss of the Greek-owned tanker *Kirki* and a series of bulker losses that raised concerns over substandard vessels operating in Australian waters.

The Ships of Shame report was widely viewed as influential in the international moves to eradicate substandard shipping in the 1990s.

The International Transport Workers' Federation (ITF) welcomed the initiative to establish a senate inquiry, which is to be undertaken by the Senate Standing Committees on Rural and Regional Affairs and Transport.

The final senate report is scheduled to be completed by February next year.

ITF National Coordinator Dean Summers says the report will "expose the harsh realities of life at sea for seafarers from developing countries. Intimidation, bullying and harassment are often an unfortunate part of life onboard FOC vessels and it's allowed to happen because of jurisdictional blurred lines and lack of regulation," he added.

Suez Canal terrorist attack thwarted

Egyptian authorities have arrested 13 Muslim Brotherhood members on suspicion of planting bombs around the Suez Canal to disrupt shipping, security sources said on July 6. Suez Canal authorities claim they planted bombs in areas such as sanitation and electricity facilities and on public beaches.

The Suez Canal is the primary shipping route between Europe and Asia with about 18,000 ships passing through each year, which amounts to about 10% of the global maritime trade. The canal is currently in an \$8 billion expansion project that is expected to be completed by August 6.

Canal operations generate about \$5 billion per year for the Egyptian government. The expanded canal will allow for two-way traffic of larger ships, which is expected to increase revenues to \$15 billion by 2023. Egyptian authorities said that terrorist attacks against the canal could severely impeded Egypt's economic development and it intends to increase security measures.

Egyptian government has been escalating its rhetoric against the Muslim Brotherhood, which is entrenched in Egypt's culture and society. Last month, the country's top prosecutor was assassinated. The Muslim Brotherhood is a Pan-Islamic group and one of the largest groups. In 2014, the government officially declared the Muslim Brotherhood a terrorist group.

President Mohamed Morsi was a Muslim Brotherhood member and his regime was toppled by the army in 2013. Meanwhile, the Muslim Brotherhood states that it is committed to peaceful activism in order to reverse what it deems a military coup of Morsi's government. Former army chief, Abdel Fattah al-Sisi, whom was responsible in Morsi's ouster is now Egypt's elected president.

Shippers told to prepare for global container weight verification rule

In one year (July 1, 2016) new global regulations requiring every packed container have a verified container weight will go into effect and shippers need to be prepared, an industry trade group warns.

Next year "global containerized maritime commerce will need to comply with new international regulations that require every packed container to have a verified container weight as a condition for vessel loading," the World Shipping Council said in a statement.

The United Nations and its International Maritime Organization (IMO) approved the guidelines last year after container lines, port labor and terminal operators pointed to recent international incidents as proof that mandatory container weighing is needed.

Overweight containers played a role in the breakup and subsequent beaching of the *MSC Napoli* on the southern U.K. coast in January 2007, along with the partial capsizing of the *Deneb*, a 500-TEU feeder ship, in the Spanish port of Algeciras in June 2011. The crackdown on overweight containers—the number of which some estimates peg at 130 million annually—is part of a broader global effort to combat misdeclaration of exports.

Asian and European shipper groups arguing it would add extra costs and that the infrastructure, particularly in developing countries, simply isn't in place. Supporters of the IMO rule countered that critics exaggerated the impact and costs of implementation. They cited the fact that the United States has long required all export containers to be weighed, a requirement that hasn't just reduced supply chain efficiency but has improved safety, according to the International Association of Ports and Harbors.

Effective July 2016, shippers worldwide must provide a verified weight for every packed container preparing for transit and shippers must be aware that they are wholly responsible for their containers' weight, the shipping council said. "The regulations place a requirement on the shipper of a packed container, regardless of who packed the container, to provide the container's gross verified weight to the ocean carrier and port terminal representative sufficiently in advance of vessel loading to be used in the preparation of the ship stowage plan," the group explained.

Vessel and terminal operators do have some obligations. The two groups are prohibited from loading packed containers aboard a vessel for export if the container does not have a verified container weight and must use verified weights in their vessel stowage plans.

Owner, crew face murder charges in P.I. ferry tragedy

Police in the Philippines have filed murder charges against the owner and crew of the *M/V Kim Nirvana*, which sank on July 2, killing over sixty people.

The charges were filed against the ferry owner, Joge Bung Zarco, and the captain, Warren Oliverio, and 19 other people. During the initial investigation, police have concluded that the *M/V Kim Nirvana* made too sharp a turn before it capsized off the Port of Ormoc in Leyte Province.

The ferry was believed to have been overloaded with an estimated 204 people. Its registered maximum capacity is for 194 passengers. Survivor said the vessel was also transporting 80 sacks of cement as well as bags of rice cargo, which may have shifted during the course change and may have contributed to the capsizing of the ferry.

The ferry capsized just minutes after leaving the Port of Ormoc. It is estimated that more than 140 people were rescued from the waters. In a released statement, the United Filipino Seafarers (UFS) criticized local maritime authorities for approving the design and certification of the ferry.

According to the UFS, photos of the *M/V Kim Nirvana* are proof enough the motorized banca was not seaworthy and had obvious stability issues as a double decked ferry. The UFS asked authorities how the vessel passed passenger safety standards?

If found guilty the owner and crew of the *M/V Kim Nirvana* could face sentences of up to 40 years in prison for each count of murder.

ESU Office Assignments

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

ESU NEWS

JULY 2015

Official Publication of the Exxon Seamen's Union

United Steel Workers and ExxonMobil Beaumont, TX refinery reach agreement

The United Steelworkers Local 13-243 and ExxonMobil Oil Company reached an agreement on June 26, on a six-year labor agreement for the 800 workers at their Beaumont, Texas refinery, after working on rolling 24-hour extensions of the previous contract that expired on January 31. The deal includes a \$5,000 bonus for each employee, which guarantees no strikes or lockouts during its duration and the Union can only call a strike with 75 days notice after the pact expires. The workers will receive a 2.5% pay increase in the first year of the contract, 3% in the second and third years and 3.5% in the fourth year. The increases are the same amounts as the four-year national agreement contract between the USW and Shell Oil. In the fifth and sixth years of the agreement, ExxonMobil Beaumont refinery workers will receive the same increases agreed to by the USW and refinery owners in contract talks that are scheduled for 2019.

