




West Coast Sailors

Official Organ of the Sailors' Union of the Pacific

Volume LXXX No. 7  185

SAN FRANCISCO, CALIFORNIA

Friday, July 21, 2017

Jones Act repeal legislation introduced by John McCain

Continuing to shill for foreign shipping interests and continuing his efforts to undermine the United States maritime industry, Senator John McCain (R-Arizona) introduced legislation on July 13, that would repeal the Jones Act (The Merchant Marine Act of 1920).

The Jones Act regulates maritime commerce in American waters and between American ports. Section 27 of the Act deals with cabotage and requires that all goods transported by water between U.S. ports be carried in U.S.-flag ships, built in the United States, owned by U.S. citizens and crewed by U.S. citizens.

Senator McCain's bill titled "Open America's Waters Act of 2017 (S.1561)" would destroy the U.S. marine industry not only in the deep sea trades but also in every waterway in the United States.

McCain issued the following press release after introducing the bill: "I have long advocated the repeal of the Jones Act, an archaic and burdensome law that hinders free trade, stifles the economy, and ultimately harms consumers," said Senator McCain. "My legislation would eliminate this regulation, freeing American shippers from

continued on page 3

Trump Administration drops plan to boost U.S.-flag requirement for food aid

The Trump Administration has decided not to issue an executive order requiring that a much higher percentage of all U.S. food aid shipments be transported on American ships.

According to a *Reuters* news report released at the end of June, the president was considering issuing an executive order that would have increased to a level as high as 100% – the current requirement that 50% of such aid be transported on U.S.-flagged vessels.

The administration is said to have viewed the plan as a component of Trump's promised "America First" campaign.

He reportedly dropped the idea after Senator Bob Corker (R-Tennessee), Chairman of the Senate Foreign Relations Committee, and a number of other members of Congress voiced their opposition. Corker is no friend of the U.S. Merchant Marine as he is a vocal opponent of U.S.-flag cargo preference.

The White House has not issued official statements either on the proposed executive order or on the decision to withdraw it.

Supporters say that increasing the percentage of food aid carried on U.S.-flag ships would help slow the decline in the size of the U.S.-flag fleet and create new jobs for American mariners. Cargo is key to maintaining the capability of the American fleet to support the mission of the Department of Defense in time of war or other national emergency.

SUP President's Report

Agreement reached with Matson Navigation Company

After two weeks of contentious bargaining, the SUP, MFOW and SIU-Marine Cooks, which comprise the SIU-Pacific District, reached a concession-free agreement with Matson Navigation Company on June 30, averting a potential strike.

Prior to the commencement of bargaining, the SUP Negotiating Committee caucused on June 16, to review proposals submitted by the membership and to formulate proposals that were agreed to by American President Lines in 2015. The elected rank-and-file committee was comprised of Paul Fuentes, Isnin "Izzy" Idris, Norhaslan "Haz" Idris, Mike Worth and Anthony Wylie, plus San Francisco Business Agent Roy Tufono, Vice President Dave Connolly and your secretary. On June 19, the SUP, MFOW and SIU-Marine Cooks Negotiating Committees met to finalize General Rules proposals.

Bargaining began on June 20, at SUP Headquarters. Matson was represented by Jack Sullivan, Vice President of Vessel Operations and Engineering; Roger Franz, Director of Vessel Operations; Dale MacGillivray, Manager of Offshore Labor Relations, and Contract Administration, and Danny Defanti, Manager of Offshore Labor Relations & Contract Analysis.

Matson led off the discussion by presenting a slide show on the costs it was incurring by upgrading its fleet with new tonnage, the "competition" from Pasha in the Hawai'i trade and the poor performance of its stock. It must have been assumed by the company that the Union Negotiating Committee would break out the hankies and roll over. That was not the case.

The Unions commenced bargaining by challenging the company's ongoing legislative initiative to drive APL out of the Guam trade in order to regain its monopoly. It was repeatedly pointed out during the course

of bargaining that Matson's efforts could result in the loss of employment for the mariners represented by the SUP, MFOW, SIU-Marine Cooks as well as those represented by the MEBA and MM&P in the *APL Guam* and *APL Saipan*. Matson's response was indifference.

After the Unions and the company traded initial proposals, it became immediately apparent that Matson planned to low-ball bargaining by offering minimal wage increases within a framework of a ten-year agreement.

On June 21, the parties met again. The company proposed paying supplemental benefits aboard ship in order to save administrative costs; eliminating the stem-to-stern washdown and

the public of the intransigence of the company and the possibility of industrial action. A press conference was arranged by our Honolulu attorney Charles Khim, on June 26, with Poplawski, Khim and your secretary fielding questions from Hawai'i media. What gave the event a dose of reality was the over 50 SUP and MFOW members, significant others and a few keiki who attended, organized by SUP Honolulu Branch Agent Mike Dirksen and Acting MFOW Port Agent Stu Melendy. The coverage of bargaining was covered by all major media outlets on O'ahu and many of the Neighbor Islands.

When bargaining resumed on June 28, it was apparent that the action in Hawai'i had caused

SUP ratifies new pact with Matson

The membership of the Sailors' Union of the Pacific at the July coastwise and Honolulu meetings ratified the new four-year collective bargaining agreement with Matson Navigation Company.

New wage scales are on page 5.

reducing the minimum storing list by eliminating the requirement to carry a variety of canned fruit, fruit juices and smoked fish aboard its vessels. All were rejected by the Unions. The company also rejected the Union proposal for increased vacation days (Supplemental Benefits).

On June 22, and 23, Matson held separate meetings with the MFOW and SIU-Marine Cooks to discuss work rules. The SUP met with the company on June 26, to discuss work rules. However, your secretary was not in attendance.

Since Matson was adrift in the doldrums on economic issues, MFOW President Anthony Poplawski and your secretary traveled to Honolulu to inform

Matson to move slowly in the right direction.

The SUP resumed Work Rule bargaining in the afternoon of the 28th and proposed paying watchstanders overtime for watches stood on Saturdays, Sundays and holidays. The proposal was rejected by the company since they estimated it would cost over \$900,000 per year. (As the membership knows, Matson offered unlimited overtime for watchstanders and dayworkers in bargaining in 2002 in exchange for the one-person watch. The overwhelming opinion of the membership, particularly those who ship out of the Wilmington Branch, was to reject the proposal.)

continued on page 10

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

Nicholas Marinovich..... 150.00
Phillip Williams 100.00

Political Fund

Wilfredo Aquino..... 50.00
Brendan Bohannon..... 100.00
Chris Bujnowski..... 50.00
Gunnar Burns.....10.00
Dave Connolly..... 100.00
Diane Ferrari..... 50.00
Teodoro Gadais..... 100.00
Peter Johnsson..... 20.00
Monte Kalama..... 100.00
John Lapolla..... 50.00
Gunnar Lundeberg..... 50.00
Steven Meyer..... 100.00
Napoleon Nazareno..... 25.00
Jose Obsuna.....10.00
Darrell Palmer..... 50.00
Randy Runyan..... 100.00
Steve Swinson..... 25.00
Louie Urbano..... 50.00

West Coast Sailors

Cal Cunningham..... 25.00
Philip Howell..... 25.00
ILWU Local 8..... 25.00
Chuck Maringer..... 25.00
Darrell Palmer..... 50.00

Dues-Paying Pensioners

Donald Cushing Book #4777
Romaine Dudley Book #2593
Diane Ferrari Book #2251
Gerald Ingemansson Book #0379
Kaj E. Kristensen Book #3120
Hannu Kurppa Book #3162
Dave Larsen Book 19078
Duane Nash Book #2437
John Perez Book #3810
Alex Romo Book #3093
James Savage Book #7488
David Shands Book #7483
Arthur Thanash Book #3249



Remembering Bloody Thursday, July 5, standing in front of ILWU Local 10 in San Francisco, from left: Arthur Thanash, San Francisco Business Agent Roy Tufono, Paul Fuentes, Anthony Wylie, Dave Larsen (in front), Mike Smith, David Frizzi, and Mike Worth. Photo Dave Connolly.

Stranded crew threatened by shipowner

The U.K.-based charity Human Rights at Sea has publishes an investigative report into the abuse of seafarers onboard a United Arab Emirates (UAE)-flagged vessel moored offshore the UAE coast owned by Alco Shipping Services.

Members of the crew of the tanker *IBA* told Human Rights at Sea that they have been threatened with criminal proceedings should they report their concerns to a local authority. They say threats have also been made regarding their careers.

The crew comprise nine Indian, three Pakistani, one Sri Lankan and one Myanmarian. They are currently stranded on an unsafe vessel, anchored off the coast of UAE.

Their basic human rights breached, with a deprivation of liberty, lack of protection for their health and bodily integrity, lack of protection for their right to life and lack of family life due to their enforced retention on the *IBA*. In addition, for the last six months the crew have been denied access to medical treatment, further aggravating their suffering. The crew claim that their safety has been compromised by the provision of unfit personal protective equipment. The fire extinguishers on board are empty, and the life boat's hydraulic system is leaking and unable to be tested. The crew have raised these issues with Alco Shipping, who allegedly responded that fire extinguishers were unnecessary.

Several crew members have been suffering from undiagnosed skin conditions since February 2017. Despite raising this issue with Alco Shipping, they have been denied access to medical treatment. Instead, Alco shipping have required a payment of \$250 to ferry each afflicted crew member to shore, a far larger sum than the crew can afford. This requirement has been exacerbated by Alco Shipping's non-payment of wages.

The crew have repeatedly been left without fresh food or fresh water, most recently from July 4 to 8. While Alco Shipping eventually delivered fresh water, food had to be provided by the Indian Consulate in Dubai.

The crew's passports were seized on their sign-on date and have not been returned despite repeated sign-off requests. The crew are anxious to be repatriated as soon as possible. In addition, the crew have been without pay for the past six months.

Human Rights at Sea CEO, David Hammond, stated: "Human Rights at Sea will continue to publicly document and publish cases of the abuse of seafarers wherever this occurs in the world so that the international community have the facts. We aim that, by ensuring such poor conditions are objectively highlighted, our evidenced-based approach will trigger formal public condemnation and resultant action by the IMO, ILO and the flag state administration at the very least. Silence and inaction are no longer an option from established shipping bodies."

Editor's note: See more on Alco Shipping's abuse of mariners in a related article on page 4 of the *West Coast Sailors*.

APL launches foreign-flag container service to Hawai'i

American President Lines, a subsidiary of CMA CGM (Compagnie Maritime d'Affretment-Compagnie General Maritime) will launch a new fortnightly container service between Asia and Hawai'i, the ocean carrier said in a statement.

Dubbed the "AEX", the service will sail from Shanghai, Pusan, Yokohama, Honolulu and back to Shanghai. The service is slated to commence on July 25, with an 18-day transit to Honolulu.

"The AEX service introduces a new sea route in our portfolio to directly serve Asia and Hawai'i. Instead of routing via the U.S. mainland, shippers with Hawaiian-bound cargo will find a faster shipping alternative in the AEX service," said Jesper Stenbak, APL Senior Vice President of TransPacific Trade. "To optimally coincide with market activities in the U.S. state, shipments on board the AEX service are scheduled for Sunday

arrival in Hawai'i for early week cargo availability."

APL has also set up a fully-staffed office in Honolulu, along with three APL-operated vessels to sail on the new service. A "full array of solutions and equipment including 45-foot containers" will be offered as part of the AEX service, said APL.

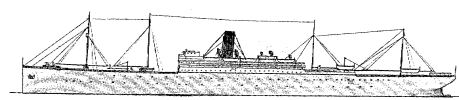
In addition, transshipment to extended Asian and Middle Eastern markets will be available from Shanghai, Pusan and Yokohama, said APL.

According to ocean carrier schedule and capacity database BlueWater Reporting, there are currently eight direct region-to-region liner services that call Honolulu, three operated by Matson, three by Pasha Hawai'i, one by Aloha Marine Lines, and one jointly operated by Hamburg Sud and Hapag-Lloyd.

Final Departures

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

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



SUP Meetings

These are the dates for the regularly scheduled SUP meetings in 2017:

	Hdq.	Branch
August	14	21
September	11	18
October	Tues. 10	16
November	Tues. 14	20
December	11	18

"Labor is prior to, and independent of, capital. Capital is only the fruit of labor and could never have existed if labor had not first existed. Labor is the superior of capital and deserves much the higher consideration."

