



West Coast Sailors

Official Organ of the Sailors' Union of the Pacific

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Friday, June 19, 2015

National Maritime Day

A Proclamation by the President of the USA

For over two centuries, proud mariners have set sail in defense of our people and in pursuit of opportunity. Through periods of conflict and times of peace, our Nation has relied on the United States Merchant Marine to transport goods to and from our shores and deliver troops and supplies around the world. On National Maritime Day, we honor the women and men who take to the seas to boost our economy and uphold the values we cherish.

Our Nation is forever indebted to the brave privateers who helped secure our independence, fearlessly supplying our Revolutionary forces with muskets and ammunition. Throughout history, their legacy has been carried forward by courageous seafarers who have faithfully served our Nation as part of the United States Merchant Marine—bold individuals who emerged triumphant in the face of attacks from the British fleet in the War of 1812, and who empowered the allied forces as they navigated perilous waters during World War II. Today, patriots who share their spirit continue to stand ready to protect our seas and the livelihoods they support.

Ninety percent of the world's commerce moves by sea, and businesses across our country rely on domestic and international trade every day. Helping to protect our vital shipping routes, Merchant Mariners are critical to our effort to combat piracy and uphold the maritime security on which the global supply chain relies. And in times of war or national emergency, they bolster our national security as a "fourth arm of defense." Whether transporting commercial goods or military equipment, battling tough weather or enemy fire, they strive and sacrifice to secure a brighter future for all Americans. On this day, we reaffirm the importance of their contributions and salute all those who serve this noble cause.

The Congress, by a joint resolution approved May 20, 1933, has designated May 22 of each year as "National Maritime Day," and has authorized and requested the President to issue annually a proclamation calling for its appropriate observance.

NOW, THEREFORE, I, BARACK OBAMA, President of the United States of America, do hereby proclaim May 22, 2015, as National Maritime Day. I call upon the people of the United States to mark this observance and to display the flag of the United States at their homes and in their communities. I also request that all ships sailing under the American flag dress ship on that day.

IN WITNESS WHEREOF, I have hereunto set my hand this twentieth day of May, in the year of our Lord two thousand fifteen, and of the Independence of the United States of America the two hundred and thirty-ninth.

BARACK OBAMA

Anti-Union legislation targets maritime workers

Legislation that would gut the collective bargaining rights of maritime labor, both shoreside and seagoing, was introduced on June 4, by Senator Cory Gardner (R-Colorado).

The so-called Protecting Orderly and Transit of Shipments (PORTS) Act (S.1519) would expand the Taft-Hartley Act to allow governors of port states to direct their attorney general to use the Act against slowdowns, strikes or lockouts. The bill would also allow a governor to request a board of inquiry, starting the process for a Taft-Hartley injunction. If the President of the United States did not act to start that process within 10 days, the governor could unilaterally appoint a board to start the process.

The bill by Senator Gardner is directly linked to the recent negotiations between the International Longshore and Warehouse Union (ILWU) and the Pacific Maritime Association (PMA). A statement issued by Gardner shows how off he is about the bargaining by the ILWU and PMA: "Labor Union bosses should not be allowed to hold the economy hostage." The record is clear that the PMA caused most of the slowdowns by failing to call enough longshoremen to

work ships up and down the West Coast.

Edward Wytkind, President of the Transportation Trades Department (TTD), AFL-CIO—which the SUP is an affiliate—lashed out at Gardner's bill:

"Senator Cory Gardner's PORTS bill is a blatant overreach by corporate interests whose sole objective is to eviscerate the collective bargaining rights of port workers. The Gardner bill would also have a severe chilling effect on labor-management relations in our nation's ports by tilting the playing field in management's favor."

"The PORTS bill usurps the power of the President of the United States. With the expert assistance of the Federal Mediation and Conciliation Services (FMCS), the President is in the best position to evaluate and understand complex, multi-state bargaining, and to provide leadership in helping both parties reach agreements consensually."

"During the recent port bargaining dispute on the West Coast, the President dispatched his Secretary of Labor who revived talks and helped the parties reach a new agree-

ment. This is the way the bargaining process should work."

"By vesting governors with unique powers previously reserved for the President, Senator Gardner's proposal would pervert the collective bargaining process by subjecting it to potentially sinister political motives that have no place in labor-management negotiations. Also, the bill's language is so broad and undefined that it could easily allow corporate interests to use the pretense of port disputes as an excuse to exact political retribution on opponents."

"We stand committed to defeating this irresponsible assault on port workers' bargaining rights."

SUP President Gunnar Lundberg said, "The proposed bill is outrageous, extreme anti-worker legislation by a Senator from a landlocked state using our ports for political theater."

The PORTS bill has received support from the usual suspects: The National Retail Federation (NRF), the United States Chamber of Commerce, the National Association of Manufacturers and the Agriculture Transportation Coalition, among a number of organizations hostile to labor.

The bonds between the U.S. Merchant Marine and the nation's defense are unbreakable

Speaking at an observance of National Maritime Day in Washington, D.C., May 21, Commander of the U.S. Transportation Command General Paul Selva honored the service and sacrifice of U.S. merchant mariners past and present and described the indispensable roles of the merchant marine and U.S.-flag shipping industry in national defense and effective military action.

"During the closing days of World War II, the Chief of Staff of the United States Army, General George Marshall, said: 'The men and women who build

ships and the men who sail them are making it possible to transport fighting men and supplies wherever they are needed to defeat the enemy. The Army is deeply indebted to those men and women for their unceasing effort to do everything in their power to hasten the day of victory,'" General Selva said. "I think those words demonstrate the connection between our United States merchant marine and the defense of this nation," he said.

"Let me be quite simple in saying that the relationship that ties our ocean shipping industry, the mariners who sail those ships

and the defense of our nation is unbreakable."

During his presentation, General Selva provided a concise description of U.S. military transportation and logistics needs that depend upon U.S. merchant mariners.

"If we're going to win a war against a concerted enemy, we have to sail 60 ships in the first 30 days of that fight. Those ships will come from the Ready Reserve fleet and the surge fleet, which is co-managed by Military Sealift Command and the U.S. Maritime Administration. Within the next 30 days, we must

sail another 60 ships, which will come from the Maritime Security Program—commercially viable militarily useful ships that ply over-ocean trade every single day. And in the following 30 days, we will have to sail those first 60 ships yet again to deploy the combat forces of this nation to whatever fight might (be) presented to us.

"Victory is based on the 60-60-60 rule, and if we can't do that as a nation, we cannot win," he said. "So we are forever indebted to the sailors of our United States merchant marine,

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SUP Honor Roll

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West Coast Sailors

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Maritime Day in Wilmington: From the left, front row: Mark Hurley, Captain Joe Itson, Duane Nash, Alex Barkhordar, Manny Granados, Bob Bugarin, Kate Healey. Back row: Randy Runyan, Ken 'Sinbad' Delancey, Eli Wegger, Rudy Bautista, Martin Irwin, Larry Carranza, and Sonny Gage. Photo by John McElhone (MEBA)

ILA begins exploratory talks with East Coast employers

The United States Maritime Alliance (USMX) has reportedly opened up discussions with the International Longshoremen's Association (ILA) regarding a new contract, despite having more than three years remaining on the current contract. The current contract, which was agreed to in 2013, expires September 30, 2018.

ILA spokesman Jim McNamara confirmed that the Union has had "exploratory talks" with management. "Our current contract does bring stability even if nothing happens until 2018," McNamara said.

In past years, the USMX and ILA have reached a master agreement, which is then supplemented by individual agreements between ILA locals and employers at the individual ports along the East and Gulf Coasts.