ExxonMobil volunteer program

If you are looking for something to do this summer to benefit a charitable organization in your area, you may want to consider the ExxonMobil volunteer program. Initiated in 1996, the Volunteer Involvement Program is funded by ExxonMobil Foundation, the primary philanthropic arm of Exxon Mobil Corporation. The Volunteer Involvement Program seeks to encourage employees, retirees, and other eligible participants to actively contribute their time and talent to charitable organizations by providing contributions on their behalf. The intent of this program is to encourage volunteerism to worthwhile charitable activities in the community, rather than to provide large sums of money to organizations.

The Volunteer Involvement Program is designed for employees, retirees, and other eligible participants who volunteer in the community on an individual basis. A \$500 grant can be awarded to a charitable, nonprofit organization after an eligible participant volunteers at least 20 hours of their time to the organization during a calendar year.

Each eligible participant (employee, retiree, surviving spouse, or director) may apply at <https://www.easymatch.com/exxonmobil/> for four individual grants per calendar year. These grants may be for the same or separate organizations, provided 20 hours of work is performed for each grant. An organization may receive a maximum of \$5,000 per calendar year of Individual Volunteer Grants, in addition to the \$10,000 maximum for Team Grants.

Although spouses and children may participate as part of the four individual grants per employee or retiree per year, hours may not be combined. All application forms must be completed by the employee, retiree, surviving spouse, or director. A separate application must be completed for each \$500 grant request.

Eligible organizations must be charitable and recognized as tax exempt by the Internal Revenue Service under Section 501(c)(3) of the Internal Revenue Service Code and have an Employer Identification Number (EIN), or be an instrumentality of a state or local government under IRC Section 170(c)(1). Public charities are included, but private foundations are excluded. Eligible organizations include those providing: Disaster relief and emergency services; Community assistance including food, shelter & clothing; Assistance to the disabled and underprivileged; Youth empowerment and a chance at a brighter future; Family crisis services and programs; Senior citizens with a better quality of life; Health care, health volunteer services and cure for diseases; Cultural organizations including arts, museums, cultural & historical societies, performing arts, public broadcasting, etc.; Civic services including volunteer fire departments, emergency management, community centers & services, and libraries; Youth activities (age 18 and under); Parks, nature centers, botanic gardens; K-12 education (accredited private and public schools) and supporting organizations such as PTA; Colleges and universities; Educational tutoring & mentoring; Environmental programs including biodiversity, conservation, and preservation of endangered species & habitats; and Humane societies, animal shelters, SPCA, etc.

Reminder about Medical Certificates

Everyone needs to be aware of the expiration date on their medical certificate to ensure they keep this important document current. Medical certificates issued under STCW and the Maritime Labor Convention (MLC) 2006 sets the maximum periods for validity at two years (international service). In the initial issuance from the USCG, for various reasons, did not issue all medical certificates with a full two years. Many initial expiration dates are set to expire in 2015, so please check your document carefully. If you have any questions, please feel free to call the ESU office or contact the National Maritime Center at 1-888-427-5662.

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

Sewing Sailors



Pictured above from the left: Long time Union members AB Stefan Theodore and AB Robin Robison, working on some of the betterment items aboard of the Liberty Bay. Robin is fabricating equipment covers out of canvas for use on deck while Stefan is preparing a cover to be used as chaffing gear for the ships mooring lines. Canvas sewing has become somewhat of a lost art over the years, as many sailors are not as familiar with the craft. Note the use of special safety gloves by Stefan while working with a sharp knife.

Ship reports

S/R American Progress

The vessel arrived Singapore on June 21. After a couple weeks of tank cleaning and inspections the ship shifted to Keppel Shipyard on July 6, and then into dry dock where it will remain until August 10. ETD from Singapore on or about August 12, for the return voyage to the U.S. and most likely Los Angeles, CA during the first part of September. Regular Ship Representative Mike Harrison is back on board and staying in touch with the ESU office via phone and email and reports all is well. Thanks to Deck Department Trustee Jeff Harris for holding down the fort while Mike was on vacation.

Eagle Bay

The vessel is now in the regular ANS crude run between Valdez and the West Coast ports after its first ANS crude discharge in Long Beach. The next trip south is slated as San Francisco, CA for discharge at the Richmond Long Wharf. Temporary Ship Representative AB Ed Stoeckel filling in and staying in touch with the ESU office via e-mail, reporting everything running smoothly.

The ESU would like to congratulate Ed and his wife on the upcoming wedding of their daughter.

Liberty Bay

ESU Board officer Leo DeCastro visited the vessel in Long Beach, CA while alongside Tesoro 121. The vessel continues loading in Valdez, Alaska and discharging in Long Beach, CA. The ship will be taken out of service for approximately 12 days during the first week of August to undergo an inspection of machinery and warranty items for its first year of service since being delivered to SeaRiver Maritime Inc. Regular Ship Representative AB Joe Buffington is back on board and reporting all is well.

EXXON SEAMEN'S UNION

Founded March 28, 1941

Affiliated with the Sailors' Union of the Pacific

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Board Member at Large Ein Cooley

Deck Trustee Jeffrey Harris

Engine Trustee William Ackley

Steward Trustee Joel Mitchell

Where did the Maritime Heritage grant money go?

By Denise Krepp

In 1998, Congress held a hearing to examine the Maritime Administration's ship recycling program. Witnesses testified about irregularities and the lack of compliance with the National Maritime Heritage Act. Fast forward seventeen years and the problems continue to exist. Maritime heritage and preservation organizations, specified as recipients of one-quarter of MarAd obsolete ship sales in the 1994 Act, have still not received their full funding and are wondering where the money has gone. So are domestic metal recycling companies that have paid, since 2005, in excess of \$75 million for the ship steel commodity.

The National Maritime Heritage Act specifically mandates that MarAd annually transfer one-quarter of its ship sales to the Interior Department for a competitive maritime heritage grant program. Congress also directed that the grant funding be used to "foster in the American public a greater awareness and appreciation of the role of the maritime endeavors in our Nation's history and culture."

Funding for the maritime heritage grants comes from MarAd's sale of excess government vessels. Twenty-five percent of sale proceeds is used to fund the grants. In the 1998 hearing, one of the witnesses referenced then Senator Cohen's 1996 letter to MarAd concerning the program. Senator Cohen was concerned about the lack of funding and how this shortfall could impact the grant program. His concerns remain valid today.

The 1998 Congressional hearing triggered an initial dispersal of funds – 39 grants totaling \$652,616 was awarded in the "inaugural" round. Then nothing. The U.S. has collected over \$75 million from the sale of excess government vessels since 2005, but the next round of grants wasn't awarded until April 2015. The second round was larger than the first one – \$2.6 million but it still didn't cover the 25% allocated by Congress. So again, where did the money go?