*President Abraham Lincoln
Message to Congress, December 3, 1861*

West Coast Sailors

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

Gunnar Lundeberg,
President/Secretary-Treasurer
Teresa Anibale, Editor
BRANCH OFFICES

Seattle, WA 98199
4005 20th Ave. W. Ste 115 (206) 467-7944
FAX: (206) 467-8119

Wilmington, CA 90744
533 N. Marine Ave. (310) 835-6617
FAX: (310) 835-9367

Honolulu, HI 96813
707 Alakea St., Rm. 101 (808) 533-2777
FAX: (808) 533-2778

WELFARE OFFICE
(415) 778-5490
PENSION PLAN OFFICE
(415) 764-4987

McCain's Jones Act repeal legislation

continued from page 1

the requirement that they act against their own business interests. By allowing U.S. shippers to purchase affordable foreign-made carriers, this legislation would reduce shipping costs, make American farmers and businesses more competitive in the global marketplace, and bring down the cost of goods and services for American consumers.

The protectionist mentality embodied by the Jones Act directly contradicts the lessons we have learned about the benefits of a free and open market. Free trade expands economic growth, creates jobs, and lowers costs for consumers. I urge my colleagues to support this bill and finally repeal the outdated and protectionist Jones Act."

McCain's bill has been referred to the Senate Committee on Commerce Science and Transportation.

"Senator McCain's perennial assaults on the Jones Act are as dangerous as they are misguided," said SUP President Gunnar Lundeberg. "Although this effort is veiled in platitudes on the general principles of free trade, repealing the Jones Act in whole or in part would in practice wipe out an American industry that provides hundreds of thousands of jobs, and would severely damage an industrial base needed by our Armed Forces.

"The Sailors' Union will keep a close eye on this destructive bill and any attempt Senator McCain may make to advance it or attach it to one of several key pieces of legislation moving through Congress," Lundeberg said. "As we have in the past, American maritime labor and industry will stand united in opposition to this and any other attack on the Jones Act."

Nationwide, the domestic maritime industry supported by the Jones Act sustains approximately 500,000 jobs and has an annual economic impact of nearly \$100 billion, according to a study conducted by PricewaterhouseCoopers for the Transportation Institute. The industry also accounts for approximately \$29 billion in annual wages and \$10 billion in tax revenue each year.

As noted by a recent Government Accountability Office study: "Although the Department of Defense does not administer or enforce the Jones Act, the military strategy of the United States relies on the use of commercial U.S.-flag ships and crews and the availability of a shipyard industrial base to support national defense needs."

The Department of Defense has called on Jones Act ships when necessary for the overseas delivery of equipment and supplies to U.S. military personnel. New ocean-going ships built in the U.S. through private investment for specific Jones Act markets are well suited to carry defense cargoes abroad, and 80% of the private sector American merchant mariners available for strategic sealift and other military support services began their seagoing careers in Jones Act trades.

In January 2015, Senator McCain filed a legislative amendment that sought to eliminate the Jones Act requirement that vessels transporting cargo in U.S. coastwise trades be built by American shipyards. That attack on the U.S. maritime cabotage law generated a powerful response from U.S. lawmakers and industry and government leaders.

U.S. Coast Guard Commandant Admiral Paul Zukunft said regarding that amendment: "I think, at the end of the day, it will put our entire U.S. fleet in jeopardy. And then, in a time of crisis, who are we going to charter to carry our logistics? Very difficult if we don't have a U.S.-flagged ship."

Writing to Senate Majority Leader Mitch McConnell (R-Kentucky) in a letter dated January 20, 2015, 32 members of the House of Representatives stated, in part: "Specifically, this proposal would repeal the domestic build requirements of the Merchant Marine Act of 1920—commonly referred to as the Jones Act—that has long served to ensure that our nation has a robust domestic maritime industry. America's sea services are the most powerful in the world and play a critical role providing a stabilizing presence to keep the seas free and open, which in turn allows global commerce to thrive. One of the reasons our Navy is strong is because of the U.S. shipyard industrial base. This measure, however, would gut the nation's shipbuilding capacity and have far reaching impacts across the nation. Building and maintaining these complex naval vessels, and retaining a capable and experienced U.S. workforce are essential to the safety and security of our nation."

Writing to Senators Lisa Murkowski (R-Alaska) and John Thune (R-South Dakota) in a letter dated January 15, 2015, Congressman Duncan Hunter (R-California) began: "As the Senate considers legislation on the Keystone pipeline and other energy and security measures, I urge you to oppose efforts to weaken the Jones Act. The Jones Act keeps jobs, ships and a maritime skill base in the United States, and any effort to diminish this longstanding law is sure to negatively impact America's maritime industry and its significant contributions to the national economy.

"Chapter 551 of title 46 United States Code, popularly known as the Jones Act, is the United States domestic cabotage law. It requires that vessels carrying passengers or merchandise between any two points in the United States be U.S. flagged, U.S. crewed, U.S. built, and U.S. owned. These requirements ensure that the United States retains a minimum core of shipbuilders and ship operators, and their skills and capabilities, in the United States. Further, this guarantees that we will not be held hostage to whims and dictates of foreign ship owners and operators, or foreign mariners when ships and mariners are needed to respond to disasters or support national security requirements."

On January 16, 2015, Senator Mazie Hirono (D-Hawaii) took to the Senate floor to make a statement opposing the attack on the Jones Act. Her statement, in part, read: "Senator McCain's amendment would specifically knock out the Jones Act provision that requires U.S.-flagged ships be built in the United States, jeopardizing good-paying, middle class jobs. To me, that's reason enough to oppose this amendment.

"The fact is these ships don't create quick turnaround jobs—but are hundreds of thousands of well-paying, long-term manufacturing jobs.

"If these ships are not built here in U.S. shipyards by U.S. workers, where will they be built? Where will those jobs go? China? Other Asian countries? Europe?

"The shipbuilding industry is rebounding. Repealing the Jones Act is a step in the wrong direction. Instead of dismantling a policy that supports American jobs, Congress should be focused on doing more to promote and grow American manufacturing."



Bargaining with Matson in June, in the Headquarters Library, from the left: San Francisco Business Agent Roy Tufono, rank-and-file Negotiating Committee members Paul Fuentes, Izzy Idris, Haz Idris, Mike Worth and Anthony Wylie. Photo: Dave Connolly

Admiral Mark Buzby nominated as next Maritime Administrator

Last month, President Trump nominated Rear Admiral (Retired) Mark H. "Buz" Buzby to be the next head of the Department of Transportation's Maritime Administration (MarAd). The agency's Executive Director, Joel Szabat, has been serving in lieu of the administrator since January, when outgoing MarAd leader Paul Jaenichen stepped down to join HMS Global Maritime.

Rear Admiral Buzby currently serves as president and CEO of the National Defense Transportation Association, a group of transportation, logistics and passenger travel professionals in industry and government. He also sits on the boards of several maritime corporations.

Rear Admiral Buzby served as the commander of the U.S. Navy's Military Sealift Command (MSC) from 2009 until 2013, when he retired from his 34-year military career. Before MSC, he briefly commanded Joint Task Force Guantanamo, and he has served in a variety of high-level positions within the Navy staff. As a surface warfare officer, he deployed on *USS Connole*, *USS Aries*, *USS Yorktown*, *USS Shiloh* and the *USS Carney*. He was the sea combat commander for Destroyer Squadron 31, Abraham Lincoln Battle Group during deployments in support of Operations Southern Watch and Enduring Freedom. He has received the Navy Distinguished Service Medal, the Bronze Star and numerous other personal and unit awards.

Shortly before the news of Rear Admiral Buzby's appointment, MarAd announced that it has hired the National Academy of Public Administration (NAPA) to conduct a six-month organizational review. The scope is comprehensive, including a look at MarAd's core functions, its role within the U.S. Department of Transportation (DOT) and its "benefit to the nation." According to MarAd's announcement, the study will evaluate how effectively and efficiently MarAd meets its responsibilities; how MarAd programs perform and how they can be more effectively managed; and how MarAd's performance compares with that of other maritime transport organizations.

MSP funding for Fiscal Year 2018 advances in Congress

On July 19, the House of Representatives Appropriations Committee rejected the Trump Administration's request to reduce Fiscal Year 2018 funding for the Maritime Security Program (MSP) by 30%, and has instead approved full funding for MSP at its Congressionally authorized level of \$300 million. This amount, identical to the amount appropriated for Fiscal Year 2017, which ends on September 30, would continue to provide each vessel enrolled in the Maritime Security Program with an annual \$5 million subsidy.

SUP-contracted American President Lines has nine vessels enrolled in MSP.

This bipartisan action by the Subcommittee, led by Subcommittee Chairman Congressman Mario Diaz-Balart (R-Florida) and Ranking Democrat Congressman David Price (North Carolina), follows the request made by 76 members of the House that MSP be fully funded. In his opening statement, Chairman Diaz-Balart noted that the bill includes "\$300 million for the Maritime Security Program to ensure the nation's security during war time or emergencies".

The Fiscal Year 2018 (October 1, 2017-September 30, 2018) Transportation Appropriations legislation with the MSP funding provision must next be considered by the House of Representatives.

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

Japan investigators unlikely to be granted access to *USS Fitzgerald* crew members

The United States will likely bar Japanese investigators from interviewing the *USS Fitzgerald* crew manning the guided missile destroyer when it was struck by a cargo ship in Japanese waters killing seven American sailors, a U.S. Navy official said.

The Philippines-flagged, but Japanese-owned, container ship *ACX Crystal* and the U.S. warship collided at night just south of Tokyo Bay on June 17. The U.S. deaths were the greatest loss of life on a U.S. Navy vessel since the *USS Cole* was bombed by militants in Yemen's Aden harbor in 2000. No one was hurt on the cargo ship.

At least six investigations are being carried out, including two U.S. Navy internal hearings and one by the United States Coast Guard (USCG). The Philippines government is also conducting an investigation.

The USCG, which is investigating on behalf of the National Transportation Safety Board, has interviewed the crew of the container ship. But the U.S. Navy official, who declined to be identified, said warships were afforded sovereign immunity under international law and foreign investigators were not expected to get access to the U.S. crew. "It's unlikely Japanese or Philippine authorities will have direct access to crew members," said the U.S. official. The U.S. Coast Guard would instead provide summaries of crew interviews to the Japan Transport Safety Board (JTSB), which would share them with the Japan Coast Guard, he said.

Declining access may be viewed by Japanese investigators as falling short of a pledge made by Seventh Fleet Commander Vice Admiral Joseph P. Aucoin of full cooperation in the investigation. "We have asked for access to the U.S. ship and its crew and can't proceed until we hear back from the U.S. Navy," said a spokesman for the JTSB. He said he was unaware that the U.S. side was likely to turn down the request. A Seventh Fleet spokesman said the Navy would "share information in accordance with protocols."

In the first detailed account from someone involved in the accident, the *ACX Crystal's* captain, in a report seen by *Reuters*, said his ship signaled the *Fitzgerald* with flashing lights about 10 minutes before the collision, but the U.S. ship did not respond or alter course.

The *Fitzgerald* will enter dry dock at its home port in Yokosuka, Japan, where engineers will assess damage and patch it up in preparation for a return to the United States for full repairs.

No food or water onboard; FOC operators abandon ships, crews

Mariners on at least 24 ships are living in unhealthy conditions, aboard unsafe vessels, as rogue flag-of-convenience (FOC) operators abandon ships in the blistering summer heat.

Nearly 100 Indian seafarers have reportedly been abandoned by FOC shippers in recent months in the waters of the United Arab Emirates (UAE). Aboard one ship, *Sharjah Moon*, docked at Hamriyah Port in Sharjah since May 9, some crewmembers are owed 16 months' pay by their employer, Alco Shipping Services.

The Indian mission in UAE has been contacted about shortages of food and water by 97 seafarers aboard 22 ships. Besides the Indian crewmembers, an unknown number of seafarers from Sri Lanka, the Philippines, Myanmar and Pakistan are also stranded on vessels in the region.