The talks are said to be in preliminary stages, and an agenda is unlikely to be set until after the ILA's annual conference in Puerto Rico next month.

McNamara said that the issues during the negotiations are most likely to include compensation for longshoremen who have lost work to increasing port automation, maintenance of the ports' chassis, health care benefits and the Union's jurisdiction in ports in non-union states, such as Georgia and South Carolina.

Panama Canal chief unfazed by Suez Canal expansion

The Suez Canal is scheduled to be wider and deeper by the end of the summer, but the potential savings of time and money for shippers and carriers is not a concern said Panama Canal Authority CEO Jorge Quijano, last month.

Quijano, who views the Suez as a primary competitor with the Panama Canal for U.S. East and Gulf Coast container imports, has estimated that the Suez expansion could reduce transit times there by about four hours. But once the Panama Canal opens its own new set of bigger locks in April 2016, "we just don't see that the Suez expansion will be a major factor," Quijano said at a presentation at the Center for Strategic and International Studies in Washington, D.C.

The \$8.5 billion Suez expansion project being built by a consortium of dredging and construction companies, will create a parallel waterway to allow for two-way vessel traffic, thus reducing vessel waiting times. The expansion is expected to be operational by the end of the summer.

How much the Suez expansion will effect competition for trade into the U.S. during the months leading up to the Panama Canal opening is unclear. But the current advantage that the Suez Canal holds for most post-Panamax size containerships trading in the U.S. East and Gulf markets will be gone next year, Quijano said. "We expect to get additional tonnage," Quijano asserted. "But we also believe that the U.S. economy is growing, so we're banking on growth that will be beneficial not just for us but for U.S. West Coast ports as well."

Quijano seemed just as unfazed by other potential sources of competition. A rival canal through Nicaragua which the Panama Canal Authority has estimated will cost \$60 to \$70 billion, would require removing as much material per day "equal to building one-and-a-half Egyptian pyramids," he said. In addition, "if they ever come on line, they would have to charge double our tolls in order to get a return on their investment," he said.

Another potential project, a "dry canal" railway linking Brazil to Peru's Pacific Coast intended to lower transportation costs for Brazilian exports to China, is also not a threat, Quijano said. "We love competition, but land transportation will never compete with all water routes. They may take some business away, but it won't be a substantial amount."

MarAd makes funding available for emissions reduction projects

The Maritime Administration (MarAd) has announced that up to \$1.3 million in Federal funding is now available through cooperative agreements for projects supporting vessel emissions reductions and alternative energy.

The funding is being made available under two separate requests for applications, one focused on exhaust gas cleaning demonstration projects on U.S.-flag vessels that remove pollutants from the stacks of marine vessels and one focused on projects that demonstrate vessel emissions reductions through the use of alternative fuels or energy sources such as LNG or fuel cells, and improvements in vessel energy efficiency through use of conservation technology and practices.

MarAd said that it intends to use the results and data demonstration projects to support further work related to air emissions reduction and alternative energy research and assess the public benefit of possible incentives to encourage adoption of emissions reduction and alternative energy in the maritime sector.

ATTEND YOUR MONTHLY SUP UNION MEETINGS!

SUP Meetings

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

	Hdq.	Branch
July	13	20
August	10	17
September	14	21
October	Tues. 13	19
November	9	16
December	14	21

Final Departures

Thomas Mallory, Book No. 6335. Born in California in 1931. Joined SUP in 1951. Died in Yreka, California, May 11, 2015. (Pensioner)
Foster Robinson, Book No. 2978. Born in Texas in 1918. Joined SUP in 1945. Died in LaGrange, Kentucky, May 29, 2015. (Pensioner)

John Kelly, Book No. 3043. Born in Rhode Island in 1928. Joined SUP in 1945. Died May 28, 2015. (Pensioner)
George Gooden, Book No. 2340. Born in Oregon in 1924. Joined SUP in 1943. Died in Hot Springs, Arkansas, May 16, 2015. (Pensioner)

West Coast Sailors

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House members stress the importance of World War II merchant mariner bill

Two U.S. Representatives, Janice Hahn (D-California) and Duncan Hunter (R-California), emphasized the importance of a House bill to recognize U.S. Merchant Mariners over 70 years after their service in World War II during National Maritime Day speeches on the East and West Coast.

The Honoring Our WWII Merchant Mariners Act of 2015 was introduced earlier this year by Congresswoman Hahn and Congressman Hunter seeks to award a \$25,000 one-time payment to merchant mariners of World War II. Currently, only about 5,000 merchant mariners who served in the war are still alive. Congressman Hunter, speaking at a Maritime Day event in Washington, D.C., stated that the legislation would provide “well-deserved recognition for these heroic mariners who fought so valiantly for our country.”

Similarly, Congresswoman Hahn speaking to an audience at the San Pedro Merchant Mariners Veterans Memorial said, “The first Maritime Day honoring our merchant mariners was held in 1970. Before that, despite their courage and service, and despite suffering higher casualty rates during World War II than other branches of our military, merchant mariners were excluded from celebrations of Veterans Day and Memorial Day.”

During World War II over 200,000

Americans served in the Merchant Marine. The Merchant Marine also had higher casualty rates than any branch of the armed service with the exception of the Marines. However, merchant mariners were denied any veteran benefits or status until 1988 when a federal court mandated recognition for the U.S. seamen.

Congresswoman Hahn introduced H.R. 563, “Honoring Our World War II Merchant Mariners Act of 2015,” to provide the payment to surviving World War II merchant mariners. More than 6,000 merchant mariners died in service during World War II, and time is running out to commemorate the accomplishments of the remaining Merchant Marine veterans.

The bill, which was introduced on January 27, currently is co-sponsored by Congresswoman Lois Capps (D-California), Congressman Jim Costa (D-California), Congressman John Duncan, Jr. (R-Tennessee), Congressman Alcee Hasting (D-Florida), Congressman Duncan Hunter (R-California), Congresswoman Shelia Jackson Lee (D-Texas), Congresswoman Marcy Kaptur (D-Ohio), Congresswoman Dina Titus (D-Nevada) and Congressman Paul Tonko (D-New York). The proposed legislation has been referred to the House Veteran’s Affairs Committee’s Subcommittee on Disability Assistance and Memorial Affairs.

ITF urges Aussie senate to investigate foc shipping

The International Transport Workers’ Federation (ITF) is pushing for an Australian senate inquiry into flag-of-convenience (FOC) shipping following a damning expose’ on Australia’s Four Corners television program into three deaths at sea on board the *MV Sage Sagittarius*.

The call follows the ITF’s recent condemnation of the conservative Australian government’s moves to deregulate its shipping industry by the removal of cabotage, or rules which encourage investment in the local industry. It warned that this would weaken labor and safety standards and regulation and threaten thousands of domestic jobs in the maritime sector.

The Four Corners program focused on the deaths of two Filipino nationals – Chief Cook Cesar Llanto and Chief Engineer Hector Collado – and Japanese Superintendent Kosaku Monji on board the Panama-flagged coal carrier in 2012. A coroner’s inquest into two of the deaths, which began last month in Sydney, heard that guns were being sold on board and that assaults on and intimidation of the crew were widespread. It also heard that the three crew members most likely met with foul play.

ITF Australia National Coordinator Dean Summers, who is a party to the inquest, said: “Four Corners highlighted the high cost of cheap shipping. We need a senate inquiry to investigate the real dangers of flag-of-convenience shipping, as it poses a real and serious threat to Australia’s national security, environment and fuel security, as well to the lives and welfare of international seafarers. “This is not a new issue,” he continued. “The Australian Parliament investigated the inhumane treatment of international seafarers through the 1992 Ships of Shame report and, unfortunately, it seems little has changed.”