The answer to that question resides with the STORIS Act introduced by Senator Vitter and Representative Graves earlier this year. The legislation requires a Government Accountability Office (GAO) audit of how MarAd used the funding. Two disbursements in twenty-one years does not meet the definition of "annual grant" and that is what GAO is tasked with examining.

GAO is also tasked with reviewing how MarAd awards excess government vessel sales contracts to bidders that are not the highest bidder. Surprisingly, the agency does not award vessels based on price. Price is only a significant factor when this determination is made and 20% of the excess government vessel sales contracts since 2008 were awarded to lower bidders.

MarAd claims that awarding contracts to lower bidders is in the best interest of the federal government, but what about the maritime heritage organizations and the other recipients of the sales money – the U.S. Merchant Marine Academy and six state maritime schools. Who is looking out for their interests? Not MarAd. If MarAd was looking out for their interests, they would be awarding contracts based on price – the more money the government receives from excess vessel sales contracts amongst a pool of pre-qualified companies, the more money is available for maritime heritage grants.

Congress recognized in 1994 that historic resources significant to the Nation's maritime heritage are being lost with increasing frequency. Unfortunately, MarAd's refusal to disburse the maritime heritage grant funding on a yearly basis increased these losses exponentially. The STORIS Act and accompanying GAO audit can reverse this trend. The faster the legislation become law, the sooner funds will become available to protect our nation's maritime heritage.

K. Denise Rucker Krepp, U.S. ship recycling advocate and former Maritime Administration Chief Counsel

**DEFEND THE MARITIME SECURITY PROGRAM
SUPPORT THE SUP POLITICAL FUND**

Editor's Note: To receive the West Coast Sailors via first-class mail it's \$25 per year U.S. mail; \$45 per year international.

**Receive the
West Coast Sailors
via First Class Mail**

Name (print) _____ Book No. _____

Address _____

City _____

State _____ Zip _____ Country _____

**U.S. \$25; International \$45 per year
Send check or money order to:
West Coast Sailors
450 Harrison Street
San Francisco CA 94105**



Welfare Notes July 2015

Special Pensioners Medical Benefit IMPORTANT NEW CHANGES EFFECTIVE TO THE BENEFIT

The Special Pensioners Medical Benefit currently provides up to \$4,000 in total annual benefit payments for pensioners and their spouses. We are pleased to advise you that the following new annual maximum payments will apply starting with expenses incurred on or after August 1, 2015.

<u>Benefit Expense</u>	<u>Current Benefit Year Maximum</u>	<u>New Benefit Year Maximum for Expenses incurred on or after August 1, 2015</u>
Medical Premiums	\$2,500	\$3,000 (\$500 increase)
Prescription Drugs	\$1,000	\$1,000 (no change)
All Other Expenses (medical/dental/vision)	\$500	\$1,000 (\$500 increase)

Note: A medical, dental or vision claim is considered to be incurred on the date you receive treatment or the date of visit giving rise to the expense. For prescription drugs, the incurred date is the date you paid for the drug. For medical premiums, the expense is incurred on the due date for the premium being paid, not the date of your premium payment.

If you have any questions, please contact the Plan Office: (800) 796-8003.

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Phone Numbers: 415-778-5490 or 1-800-796-8003 Fax: 415-778-5495
SIU-PD Pension 415-764-4987 & SIU-PD Supplemental Benefits 415-764-4991
Seafarers Medical Center 415-392-3611

Online California unemployment service is now available

A new internet service from the California Employment Development Department is now available to anyone in the state who wants to manage their unemployment benefits online.

The new system called UI Online, is available for use on smartphones and tablets as well as computers. More than 62,000 people in California have registered for the service since it became available in early June, according to the EDD.

Claimants can use the new system to certify for continued benefits every two weeks, view the benefits they've received, reopen a claim, update personal information, and among other things, view appointments they've made for benefits.

UI Online does not allow claimants to file an initial claim, EDD spokesman Garin Casaleggio said. To do that, claimants can use eApply4UI, also an online system that's been available since around 2002.

UI Online is available 24 hours a day, seven days a week, EDD officials said.

Membership and Ratings Committee

The Committee met on July 2, and found the following members eligible for advancement in seniority and rating stamps in the various departments:

Name and Membership Number	Seatime	Rating	Seniority
Filemu Pule Unutoa #19404	1 Year	A.B.	B
McKevin Dulay #19405	1 Year	O.S.	B
Charley Sheldon #19406	1 Year	A.B.	B
Gerry Gianan #19407	1 Year	A.B.	B
Rebecca Fisk #19408	1 Year	A.B.	B
Corey Edgil #19409	1 Year	A.B.	B
Terry Igot C-2521	30 Days	A.B.	C
Orlando Rebolledo-Navarro C-2522	30 Days	A.B.	C
Brian Ameigh C-2523	30 Days	A.B.	C
Warren Wade C-2524	30 Days	O.S.	C
Diomedes Vigo C-2525	30 Days	A.B.	C
Brian Eaton C-2526	30 Days	O.S.	C
Juancho Gutierrez C-2527	30 Days	A.B.	C
Muthana Koraiash C-2528	30 Days	A.B.	C
Anthony Pomarca C-2529	30 Days	O.S.	C
Rating Stamps - None			

Membership and Ratings Committee's Report: M/S to concur in the Committee's report. Carried unanimously. Membership and Ratings Committee: Gio Navarro #C2437, Robert Leeper #19314, and Thomas Koppel #3169.

Scot wants to bring Queen Elizabeth 2 home

It has been nearly eight years since the British cruiseship *Queen Elizabeth 2* (built 1969) sailed for a life of exile but now the people who built it want their queen to come home.

The 70,300-gt ship, better known as the *QE2*, was the last large passenger vessel built on the Clyde—the once prolific center of Scottish shipbuilding—and after four decades of service with owner Cunard, was retired in November 2008 to Dubai, where it was to have been rebuilt as a large luxury hotel, one of numerous iconic projects the Emirate was keen to develop when cash appeared to be no problem.

The Dubai plan never happened, while a more recent one to convert the ship into a floating hotel in Hong Kong also seems to have fallen by the wayside.

Despite the years of absence, the *QE2* has not been forgotten in the country of its birth. Councilor Stephen McCabe, leader of the Inverclyde Council, has written to Scottish First Minister Nicola Sturgeon, the Minister for Business, Energy and Tourism, the local member of parliament and members of the Scottish Parliament serving the Inverclyde area seeking support for his proposal to buy the *QE2* and convert it to a floating hotel, conference center and museum. It would be moored on the Clyde where it would serve as a “beacon of Scottish engineering”.

A spokesman for the Scottish government has indicated that “it has deemed the project interesting and worthwhile but is seeking further information and clarification from Inverclyde Council, which borders Clydebank where the liner was built, before it is willing to give its approval.