"From July last year, we have been at anchorage," says the master of the *Sharjah Moon*. "We've been through a lot of suffering, as our company doesn't provide bunker, fresh water or provisions in a timely manner. They only give 300 gallons of fuel for a month, half of which is not even enough for a week if the generator is running 24 hours. When we run out of fuel, we use wooden planks for cooking and sleep on deck." He said one member of the crew had been on board for 32 months and that two have threatened suicide. The company, he said, is not responding to his phone calls and e-mails.

The International Transport Workers' Federation (ITF) is assisting the crew of the *Sharjah Moon* as well as that of another Alco Shipping Services vessel, the tanker *Qaaswa*, which has been abandoned in Tunisia.

"The company had not paid the crew's wages for more than four months," said the ITF spokesperson in Malta. "It had ordered the ship to remain 100 miles from land at anchorage, and had left the vessel without fresh water and provisions. To make matters worse, it was threatening the crew to force them to sail to Egypt, despite the vessel's obvious unfitness to be at sea."

ITF inspectors intervened with port authorities in Tunisia asking them to block the vessel from leaving Tunisian national waters. They also contacted the company about the appalling conditions and asked for a repatriation plan.

On the ITF's request, port state control visited the vessel on May 25. Numerous deficiencies were found on board. The ITF involved the Tunisian authorities and both the Indian and Pakistani embassies in Tunisia to further increase pressure on the company, while keeping in daily contact with the crew.

"As a result of all these efforts and the ITF-initiated Port State Control visit, the company, which had tried to ignore all our approaches, has been forced into taking some action," said an ITF inspector. "The crew inform us that some, but not nearly enough, water and provisions were put on board and some crew repatriated ... They're aware that if it weren't for that port state control visit, they'd have been forced to sail, unfed and unpaid, to Egypt on an unsafe vessel weeks ago."

In an unbelievable turn of events, Alco Shipping Services has reportedly released a statement saying that conditions aboard the ship are good and that the only problem is that the crew has hijacked it and is selling bunker fuel.

El Faro investigators call for better weather forecasting

New recommendations coming out of the investigation into the 2015 sinking of U.S. cargo ship *El Faro* call for efforts to improve the weather information available to mariners.

All 33 crew on board died when the 790-foot *El Faro* sank close to the eye of Hurricane Joaquin near the Bahamas on October 1, 2015, two days after leaving Jacksonville, Florida, enroute to Puerto Rico.

Now, as part of its ongoing investigation into the incident, the National Transportation Safety Board (NTSB), noting how Hurricane Joaquin and several other major storms had significantly deviated from their forecasts, has issued 10 safety recommendations aimed at enhancing the availability of weather information to mariners with a new emphasis on improving tropical cyclone forecasting.

The NTSB noted it has yet to determine the probable cause of, or contributing factors in, *El Faro's* sinking, but has issued the recommendations based meteorological facts gathered thus far, plus discussions with the National Weather Service (NWS) and U.S. Coast Guard (USCG).

The goal of the recommendations, which include improving weather forecasting methods and increasing the frequency of certain advisories and alerts, is to improve the accuracy of hurricane and tropical cyclone forecasts and make them more accessible to voyage planners and at-sea mariners, NTSB said.

"As we enter the 2017 hurricane season we are reminded of the power and devastation associated with these storms," said NTSB Acting Chairman Robert L. Sumwalt. "Storm avoidance is a life-saving skill at sea. And having frequent, up-to-date and reliable weather information is key to effective storm avoidance – and to saving lives."

Safety recommendations like these are typically released at the conclusion of an investigation, but can be issued at any point in the investigative process. "We are getting these recommendations out as the hurricane season begins so that the work on these safety improvements can start immediately," said Sumwalt.

Two recommendations are addressed to the National Oceanic and Atmospheric Administration (NOAA), seven to the NWS and one to the USCG.

To NOAA: Develop and implement a plan specifically designed to emphasize improved model performance in forecasting tropical cyclone track and intensity in moderate-shear environments.

Develop and implement technology that would allow National Weather Service forecasters to quickly sort through large numbers of tropical cyclone forecast model ensembles, identify clusters of solutions among ensemble members, and allow correlation of those clusters against a set of standard parameters.

To the NWS: Work with international partners to develop and implement a plan to ensure immediate dissemination to mariners, via Inmarsat-C SafetyNET (and appropriate future technology), of the Intermediate Public Advisories and Tropical Cyclone Updates issued by the National Weather Service, in a manner similar to the current process of disseminating the Tropical Cyclone Forecast/Advisory.

Modify your directives to ensure, for all tropical cyclones of tropical storm

strength or greater within your jurisdiction, that your facilities issue, at the three-hour interval between regularly scheduled Tropical Cyclone Forecast/Advisories, an Intermediate Public Advisory, a Tropical Cyclone Update, or another product available (or expected to be available) to mariners via Inmarsat-C SafetyNET (and appropriate future technology), and that the product include the coordinates of the current storm center position, maximum sustained surface winds, current movement, and minimum central pressure.

Modify your directives to ensure that the "next advisory" time in a Tropical Cyclone Forecast/Advisory clearly indicates when to expect the next update of "current" or forecast information for that particular tropical cyclone.

Quantitatively define "significant change" in terms of both the track and intensity of a tropical cyclone to guide the issuance of Special Advisory packages.

Ensure that tropical cyclone graphic products issued by entities such as the National Hurricane Center, the Central Pacific Hurricane Center, the Guam Weather Forecast Office, the Joint Typhoon Warning Center, and Fleet Weather Center-Norfolk are made available in near-real time via the FTP mail service.

Allow users to schedule recurring, automated receipt of specific National Weather Service products through an enhanced FTP mail service (and appropriate future technology).

Develop and implement a plan for soliciting feedback from the marine user community, particularly ship masters, about the accuracy, timeliness, and usability of weather services to mariners.

To the USCG: In collaboration with the National Weather Service, provide timely broadcasts of the Tropical Cyclone Forecast/Advisories, Intermediate Public Advisories, and Tropical Cyclone Updates to mariners in all regions via medium-frequency navigational TELEX (NAVTEX), high-frequency voice broadcasts (HF VOBRA), and high-frequency simplex teletype over radio (HF SITOR), or appropriate radio alternatives (and appropriate future technology).

The NTSB also issued a safety alert advising mariners of available weather forecast products and alerts that can help in assessing the track and severity of hazardous weather systems.

The *El Faro* investigation is expected to be completed later this year when investigators will present their findings to NTSB members who will determine the accident's probable cause and contributing factors in a public meeting in Washington, D.C.

**ATTEND
YOUR
MONTHLY
SUP UNION
MEETINGS!**

Matson Navigation Company Wage Rates

effective July 1, 2017

071, Roll-On/Roll-Off, C-8, C-9, CV-2500 & CV-2600

Rating	Wages		Supp.	Supp. Benefit	Money
	Monthly	Daily	Benefit Base Monthly	Daily	Pension Plan Daily
Bosun	\$6,426.80	\$214.22	\$6,622.93	\$125.11	\$3,753.30
A.B.	\$4,532.77	\$151.09	\$4,949.06	\$93.48	\$2,804.40
O.S.	\$3,479.48	\$115.98	\$3,888.93	\$73.46	\$2,203.80

OVERTIME AND OTHER RATES

The hourly overly overtime rate for all ratings except the Ordinary Seaman shall be..... \$36.89
 Ordinary Seamen (overtime rate).....\$27.66

CARGO RATES

The hourly cargo rate for all ratings shall be:
 Straight Time.....\$27.66
 Overtime.....\$45.60

SHORTHANDED (SECTION 7. SUP Work Rules)

Bosun..... \$62.99
 A.B.....\$47.45

STANDBY RATES (Section 43 SUP Work Rules)

Bosun
 Straight Time..... \$43.17 \$25.00
 Overtime..... \$70.03
 A.B.
 Straight Time..... \$35.57 \$25.00
 Overtime..... \$58.96

SHIFT SHIP GANGS (Section 44 SUP Work Rules)

Bosun
 Straight Time..... \$31.25..... \$25.00
 Overtime \$51.93
 A.B.
 Straight Time..... \$29.33..... \$25.00
 Overtime..... \$49.60

DECK PORT WATCHES (SECTION 55. SUP Work Rules)

Bosun
 Straight Time \$41.98
 Overtime..... \$62.97
 A.B.
 Straight Time \$31.65
 Overtime..... \$47.45

FUEL OIL SPILL CLEANUPS

All Ratings: Straight Time \$21.49

SHOREGANG: MAINTENANCE AGREEMENT

Working Bosun
 Straight Time \$42.74..... \$25.00
 Overtime..... \$70.03
 General Maintenance
 Straight Time \$35.15..... \$25.00
 Overtime..... \$58.96
 Spraying, Sandblasting enclosed spaces: additional per hour \$2.15

SHOREGANG: EXTRA MAINTENANCE AGREEMENT

Standby Bosun
 Straight Time..... \$43.17 \$25.00
 Overtime..... \$70.03
 Standby AB
 Straight Time..... \$35.57..... \$25.00
 Overtime..... \$58.96



Negotiations with Matson concluded on Friday, June 30. On the left side of the table from the front: MFOV Vice President "Cajun" Calais, SUP President Gunnar Lundeberg, MFOV President Anthony Poplawski, SIU-AGLIW West Vice President Nick Marrone. On the right side of the table from the front: Robert Franz, Director of Vessel Operations; Dale MacGillivray, Manager of Offshore Labor Relations and Contract Administration; Jack Sullivan, Vice President of Vessel Operations and Engineering; and Danny Defanti, Manager of Offshore Labor Relations Analysis Contract. Photo: Dave Connolly

Korea scales back on Stellar Daisy search

The search vessels deployed by the South Korean government and Polaris Shipping to look for the missing crew of ore carrier *Stellar Daisy* have concluded their mission.

With the increasingly remote chances of finding any remains after scouring the southern part of the Atlantic Ocean for more than three months, future search efforts have been limited to requesting other South Korean-flagged vessels in the vicinity to keeping a lookout. The Ministry of Oceans and Fisheries said in a statement that the government would not dedicate any more resources for another search.

Stellar Daisy, an ore carrier loaded with iron ore from the Brazilian company Vale, sank in the southern part of the Atlantic Ocean during a routine voyage to China. Only two of the 24 crew members were found alive. The missing seafarers include the South Korean captain, seven other South Korean seafarers, and 14 Filipino crew members. None has been found during the search. The survivors said *Stellar Daisy* broke in two before sinking.

Initially, ships operated or chartered by Polaris Shipping were involved in the search, but the efforts were scaled down in early May when no bodies were found.

At the persistent requests of the families of the missing seafarers, Polaris Shipping deployed a rescue craft to the site where *Stellar Daisy* is believed to have gone down. This and another vessel deployed by the Moon Jae-in administration searched the vicinity until July 11.

Families of the missing crew members have reacted to the government's decision by saying it was effectively the end of the search. The group's spokesperson, Huh Kyung-joo, who has been instrumental in calling for continuing search efforts, demanded to meet Foreign Minister Kang Kyung-wha.

Polaris Shipping has come under fire for reporting the accident to the government 12 hours after it was notified of the emergency. It has been suggested that Polaris Shipping missed the "golden time" to evacuate all the crew.

The incident is the worst maritime disaster involving a South Korean-owned ship after the capsizing of the ferry *Sewol* in April 2014, and has been dubbed 'Sewol number-two' in local media.

The loss of *Stellar Daisy* has sparked concerns over the safety of such converted bulk carriers. Shortly after the disaster, another Polaris ore carrier, *Stellar Unicorn*, had to be diverted to *Cape Hope* for repairs to a cracked hull, lending more fuel to the speculation.

As of April 20, Polaris Shipping had initiated inspections on all its ore carriers, amid growing concern over the safety of its fleet. On May 8, cracks were found on another of the company's vessels, *Stellar Queen*.

The offices of Polaris Shipping and the Korean Register of Shipping, which classed *Stellar Daisy*, have also been raided by the Busan Coast Guard as part of its investigations into the *Stellar Daisy* sinking.