Arrangements surrounding crimes committed at sea were also investigated by the House of Representatives Standing Committee on Social Policy and Legal Affairs following the death of Diane Brimble in 2002 on board the cruise ship *Pacific Sky*.

ITF President Paddy Crumlin said of the attacks on cabotage: “These changes would lead to domestic job losses and a reduction of standards and conditions for workers as Australia actively embraces a race to the bottom on shipping and aviation. They would dismantle a comprehensive reform package delivered by the previous government three years ago that created a level playing field in domestic shipping.” He added: “It seems deputy Prime Minister Warren Truss wants to make ships of shame the new normal rather than the extreme exception. This could spell disaster on a number of fronts – maritime jobs, skills, fuel security, maritime security – and pose a threat to the environment. There could also be a significant impact on the offshore oil and gas sector, with the result being limited visa regulations and oversight. “We expect the government to put up legislation before our parliament in the first half of this year and we’re gearing up for a fight.”

Crumlin, who is also President of the Maritime Union of Australia, also pointed out that cabotage is a normal way to deliver domestic freight securely, safely and predictably for many maritime nations including the United States, Japan, China, Indonesia and the Philippines.

The *Sage Sagittarius* is not an isolated incident. Just last week, it was reported that a seafarer is presumed dead after falling overboard off the coast of Papua New Guinea on May 14, from another coal ship en route to Newcastle, the Korean-flagged *K Pride*.

Maritime Union of Australia protests plans to deregulate Oz shipping

The Maritime Union of Australia (MUA) has slammed moves by the government of Liberal Party Prime Minister Tony Abbott to deregulate the Australia shipping industry and with it, destroy 10,000 Australian jobs.

MUA National Secretary Paddy Crumlin led a protest outside the Marriott Hotel last month in Sydney where Deputy Prime Minister Warren Truss eagerly spoke of his government’s attempts to destroy yet another Australian industry.

“Warren Truss is basically removing a part of Australian industry and replacing it with an industry that comes from Liberia or Panama – no regulation, tax avoidance, low labor standards,” Crumlin told the crowd of about 100 MUA activists. “The MUA strongly urges that the Coastal Trading Act is not unwound as it is demonstrably in the national interest to retain and grow the coastal shipping industry. If implemented, the Abbott government’s move represents a radical policy change that is ignorant or negligent to the critical importance of a domestic shipping industry. These changes could spell disaster on a number of fronts – maritime jobs, skills, fuel security, national security and pose a threat to the environment. The Abbott government’s changes could directly impact around 2,000 direct jobs and up to 8,000 associated jobs – so 10,000 Aussie jobs are on the chopping block. But rather than protect local jobs, the Abbott government wants to open up our coast to all comers – carrying such substances as car and jet fuel, diesel and ammonium nitrate. There could also be a significant impact on the offshore oil and gas sector – with limited visa regulations and oversight.”

The Australia Labor Party (ALP) also weighed into the debate, saying the changes – due to be introduced in parliament’s winter session – would undermine pay and conditions and amount to “Work Choices on Water”. ALP opposition leader Bill Shorten said: “Well let’s not use weasel words about restructure on water, this Work Choices on Water. What we see is thousands of Australian jobs to be jeopardized. What we see is this government’s predilection for lowering employment conditions in Australia. What this government hopes is that because ships are beyond the breakers and that people can’t see every employment condition in a ship, that they can get away with seeing third world conditions employed on ships which carry cargo around the Australian shoreline. This is unacceptable, Australia is an island nation, we should have our own indigenous shipping industry, and for the Abbott government to sabotage the conditions of seafarers is Work Choices on Water.”

Labor Transport spokesman Anthony Albanese, who shepherded through the changes to the 2012 Coastal Trading Act said: “The Liberal and National parties seem to be obsessed with attacking workers who work on the waterfront or on Australian ships.” It’s what they did last time when they were in office. This attack they’re launching is an attack on the Australian national interest. It is in Australia’s national interest to have the Australian flag on the back of Australian ships working around the Australian coast and internationally. For a government that says it wants to stop the boats, what they want to do is to stop Australian ships working on the domestic freight task around our coast.”

Australian Greens Industrial Relations spokesman Adam Bandt, who was also a strong support of the 2012 reforms, said “The Abbott government is throwing jobs overboard. We wouldn’t bring in overseas truck drivers to carry goods on the Hume Highway at \$2 an hour and we shouldn’t allow the same on our shipping lanes. The Greens will fight these attacks. We will stand up for the local shipping industry and protect people’s rights at work.”

The usual conga line of spivs (Aussie slang for criminals) and hangers-on have applauded the Abbott government’s move, including the Business Council of Australia, National Farmers Federation and Australian Chamber of Commerce and Industry.

ILWU ratifies coastwise contract

The International Longshore and Warehouse Union (ILWU) announced on May 22, that its members have approved the previously reached contract agreement with the Pacific Maritime Association (PMA). The PMA voted to approve the contract on May 20. The five-year contract, which is set to expire on July 1, 2019, is retroactive to July 1, 2014. “The negotiations for this contract were some of the longest and most difficult in our recent history,” said ILWU International President Robert McEllrath. “Membership unity and hard work by the Negotiating Committee made this fair outcome possible.”

The new agreement provides approximately 20,000 jobs in 29 West Coast port communities, according to the ILWU. The contract will also maintain the health benefits for ILWU members, improve wages, pensions and job safety protections; limit outsourcing of jobs and provide an improved system for resolving job disputes.

U.S. Merchant Marine and national defense is unbreakable

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those mariners who every day go to sea, and not only bring economic prosperity, but build the foundation for defending this nation.

“I need 11,000 merchant mariners ready on any given day to sail 60 ships on 30-day cycles,” he said. “I need 60 ships in the Maritime Security Program to make that work. And I need the collected weight of the Voluntary Intermodal Sealift arrangements that allow us to move cargo and capitalize on the inland infrastructure of all of our over-ocean carriers to be successful. So General Marshall had it right. We depend on you because you deliver the forces that will bring victory.”

Recounting the attack on the Liberty Ship *Jean Nicolet* on July 2, 1944, General Selva paid tribute to the courage, service and sacrifice of U.S. merchant mariners past and present who help defend our nation every day.

“Make no mistake about it, it’s more than just the uncertainties and the risks that they take as they sail the oceans of this world, it is the risk and the uncertainty that they will face as they approach a concerted enemy that wishes to do us harm,” he said. “And they do it as volunteers and always have because of their dedication to our nation and her security.”

New fund would care for foreign seafarers abandoned in the United States

The U.S. Treasury Department has been authorized to establish an "Abandoned Seafarers Fund" of up to \$5 million. The fund, which had been under discussion for years, was authorized in the closing days of 2014. It is to be administered by the Secretary of the Treasury and replenished by penalties collected for violations of the Act to Prevent Pollution from Ships, which implements the MARPOL provisions. The impetus for the measure was the sad story of the crew of *MV Katerina*, a Maltese-flagged cargo ship that arrived in the Port of Long Beach on September 10, 2005, equipped with pipes to bypass the oil-water separator.

The operator of the *Katerina*, DST Shipping Inc. of Thessaloniki, Greece, pleaded guilty to two felony charges related to the case. The captain of the *Katerina*, the chief engineer and the second engineer eventually pleaded guilty to felony charges for pollution and for advising other crewmembers to destroy and conceal from Coast Guard inspectors incriminating telexes about the use of the bypass pipes. The *Katerina* sailed after its owners had posted bond.