Refitting a large ship like the *QE2* for further use of any kind would be a costly undertaking and no doubt the first thing the Scottish government would like to know is who is going to pay for it.

New USCG plan aimed at helping U.S. ports, carriers prevent cyber attacks

The U.S. Coast Guard has unveiled a new cyber security plan, the latest in an ongoing effort to protect U.S. seaports and the commercial vessels in their waters from the rising risk of cyber attack.

While there has never been a high-profile cyber attack on U.S. ports, hackers have infiltrated the Port of Antwerp and at least one container line in the past five years. A cyber attack against a U.S. port could cripple a container terminal’s operations or give organized crime access to the \$6 billion worth of goods those ports handle each day.

The Coast Guard’s Cyber Strategy, unveiled by Commandant Paul Zukunft last month, will guide the Coast Guard’s cyber efforts over the next decade. The plan may be new, Zukunft said, but the Coast Guard’s strategy to defend commercial vessels and port terminal operators remains unchanged. “Cyber is a new risk factor, but it does not interrupt long-standing and successful regimes for dealing with prevention and response to incidents,” Zukunft said. “This isn’t about looking for new authorities or missions. We’re doing as we’ve done for 225 years. We’re applying our existing authorities and skills to meet demand in emerging domains.” The guidelines don’t provide technical specifications, but they will help ports, terminals and carriers create a cyber-risk management strategy, he said. The focus on management is important, as the maritime industry needs not only to find ways to prevent itself from cyber attacks, but also how to operate after being hit.

The plan outlines three priorities: defending cyberspace, enabling operations and protecting infrastructure.

Managing risk was listed as the first objective of the cyberspace defense strategy. Under the guidelines, ports, terminal operators and carriers are advised to first tap a point person to take responsibility of implementing the strategy. Then the stakeholders need to map their computer systems to gauge how much damage a cyber attack would inflict. The next step is to determine the computer systems’

vulnerability by finding out how the system could be hacked. The Cyber Strategy stresses that all divisions of a company need to be involved in implementing a cyber management strategy, not just IT. If IT goes it alone, then only IT weaknesses and solutions are imposed.

The Coast Guard said it will incorporate risk information into existing vessel and facility security assessments conducted by private industry and port authorities. The plan also stipulates that the Coast Guard will coordinate with the International Maritime Organization (IMO) to include cyber security into required training for vessel and facility security officers. It noted that the agency will work with the U.S. Coast Guard Academy, merchant marine academies and training programs to incorporate cyber security into course work.

U.S. ports are particularly at risk. Kimberly Peretti, a Washington attorney specializing in cyber security, said at the Association of American Port Authorities’ April conference in Washington D.C. Ports handle roughly \$6 billion worth of goods each day, Peretti said. They store vast amounts of data detailing every ton of cargo that passes through their waters. They’re open gateways to the United States and they are often ill-equipped to prevent cyber attacks. “We’re still in the wild, wild west of cyber security,” Peretti added.

The U.S. government’s response to the threat has been found wanting by industry insiders and analysts alike. But that’s changing. In February, President Obama signed an executive order, urging private companies to share potential network threats amongst each other and with the federal government. The U.S. House of Representatives has passed legislation that would lay the framework for companies, including ocean carriers and port terminal operators, to share access to their networks with federal investigators. The bill, however, has been stalled in the Senate, failing, four votes short of the necessary majority earlier last month.

Piracy driven by poverty

In an informal survey by the United Nation’s Office on Drugs and Crime and Oceans Beyond Piracy of 66 Somali inmates convicted of piracy, poverty was their primary reason for engaging in maritime crimes.

One prisoner said that he went to sea to hijack ships because his family was poor, but other inmates offered they actually left piracy on the high seas once they had enough money to retire. Some prisoners mentioned that illegal fishing had taken the only work they knew and that if it persists piracy may continue because it is many Somalis only option.

The presence of the international naval forces was a primary deterrent to piracy, and many of them said the warships patrolling was a significant contribution for them to stop their maritime crimes. Private armed guards was another reason that some of the inmates left as well. Family and community pressures and counter-piracy messaging are effective as well.

One prisoner said that being in prison was the worst place to be in the world. Meanwhile, others cited that the fear of imprisonment was a huge deterrent.

Piracy off Somalia reached a peak in 2011. But, the region has witnessed a significant decrease during the past three years. Oceans Beyond Piracy reported that in 2014, there were only 18 pirate attacks and none of them actually hijacked a commercial vessel. An increase in regional security measures and heightened naval patrols has been the main contributor for the decline. Meanwhile, Southeast Asia has seen the opposite side of the trend recently with 2015 registering its highest level of attacks over the last five years.

China to ready civilian ships for naval use

The Chinese government has approved a plan requiring civilian shipbuilders to ensure that new ships can be used by the military during an emergency, a state-run newspaper said last month.

The plan will “enable China to convert the considerable potential of its civilian fleet into military strength”, said the China Classification Society, a shipping industry association, reported the official *China Daily*. It will also improve the People’s Liberation Army’s (PLA) “strategic projection and maritime support capabilities”, the report added.

“Modern naval warfare often requires the mobilization and deployment of a large number of ships while the mass production of naval ships in peacetime is not economically sensible,” said Cao Weidong, a researcher at the PLA Naval Military Studies Research Institute in the newspaper. “Therefore, it is a common practice that shipbuilders reserve some military application platforms on their civilian vessels so they can serve the navy in wartime.”

The Technical Standards for New Civilian Ships to Implement National Defense Requirements is the result of a five-year research project by the shipping body and the military, the paper said, and it includes five types of ships: container, roll-on/roll-off, multipurpose, bulk carrier and break bulk.

China has ramped up defense spending to modernize its forces, the world’s largest, which are gaining experience in operating far from its coast, especially the navy. In a defense strategy paper last month, China vowed to continue growing its “open seas protection” and criticized neighbors who take “provocative actions” on its reefs and islands.

China’s increasingly assertive moves to press sovereignty claims in the East and South China Sea have rattled the region and aroused concern in Washington, although the country says it has no hostile intent. China has overlapping claims with the Philippines, Vietnam, Malaysia, Taiwan and Brunei in the South China Sea, through which \$5 trillion in ship-borne trade passes every year.

Chinese government-owned shipping company cooked the books

China Ocean Shipping Company (Cosco) Group, has been found to have falsified profits, according to a 2014 work report, released late last month, by China’s National Audit Office.