CMA CGM to sell majority stake in L.A.'s Global Gateway South

French ocean carrier CMA CGM will sell a 90% equity interest in the Global Gateway South (GGS) terminal at the Port of Los Angeles to EQT Infrastructure III for \$817 million. CMA CGM signed the binding agreement with EQT Infrastructure and its partner P5 Infrastructure on June 30, the carrier said. "CMA CGM will receive a cash consideration of \$817 million to be paid at closing," the carrier said. "Transaction terms also provide for the group to receive additional deferred, contingent cash consideration of which sequence and quantum will depend of GGS' future operating and financial performance."

Once the transaction closes, CMA CGM will retain a 10% interest in the GGS terminal, which it acquired last year as part of its acquisition of Singapore's Neptune Orient Lines (NOL) and its subsidiary, American President Lines.

Spanning nearly 300 acres, the GGS terminal features a total berth length of 4,000 feet with an average depth of 50 feet, according to stevedore Eagle Marine Services. The terminal is equipped with 12 post-Panamax and four super post-Panamax container cranes, and offers on-dock rail, which is accessible by Union Pacific and BNSF.

APL records reduction in carbon dioxide emission

American President Lines (APL) announced this month, that its fleet last year (U.S.-flag and foreign-flag) recorded a 48% reduction of carbon emissions, compared to its base level in 2009.

The reduction of carbon emissions, which were verified by Lloyd's Register Group according to the Clean Cargo Working Group verification protocol and ISO14064-3:2006 standard, marks APL's seventh consecutive year of improvements.

Moving forward, APL said that its goal is to reduce carbon dioxide emissions per container transported by 30% between 2015 and 2025, a target set by the CMA CGM Group. APL will also persist with cold-ironing development and pioneer ballast water treatment development, amongst others, by embracing technology innovation, clean energy sources and best practices.

Two Vietnamese seafarers beheaded by Abu Sayyaf in PI

Suspected members of the Abu Sayyaf Group in Basilan Province have sent a message to the Philippine government when they beheaded two abducted Vietnamese seafarers from the bulk carrier *MV Royal 16*.

Hoang Thong and Hoang Va Hai were among the six Vietnamese seafarers abducted by Abu Sayyaf pirates on November 11, last year, in the vicinity of Sibago Island. A third seafarer Hoang Vo, 28, escaped from the custody of his captors and was successfully rescued by Philippine soldiers patrolling Sampini village in Sumisip municipality.

The beheaded bodies of Thong and Hai will undergo joint forensic examination to be administered by representatives of the Vietnam Embassy in Manila and forensic experts from the Philippines.

Three more Vietnamese seafarers from the *MV Royal 16* are still held captive by the Abu Sayyaf pirates. They are Pham Minh Tuan, Do Trung Hieu and Tran Khac Dung.

The beheaded bodies were recovered in Sumisip town in Basilan, and the military explained to the public that it was the Abu Sayyaf's last ditch effort to show that they are still strong at a time when the 10,000 soldiers deployed in Basilan are nearing their main stronghold.

Brig. Gen. Restituto Padilla, spokesman of the Armed Forces of the Philippines, told Philippine journalists that their act was a form of propaganda because of the pressure they are experiencing.

The Philippine military earlier reported that as a result of their efforts, 97 Abu Sayyaf members, including their leaders, have been killed in a series of gun battles with Philippine soldiers in Basilan and Sulu since January 2017.

Among the leaders killed were Abu Misaya and Abu Rami who led a series of maritime abductions of sailors on board commercial ships in the Sulu Sea over the last five years. They were reported to rake at least \$12 million in ransom money from their piracy and other clandestine activities.

The on-going battle against Abu Sayyaf in Marawi City has already seen the death of 303 militants and 82 military personnel, while 44 bodies, believed to be civilians, have also been recovered in the battle zone. The conflict is expected to end soon, and the Philippine military believes that some of the terrorists who arrived from neighboring countries to augment Philippine terrorist ranks will return to their home countries. These are believed to include Malaysians, Singaporeans, Indonesians and Middle East nationals who earlier joined the local terrorist group to raid Marawi City.

The Philippines and Vietnamese governments have held meetings to arrange joint maritime security patrols, but the discussions have not yet reached a substantive deal. The Philippines, Indonesia and Malaysia have already started their joint maritime security patrols along their borders including in the Sulu Sea. The governments have been collaborating to secure their maritime borders because of confirmed reports that ISIS fighters from the Middle East might look at Southeast Asia as their next major destination.

The Sulu Sea has been described as the Somalia of Southeast Asia because of the growing number of piracy incidents in the region.

Multi-national search effort saves tanker crew members

On June 26, the United Kingdom's Royal Navy and three merchant vessels rescued 13 sailors from the waters of the Arabian Sea, about 120 nautical miles northeast of Socotra Island. At 0230 that morning, the tanker *Rama 2* put out a distress call, which was picked up and forwarded to the UK Maritime Trade Operations (UKMTO) office in Dubai. The *Rama* reported a heavy list to starboard, and weather conditions were very rough in the area, with waves over 25 feet.

UK naval commanders and the Combined Maritime Force (CMF) in Bahrain assessed their options to assist the rescue. HMS Monmouth's Wildcat helicopter, known as "Black Jack," launched to meet up with the landing dock ship *RFA Cardigan Bay*, which was closer to the scene. About this time, SAR forces learned that the *Rama 2* had sunk.

While *Cardigan Bay* and Black Jack steamed towards the site of the sinking, the merchant vessels *Tortola*, *Soyo* and *Sea Power* were able to locate and save the majority of the crewmembers. Of the 14 men in the water, *Tortola* was able to rescue ten and *Sea Power* rescued two more, leaving only two crewmembers missing. None of the men were in life rafts – the severe weather had prevented them from boarding.

RFA Cardigan Bay made her best speed towards the scene, and as soon as she was within helicopter range, Black Jack launched to conduct a search. A Japanese maritime patrol aircraft with Combined Maritime Forces Bahrain relayed likely positions. Just towards the end of the flight time, a crewmember was spotted in the water, but he was not showing signs of life. Due to critically low fuel, Black Jack marked his location and returned to *Cardigan Bay*.

Meanwhile, the *Soyo* found and marked the location of the remaining survivor. With darkness approaching, Black Jack returned from the *Cardigan Bay*. Conditions were foul and the helicopter's fuel ran low again. The aircrew lowered the winchman, and at times both he and the survivor were engulfed in the waves. It took over half an hour to get the crewmember connected to the wire for a last-minute lift.

Back on the *Cardigan Bay*, the survivor was immediately checked by the medical officer, who found him to be fit, if somewhat battered. He was reunited with his crew mates aboard the *Tortola* and taken to Salalah, Oman.

In spite of an extensive search, the last crew member could not be recovered. He was believed to have been in the water for over 12 hours and had been assessed as lifeless at last sighting.



An oil painting of the explosion of the *San Jose* during a 1708 battle off Cartagena, Colombia. Image: Creative Commons.

Colombia moves toward salvaging treasure from sunken Spanish galleon

Colombia is making progress towards salvaging a Spanish galleon carrying jewels and coins that sank more than 300 years ago, President Juan Manuel Santos said this month, after receiving a proposal from an investor to bring it to the surface.

The ship named *San José*, thought by historians to be carrying one of the largest unsalvaged maritime treasures, sank in 1708 near the historical Caribbean port of Cartagena, and its wreckage was located in 2015.

"The discovery of this ship – one of the most important that navigated in our seas during colonial times – begins a new chapter in the cultural and scientific history, not only of Colombia, but of the entire world," Santos said on national television from Cartagena. "Questions about navigation, world trade, about colonial costs, will be answered."

The government will accept further offers to recover the ship and its treasure, Santos said. A museum will be built to showcase artifacts found in the wreckage. Santos did not disclose the investor behind the first proposal or its terms.

Sonar images have so far revealed bronze cannons made specifically for the ship, arms, ceramics and other artifacts. Archaeological excavation and scientific tests on the wreck will continue to ensure it can be properly preserved, Santos said.

The *San José* was part of the fleet of King Philip V, who fought the English during the War of Spanish Succession. Some 600 people died in the shipwreck when an English fleet engaged the galleon in a gun battle.

A team of international experts, the Colombian navy and the country's archaeology institute discovered the wreck in 2015.

The *San José* was the subject of a legal dispute between Colombia and Sea Search Armada, a U.S.-based salvage company, which said in 1981 it had located the area where the ship sank. The company and the government agreed to split any proceeds from the wreckage, but the government later said all treasure would belong to Colombia, a view that was backed by a U.S. court in 2011.

Union calls for action on underpaid crew aboard flag-of-convenience vessel

The Australian government has been urged to intervene to identify the owner of 36-year-old supply ship *MV Yarabah* that has spent almost two months at Port Welshpool in Victoria, Australia. The International Transport Workers' Federation (ITF) said the crew of the ship, who are Indian nationals, have allegedly been paid a flat rate of just \$120 per week while working in the port since the beginning of April.

The Union is demanding action from the Aussie government to identify whether the vessel has been abandoned, who the owner and operator of the vessel is, what the legal status of the crew is and how they have been paid such a low wage while operating in Australian waters.

ITF Australia coordinator Dean Summers says the Federal government needs to urgently intervene. "Disturbingly, despite the *MV Yarabah* previously being flagged in Australia, we haven't even been able to establish which country this vessel is currently registered in, who owns it or who is employing the crew." He says the issue highlights the importance of an ongoing Senate examination into "flag of convenience" shipping in Australian waters. In a submission to the inquiry, Australia's Border Force highlighted the potential for organized crime and terrorism to exploit arrangements where a "lack of transparency of the identity of shipowners" and "insufficient flag state regulatory enforcement and adherence to standards" existed.

Australian Border Force Assistant Commissioner Clive Murray subsequently told a Senate committee hearing last month that a risk assessment is undertaken for each vessel that comes into Australia irrespective of it being a flag of convenience vessel.

However, Summers said the fact that the *MV Yarabah* had been able to remain in an Australian port for almost two months, without the owner or registration being known, while a crew made up of foreign nationals was being grossly underpaid, highlighted issues of deep concern. "Clearly, the system is failing, resulting in the Australian community and environment being put at risk by rogue shipping operators taking advantage of inadequate regulation and compliance," he said.

ESU Office Assignments

For the month of August, Leo DeCastro will be in the Seabrook office.



JULY 2017

Official Publication of the Exxon Seamen's Union

2016 Exxon Seamen's Union Financial Statements

As per the Exxon Seamen's Union Constitution and By-Laws, one of the duties of the Vice-President/Treasurer is to have the Union's finances reviewed by a certified accountant. The following is a summary of the year-end 2016 Financial Statements prepared for the ESU by Ratliff & Jentho, Certified Public Accountants in Baytown, Texas.

"We have reviewed the accompanying statement of assets, liabilities, and net assets – modified cash basis of the Exxon Seamen's Union (a non-profit organization) as of December 31, 2016, and the related statement of support, revenue and expenses – modified cash basis for the year then ended, a review includes applying analytical procedures to managements financial data and making inquiries of the Union Management. Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of the Exxon Seamen's Union.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with the modified cash basis of accounting, as described in Note 1."

NOTE 1-ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

Exxon Seamen's Union ("the Union") is a non-profit union organized on March 28, 1941. Its purpose is to bargain collectively and seek to attain harmonious relations with their employer, to render service to their fellow employees, to secure proper representation and to provide adequate administration under their Constitution.

In September 1999, the Union organized a lateral affiliation with the Sailors' Union of the Pacific in order to strengthen the bargaining position of its membership. The Union pays a per capita affiliation fee to the Sailors' Union of the Pacific in the amount of \$5 per month. The Union is exempt from federal income tax as a labor union described in Section 501(c)(5) of the Internal Revenue Code. The Union's Form 990EZ, Return of Organization Exempt from Income Tax, for the fiscal years ending in 2013, 2014 and 2015 are subject to examination by the Internal Revenue Service, generally for three years after the date they were filed.

Basis of Accounting

The Union's policy is to prepare its financial statements on the modified cash basis of accounting. Under this method, revenue is recognized when received rather than when earned, and expenses (other than depreciation) are recognized when cash is disbursed rather than when the obligation is incurred.

NOTE 2-FIXED ASSETS

Fixed assets are recorded at cost and depreciated over the estimated useful lives of the assets using straight-line and accelerated methods. Expenditures for repairs and maintenance are charged to expense as incurred. Fixed assets consist of the following as December 31, 2015:

	COST	ACCUMULATED DEPRECIATION	NET
Automobiles	\$19,211	\$(19,211)	\$0
Office Equipment	2,967	(2,728)	239
Furniture and Fixtures	757	(711)	46
Total	\$22,935	\$(22,650)	\$285

Depreciation charged to income was \$229 in 2016.