But members of the crew—first arrested, then released because they had not committed a crime—were abandoned by the ship operator without any means of support. They survived as charity cases in the Port of Long Beach, living on donations from local residents, religious groups and community organizations. The situation dragged on for months, with the Coast Guard and the Department of Justice refusing to accept responsibility for their support.

Masters, Mates & Pilots Vice President George Quick, a member of the International Transport Workers' (ITF) delegation, raised the issue during a joint International Labor Organization/International Maritime Organization working group on the fair treatment of seafarers. Afterwards, to avoid a repeat of what had happened in the *Katerina* case, the Coast Guard organized a meeting with Quick, the Department of Justice and the ITF. One of the steps discussed was legislation to create a fund to cover the needs of abandoned seafarers, particularly those held as material witnesses by the Department of Justice.

Legislation creating the fund had been included in past Coast Guard Authorization Acts, but up to last year had always been cut due to a lack of understanding of its significance by Congress. The measure was finally passed in 2014. "We owe the Coast Guard our thanks for addressing the problem," Quick says.

The new fund may be used to pay necessary support for seafarers abandoned in the United States. For purposes of eligibility, the act defines a seafarer as "an alien crew member who is employed or engaged in any capacity on board a vessel subject to the jurisdiction of the United States." Covered expenses include wages and reasonable expenses for lodging, subsistence, clothing, medical care, repatriation and any other support the Secretary of the Treasury considers appropriate.

"There can't be many workers more at risk from financial insecurity than seafarers, hundreds of whom are literally left stranded without money, food or water each year," said a spokesperson for the ITF. "The despicable practice by a few irresponsible vessel owners or operators who attempt to shirk their legal and moral obligations to their seafarer-employees by abandoning them in distant ports will likely continue to bring shame to the industry and extreme hardship to the affected seafarers for the foreseeable future. While neither the amended MLC 2006 nor the U.S. Abandoned Seafarers Fund will eradicate the problem, the U.S. fund can now be put to use to significantly ameliorate the plight of seafarers who find themselves abandoned in the United States."

Source: MM&P's Wheelhouse Weekly

Nicaraguan Canal officials receive impact study

An official with the Nicaraguan Canal announced this month that it has received a long-awaited study regarding the impact of the proposed \$50 billion Nicaraguan Canal. The delivery of the study, conducted by British based Environmental Resources Management Ltd. (ERM), was the first major milestone of the project since a symbolic groundbreaking occurred six months ago. The study will be discussed by an inter-institutional commission later this month, before being voted on by the canal commission in July, according to Telemaco Talavera, spokesman of the government canal commission.

The 172-mile Chinese-backed project, which the Nicaraguan government has previously said will be operational by 2020, is one of the world's most ambitious infrastructure projects, but has been met with widespread skepticism. Hong Kong-based HK Nicaragua Canal Development Investment Co. Ltd. (HKND Group), which is controlled by Chinese telecom mogul Wang Jing, owns the concession to build and operate the canal.

ERM spokesman Manuel Roman said on state media that the company was not for or against the project, adding that the study had highlighted the potential challenges the project had in store for the government and HKND to decide how to proceed.

In January, the U.S. embassy in Managua said it was concerned by a lack of information surrounding the canal, calling for all relevant documents pertaining to the project to be made public.

Matson Navigation Company Wage Rates

effective July 1, 2015

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

Rating	Wages		Supp. Benefit Base Monthly	Supp. Benefit Daily	Supp. Benefit Monthly	Money Purchase Pension Plan Daily
	Monthly	Daily				
Bosun	\$6,072.69	\$202.42	\$6,258.01	\$118.21	\$3,546.30	\$25.00
A.B.	\$4,283.02	\$142.77	\$4,676.37	\$88.33	\$2,649.90	\$25.00
O.S.	\$3,287.76	\$109.59	\$3,674.65	\$69.41	\$2,082.30	\$18.51

OVERTIME AND OTHER RATES

The hourly overly overtime rate for all ratings except the Ordinary Seaman shall be..... \$34.86
 Ordinary Seamen (overtime rate)..... \$26.14

CARGO RATES

The hourly cargo rate for all ratings shall be:
 Straight Time..... \$26.14
 Overtime.....\$43.08

SHORTHANDLED (SECTION 7. SUP Work Rules)

Bosun..... \$59.52
 A.B..... \$44.84

STANDBY RATES (Section 43 SUP Work Rules)

Bosun
 Straight Time..... \$40.79 \$25.00
 Overtime..... \$66.18
A.B.
 Straight Time..... \$33.61 \$25.00
 Overtime..... \$55.71

SHIFT SHIP GANGS (Section 44 SUP Work Rules)

Bosun
 Straight Time..... \$29.53..... \$25.00
 Overtime \$49.07
A.B.
 Straight Time.....\$27.72..... \$25.00
 Overtime..... \$46.87

DECK PORT WATCHES (SECTION 55. SUP Work Rules)

Bosun
 Straight Time \$39.67
 Overtime..... \$59.50
A.B.
 Straight Time \$29.90
 Overtime..... \$44.84

FUEL OIL SPILL CLEANUPS

All Ratings: Straight Time..... \$20.30

SHOREGANG: MAINTENANCE AGREEMENT

Working Bosun
 Straight Time \$40.38..... \$25.00
 Overtime..... \$66.18
General Maintenance
 Straight Time \$33.21 \$25.00
 Overtime..... \$55.71

Spraying, Sandblasting enclosed spaces: additional per hour \$2.03

SHOREGANG: EXTRA MAINTENANCE AGREEMENT

Standby Bosun
 Straight Time..... \$40.79 \$25.00
 Overtime..... \$66.18
Standby AB
 Straight Time..... \$33.61 \$25.00
 Overtime..... \$55.71

Moku Pahu Wages

Rating	Monthly Base Wage	Daily Base Wage	Daily Supplemental Wage	Overtime	CARGO RATES	FUEL OIL SPILL CLEANUPS	Money Purchase Pension Plan
							Daily
Bosun	\$5,034.77	\$167.83	\$61.92	\$32.47	Straight Time Hours:..... \$24.34 Overtime Hours:..... \$40.12	All Ratings: Straight Time..... \$18.95 Supplemental wages at 10 days per month.	\$23.00
A.B.	\$3,379.49	\$112.65	\$48.29				\$19.00

DEFEND THE MARITIME SECURITY PROGRAM
SUPPORT THE SUP POLITICAL FUND

U.S. Merchant Marine: Battling the Charlatans and Fools

Editor's Note: Don Marcus, President of the Masters, Mates & Pilots was interviewed by the *Maritime Executive* on Maritime Day (May 22). His remarks should be of interest to the readers of the *West Coast Sailors*:

As president of the Masters, Mates & Pilots what does National Maritime Day mean to the organization?

In my mind, National Maritime Day is meant to recognize the U.S. Merchant Marine for its support of military endeavors throughout the world and for its contributions to our economy.

Today, at the national celebration in Washington D.C., the gravity of the tasks ahead and the need to rally in support of keeping the traditions alive for the next generation affected me particularly, as it did other labor leaders. We are quickly approaching the point of no return on the relevancy of U.S. flag presence on the high seas, which seems to be less certain with each passing year.

Is there a next generation?

I think there is. The merchant marine seems to limp from crisis to crisis, but it is almost a certainty that the U.S. will be engaged in a conflict someplace, somewhere in the future. We need to continue to have the support of the decision makers in Congress and the military. They need to realize there has to be a baseline logistical capability for times of conflict in the world, so there needs to be a way to sustain our capabilities in times of peace as well.