The findings show Cosco Group falsified documents related to \$48 million in revenue and \$27.2 million in expenses. Overall, the company is accused of over reporting its net profit by \$20.7 million for the five year period between 2008 and 2013.

The report found severe operational violations in two of the group’s subsidiaries – Cosco Logistics and Cosco Dalian Shipyard – which contributed to massive earning losses. Additionally, the audit cited Cosco Group for lacking risk management and supervision in its ship chartering operations. Around \$5.49 billion in losses for long-term charter deals were reported from 2009 to 2013.

A total of fourteen state-owned companies were found to have financial irregularities in this latest government probe. Between them they have racked up falsified profits in excess of \$3 billion over the course of the audit period.

The audit reports are part of a massive anti-corruption campaign launched by President Xi Jinping. The main focus of the initiative has been to isolate improper allocation and management of funds among government funded endeavors. Over the past two years the administration has rounded up around 100,000 officials in connection with corruption.

China’s National Audit Office has asked Cosco Group to release their own report detailing corrections to both revenue and expenses incurred over the audit period, which will then be made public. Cosco is owned by the Chinese Government and operates 130 vessels.



SUP President's Report

July 13, 2015

SPECIAL PENSIONERS MEDICAL BENEFIT

At the June 16, Trustees meeting of the SUP Welfare Plan, the Union Trustees proposed, and the employer Trustees agreed, to increase the Special Pensioners Medical Benefit from \$4,000 per year to \$5,000, effective August 1.

- **Medical premium reimbursement is currently capped at \$2,500. That amount will increase to \$3,000 annually.**
- **Prescription drug reimbursement remains status quo at \$1,000 annually.**
- **All other miscellaneous expenses (dental, vision) will increase from \$500 to \$1,000 annually.**

A medical, dental or vision claim is considered to be incurred on the date you receive treatment or the date of visit giving rise to the expense occurs. For prescription drugs, the incurred date is the date you paid for the drugs. For medical premiums, the expense is incurred on the due date for the premium being paid, not the date of the premium payment.

If you have any questions, please contact the Plan office: 800 796-8003.

The Special Pensioners Medical Benefit is in addition to the \$2,000 eligible pensioners receive. Those funds are generated through the Welfare Plan's Regular Account (\$1,000), Special Account (\$750) and Quid Pro Quo Account (\$250).

MATSON NAVIGATION COMPANY

At the request of Jack Sullivan, Matson's Vice President of Vessel Operations and Labor Relations, the SUP and MFOW met with the company on July 10, at SUP Headquarters. Representing the Unions were MFOW President Anthony Poplawski, SUP Vice President Dave Connolly, Union attorney Peter Saltzman, and your secretary. In addition to Captain Sullivan, the company was represented by Dale MacGillivray, Manager of Offshore Labor Relations & Contract Administration.

Sullivan began the discussion by giving an update on the status of the *Aloha*-Class ships which will be built at Aker Philadelphia Shipyard: on September 28, steel for the *Senator Daniel K. Inouye* will be cut with keels for both the *Inouye* and another, as of yet unnamed vessel of the same class, laid on December 15. The *Inouye* is expected to be delivered in June of 2018 and the second vessel in December of that year.

As the membership will recall, in bargaining with Matson in 2013, having the company agree that the *Aloha*-Class vessels would be crewed by the SUP, MFOW and SIU-Marine Cooks was a major issue. Since the current Agreement with Matson expires in 2017, the *Aloha*-Class could again be an issue despite Sullivan's reassurances that we will be aboard. The double-dealing by the company in 2003 over the *Manukai*-Class vessels must always be kept in mind, particularly given the current status of Matson's Alaska service.

Matson's corporate shell game with the four vessels in the Alaska trade continues. The company still contends that its acquisition of Horizon Lines was a "merger" and that it is a subsidiary of Matson which the SUP and MFOW contend is covered in the collective bargaining agreement with Matson.

The Unions pointed out to Sullivan that the *Horizon Consumer* had recently made two round trips from the West Coast to Hawai'i covering the run usually made by the *Manoa*, crewed on deck and in the engine room by the SUP and MFOW. Sullivan responded by stating that since Matson/Horizon Lines owned the *Consumer*, it had the right to operate the vessel to Hawai'i or any place else she was needed. Sullivan also stated that the other vessels in the Alaska trade (*Horizon Anchorage*, *Horizon Kodiak*, *Horizon Tacoma*) plus the *Consumer* are scheduled for long drydocking periods in China starting in September. Sullivan added that a replacement vessel or vessels for the drydocked ships could be vessels currently in idle status for Matson which include the *Lihue*, *Lurline* and *Maui* – with the SUP and MFOW aboard.

Will keep the membership fully informed on developments with Matson.

APL MARINE SERVICES, INC.

Last month, APL notified the Union that the company is phasing out its Suez Express Service as a result of APL's agreement with Maersk Line. That agreement, as reported in the December 2014 issue of the *West Coast Sailors*, provides for Maersk to end its U.S.-flag TransPacific Service and to charter space aboard APL's U.S.-flag vessels, and for APL to charter space on Maersk vessels out of the East Coast.

The *APL Agate*, *APL Coral* and *APL Cyprine* currently on the Suez Express will be redeployed to a new 42-day Subcontinent Express Service. The 42-day run will originate in the Chinese ports of Qingdao, Shanghai, Ningbo and Chiwan, then south to Singapore, west to Port Klang, Malaysia and Karachi, Pakistan. Hence to Colombo, Sri Lanka, Singapore, Hong Kong and Qingdao.

SUP members dispatched to these vessels will continue to be dispatched under shuttle ship rules (SUP Shipping Rule #8). The two-man watch system shall be in effect from Qingdao through departure from Chiwan and will resume again prior to arrival in Hong Kong.

APL indicates that the *APL Cyprine* will inaugurate the new service on July 31, followed by the *APL Agate* on August 14, and the *APL Coral* on September 11.



As reported last month, the *APL Belgium* will shift from the Suez Express Service to the TransPacific. On July 1, the Union was notified that the *Belgium* will depart Laem Chabang, Thailand on July 13, enroute to Naha, Okinawa, then enter the TransPacific Service.

PATRIOT CONTRACT SERVICES

On July 1, the Union was notified by Patriot that the company was the recipient of Award Fee Bonuses by the Military Sealift Command (MSC) for its performance in operating the *Watson*-Class LMSRs and the *USNS 1st Lt. Harry L. Martin*.

The Award Fee Bonus is not a contractual provision under the collective bargaining agreement with Patriot, but strictly an MSC award for the company's performance under MSC-contract that the company chooses to share with its mariners and other employees.