NOTE 3 – LEASES

During the year ended December 31, 2016, the Union leased alternative office space in Pasadena, Texas. The office facility in Pasadena, Texas was leased on a fifteen month basis with the current lease expiring January 28, 2018. The lease requires monthly payments of approximately \$750 including certain utility expenses, through January 28, 2018. Rental expense for the office facilities amounted to \$9,292 for the year ended December 31, 2016.

This office facility is also occupied by members of the Executive Board Officers as a residential unit during their period of service to the Union. During 2016, the monthly rental expense including utilities for this facility was split equally between the Union and the officer residing in the residence.

NOTE 4 – CONCENTRATION OF CREDIT RISKS

The Union maintains bank accounts at institutions insured by the Federal Deposit Insurance Corporation ("FDIC"). As of December 31, 2016, the carrying amount of the organizations bank balance was \$171,701. The bank balance of \$171,701 was covered by FDIC insurance.

EXXON SEAMEN'S UNION Statement of Assets, Liabilities and Net Assets as of December 31, 2016

Current Assets:	Cash	\$171,701.00
	Fixed Assets	285.00
	Other Assets	500.00
	Total	\$172,486.00
Liabilities:	Credit Card	\$2,060.00
	Total Net Assets Less Liabilities	\$170,426.00

Every vessel will have a hard copy of the full report in August 2017. ESU members that would like to review the report, please ask your Ship Representative to make it available and if you have any questions please feel free to call Vice President/Treasurer Leo DeCastro at the ESU office.

SeaRiver crew aid those in peril

Just after 7:00 P.M. on May 12, Petty Officer Malicki from U.S. Coast Guard Sector Alameda contacted the *Eagle Bay* with a request for assistance. A 30-foot sailboat with two persons aboard was in distress about 300 miles west of San Diego.

The SeaRiver ship *Eagle Bay* was positioned in the Pacific Area Lightering area waiting for reduced sea conditions to safely lighter its crude oil cargo. It immediately diverted to the distress location, and despite darkness and wave heights up to 20 feet, the crew was able to locate the sailboat *Lady Arwen*. They kept it in sight and maintained communication until daylight.

As reported by Captain Skip Mendenhall, "A husband and wife in their 60s were down below trying to stay calm. Their sail was torn, their engine could not make headway in the sea conditions and they did not have enough fuel to make it back to shore." The *Eagle Bay* created a lee to shelter the victims as they motored toward land at about 5 knots. During the next 54 hours, the crew flawlessly completed two underway transfers of diesel fuel to *Lady Arwen* via closed container. At about 2:00 P.M. on May 15, a U.S. Coast Guard vessel took over the escort of *Lady Arwen*, and released the *Eagle Bay* to head back to sea.

According to Captain Skip, "The U.S. Coast Guard appreciated our help. The couple also expressed their extreme gratitude to the entire crew for assisting them and saving their boat. It took them about a week to recover physically and emotionally from the ordeal."

Demonstrating professionalism and training, the *Eagle Bay* crew used all their safety tools, to assess risks and to make sound decisions to safely accomplish this rescue.



Lady Arwen motors toward land in a lee created by the *Eagle Bay* to shelter the sailboat from waves as high as 20 feet.

Ship reports

S/R American Progress

After discharging a cargo in Kaohsiung, Taiwan, the vessel arrived Singapore on July 17, for tank rafting, inspections and shipyard preparations. Before entering the shipyard around the end of July the Progress will head back out to sea for final prep before returning to Singapore. AB Wayne Kendrick filling in with the ESU Ship Representative duties and reports the trip across the Pacific and discharge in Taiwan went very well.

Eagle Bay

ESU board officer Leo DeCastro visited the vessel at anchor in Long Beach, CA on July 11. Discussion about changing watches based on ship board seniority. The vessel is scheduled to load in Valdez for discharge in the San Francisco Bay area towards the end of July, followed by a planned repair period during the first part of August in Portland, OR. Pumpman Jim Byrd filling in with the Ship Rep. duties and reports everything going well.

Liberty Bay

ESU board officer John Straley visited the vessel at Chevron in Richmond, CA, on July 20. Regular Ship Representative Joe Buffington aboard and reports everything going well except for increasing sea tour length for Able Seamen. Another new hire class began the week of July 17, and with the group hired in May, we should have additional ABs in rotation to help address the current shortage. After departing San Francisco, the vessel is slated to load in Valdez for full discharge in Long Beach at the beginning of August.

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

EXXON SEAMEN'S UNION

Founded March 28, 1941

Affiliated with the Sailors' Union of the Pacific

P.O. Box 754, Seabrook, TX 77586

Tel (832) 295-3047 Fax (832) 201-0441

E-Mail: esusea@sbcglobal.net

President/Secretary John Straley

Vice President/Treasurer Leo DeCastro

Board Member at Large Don Picou

Board Member at Large Ein Cooley

Deck Trustee Jeffrey Harris

Engine Trustee William Ackley

Steward Trustee Joel Mitchell

Don't cut Social Security, expand it

The following is from the Economic Opportunity Institute:

This month the Social Security Trustees published their 269-page annual report on the health of the Social Security Trust Funds, which hold the assets that will help fund future retirement benefits for Social Security recipients. In sum, the future of Social Security is bright, as long as some adjustments are made.

Once again, Social Security is collecting more money than it pays out, resulting in a surplus. Over the course of Social Security's 82-year history, the Social Security Administration has collected about \$19.9 trillion in payroll taxes and other income, and paid out \$17.1 trillion in benefits and other costs.

Social Security is also fully funded for the next 17 years with no changes. After that, there Social Security would be able to pay 77% of benefits and associated administrative costs.

Critics of Social Security call the far-off uncertainty enough cause to cut benefits and dismantle the safety net. But Social Security will have worked for 99 years by the time drastic measures will need to be taken. This is a program that works. With a few changes, Social Security can remain affordable and vital to ensuring workers can retire without a drastic reduction in their cost of living.

The question of whether to expand or cut Social Security's modest benefits is a question of values and choice, not affordability. Like with many government programs, the question remains: Do we as a society want to foster systems that support our most vulnerable citizens, such as children, the elderly and the disabled? Expanding – not cutting – Social Security is the best solution to address the system's challenges and ensure its longevity.

Some parts to the solution:

- Increase the minimum wage. While this is a no-brainer in regards to improving job growth and elevating incomes, it also greatly increases the funds that workers contribute to Social Security.
- Pass federal paid family and medical leave. We've achieved this in Washington State, and it's time to go national. Paid leave increases the labor force participation of women, also increasing the funds that go to Social Security.
- Make the rich pay their fair share. The taxes that fund Social Security only apply to the first \$127,200 of wage income in 2017. Anything more is untaxed. That means the very wealthy stop paying Social Security taxes after only a few months every year, while everyone else pays continuously. Increasing or removing the cap would bring in billions of dollars in income.

Two-thirds of senior beneficiaries rely on Social Security for a majority of their income. Social Security will certainly remain as important to future retirees, because over half of American households will not be able to maintain their standard of living into old age. As recently as 2013, roughly half of households age 55 or older had zero savings in retirement accounts.

Social Security's administrative expenses are less than a penny for every dollar collected and spent. Even for the private sector, that's efficient.

Just this year, President Donald Trump toyed with the idea of eliminating the payroll tax for Social Security, ruining its revenue sources and eventually cutting benefits. Social Security is not a gift; it's a system that we as American workers have paid for and must continue to protect to get the benefits we deserve.

National Association of Manufacturers calls Trump's Ex-Im Bank nominee terrible choice

Jay Timmons, President and Chief Executive Officer of the National Association of Manufacturers (NAM), has called for the withdraw of Scott Garrett's nomination to become the next chairman of the United States Export-Import Bank in a strongly worded op-ed prepared for the *Wall Street Journal* this month.

In his piece, Timmons praised the president for his support of American manufacturers, but warned that Scott Garrett's confirmation to Ex-Im Bank chief would be "a terrible deal for our country," adding that "his record of aggressively undermining the Ex-Im Bank is tantamount to a vicious trade war against American manufacturing workers."

President Trump nominated Garrett, a Republican Congressman from New Jersey, for the chairmanship of the Ex-Im Bank in mid-April.

Political tensions over the bank's reauthorization caused it to cease operations briefly in late 2015. Senate leaders were then forced to attach funding legislation to a transportation bill in order to push it through Congress so that the bank could restore its operations.

Since then, the Ex-Im Bank has been operating without a quorum, meaning it has been unable to approve transactions of more than \$10 million due to an insufficient number of bank board members. Agency rules require three of the bank's five board seats to be filled to approve financing in amounts larger than \$10 million. For many companies seeking trade finance assistance for large export-oriented projects, the \$10 million ceiling is woefully short.

During his time as a member of the U.S. House of Representatives, Garrett was one of the small outspoken group of lawmakers seeking the Ex-Im Bank's closure, calling the financial institution a hallmark of "crony capitalism."

The Export-Import Bank is important to the U.S. Merchant Marine as many of the cargoes purchased with loans from the Bank are required to be carried in U.S.-flag ships.

Welfare Notes July 2017

Summary of Benefits and Coverage

A Summary of Benefits and Coverage is being mailed to all Members enrolled in an active medical plan. Members who are enrolled in the Kaiser Portland Oregon Plan will not receive a Summary of Benefits and Coverage until January 2018 which is the date of the plan renewal. All other members enrolled in a medical plan will be receiving the updated information within the next few weeks. This is informational only and does not require any further action from those enrolled. It is important to keep the Plan office advised of address changes to insure you receive updated information.

Pensioners Annual Allowance

The fiscal year for the Pensioners Annual Allowance runs from August 01 through July 31 of the following year.

The maximum reimbursable totals for the fiscal year are \$3,000.00 for medical premiums, \$1,000.00 for prescription drugs, and \$1,000.00 for other expenses including medical, dental, and vision expenses. As an example \$300.00 in medical expenses, \$500.00 in dental expenses, and \$200.00 in vision expenses would total the \$1,000.00 maximum for the other expenses maximum.

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

Claims for reimbursement must be submitted to the Plan office within 90 days of the date of incurring the charge or within 90 days of Medicare processing the claim. The patient's name, date of services, a description of the services, and the amount charged for services must be indicated by the provider of services on the statement submitted for reimbursement.

If you have any questions, please contact the Plan office.

Michelle Chang, Administrator mcsupsiupd@sbcglobal.net

Patty Martin martinpatty59@sbcglobal.net

Michael Jacyna Eligibility mjacyna67@sbcglobal.net

Training Representative Berit Eriksson 206-551-1870

berittrainrep@sbcglobal.net

SUP Welfare Plan

730 Harrison Street, #415

San Francisco, CA 94107

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

Fax: 415-778-5495

SIU-PD Pension 415-764-4987

SIU-PD Supplemental Benefits 415-764-4991

Seafarers Medical Center 415-392-3611

Passport renewal recommended nine months prior to expiration

The following is excerpted from information posted by the U.S. Passport Help Guide (a privately operated website portal for informational purposes that is not affiliated with any passport offices or government agencies). To avoid problems with the six-month validity rule for passports, it has been recommended mariners renew their passport nine months prior to expiration.

What is the six-month validity rule?

The six-month validity rule is imposed by foreign countries, and not by the United States. It simply means that your passport should be valid for more than six months before you would be allowed to enter a foreign destination. This rule is imposed by some of the following countries: Albania, Angola, Bahamas, Bahrain, Belize, Bolivia, Botswana, Brazil, Brunei, Burma (Myanmar), Burundi, China, Cote d'Ivoire (Ivory Coast), Ecuador (including Galapagos Islands), French Polynesia, Guyana, Honduras, Indonesia, Iran, Iraq, Jamaica, Kenya, Kiribati, Mexico, Madagascar, Malaysia, Mauritius, Mozambique, Namibia, New Caledonia, Nicaragua, Oman, Palau, Papua New Guinea, Philippines, Russia, Saudi Arabia, Singapore, St. Lucia, Taiwan, Tajikistan, Tanzania, Thailand, Timor-Leste (East Timor), Trinidad & Tobago, Turkmenistan, Uganda, Ukraine, Venezuela, Vietnam, Zambia.