It's exceedingly distressing to see us at this point. We can't seem to get on the radar of the national consciousness. We get a blip such as the Captain Phillips movie and the occasional recognition when there's a crisis. But, when you consider that the American Merchant Marine veterans are still trying 70 years after World War II to get their recognition, the likelihood of the significance of the merchant marine economically and militarily coming to the forefront is not high.

I still have hope because there are people in Congress like Senator Barbara Mikulski (who is unfortunately retiring), Congressman John Garamendi, Congressman Elijah Cummings and Congressman Duncan Hunter. There are enough of our advocates who understand the importance of the merchant marine, but that list is not getting any longer. It's a constant battle, and it's a battle that if we lose once we could go under. So it's a struggle, but it's a struggle all of us are committed to. It's life or death for us.

In the current political climate with fewer opportunities for transport cargo preference, what can the Union do to build national awareness of the importance of our deepwater fleet and licensed STCW mariners?

We have been focusing on the decision makers as opposed to public opinion because of the daunting task of trying to affect public opinion with the limited resources we have available.

When you look at the current fight over the fast-tracking of the TransPacific Trade Agreement, this is a classic example of the immense power of neo-liberal globalism that paints everything in the national interest as somehow protectionist and it puts labor and U.S. flags in unfavorable light. And, this is an argument used against national industries, when really what's in the national interest is protecting the citizens, the taxpayers and the industrial base, which supports a strong middle class.

We're fighting for life and death to preserve what is almost our sovereignty in trade issues. We're dealing with a global plutocracy that wants to put national interest second to corporate profits. I think our industry is just one symbol of that in the case of Tennessee Republican Senator Bob Corker and his statements. [See the May *West Coast Sailors* for Corker's view of the U.S. Merchant Marine.]

Here we pretty much have a classic charlatan. He's a man that thinks Social Security and Medicare are generational theft, that they're against financial regulation of the financial sector, but he wants to put working people under, not only in the merchant marine. He doesn't want people at the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW) to organize workers in Chattanooga. He's a classic robber baron in the 21st century and that's what we're up against.

How do we influence that? How do we get public opinion to swing, to recognize the importance of protecting your own citizens, your own job base and your own industrial capacity? That's a difficult task. And, we're doing what we can, but our focus has been, by necessity, on the decision makers and the administrators in Congress who can with one stroke cut the legs out from under us.

We have to prevent that from happening before we can get to the bigger picture. We've been forced to focus on day-to-day survival.

How do we connect with local politicians and local media?

We reach out at the local level to Congressmen and educate them where we can. The Jones Act is under a constant barrage of repeal proposals by politicians working for special interests. We were very pleased with the Government Accountability Office's report about Puerto Rico that was recently issued. It supported the necessity of the Jones Act for domestic commerce, which also strengthens the labor base for this country.

I think the best parallel we can show with regards to the Jones Act is to take a look at the U.K. or Canada or Australia. Canada cannot build their own naval vessels and the U.K. cannot build ships either. In the U.K. there is only one or two shipyards left that can build warships. Most of their vessels are being built overseas and they are dependent on foreign shipbuilding for their naval vessels.

In Australia and Canada particularly, they are also dependent on foreign shipping for their international commerce and trade.

The U.S. is no longer the first trading nation in the world. We are second behind China. If the U.S. loses the Jones Act, we'll be finished as a maritime nation. Today, we are hanging on by our fingernails in the international trade arena. What is really sad is that Congress cannot understand that a strong maritime base translates into a stronger economy for all Americans. But, it's all about special interests swaying votes with lots of cash on Capitol Hill.

What can we do? That's a difficult question except to point to other countries that have lost their maritime industries and are now dependent on foreigners for imports and exports. Those countries, which have allowed their maritime base to falter are now totally dependent on foreign shipping companies. At the end of the day, they're paying more for everything. There have been no cost savings because their flag lines were allowed to diminish on the promised savings to the consumer. It's a myth of free traders whose sole existence is nothing more than profits at any costs.

Have the countries mentioned benefited at all from the loss of their flagships?

I think it is obvious they have not benefited because they lost an important part of their industrial base, which created good paying jobs. What's left of their merchant marine? They are now dependent on foreign shipbuilding for much of their tonnage, which also applies to their national navies as well. Now, consumer prices are based on whatever the traffic may bear. The cost of products is whatever the shipper can get away with in order to make more profits on products. You cannot make an argument that consumers have prospered. And, those countries that have allowed their maritime sectors to diminish have also lost their middle-class jobs and, more importantly, skilled labor.

The TransPacific Trade Bill will definitely impact U.S. maritime shipping. The political line is that Americans will benefit by more exports and U.S. products will be more competitive in the marketplace and that U.S. maritime interests are not part of the equation.

We don't really know what this trade bill is all about because no one has been allowed to really see it. In fact, we heard that there was an amendment attached by one of the foreign trading partners that would decertify the longshore Unions if there were a slowdown on the docks. It's another attack on labor by companies including foreigners wanting more access to the U.S. economy by breaking down what they perceive as barriers to profits.

If you look at the Canadian Trade Agreement (CETA), they want to gut what remains of the Canadian cabotage laws. While we don't know what protocols there are, their actions are directed against labor and national flagged shipping. The fact that this debate is going on behind closed doors is outrageous.

Our entire political system has been taken over by moneyed interests as you review recent Supreme Court cases. Our democratic values have been lost in a sea of political contribution money. When you've got closed-door negotiations that are privy only to a few privileged partners, it doesn't build confidence or bode well for the people in general.

Do you have any final thoughts for our readers?

Over 100 years ago the Seamen's Act of 1915 was passed. I mentioned this recently to the American Merchant Marine veterans and several cadets at the State University of New York Maritime: This Act was the lifelong project and work of Andrew Furuseth from the Sailors' Union of the Pacific. He advocated that American mariners should be entitled to decent working conditions. There was also a provision in the Act that 75% of the seamen on U.S.-flagged ships be English-speaking. The whole idea was to have a safer and better workplace and to protect jobs.

Almost immediately after the act, flags of convenience began. Today, U.S.-flag ships bring in less than 2% of U.S. foreign trade. The circle has gone completely around, and we are back at square-one trying to preserve the U.S. maritime industry. During the Spanish-American War, the U.S. had to charter vessels to supply our troops, and we had to charter vessels to carry coal to support the Great White Fleet.

Today, we are at the point we were before World War I, when there were not enough ships to move the armaments and goods to Europe as we were about to engage in the war. There was a massive shipbuilding program, but most of the ship weren't built until the war was actually over. And, here we are again, repeating ourselves, getting down to the point of no return. It is a disturbing pattern.

I'm personally proud to be part of this industry. I think it's a wonderful, important industry. It's one of the foundational industries of our nation – a trading nation. It's an industry we want to pass on to the next generation. Why shouldn't the women and men of this country have the same opportunities that will allow them to make an honorable living at sea? And, to see that it might go away, is a sad day in the history of this great nation. And to watch a bunch of charlatan and robber barons set on profits over the well-being of the American people is distressing to say the least.

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

ESU Office Assignments

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

ESU NEWS

JUNE 2015

Official Publication of the Exxon Seamen's Union

2014 ESU 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 2014 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, 2014, 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 Sailor's Union of the Pacific in order to strengthen the bargaining position of its membership. The Union pays a per capita affiliation fee to the Sailor's 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 2012, 2013 and 2014 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, 2014:

	COST	ACCUMULATED DEPRECIATION	NET
Automobiles	\$19,211	\$(19,211)	\$0
Office Equipment	2,603	(2,294)	309
Furniture and Fixtures	563	(563)	0
Total	\$22,377	\$(22,068)	\$309

Depreciation charged to income was \$741 in 2014.