According to Patriot President Frank Angelacci, the award period for the *USNS Martin* was for the full 2014 fiscal year and bonuses for the six sailors eligible ranged from \$240 to \$1420. For the five months of fiscal 2014 that Patriot managed the *Watson*-Class, 57 sailors who completed a four-month assignment, received a bonus of approximately \$300 each.

CALIFORNIA LABOR FEDERATION, AFL-CIO

As a Vice President of the California Labor Federation, AFL-CIO, attended an Executive Council meeting on July 8, in Los Angeles.

High on the agenda was a discussion of the ramifications of the California Supreme Court's decision on June 20, to hear an anti-Union lawsuit, Friedrichs v. the California Teachers' Association (CTA).

Rebecca Friedrichs and nine other public school teachers in Southern California, were recruited by the anti-Union Center for Individual Rights to overturn the Supreme Court's 1977 decision in *Abood v. Detroit Board of Education*, which upheld the constitutionality of agency shop clauses in collective bargaining agreements for public employee Unions. An agency shop allows members of the bargaining unit to opt out of membership in the Union, and to instead pay "agency fees" to support only the collective bargaining activities of the Union.

Unions have a legal duty to represent all workers in their bargaining units. The *Abood* ruling established that agency fees compensate Unions for that work and prevent "free riding" of workers who refuse to join the Union, for personal, political or religious reasons.

The non-Union teachers in the Friedrich case pay what they are calling "forced dues" of about \$850 a year, or two-thirds the cost of full Union membership in the CTA. The other third goes to the political arm of the Union to elect pro-teacher, pro-Union legislators.

Unlike public employee Unions, many private sector Unions – including the SUP – do not use dues money for political activity but rely on voluntary contributions from the membership.

If the Supreme Court finds that teachers no longer have to pay agency or "fair share" fees, as many public employee Unions fear it will, given the composition of the Court, the result could be dire for not only the CTA and all other public employee Unions but for the entire labor movement.

This case is the latest attempt by well-funded employer interests to undercut the ability of Unions to represent workers, in this case, in the public sector. It follows so-called "right-to-work" legislation in Wisconsin, Michigan and 23 other states.

The California Labor Federation is preparing for the worst case scenario and the threat of anti-Union measures on the 2016 ballot.

The Executive Council also discussed the effect of rising health care costs on all

continued on next page

Unions, the status of Federation and Labor sponsored bills in Sacramento and the impact of the recent brutal murders in South Carolina and what the labor movement can do to eliminate racism.

BILL BERGER

Bill Berger, who served the Union with distinction for many years, crossed the bar on June 30, at age 94.

Born in Wisconsin in 1921, Brother Berger joined the SUP in 1942, and after graduating from the Andrew Furuseth School of Seamanship, shipped on the Liberty Ship *George Boutwell*, owned by the Alaska Packers. He continued sailing during World War II, and the Korean War. After serving on the historic 1955 Negotiating Committee, he was appointed Dispatcher of the Seattle Branch in 1957. Following that two-year stint, he went back to sea but was called on to serve briefly as relief Honolulu Branch Agent. In 1962, Bill was elected San Francisco Patrolman, as the Business Agent's job was then titled. For 24 years Bill visited hundreds of ships and handled thousands of beefs which made him in later years, a source of knowledge and wisdom on Union agreements.

In 1986, Bill unsuccessfully challenged the incumbent President/Secretary-Treasurer and again went back to sea until 1988 when he was elected Wilmington Branch Agent, serving until 2002 when he was elected San Francisco Business Agent. He held that job through several elections until he retired in June of last year due to ill health.

Bill touched the lives of almost three generations of SUP members. Although his demeanor was sometimes gruff, he was a mentor, counselor and friend to many. He will be missed.

The condolences of the Union were conveyed to Bill's wife Diane and his extended family. A celebration of Bill's life is planned for September.

QUARTERLY FINANCE COMMITTEE

In accordance with Article XVII, Section 2, of the SUP Constitution, a Quarterly Finance Committee shall be elected at today's Headquarters' meeting to review the finances of the Union for the second quarter of 2015, and report back to the membership at the August coastwise meetings.

In the event the Committee cannot be filled today, recommend that when the quarterly audit is completed, which will be in about three weeks, necessary Committee members be shipped off the hiring hall deck as per past practice. The Quarterly Finance Committee will turn-to on Monday, August 10, at 8:00 A.M.

LONGSHORE HOLIDAY

SUP hiring halls on the West Coast will be closed on Tuesday, July 28, in observance of an ILWU holiday.

In accordance with the collective bargaining agreements with APL and Matson, it is a holiday for all company vessels in West Coast ports and for sailors employed under the APL and Matson Maintenance Agreements. It is also a holiday for run boat operators employed by the San Francisco Bar Pilots. It is not a holiday at sea or in Hawai'i.

ACTION TAKEN

M/S to elect the Quarterly Finance Committee. Elected are: Paul Calais, Colin Dewey, Diane Ferrari, Steve Messenger and Frank Portanier.

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

Gunnar Lundeberg

Vice President's Report

July 2015

USNS Pomeroy: Dennis Sumague, delegate. Clarification on room cleaning: maintaining a clean room is elemental to good seamanship. In terms of compensation, however, when that sanitary work is assigned on overtime hours it is paid at the overtime rate with no contractual guarantee of overtime during straight time hours for a daily sanitary of sailors quarters.

USNS Dahl: Phil Coulter, delegate. Ship got underway for typhoon sortie which also interfered with relief travel. Dispatches made, clearances pursued, travel pending. Should be soon.

USNS Red Cloud: Daniel Babatunde, delegate. Delegate reported missing sailor ashore. Participated in efforts to locate, mediate, and ameliorate his return to the ship.

USNS Sisler: Dale Lindquist, bosun. Called for crew in August activation from New Jersey shipyard for layberth, then load port and foreign deployment.

APL Agate: Roger Berioso relieved by Ed Pastolero as delegate. Changing to the new "AS1" service in August in a return to the historic shuttle ship (no U.S. port calls) operation. See President's report. Shuttle ship shipping rules apply: sailors have the right to remain on board a minimum of 120 days and a maximum of 180 or until reaching the new port of engagement – Singapore. Clarification on callouts and continuous time and hybrid one/two person watch. On watches, midnight day of arrival in Hong Kong the two person watch is set and carried through last Chinese port of Chiwan. The one person watch is then set for the rest of the 42 day passage from China to Singapore, then Port Kelang, then Karachi, then Colombo, then Singapore and then back to Hong Kong. Delegates in AS1 ships (*Agate, Coral, Cyprine*) are reminded however that the captain can set watches and assign additional watchstanders as necessary relative to workload without changing the essential contractual status of the daymen when the one-person watch is set, i.e., anything after 1700 and before 0800 is overtime. Serang Marc Calairo has a good gang is prepared for the "let go and start port prep" operations of the new Asian loop.