Expedited passport renewal

It is recommended that you renew your passport nine months before it expires. This would give you enough time to apply for a U.S. passport with the passport office.

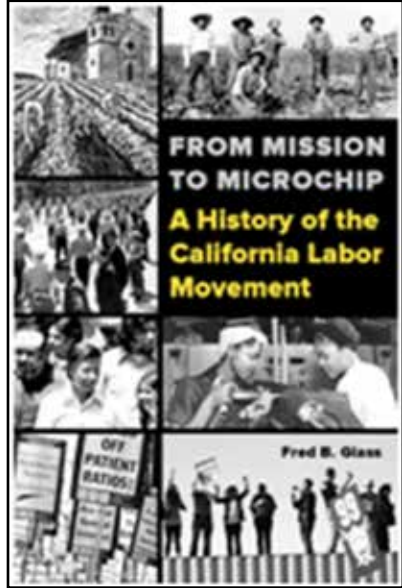
For expedited passport renewal –if you are traveling within 14 days, or 30 days if a visa is required– you have to fill out the Application Form DS-82, and apply at a regional passport agency.

The post offices are not recommended in this situation as the turnaround time to expedite a passport renewal at the post offices is two to four weeks. You have two options to expedite your passport. The recommended option is to visit a passport agency in your area. The other option would be a private expediting company, but these companies charge for their services, which can range from \$79 to \$399.

**SUPPORT FOOD FOR PEACE
SUPPORT THE SUP POLITICAL FUND**

California labor history class at S.F. City College this fall

As we confront a Bay Area with growing economic inequalities, history offers lessons. But first, some questions: Was Bernie Sanders the first Socialist to receive millions of votes for president of the United States? Why is funding for public services so inadequate? Why are worker pensions under attack? Where did “seniority” come from? Can strikes be won? And why do these things matter?



In “California Labor History,” a three unit City College San Francisco course offered at 6:10 p.m. Tuesday evenings at Mission Campus, Room 454, 1125 Valencia Street, beginning August 22, you will find that the fight for a more equitable society stretches back through the 1934 San Francisco General Strike –the most important event most people have never heard of– to the Mission era.

The fall semester course is taught by long-time labor educator, filmmaker and Union communications director Fred Glass. It places contemporary unions within the broader stream of labor history, and showcases struggles by California and Bay Area working people for dignity, economic security, and civil rights – people like Frank Roney, Kate Kennedy, Luisa

Moreno, C. L. Dellums, Dolores Huerta, and many more.

Union members who have taken the course note that it provides a space tucked away from their sometimes hectic lives to reflect on work and labor issues. The course is built around the ten-part public TV series Golden Lands, Working Hands, and Glass’s new book, *From Mission to Microchip: A History of the California Labor Movement*. Class discussions are lively, and the oral history assignment often turns up surprising things about students’ own unions and even their family histories.

The class earns you three units of college credit (transferable to CSU and UC), and is free for San Francisco residents. For those living outside city limits, it costs \$138, but financial assistance is also available. To register, go to www.ccsf.edu. For more registration information or assistance, contact Bill Shields at the CCSF Labor and Community Studies Department, wshields@ccsf.edu, 415-550-4472. For course information contact Fred Glass, fglassft@gmail.com, or 510-579-3343.

Drop in containers lost at sea

The World Shipping Council (WSC) estimates that the average number of containers lost each year has dropped since 2014 by 48%.

Based on the most recent survey results, an average of 568 containers are lost at sea each year, not including catastrophic events. If catastrophic events are included, that average more than doubles to 1,582. In 2014, these figures were 733 containers and 2,683 containers respectively.

The larger number of losses in 2014 was due primarily to the complete loss in 2013 of the *MOL Comfort* in the Indian Ocean and all of the 4,293 containers on board and, in 2011, the grounding and loss of the *M/V Rena* off New Zealand, which resulted in a loss overboard of roughly 900 containers.

WSC data consistently demonstrates that container losses in any particular year can vary quite substantially based on differences in weather and other unusual events. The data also consistently shows that the majority of containers lost at sea result from catastrophic events. For example, in 2013, there was a total loss of 5,578 containers – 77% of which occurred with the sinking of the *MOL Comfort* in the Indian Ocean.

The total loss of vessel *El Faro* occurred two years later in 2015. All containers on the *El Faro* were lost and this event alone accounted for almost 43% of the total containers lost into the sea in 2015.

In 2016, the international liner shipping industry transported approximately 130 million containers packed with cargo, with an estimated value of more than \$4 trillion.



Backed by SUP and MFOW members and family, SUP President Gunnar Lundeberg speaks to press in Honolulu on June 26, regarding Matson negotiations. SUP Honolulu Branch Agent Mike Dirksen is on the far left and MFOW President Anthony Poplawski is on the right. SUP/MFOW attorney Charles Khim is seated.

Senators introduce a bill to support jobs and help U.S. ports compete

The Harbor Maintenance Trust Fund Reform Act of 2017 would address outdated system, support port infrastructure and maintenance

Legislation would even playing field and protect U.S. ports from cargo diversion

Last month, Senators Patty Murray (D-Washington) and Maria Cantwell (D-Washington) and Representative Dave Reichert (R-WA) introduced bipartisan, bicameral legislation to reform the outdated Harbor Maintenance Trust Fund (HMTF). The Harbor Maintenance Trust Fund Reform Act of 2017 would make sure all of the money collected through the Harbor Maintenance Tax (HMT) each year is returned directly to ports in order to improve infrastructure and keep ports competitive. Currently, the HMT is not collected or spent in a way that ensures ports can continue to compete on a level playing field. Some ports, including the Ports of Seattle, Tacoma, Los Angeles, and Long Beach, receive just pennies for each dollar contributed to the HMTF from cargo unloaded at their ports. As so-called “donor ports,” they don’t receive the necessary investments they need to remain competitive. In recent years, U.S. ports have seen ports outside of the country target and capture U.S.-bound cargo in part because of the cost advantage of not charging the HMT. The legislation introduced would address these inequities, enhance economic competitiveness, and support jobs in Washington state and around the U.S. by ensuring donor ports can access funding for port infrastructure and rebates to shippers transporting cargo through their ports rather than routing cargo through Canada or Mexico to the United States.

“For more than a decade, a number of U.S. ports have been operating at a competitive disadvantage, which is a drag on our economy and on thousands of good-paying jobs,” said Senator Murray. “The bipartisan bill we are introducing would be a critical step toward restoring investments in our ports, jobs, and economic development in Washington state and around the country.”

“As one of the most trade-dependent states, strong ports are critical to Washington’s local economy,” said Representative Reichert. “For too long, our ports have been put at a disadvantage - contributing much more than their fair share to the Harbor Maintenance Trust Fund and facing the loss of cargo to foreign ports because of the Harbor Maintenance Tax. By increasing funding to these ports including for rebates to shippers, the Harbor Maintenance Trust Fund Reform Act will help level the playing field supporting jobs and communities in Washington.”

“Washington state’s maritime industry supports 146,000 jobs and generates \$30 billion in economic activity. By reforming the Harbor Maintenance Trust Fund, we can put Washington ports on a level playing field with their international competitors. It’s critical we continue to make investments in ports of all sizes so they have the tools and resources needed to create jobs and move Washington products around the globe,” said Senator Cantwell.

The Harbor Maintenance Trust Fund Reform Act of 2017 would:

- Establish full use of the Harbor Maintenance Trust Fund each year with interest by creating a direct spending mechanism for the HMTF;
- Ensure HMTF funds collected are allocated fully and more equitably by establishing a set-aside for donor ports;
- Address the issue of cargo diversion by increasing investments to donor ports to provide rebates to shippers transporting cargo through their ports or for port infrastructure needs;
- Support operation and maintenance at our small ports and harbors by updating the baseline for the set-aside for small ports; and
- Better meet our nationwide harbor and waterway needs.

Other House cosponsors of the bill include: Reps. Adam Smith (D-WA), Rick Larsen (D-WA), Suzan DelBene (D-WA), Denny Heck (D-WA), Derek Kilmer (D-WA), Pramila Jayapal (D-WA), Nanette Barragán (CA-44), Grace Napolitano (D-CA), and Alan Lowenthal (D-CA).

Membership and Ratings Committee

The Committee met on July 6, and found the following members eligible for advancement in seniority and rating stamps in the various departments:

Name and Membership Number	Seatime	Rating	Seniority
Scott Weideman #3655	6 Years	A.B.	A
James Stelpstra #7528	6 Years	A.B.	A
Eduardo Rojas #19519	1 Year	O.S.	B
Frank Walker #19520	1 Year	O.S.	B
Dario Pratt #19521	1 Year	O.S.	B
James Coulter #19522	1 Year	O.S.	B
Zachary Yanak #19523	1 Year	O.S.	B
George Duncan #C2686	30 Days	O.S.	C
Robert McDougal #C2687	30 Days	A.B.	C
Eric Vazquez #C2688	30 Days	O.S.	C
Evgenii Kim #C2689	30 Days	O.S.	C
James Pierce #C2690	30 Days	O.S.	C
Garry DeCleur #C2691	30 Days	O.S.	C

Bosun Stamp - None

Membership and Ratings Committee’s Report: M/S to concur in the Committee’s report. Carried unanimously. Membership and Ratings Committee: David Frizzi #2255, Adam J. Tassin #19218, and Alhagie Touray #19383.



SUP President's Report

July 10, 2017

continued from page 1

On June 29, and 30, the pace of bargaining picked up with agreement reached in the early evening of the 30th.

The highlights of the Agreement, which is subject to membership approval, is as follows:

Term of Agreement:

July 1, 2017 through June 30, 2021 (four years).

Wages:

- 3.25% increase in wage and wage-related items effective July 1, 2017
- 3% increase in wage and wage-related items effective July 1, 2018
- 3% increase in wage and wage-related items effective July 1, 2019
- 3.25% increase in wage and wage-related items effective July 1, 2020
- Maintains the Cost-of-Living (COLA) provision of the contract.

Pensions:

This was a top Union demand in bargaining. Matson agreed to increase its contribution to the SIU-Pacific District Pension from \$10 to \$20 per manday effective January 1, 2018.

The market value of Plan assets as of August 1, 2016, was over \$101 million with vested funding ratio of actuarial assets of 121.52%.

On paper it would appear that the Pension Plan is in good shape, but under provisions of the Pension Protection Act of 2006 a new wrinkle, known as the "credit balance," gets thrown into the mix.

Under the Act, every multi-employer defined benefit pension plan is required to have an annual actuarial valuation, and one of the purposes of this is develop a minimum required contribution in accordance with Internal Revenue Service (IRS) regulations. This minimum contribution is certified by the actuary (Greg Pastino of Bolton Partners for the Pacific District Plan) to be the amount necessary to fund the next year's benefit accruals and expenses plus an amortized portion of past service liabilities. When actual employer contributions to the plan exceed the minimum required, a "credit balance" is established. The credit balance may be used to offset minimum funding requirements in years where the employer contributions are less than the minimum. When employer contributions and available credit balance are no longer sufficient to satisfy minimum requirements, a negative credit balance, or funding deficiency, occurs and actions must be taken to avoid penalties and excise taxes. The Pension Protection Act requires that if a multi-employer defined benefit plan is projected to have a funding deficiency within seven years, then the plan is in Endangered Status. At that point, a Funding Improvement Plan must be adopted to rectify the situation, and the solution usually involves some combination of increased employer contributions and reductions in future benefit accruals.

As the membership may or may not know, APL and Matson stopped making pension contributions in 1993 when the Plan was declared "fully funded." Since that time the "credit balance" was sufficient to cover minimum required contributions as mandated by the Pension Protection Act, but as a consequence the credit balance declined each year.

In 2015, Matson and APL agreed to begin making a \$10 per manday contribution to the Pension Plan beginning on January 1, 2016. Patriot Contract Services and Foss Maritime Company followed suit. However, although the amount was helpful in addressing the credit balance issue it was insufficient to increase benefits. It is hoped that the increased contribution by Matson, and pending increases with APL and Patriot, pension benefits can be increased next year.