NOTE 3 – LEASES

During the year ended December 31, 2014, 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 August 4, 2015. The lease requires monthly payments of approximately \$698 including certain utility expenses, through August 4, 2015. Rental expense for the office facilities amounted to \$8,211 for the year ended December 31, 2014. The Union renewed the lease under similar terms and conditions through July 28, 2015.

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 2014, 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, 2014, the carrying amount of the organizations bank balance was \$168,679. The bank balance of \$170,068 was covered by FDIC insurance.

EXXON SEAMEN'S UNION Statement of Assets, Liabilities and Net Assets as of December 31, 2013:

Current Assets	
Cash	\$168,679.00
Fixed Assets	309.00
Other Assets	500.00
Total	\$169,488.00
Liabilities	
Credit Card	\$1,731.00
Total Net Assets Less Liabilities	\$167,757.00

Every vessel will have a hard copy of the full report in August 2015. 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.

Eagle Bay Equator crossing



May 15, the crew of the Eagle Bay took part in the longstanding traditional Equator crossing known as the "Order of Neptune" were the former Pollywogs and King Neptune's court of Shellbacks aboard the Eagle Bay's presided over the ceremony on its trip around the horn to the West Coast. Actual equator crossing took place on May 14, at 16:02, but the actual court happened the next day. Back row from left to right: Bob Ross (pumpman, Shellback "Master at Arms"); Thor Floreen (A/B, Pollywog); Mike McMahon (3rd Eng., Pollywog); Skip Mendenhall (Captain, Pollywog); Matt Berry (3rd mate, Pollywog); Bud Odonnell (3rd. Eng., Pollywog); Pete Flaherty (A/B, Pollywog); Larry Miles (A/B, Pollywog); Adam Hansley (chiefmate, Shellback "Commander" of the vessel); Mark Tower (2nd mate, Shellback "Court Guard"). Front row from left to right: Greg Smith (3rd mate, Shellback "Davey Jones"); Stewart Wood (Oiler, Shellback "King Neptune"); John Higgins (1st Eng., Shellback "The Blind Barber"); Harold King (2nd Eng., Shellback "The Baby"); and last, but not least, Winston Howerton (A/B, Shellback "The Sea Hag/King Neptune's Wife").

ESU News

ExxonMobil boosts second quarter dividend by six percent

The Board of Directors of ExxonMobil Corporation declared a cash dividend of 73 cents per share on the Common Stock, payable on June 10, 2015, to shareholders on record of Common Stock at the close of business on May 13, 2015. This second quarter dividend compares with 69 cents per share paid in the first quarter of 2015. Through its dividends, the corporation has shared its success with its shareholders for more than 100 years and has increased its annual dividend payment to shareholders for 33 consecutive years.

There are three ways to receive your dividend if you are a shareholder of ExxonMobil stock.

1. Direct Deposit: The dividend payment is transferred by electronic funds on the dividend payable date directly to your checking or savings account.

2. Check: You may have your dividend checks sent directly to your residence or bank.

3. Dividend Reinvestment: You may automatically reinvest all or part of your dividends in additional shares of ExxonMobil stock through the Computershare Investment Plan for ExxonMobil Common Stock.

Ship reports

S/R American Progress

ESU Board officer Leo DeCastro visited the vessel on May 25, at anchorage in Long Beach, CA. The vessel was at the inside anchorage for less than a day to take on stores, bunkers and do a crew change prior to beginning its long trans pacific trip to Singapore for a shipyard period. The vessel had finished its first leg of the long journey from Texas via the Panama Canal, seen here transiting the Miraflores locks on May 16. The ship is due in Singapore around the third week of June for an approximately 40 day yard period. Deck Department Trustee AB Jeff Harris on board and filling in with the Ship Rep. duties and staying in touch with the ESU via e-mail – all going well.



Eagle Bay

ESU Board officer Leo DeCastro visited the vessel at anchorage in Long Beach, CA on June 18. The vessel had just arrived from its long trip around South America from the Gulf of Mexico after an approximately 45-day voyage. The crew was ready for a well deserved break and looking forward to being relieved for a paid leave vacation. The entire unlicensed ranks got relieved in two groups. After refueling and taking on fresh stores, the *Eagle Bay* is heading north to Valdez for its first ANS crude cargo for delivery on the West Coast. ESU Ship Rep. Thor Floreen went home and PM Jim Bird is filling in as Temporary Ship Rep.

Liberty Bay

The vessel continues loading in Valdez, Alaska and discharging in Long Beach, CA. A trip is slated for San Francisco during the third week of June. Engine Department Trustee PM Will Ackley is filling in as Temporary Ship Rep. and staying in touch with the ESU office and reporting everything is going well.

Sierra

This is the final report for the vessel. After a few weeks of layup at the Port of Vancouver, WA, the *Sierra* was successfully turned over to the new owners Keystone Shipping Affiliate on June 9, 2015.

Newly elected AB Joseph Buffington



Newly elected *Liberty Bay* Ship Representative AB Joseph Buffington in the Deck Department Locker on-board the vessel trying to get it set up and organized. Joe started his career with SeaRiver Maritime, Inc. 15 years ago, when the merger of Exxon and Mobil took place and the *S/R American Progress* joined the SeaRiver fleet. He was part of the crew at the time of the merger when SeaRiver took possession of the vessel. Prior to joining Mobil and then SeaRiver, Joe also sailed for the old Sabine Shipping as a Bosun.

Joe has demonstrated his strong support of the ESU on many occasions by filling in as Temporary Ship Representative. The ESU Board and its membership would like to welcome our newest ship representative and looks forward to working alongside Joseph over the course of his office term.

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

Jones F. Devlin awards



Receiving the awards for SeaRiver Maritime Inc, from Left to right: Alan Bish – CSA Operations Committee Chairman, AB Barry Briggs, QMED Eric Bush, 2MT Lucus Anderson and USCG 8th District Sector Commander, RADM David Callahan.

The Chamber Shipping of America representing the U.S. Maritime industry publicly recognized the women and men responsible for safe ship operations at the Annual Safety Awards Luncheon held at the Hilton New Orleans Riverside Hotel on May 28. Over 180 people, representing over 75 companies, attended the annual industry-sponsored event.

Awards were presented to the *S/R American Progress*, *Kodiak* and the *Sierra*, that recognizes the seagoing employees of SeaRiver Maritime for their dedication to a safe working environment. Those awards were given to vessels that have operated for at least two years without a seafarer involved in a lost time injury.

Joseph Cox, CSA President said: "We have been holding these annual award ceremonies since mid-1958. This was the fifty-seventh anniversary of the programs. For that initial year, we honored six vessels having a total of twelve years operation with no lost-time incident. This year, we gave awards to 1,601 vessels that operated 10,363 years without a lost-time incident in. This extraordinary record is directly attributable to the professionalism of our seafarers and the dedication of shore-based company personnel to safe operation."

The Chamber of Shipping of America represents 35 U. S. based companies that own, operate or charter oceangoing tankers, container ships, and other merchant vessels engaged in both the domestic and international trades and other entities that maintain a commercial interest in the operation of such oceangoing vessels.

Third quarter 2015 lump sum pension rate dips to 2.50%

The interest rate for calculating the lump sum payments of ExxonMobil pensions for April 1–June 30, 2015 is currently 2.75%. ExxonMobil benefits recently announced for the Third quarter that the interest rate for lump sum calculations will be decreasing to 2.50% for the period of July 1–September 30, 2015. If you are considering retirement and plan to take a lump sum pension, a higher lump sum interest rate will generally yield a lower lump sum value. Conversely, a lower lump sum interest rate will generally yield a higher lump sum value.