APL Coral: Cezar Paeste, delegate. Several problems in this troubled ship. Investigated two claims of wrongful termination and found them both without merit. Member fines assessed. Bosun Saher Ali has things well in hand. Separately, member detained for problems ashore in Middle Eastern port released as the *West Coast Sailors* goes to press. American sailors should know that shore leave in some ports is inherently risky and should mitigate such risk with extreme caution and conservative behavior. That too is good seamanship.

APL Belgium: Chris Go, delegate. Departing Thailand this ship will transition into the Trans-Pacific trade as a Group I ship in the Maritime Security Program. Clarification on Shipping Rules in transition from shuttle ship to West Coast regular run – members have the right to return to port of engagement if such port is part of the expected run. In good shape with Teo Rojas as Bosun.

APL Singapore: Paul Harsany, delegate. Restriction to ship beef in China and other claims under investigation and being pursued with management.

Matsonia: Noel Itsumaru, delegate. Clarification on delayed sailing. Other items under investigation. San Francisco Business Agent Roy Tufono handled all problems on arrival.

Mahimahi: Quentin Brown, delegate. Holiday clarification. As per Section 19 of the General Rules, the SUP recognized July 6 has the holiday since July 4 fell on a Saturday. We do not also recognize the ILWU 142 holiday on July 3 despite the ship being in Honolulu that day where longshore holidays normally apply. Give the delegate points for creativity but differences in Union recognition of Independence Day does not free up multiple paydays for the same holiday.

Dave Connolly

Greek bailout to hit ports, shipping industry

The bailout deal Greece struck with its creditors on July 13, will have a major impact on the beleaguered nation's shipping industry and its ports.

Any remaining doubts over the sale of the state's 65% stakes in the two largest ports of Piraeus and Thessaloniki were removed after Athens agreed "to develop a significantly scaled-up privatization program with improved governance."

And the Syriza-led government's commitment to "the broadening of the tax base to increase revenue" will result in higher tonnage taxes and an end to tax breaks for Greek shipowners who control a fifth of the world's fleet.

Ahead of talks, the Greek government said it would "announce binding bid dates for Piraeus and Thessaloniki ports of no later than end-October 2015."

The government launched the bidding for the port of Piraeus in May, but there were doubts whether it would stick to the sale in the face of opposition within its own ranks and from the Unions angered

that it has broken a pre-election pledge to halt port privatizations.

Greek dockworkers staged rolling strikes and overtime bans to protest the award of a 35-year concession to China's Cosco Pacific to run two of Piraeus's three container berths in 2009 and the planned privatization of the Piraeus and Thessaloniki port authorities in 2011, and are expected to intensify industrial action following the deal with Greece's creditors. The Union of Port Workers, which condemns privatization as "incomprehensible and criminal" called on its members on a 24-hour strike as recently as May.

Leading global port companies, which have participated in earlier bidding processes, have reacted positively to Athens' commitment to privatization of the waterfront. "We're interested in the Greek ports of Piraeus and Thessaloniki and are pursuing them as part of our growth plans," Francois-Xavier Delenclos, Vice President of APM Terminals, Maersk's port arm, said on the eve of the bailout talks in Brussels, Belgium. "We remain

interested in showing Greek leaders our expertise in the investment, building, modernizing and operating of ports. We have a lot of experience in all markets and believe a competitive port system is integral to Greece's success."

APM Terminals is bidding for a 51% stake in the Piraeus Port Authority alongside Cosco Pacific and Philippines-based International Container Terminal Services. Cosco Pacific is the favorite to win the contest as it has transformed the previously sluggish port into a top 10 European container hub, with annual traffic topping three million 20-foot-equivalent units in the first five years of its concession.

The privatization of Thessaloniki has stalled since eight companies, including APM Terminals and International Container Terminal Services, expressed an interest a year ago in acquiring a majority stake in Greece's second largest port.

Meanwhile, Greek shipowners, who control the world's biggest fleet of some 4,200 ships totaling 324 million dead-

weight tons and worth around \$112 billion, according to VesselsValue.com, an online ship valuation site, are bracing for sharply higher tax bills. The industry also risks losing its tax exemption status, enshrined in the Greek constitution, that has ensured shipowners have remained in the country, employing nearly 200,000 seafarers and onshore staff, while their ships fly flags of convenience, led by Liberia and Panama, and their companies are registered in tax havens or listed on foreign stock markets, mostly in the United States.

Greek shipowners had already pledged to voluntarily pay an extra 420 million euros in tonnage taxes over the next four years in a deal struck with the previous New Democracy government that was ousted by Syriza in January's general election. But there are fears that many shipping companies may now shift their operations to more tax friendly countries. Cyprus, 40% of whose fleet is Greek-owned, is seen as the most likely destination.

SUP Branch Reports

Seattle

June 15, 2015

Shipped during the period: 10 Able Seaman jobs filled with 3 A-cards, 2 B-cards, 3 C-cards and 2 D registrants; 2 Ordinary Seaman slots both filled with registrants; 19 standbys went to 14 A-cards, 3 B-cards, 1 MFOW member and 1 registrant.

Registration: 4 A cards for a total of 15; 4 B cards for a total of 19; 5 C cards for a total of 13.

Ships Checked

Matson vessels *MV Manoa* and *SS Kauai* called twice in Seattle with little or no problems. The APL vessels, *APL Philippine*; *APL Cyprine*; *APL Korea*. And the Patriot vessels *USNS Soderman*; *USNS Watkins*; *USNS Shugart* and *USNS Martin* all called for SUP/MFOW crew replacements.

I represented the SUP at the following meetings: the King County Labor Council Executive Board and Delegates meetings; the Washington State Maritime Federation meeting; and the Seattle Marine Business Coalition meeting.

SUP members Jennifer Corner and Wil Williamson were present during the Seattle Branch meeting and gave a verbal report of the recent arbitration hearing in the Bay Area with the SUP and Chevron Shipping. Corner and Williamson, both of whom testified under oath as to their experiences at Chevron stated that President Gunnar Lundeberg testified to a storied history of the SUP and Chevron (Standard Oil) and provided background to the "two-man watch". And that Dave Connolly presented a strong defense of the SUP and past practices at Chevron and included written statements in support of the SUP's position from active Chevron Bosuns Thor Erikson; Mike Fox and Scott Oliphant. The Seattle Branch offers a "tip of the Lundeberg Stetson" to all those that helped!