Training

The company agrees to increase its contributions to the MFO, SUP, and SIU-AGLIW Training Funds by \$0.25 per manday effective July 1, 2017; \$0.25 per manday effective July 1, 2018; \$0.25 per manday effective July 1, 2019; and \$0.50 per manday effective July 1, 2020. Union proposal.

Vessels Covered and Manning

An amendment to Section 3 of the General Rules extends the agreement to the Kanaloa-Class vessels to be built at NASSCO shipyard in San Diego, and to all replacement vessels for those vessels currently covered by the agreement; and provides that the company, its affiliates and subsidiaries shall not engage in subterfuge to avoid obligations for those vessels currently covered by the Agreement. Union proposal.

Direct Deposit

An amendment to Section 8 of the General Rules allows for direct deposit of wages where procedures for direct deposit of wages have been established by the company. Union proposal.

Safe Gear and Safe Working Conditions

An amendment to Section 9 of the General Rules extends the prohibition of smoking in common spaces to include E-cigarettes. Company proposal.

Explosives

An amendment to Section 22 of the General Rules updates language regarding explosives; specifically, Interstate Commerce Commission Class A explosives are now defined as Department of Transportation Class 1 explosives with a mass explosion hazard or projection hazard. Union proposal.

Transportation

Appendix B of the General Rules was updated. The San Francisco to Oakland fare was increased by \$1.30 and the Seattle fare was increased by \$1.00. The Richmond and Crockett fares were eliminated as Matson does not use those terminals anymore. Union proposal.

SUP Work Rules

Section 25. Livestock

"When Sailors are required to assist stocktenders in the disposal of dead livestock, Sailors shall be paid the high cargo rate of pay for performing such work." Union proposal.

Appendix "A" - Manning

Ordinary Seaman billets designated in this Appendix that are eliminated due to ship long-term lay up, sale, transfer, scrapping, or any other assignment shall be transferred in an equal amount to Matson ships in operation. Currently Ordinary Seamen are part of the crew in the Mokiha, Mahimahi and Matsonia and were also in the Lurline before she was scrapped. When the Kanaloa-Class vessels Lurline and Matsonia go into service they will each have one Ordinary Seaman. Union proposal.

Maintenance Agreement (Paint & Rigging in Honolulu)

Section 4. Wages

(F) When called back to perform overtime work, a four-hour minimum will be paid before 8:00 A.M. and after 5:00 P.M. or before 7:00 and after 4:00 P.M. if that is normal scheduled workday, and a four-hour minimum will be paid on Saturdays, Sundays and holidays. Union proposal.

The SUP Negotiating Committee believes the contract bargained with Matson is a solid one and recommends membership ratification.

NEW VESSEL

While the Union was focused on preparing for and then negotiating new Offshore and Maintenance Agreements, Matson notified its contracted Unions in April that it was considering buying a small container vessel to operate in the Pacific. Tentatively dubbed the "CV700" the 6,400 gross ton vessel would have the capacity to carry 700 TEUs.

In May, informal discussions took place regarding manning, wages and other contractual matters to determine if the acquisition would be feasible. Matson proposed a manning scale, wage and wage-related items ad contract terms that are similar and in some instances better than the special bulk agreement covering the Moku Pahu.

On May 23, Matson confirmed that the vessel in question was the *Marstan*, which is owned by Sealift Inc and recently operated in the Persian Gulf by APL Maritime Ltd. The *Marstan* was relieved in May by the APL Gulf Express operated by SUP-contracted APL Marine Services.

Currently, the vessel is at a Singapore shipyard being outfitted with cargo gear. Although, as of today's meeting, Matson has not purchased the vessel, it was eager to have collective bargaining agreements in place.

Accordingly, signed a Memorandum of Understanding on July 5, with Matson covering the CV700, subject to membership approval.

Term of Agreement:

6 years – July 5 through June 30, 2023

Wages and Wage-Related Items:

	Monthly Base Wage	Daily Base Wage	OT Rate	Low Cargo Rate	High Cargo Rate	Money Purchase Pension Plan Daily
Bosun	\$5,160.90	\$172.03	\$33.28	\$26.79	\$44.16	\$25.00
AB	\$3,464.10	\$115.47	\$33.28	\$26.79	\$44.16	\$25.00

Effective July 1, 2018, there shall be a 3% increase in wages and wage-related items; 3% effective July 1, 2019; 3% effective July 1, 2020; 3% effective July 1, 2021; and 3% effective July 1, 2022.

Supplemental Benefits: 10 days for each 30 days worked.

All other provision of the 2017-2021 Agreement with Matson apply.

If and when Matson purchases the vessel, it tentatively plans to operate her out of Honolulu to Kwajalein and Micronesia.

Recommend membership ratification of the Agreement with Matson covering the CV700.

AMERICAN SHIP MANAGEMENT

After Matson stopped operating the *ITB Moku Pahu* in 2015, for the Hawaiian Commercial & Sugar Company, American Ship Management (ASM) assumed operating responsibilities under the terms and conditions the SUP and the other Unions onboard had under the collective bargaining agreements with Matson.

As reported in February, Hawaiian Commercial & Sugar Company ceased sugar production in Hawai'i and sold the *Moku Pahu* to Schuyler Line Navigation Company which retained ASM as the vessel operator.

In March, the membership ratified a Memorandum of Understanding covering the vessel's voyage from the West Coast to Djibouti under the terms and conditions negotiated with Matson which could terminate when the vessel was laid up, went into a shipyard or sold for scrap. The vessel currently is laid up in Greece.

While the vessel was enroute to the Middle East (see the *May West Coast Sailors*), the SUP and MFO as well as the other Unions were in almost continuous negotiations with ASM, acting on behalf of Schuyler, which demanded a reduction of 8% in Total Labor Costs. It was either reduce labor costs to justify going into the bulk trades, without benefit of the defunct Hawai'i sugar trade, or Schuyler would find a new operator or scrap the vessel.

Ultimately, the SUP, MFO, SIU-Marine Cooks, MEBA and MM&P reached agreement with ASM to keep the *Moku Pahu* in operation and most importantly, the work she provides for the membership. Therefore, signed a Memorandum of Understanding covering the vessel on June 15, subject to membership approval.

To retain the work and the wage and benefit structure in *Moku Pahu*, it was necessary to make Work Rule changes that approximated ASM's demands for cost reduction. Therefore, cargo rates, stores rates, shift ship minimums, waterblasting or sandblasting rates and deck port watch rates are not applicable for this vessel.

Term of Agreement:

Five years from June 15 to June 14, 2022. The wage and overtime rates are the same as the July 1, 2016 *Moku Pahu* rates, which are the same as Matson's CV700 except that the Money Purchase Pension Rate is \$23.00 per day for the Bosun and \$19.00 per day for the ABs.

Overtime shall be paid for all work performed on Saturdays, Sundays or holidays.

Manning:

One (1) Bosun, three (3) ABs

continued on next page

SUP President's Report *continued*

Effective June 15, 2018, there shall be a 2% increase in wage and wage-related items; a 2% increase in 2019, a 2% increase in 2020; and a 2% increase in 2021.

Pension & Welfare: The benefits are the same as the previous ASM and Matson Agreements: Daily Pension credit and Group II (6 months) eligibility for SUP Welfare Plan benefits.

Supplemental Benefits: 10 days for each 30 days worked.

Recommend membership ratification of the *Moku Pahu* Agreement with American Ship Management.

SUP WELFARE PLAN

For the past few years, have reported on the cost of health care premiums for participating members paid by the SUP Welfare Plan from contributions negotiated with APL, American Ship Management, Foss, Matson, Patriot Contract Services, and the San Francisco Bar Pilots so that the membership is aware of the cost associated with this benefit.

These reports follow the June SUP Welfare Plan Board of Trustees meetings when Plan Consultant Kirsten Shaffer submits the premium costs she has negotiated with health care providers for Trustee approval.

The new rates agreed to at the June 14 meeting, are as follows:

Kaiser Northern California: Premium rates decreased by 5% effective July 1. The rate for a single participant decreased from \$704.58 59 \$669.35 per month. For married participants without children, the rate decreased from \$1,409.16 to \$1,338.70. For married participants with children, the rate decreased from \$1993.96 to \$1894.26. The Northern California Kaiser renewal represents \$9,200 reduction based on the current enrollment which has increased over the previous year.

Kaiser Southern California: Premium rates increased by 10.6% effective July 1. The rate for a single participant increased from \$546.17 to \$604.30 per month. For married participants from \$1,092.35 to \$1,208.60 and for married participants with children from \$1545.67 to \$1,710.16. The renewal increases amount to a \$10,900 in additional costs to the SUP Welfare Plan based on the current enrollment.

Kaiser Washington (formerly Group Health Cooperative): Premium rates increase 4.4% effective August 1. The rate for a single participant increases from \$629.74 to \$657.20 per month; for married participants from \$1,175.97 to \$1,227.25; and for married participants with children from \$1,969.10 to \$2,054.95. The renewal represents an increase in annual premiums of \$35,100 paid by the Welfare Plan.

Kaiser Hawai'i: The premium rates will remain status quo from August 1, 2017, to July 31, 2018: \$674.94 per month for a single participant; \$1,349.89 for married participants; and \$2,024.83 for married participants with children. The dental program premiums will increase from \$33.63 to \$35.31 for single coverage, from \$67.26 to \$70.26 for two-party coverage from \$100.89 to \$105.93 for family coverage.

Health Net HMO: Premium rates will increase 4.5% effective August 1. For single participants from \$1,052.85 to \$1,100.23; for married participants from \$2,105.74 to \$2,200.00; and for married participants with children from \$3,053.10 to \$3,190.82. The renewal rates will increase the premiums paid by the SUP Welfare Plan by \$43,100.

Health Net PPO California: Premium rates remain status quo from August 1, 2017 to July 31, 2018: \$1,592.23 for a single participant; \$3,423.25 for married participants; and \$4,697.04 for a married participant with children.

Health Net PPO non-California: Premium rates in this plan also remain the same from August 1, 2017 to July 31, 2018: \$1,309.56 for single participant; \$2,815.58 for a married participant; and \$3,863.27 for a married participant with children. It should be noted that those enrolled in this plan pay 25% of the cost of the premium out-of-pocket.

It should be noted that the Plan Consultant is actively seeking a replacement for the costly HealthNet Plans.

In addition to escalating premiums, the impact of the Affordable Care Act is financially significant to the Welfare Plan. Taxes and fees under the Act include a \$63 per year Reinsurance Fee on every participant and dependent of the Plan and a \$1.00 per year Excise Tax on every participant and dependent of the Plan since January 1, of 2013, to help fund the Patient-Centered Outcomes Research Institute (PCORI). This tax, which funds health care for those without coverage, rose to \$2.80 per participant and dependent in 2015 and to \$2.17 and will increase by an amount, not presently known, through 2019. In addition, the health care providers, the SUP Welfare Plan has contracts with, can legally tack on a 2% tax on their rates to help fund the Act and have done so. Also under the Act, dependent "children" between the ages of 19 and 26 are required to be covered which has added significantly to SUP Welfare Plan expenses over the past five-and-a-half years.

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

This information is being reported so that the membership is aware that in addition to wages, Supplemental Benefits, vacation pay, and Money Purchase Pension Plan contributions, health care premium costs and other benefits provided by the SUP Welfare Plan are part of a members' overall compensation.

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 2016, 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 14, at 8:00 A.M.

LONGSHORE HOLIDAY

SUP hiring halls on the West Coast will be closed on Friday, 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 ratify the new Matson Agreement. Carried unanimously.

M/S to ratify the *Moku Pahu* Agreement. Carried unanimously.

M/S to ratify the CV700 Agreement with Matson. Carried unanimously.

M/S to elect a Quarterly Finance Committee. Elected: Frank Portanier, Mike Worth, Izzy Idris, Paul Fuentes and Robert Leeper. Carried unanimously.

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

Gunnar Lundeberg

Vice President's Report

July 2017

"The Company and its affiliates and subsidiaries shall not engage in subterfuge to avoid its obligations..." These words, after much argument at the bargaining table, were recently added to the General Rules of the Matson agreement. They are the product of many months of investigation and debate, of searching informational demands, and more than a decade of bargaining history.