The ESU recommends that everyone that is eligible, or soon to be eligible to retire from the Company, you should consider attending a pre-retirement planning seminar that is offered by ExxonMobil. Other available retirement information is offered by the Company through Ernst and Young that includes retirement and financial planning and on-line financial planning tools at E&Y Financial Planner Web Site. These services are provided at no cost to U.S. employees and offer objective analysis and assistance from experienced financial planners. They will discuss all of your options with you and help you decide what makes the most sense for you. All members are encouraged to take advantage of the Financial Fitness Program. Ernst & Young Financial Planners can be reached at 866-966-1337.

If you are interested in attending retirement seminar and know the session you wish to attend, you should then notify Helen Wright at 832-624-7759 for enrollment. If you do not have a list of dates for 2015, please contact the ESU office.

EXXON SEAMEN'S UNION

Founded March 28, 1941

Affiliated with the Sailors' Union of the Pacific

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Board Member at Large Don Picou

Board Member at Large Ein Cooley

Deck Trustee Jeffrey Harris

Engine Trustee William Ackley

Steward Trustee Joel Mitchell



Vince O'Halloran (right) accepting the Puget Sound Maritime Achievement Award from David Freiboth, Executive Secretary of the Martin Luther King, Jr. County Labor Council.

Vince O'Halloran awarded 2015 Puget Sound Maritime Achievement Award

Seattle Maritime business and community leaders have awarded Vince O'Halloran, Seattle Branch Agent of the Sailors' Union of the Pacific (SUP), with the 2015 Puget Sound Maritime Achievement Award.

O'Halloran received the award on June 1, at the annual Seattle Maritime Festival Luncheon aboard Holland America Lines' *ms Statendam* at the Smith Cove Cruise Terminal at Pier 91. The luncheon is co-sponsored by Vigor Industrial and the Seattle Propeller Club.

David Freiboth, Executive Secretary and Treasurer of the Martin Luther King, Jr. County Labor Council, in presenting the award, noted that, in addition to his position at the SUP, O'Halloran also serves the local maritime community in many important capacities, including:

- President of Puget Sound Ports Council, Maritime Trades Department, AFL-CIO.
- Executive board member of the Martin Luther King, Jr. County Labor Council
- A Washington State Labor Council representative
- A U.S. Coast Guard Port Sound Area Maritime Security Committee representative
- The labor representative on the Puget Sound Harbor Safety Committee
- A board member of the Marine Exchange on the Alaskan Way Viaduct Seawall replacement program north portal working group

On accepting the award, O'Halloran said, "Being part of the Puget Sound Maritime community is a great honor." He also said it was a great privilege to work with the U.S. Coast Guard, who risk their lives to protect mariners. O'Halloran also thanked the Port of Seattle staff and commissioners and the members of the industry, both management and labor, for their efforts.

"I'm humbled and honored and quite surprised," he said. "May we keep going and be very strong in our efforts to move onward and upward to Alaska."

"Vince demonstrates the true spirit of this award through his tireless efforts on numerous maritime and safety-related boards and work to promote the interests of his members and maritime sector in the broader community," said Rich Berkowitz, who is Director of Pacific Coast Operations for the Transportation Institute and spearheads the nomination process for the Seattle Propeller Club.

The Puget Sound Maritime Press Association began bestowing the honor to individuals in 1951 to recognize long and distinguished careers and specific achievements benefiting the local maritime community. Propeller Club Seattle has presented the award annually since 1984.

Los Angeles port budgets \$198.8 million for infrastructure

The Los Angeles Board of Harbor Commissioners has approved a \$1.001 billion fiscal year 2015-16 budget that includes expenditures of \$198.8 million for capital improvements. Included in those improvements are construction advancements at the TraPac facility, which is the port's first automated container terminal, large-scale redevelopment of the Yusen terminal, as well as improvements at container terminals operated by China Shipping Container Line, Evergreen and APL.

"We've put together a well-thought-out strategic budget that will allow the port to build sustainable world-class infrastructure and cargo capacity, as well as make improvements benefiting our local port community," said Gene Seroka, Executive Director.

Los Angeles, the largest U.S. port in fiscal year 2014-15, handled 8.2 million 20-foot container units. Container volume in the coming fiscal year is expected to increase 2% to 8.4 million TEUs.

The port's capital program actually represents a 17.8% reduction from fiscal year 2014-15, primarily because of the completion of major transportation initiatives such as the Berth 200 rail yard and the South Wilmington grade separation project last year.

The fiscal year 2015-16 budget lists operating revenue of \$428.6 million, an increase of 1.5% from last year. The increase is attributed to anticipated growth in alternative maritime power-related utility (cold ironing) reimbursements plus a forecast increase in shipping service revenue from higher cargo volumes.

Operating expenses are forecast at \$233.5 million, a year-over-year increase of 3.2%, largely because of mandated increases in salaries and benefits, city services, legal counsel costs and higher electricity expenses for cold-ironing of vessels at berth.

Welfare Notes

June 2015

Address Changes

The United Healthcare Dental Plan sent new ID cards and information to the members previously covered in the Pacific Union Dental plan. We have received about 10 mailings returned to us for bad addresses. This is one of the reasons we ask you to keep us informed of your address changes. Returned mail is also a problem when Money Purchase Pension Plan and 401(k) information is mailed to members.

Dependents

The SUP Welfare Plan does not cover ex-spouses. A copy of the final divorce should be sent to us as soon as it is available to the member. Federal COBRA law also requires us to notify the ex-spouse of their right to continue coverage by making COBRA payments. We need the current address of the ex-spouse to comply.

Dependent Social Security Numbers

You will soon be receiving requests from the SUP Welfare Plan for information on dependent social security numbers. This may include dependents who have been enrolled in your plan for a long time and were enrolled as children when social security numbers were not required for enrollment, new born babies who did not have social security numbers, or dependents enrolled when the social security number was not required or available. Some dependents may no longer be covered under your plan. When you receive a request please call our plan office with the information. Anyone in the office can take the information, but make sure you are calling the SUP Welfare Plan for the protection of the dependent information.

Michelle Chang, Administrator mcsupsiupd@sbcglobal.net

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

Virginia Briggs Claims vbriggs80@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

Membership and Ratings Committee

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

Name and Membership Number	Seatime	Rating	Seniority
Diomedes Rebosura B-19389	1 Year	A.B.	B
Faith Matas B-19399	1 Year	A.B.	B
Eduardo Santiago B-19400	1 Year	O.S.	B
Paul Parisi B-19401	1 Year	A.B.	B
Zbigniew Kaczor B-19402	1 Year	A.B.	B
Jonathan Pampilon B-19403	1 Year	A.B.	B
Robert Lee C-2509	30 Days	O.S.	C
Chanratana Ting C-2510	30 Days	O.S.	C
Wilfredo Angala C-2511	30 Days	A.B.	C
Wilfredo Aquino C-2512	30 Days	O.S.	C
Emmanuel Baroman C-2513	30 Days	A.B.	C
Jason Chilbert C-2514	30 Days	O.S.	C
Frank Duffin C-2515	30 Days	A.B.	C
Nathan Pollack C-2516	30 Days	O.S.	C
Christopher Barber C-2517	30 Days	O.S.	C
Michael Jean C-2518	30 Days	A.B.	C
William White C-2519	30 Days	A.B.	C
Christian Ortiz C-2520	30 Days	O.S.	C

Rating Stamps - None

Membership and Ratings Committee's Report: M/S to concur in the Committee's report. Carried unanimously. Membership and Ratings Committee: Gio Navarro #C2437, Cirilo Sajonia #19387 and Jose Rallos #19291.