Vince O'Halloran
Branch Agent

Wilmington

June 15, 2015

Shipping: Bosun: 2, AB: 10, AB Maint: 5 and standby: 49. Total Jobs Shipped: 66. Registrations: A: 27 B: 37 C: 13 D: 21

Ships Checked

APL Korea, *Maunawili*, *Mahimahi*, *Maunalei* (Chief Mate needs charm school), *APL Thailand*, *Mokihana*, *RJ Pfeiffer* (Clean ship with Jimmy Alarcon Delegate. Getting new Bosun in Honolulu), *APL Philippines*, *Mahimahi*, *Manukai*.

On May 8, attended the LA Federation of Labor Delegates meeting along with Eli Wegger and Bob Bugarin. On May 21, Andy Facundo and Teo Sison helped Bob Bugarin load up the barricades for Maritime Day.

On May 22, Congresswoman Janice Hahn gave a great speech at the Memorial about our Merchant Marine Veterans. She has been pushing for them to get benefits for years. Acting Director, John Hummer, from U.S. Department of Transportation Maritime Administration read the President's National Maritime Day Proclamation. John Pitts did his usual outstanding job as emcee at the ceremony and luncheon. Speaking at the luncheon were Dave Arian who is always interesting, and *Lane Victory* President, Ralph Wetterhahn who told us a sea story about our own Captain Joe Itson during the WWII Battle of Okinawa. Maritime Day is always a great event thanks to all who make it happen. Probably the most significant Merchant Marine ceremony in the good ol' USA.

On June 4, attended with Eli Wegger, Dave Arian's, VP of the LA Harbor Commission, presentation, "The Changing Landscape of Seaborn Trade". Dave has a good grip on what the Harbor needs for better operation.

On June 4, attended the Harbor Labor Coalition Meeting. On June 9, walked with the CNA nurses' picket in front of Little Company of Mary Hospital in San Pedro. Also on June 9, attended the

American Merchant Marine Veteran's Memorial Committee. We all agreed that, again Maritime Day was a meaningful and worthwhile event.

Congratulations to Ben Tagud, our newest AB in Wilmington.

Mark Hurley, Branch Agent

Honolulu

June 15, 2015

Shipped the following jobs in the month of June: 2 Bosun steady, 1 Bosun return, 3 AB Watch steady, 1 AB Watch return, 1 AB Day relief, 1 AB Day return, 2 AB Maint steady, and 2 OS. The shipping jobs were filled by 5 A cards, 6 B cards, and 2 C cards. Shipped 27 standby jobs. The standby jobs were filled by 12 B cards, 6 C cards, and 9 D cards.

Registered in June: 7 A cards, 7 B cards, 7 C cards and 1 D cards. To date totaled registered: 12 A cards, 10 B cards, 7 C cards and 4 D cards.

Ships Checked

I visited the *Manukai*, *Maunalei*, *RJ Pfeiffer*, *Maunawili*, *Manulani*, *Manoa*, *Kauai*, *Mokihana*, *Mahimahi*, *Matsonia*, and the Paint and Rigging gang. Monte Kalama is off the binnacle list and back at the Paint and Rigging gang as Bosun. Joe Mantanona did a bang up job filling in for Monte with Patrick Weisbarth filling in as storekeeper. All are running with few or minor beefs. The *USNS Charlton* has been calling for reliefs which have all been filled. Mahalo to the members who took the LMSR training and stepped up to the plate.

I represented the SUP at the Hawai'i Ports Maritime Council meeting, and the AFL-CIO Executive Board meeting. Things have been slow on the political front here in Hawai'i as everyone is on their summer break.

Mahalo to Brother Maea (Jay) Loe for filling in for me as I took a week off for my annual 4th of July family reunion. Aloha,

Michael Dirksen, Branch Agent

Business Agent's Report

July 13, 2015

Kauai: In and out of Oakland. Bosun Chris Bunheirao back from his trip off. No beefs with Mark Pfaff as delegate.

Manoa: Jan Peter Johnsson back from his trip off. Duke Mariner as delegate. No beefs.

Mahimahi: Remoni Tufono on a trip off. In good hands with Relief Bosun Bill Berry. Izzy Idris as delegate.

Moku Pahu: In at Oakland's Howard's terminal alongside waiting for orders. Called the crew back. All returned but the Bosun – time up. Shipped Leszek Jeziorski as Bosun and Elorde Ramos as delegate.

APL Thailand, APL Korea, APL Philippines: In twice with little or no beefs.

APL Singapore: Beefing it out with restriction issues to the ship.

APL China: Called back the crew.

Cape Henry, Cape Orlando, Admiral Callaghan: All running smoothly.

California Voyager, Mississippi Voyager, Oregon Voyager: Ongoing beefs with the belly robbing food budget and the one-man watch.

Pier #9: In good hands with Leo Moore as Bosun, Mike Koller as delegate.

Once again keep your documents up to date. You must be current.

Also dispatched and worked in the front office.

Roy Tufono

SUPPORT FOOD FOR PEACE BY SUPPORTING THE SUP POLITICAL FUND

Dispatcher's Report

Headquarters—June 2015

Deck	
Bosun	4
Carpenter	0
MM	3
AB	17
OS	9
Standby	28
Total Deck Jobs Shipped	61
Total Deck B, C, D Shipped	49
Engine/Steward	
QMED	0
Pumpman	0
Oiler	0
Wiper	0
Steward	0
Cook	0
Messman	0
Total E&S Jobs Shipped	0
Total E&S B, C, D Shipped	0
Total Jobs Shipped - All Depts.	61
Total B, C, D Shipped-All Depts.	49
Total Registered "A"	30
Total Registered "B"	30
Total Registered "C"	16
Total Registered "D"	42

THE GOOD OLD DAYS

S.S. "WEST MAHWAH" JUNE 17th 1924.

NOTICE TO MEMBERS OF CREW

EFFECTIVE FROM THIS DATE, ANY MEMBER OF THE CREW THAT DOES NOT DO A FAIR DAYS WORK DURING THE EIGHT HOURS IN ANY ONE DAY, WILL BE ORDERED TO WORK NINE HOURS A DAY. AND FAILING TO PERFORM A FAIR DAYS WORK DURING THE NINE HOURS IN EACH DAY, THEN, A REDUCTION FROM A.B. TO O.S. OR WORKAWAY WILL FOLLOW, WHAT' EVER THE CASE MAY WARRANT.

TRUSTING ALL OF YOU WILL ACT AS MEN, AND THEN YOU WILL ALL RECIEVE A FAIR DEAL THROUGHOUT.

[Signature]
MASTER S.S. "WEST MAHWAH"