We maintained, and the Company agreed, that its obligations include fair dealing across the broad spectrum of our collective bargaining relationship – on jurisdiction, wages, pension and health care, among other things. We insisted that Matson adhere to its Union obligations on both existing work and new work, such as in the new-build Aloha-Class of ships now under construction and the Kanaloa-Class and other replacement ships.

We held the Company to its obligation to support our training and ship storing requirements, Hawaiian shore gang call outs and holiday pay.

We refused to let the Company walk away from its obligation of a safe and sanitary workplace by defending the washdown, as well as the call back and shift ship minimums, carpenter's work, and our Ordinary Seamen billets.

The new language quoted above is the tip of a vast iceberg. Embedded within it is the notion that Matson is not merely a profitable enterprise but also an institution built on predictability and reliability, depended upon remote communities and the employees who live there, and that with such a responsibility comes a more than casual commitment to its stakeholders. A contract bargained in good faith should not need a prohibition on subterfuge. But given the existential tests that we have confronted in the past and will inevitably face again, we are far better off having demonstrated here that we will not accept lip service payments on the cost of a fair deal.

In addition to Matson negotiations (see President's Report), I helped handle a variety of grievances, dispatches (including activations both real and virtual such as in the tabletop exercise called Breakout 2017), medical appeals, benefit clarifications, and coordinated the employer recognition of our newly organized UFCW 5 unit and checked the following ships:

APL Gulf Express: Les Jeziorski, delegate. Clarifications on restriction to ship. Throughout its long history the SUP has fought to protect shore leave, resisted restriction, and made employers pay when the restrictions were arbitrary or vindictive. We do not accept automatic denials under the pretext of security. We also understand certain international realities, specifically that shore leave as a fundamental human right is not well understood by port states around the world. Accordingly, while we work to fix that we have grudgingly accepted some limited shore leave difficulty, especially when substantiated by a local government authority external to the ship, as part of the bargain. Such is the present case in this ship – shore leave policy here is evolving but is limited and the restriction claims are so far no good. A brief re-cap of the port-by-port shore leave situation on that run is as follows. In Jebel Ali, shore leave has been cancelled by government authorities since December of 2015, but there is a van to and from the seamen's club either on or nearby the terminal. In Sharjah, shore leave is restricted to the duty-free shop within walking distance of the ship. In Kuwait, true shore leave is possible but difficult, involving a limited number of shore passes delivered by the agent and the limited time of the short port stays. Shore leave is not available in Qatar as per government authority. In Bahrain, shore leave is allowed but port stays are short – agents handle the clearance and transportation to the Bahrain Naval Base and port area where there is a seaman's club and a duty-free shop.

APL Guam: Kelly Eggers, delegate. Internal harassment allegations under investigation by management and by the Union. Delegate did a good job in a tough spot: representing both parties and ensuring safe and fair initial process on board. Immigration clearance problems under continued investigation. As MFOW President Anthony Poplawski recently reported, Guamanian officials have had inconsistent clearance schedules, resulting in some delays of shore leave. Apparently, the US Immigration office is understaffed and underfunded and focusing on airport arrivals. Compounding the problem is the frequent arrival of this ship on nights and weekends. Company officials have pledged to look for opportunities to improve the process.

APL Thailand: Joe McDonald, delegate. Union meetings should be held at times that do not "interrupt the operation of the vessel" as laid out in Section 6(c) of the General Rules. Additional clarifications on STCW rest hours and washdown: important context took some time to uncover.

APL Singapore: Harold Uriarte, delegate. Clarification on watch below, working on watch, and on early and retained sailor call out rules under Sections 36(e) and

continued on next page

SUP Branch Reports

Seattle

June 19, 2017

Shipped 3 Boatswains, 1 going to a navy bottom and 2 to Matson, both reliefs, filled with 1 A and 2 B seniority; 8 Able Seaman jobs to 1 A, 4 B, 1 C, and 2 D cards, 1 return to *Maui*, 3 steady navy bottoms, and 4 to activations; 3 Ordinary Seaman jobs taken by 1 C card and 2 D's, all to navy bottoms, for a total of 14 seagoing jobs shipped.

Registration: 11 A cards for a total of 15; 12 B cards for a total of 24; 3 C cards for a total of 8; 6 D cards for a total of 12.

I represented the SUP at the following meetings: Martin Luther King Central Labor Council (MLKCLC) Mayors meeting, 43rd Legislative Endorsement, MLKCLC COPE interviews, MLKCLC Executive Board and council meetings, Transportation Institute meeting, Washington State Labor Council Political Committee, MLKCLC Mayors Forum, Port Coalition meeting, and the Maritime Festival with key note speaker Washington Lieutenant Governor Cyrus Habib.

Lieutenant Governor Habib shared very encouraging views about innovations in development and preservation of waterfront industrial areas, and how to integrate or curb urban expansion in order to preserve blue collar earning foundations.

Members, when you make the hall bring all your documents with you. Let's go through them to be sure you are current. Other than your Drug-Free, you cannot go to work on documents that will expire during your dispatch.

*Brendan Bohannon
Acting Branch Agent*



SUP Seattle Acting Branch Agent Brendan Bohannon, ILWU Local 19 Vice President and Port Commission candidate John Persak and SUP political activist Vince O'Halloran.

Wilmington

June 19, 2017

Shipped during the period: Bosun: 5 AB: 18 AB Maint: 6 OS/ STOS: 2 and standby: 66 for a total of 97 jobs shipped.

Registrations: A:27 B:28 C:8 D:14

Ships Checked

APL Thailand, Mokihana, APL China, Maunalei, APL Belgium, R.J. Pfeiffer, APL Korea, Manukai: All running smoothly with little to no problems.

The crew of the *APL Singapore* says she's running on a full belly. Shipping at a steady pace in L.A. with Matson and APL making regular calls.

continued next column

Patriot Contract Services calling for crewing changes has slowed, MarAd may be calling for a Breakout Exercise in July, this is a simulation of what would happen in time of war or other crisis. This will require maximum participation of membership.

It is your responsibility to make sure your documents are up to date, don't wait till job call to find out.

When you complete your assignment aboard ship, clean your room before you leave.

This is your Union, participate and come to the meetings, make your voice heard.

*Leighton Gandy
Branch Agent*

Honolulu

June 19, 2017

Shipped the following jobs in the month of June: 3 Bosun steady, 2 AB Day steady, 3 AB Day relief, 1 AB Watch steady, 2 AB Watch return, and 4 AB maintenance. The shipping jobs were filled by 9 A cards, 5 B cards, and 1 C card.

Shipped 32 standby jobs. The standby jobs were filled by 3 A cards, 10 B cards, 13 C cards, and 6 D cards.

Registered in June: 5 A cards; 10 B cards; 2 C cards and 3 D cards.

To date totaled registered: 12 A cards, 15 B cards, 11 C cards and 9 D cards.

Ships Checked

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

APL Guam- No major beefs

APL Saipan- No major beefs

USNS Charlton- Still waiting for this ship to re-crew.

I represented the SUP at the Hawai'i Maritime Port Council meeting, and the AFL-CIO Executive Board meeting.

Michelle Chang (SUP Welfare) and Brian Christ (The Standard) attended the Honolulu meeting this month. Everyone seemed happy with the answers that Michelle and Brian gave them.

Also, we had the pleasure of Gunnar Lundeborg and Anthony Poplawski (MFOW President) coming over to Hawai'i for a press conference concerning Matson contract negotiations. There was a big turnout of SUP and MFOW sailors (over 50 members) along with SUP attorney Charles Khim for the Hawai'i News Now film crew. We definitely got Matson's attention as well as the state of Hawai'i as after the story was shown on the 5:00 o'clock news, my phone didn't stop ringing for four days straight.

And as always, check you papers and anything with less than six months needs to be renewed.

Mahalo,

*Mike Dirksen
Branch Agent*

SUP members join pension ranks

The following SUP members joined the rank of pensioner, bringing the total number of SUP members to 177:

Charles Butler, 65, Book No. 5741, joined SUP in 1989, 17 years seetime.

Business Agent's Report

July 10, 2017

California Voyager- In at Richmond Long Wharf on a steady run El Segundo Richmond Long Wharf discharge cargo and rumors has this sailing for Texas or the Bahama's for scrap. In good hands with Mike Fox as Bosun, Valeriy Goncharov as delegate.

Mississippi Voyager- In at Richmond Long Wharf running up and down the coast in good hands with Kenneth Dooley as Bosun, Ed Windler Delegate.

Florida Voyager, Oregon Voyager- Checked these ships with little or no beefs.

APL Thailand- In at Oakland #58 Its been an ongoing issues with STCW Bill Debenedictis as delegate. Drimitri Selevnev as Bosun.

APL Belgium- In and out Oakland #56 sailed with no beefs. Clarification on Work Rules and one watch, Aaron Wiebe as Bosun James Salera Delegate.

APL Singapore, APL Korea, APL Philippines- Checked in with these ships with little or no beefs.

Cape Orlando- Noel Itsumaru as Bosun.

Manoa- In and out Oakland #62, on the steady L.A. northwest run rumors have this ship back on northwest triangle. Sailed with no beefs, running smoothly with Quentin Brown as Bosun, Gerry Marshall as Delegate.

Mahimahi- In at Oakland #62. Bosun took emergency trip-off, ship sailed with no beefs on the northwest run. In good hands with relief Bosun Rick Pangan. Mike Soper on a trip off yet to elect an delegate.

Kauai- In at Oakland #62. On the northwest triangle sailed from Oakland with little or no beefs. In good hands with relief Bosun Ralph Ruder.

Maui- Sailed for the islands after a short stay in Oakland. Dave Erickson as delegate with Relief Bosun Nick Hoo-gendam.

Matsonia- Still in lay-up in the Chinese shipyard.

Roy Tufono

Dispatcher's Report

Headquarters—June 2017

Deck	
Bosun	6
Carpenter	0
MM	3
AB	13
OS	2
Standby	37
Total Deck Jobs Shipped	61
Total Deck B, C, D Shipped	55
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.	55
Total Registered "A"	24
Total Registered "B"	47
Total Registered "C"	25
Total Registered "D"	29

Vice President's Report continued

37(f) of the SUP Work Rules as well as the prohibition on "filling out the minimum" under Section 11(i).

APL Korea: Paul Harsaney, delegate. In the Asian loop with no problems.

APL Belgium: James Salera, delegate. Clarification on trip off and lodging issue associated with sanitation services. Under investigation.

Maunalei: Bill Wood, delegate. Investigated unfit-for-duty situation in China and along with Wilmington Agent Leon Gandy intervened to facilitate medical care and discharge.

Kauai: Phil Romei, delegate. Clarification on call outs after meal periods during daywork hours.

USNS Waters: Noel Romero, delegate. Delegate sent meeting minutes that included a thorough review of all conditions and issues. East Coast homeport has transportation problems on base. Proposed improvement options to management; awaiting results of investigation and response.

USNS Dahl: Matt Henning, delegate. Engaged in operations exercise off San Diego enroute to U.S. shipyard. Because mission COI level manning was required at all times, and because there were no embarked security personnel, shore leave was prohibited. Together with the MFOW we registered our objections and pressed for shore leave despite the mission rationale. Headed to East Coast load-out port. Sailors are advised to keep copies of the U.S. Coast Guard Form 719k (used for physicals associated with the STCW medical certificate) which is emerging as a critical component of seagoing documentation.

USNS Pomeroy: Charlie Steurer relieved Brian McCarthy as delegate. In good shape.

Cape Orlando: Joel Schor relieved Noel Itsumaru as bosun. Vessel management denied reasonable leave for member elected to the Negotiating Committee despite shoreside management consent. Disappointing, given that such business was relevant to both Union and the industry.

California Voyager: Terry Black, delegate. After nearly a decade of charter service, this ship is being returned to its owner in a shipyard in the Bahamas. A replacement charter hire of a new-build tanker is in place to be crewed in August or September and be renamed Texas Voyager (ex-Liberty).

San Francisco Bar Pilots: Mike Koller, delegate. Delegate skillfully handling a variety of issues. Running smooth.

Foss Maritime Company: JD Rymel, delegate. After a long hiatus, Company returning to a dedicated two boat SUP operation with steady crews based on a combination of business volume, mix and asset allocation.

Dave Connolly