Bloody Thursday events - July 5

Seattle: The annual family picnic sponsored by ILWU Locals 19, 52 and 98, will be held at Vasa Park Resort, west side of Lake Sammamish from 11:00 A.M. to 4:00 P.M.

Portland: A memorial wreath ceremony begins at 11:00 A.M., then a walk to the Willamette River followed by a picnic sponsored by ILWU Local 8. A family picnic follows at Oaks Park with BBQ, soft drinks and live music provided.

San Francisco: At ILWU Local 10, at 400 North Point starting at 10:00 A.M. followed by a complimentary lunch at noon. Family event with lots of activities for kids.

Los Angeles/Long Beach: The ILWU Local 13 will be hosting a picnic at Peck Park in San Pedro, 560 N. Western Ave. (corner of Western and Summerland) from 10:00 A.M. - 6:00 P.M.

Unintentional release of freefall lifeboat leads to Aussie investigation

An improperly reset hook was to blame for the unintentional release of a freefall lifeboat from a bulk carrier in the Indian Ocean last year, the Australian Transport Safety Bureau (ATSB) has determined.

The Malta-flagged *MV Aquarosa* was transiting the Indian Ocean en route to Fremantle, Western Australia, on March 1, 2014, when its freefall lifeboat was inadvertently released during a routine inspection. The accident seriously injured one of the ship's engineers, who was inside the lifeboat when it was released. The ship's crew recovered the lifeboat after about five hours and resumed its voyage, arriving in Kwinana, near Fremantle, a week later where the injured engineer was transferred to a hospital.

In its final report, the ATSB said that its investigation determined that the lifeboat on-load release was incorrectly reset after it was last operated before the accident. When the engineer operated the manual release pump to inspect the equipment, the reset release tripped unexpectedly. The lifeboat launched when the simulation wires failed.

The investigation found that although there was an indicator to show that the hook was in the correct position, there was nothing to indicate that the tripping mechanism was correctly reset. It was also found that the design and approval process for the lifeboat's simulated release system had not taken into account effects of shock loading on the simulation wires.

Asian pirates step up raids on small products tankers

Small oil products tankers are increasingly being targeted off Indonesia's Bintan Island for hijack by organized criminals who steal their cargoes.

More coastal tankers with capacities of less than 5,000 dwt are being held up, their cargoes siphoned off and sold to local fishermen and bunker barge operators in the area, according to International Maritime Bureau (IMB) Director Captain Pottengal Mukundan.

Some 16 vessels were hijacked, mainly in the southern approaches to the South China Sea, during 2014, and nine have already been attacked this year. About 30 pirates in six fishing boats attacked a loaded tanker in the latest attack on May 15. It means an average this year of an attack every two weeks compared with one every three weeks in 2014 – mainly involving gas oil and marine diesel oil cargoes.

The pirates target small ships as they are easy to board because they sit so low in the water when loaded. "They have no interest in attacking bigger ships or crude oil, and the decline in oil prices has not lessened their enthusiasm," Mukundan said. He says small, overworked crews on the tankers are unable to keep proper watch during the night to prevent attacks. "The pirates want to attack by stealth. If the crew make them aware they have been detected by maneuvering, blowing the ship's horn and directing search lights on their skiffs, in most cases they tend to move away," Mukundan said.

But he adds that the IMB is working closely with the Indonesian police to provide safe anchorage in 11 ports patrolled by their vessels where the incidence of low-level piracy, normally robbery from the ships, has fallen in all but three terminals.

The number of attacks in West Africa's Gulf of Guinea has also been lower but the pirates generally attack larger ships, stealing part-cargo loads up to 10,000 tons of oil from 30,000-dwt to 40,000-dwt tankers, and the level of violence can be much higher. However, Mukundan says the IMB estimates that two-thirds of all ships attacked off West Africa do not report pirate attempts.

He says captains and companies fear vessel delays, potential retaliation in port and increased insurance levels – and do not believe anything will be done if they do report attempted attacks. He adds that there is no evidence of insurance rates being lifted after attempted attacks are reported.

One bright spot is that there have been no successful attacks off Somalia so far this year, although Mukundan says the pirates have not gone away. Seven-meter-long boarding ladders were carried by raiders in four of 11 reported attacks in 2014. However, Mukundan is concerned about what will happen after 2016 if the European Union Navfor presence is downgraded as planned. "If there is another successful attack, the pirates will mobilize very quickly but it will take eight months or probably longer to get navies back there and all the advantages that have been gained will disappear," he said.

Mukundan called for the naval presence to be continued, and a single common and simplified reporting system to be set up, with information shared between regional anti-piracy centers.

Port of Oakland reports busiest May in four years

The Port of Oakland handled 213,260 TEUs of containerized cargo last month, 3.8% more than in May 2014. It was the busiest month since the port handled 216,276 TEUs in August 2011, and the third straight month of year-over-year volume increases reported at Oakland. "We're seeing steady improvement, especially in import cargo," said the port's Maritime Director, John Driscoll. "Our job now is to accelerate the momentum."

Loaded import container volumes increased 4.5% in May from the same period a year ago. Shipments of empty containers back to origins in Asia were up 20%. The empty repositioning indicates ports are still re-balancing containers dislocated by winter trade slowdowns, according to the port.

Export volumes declined 5.6% in May, the port said. The port attributed the decrease to a strong dollar, which makes U.S. exports more expensive abroad. Nevertheless, the 79,890 export containers handled in May was the most at the Port of Oakland since last October.

Seattle, Tacoma seek federal approval for Seaport alliance

Commissioners from the ports of Seattle and Tacoma voted this month to submit a final agreement to form an alliance to unify their port operations to the Federal Maritime Commission (FMC) for approval.

The partnership, dubbed the Northwest Seaport Alliance, will unify the two Pacific Northwest ports' marine cargo terminal investments, operations, planning and marketing. The alliance aims to strengthen the Puget Sound gateway and attract more marine cargo to the region.

In a letter to the FMC and in the draft agreement the ports are asking it to approve, Seattle and Tacoma layout the various reasons for combining port operations.

They note that more than half their cargo is bound for destinations outside of the Puget Sound region, primarily the Midwest. "Such cargo is discretionary, insofar as the shippers and carriers have choices about which ports and routes they use to offload their cargoes. If the Ports cannot retain this discretionary cargo, the Ports, their terminal operators, and the communities that have invested heavily in these terminal facilities will suffer," the ports said.

"Increasing competition for cargo from ports all over North America has continued unabated," they added. "Competing ports on the West Coast of North America have historically competed with Seattle and Tacoma. Ports in the Gulf and East Coast, however, are emerging as new competitors because of the Panama Canal widening and they are seeking to pry away Seattle and Tacoma's market share of Midwest-bound discretionary cargo."

Another "factor affecting the Ports' competitiveness against these competing ports is the railroad pricing in and out of the Puget Sound region. Rail rates continue to hinder the Ports' ability to maintain market share," said Seattle and Tacoma.

Combined, the two ports handled 3,456,161 TEUs of containerized cargo in 2014. According to the American Association of Port Authorities, this makes the combined ports the third largest container gateway in the U.S. after the twin ports of Los Angeles and Long Beach and the Port of New York and New Jersey.

The two ports said losses by shipping lines in the Pacific trade over the past three years have led carriers to consolidate into alliances and that "such consolidation also leads to fewer port calls" as carriers seek to rationalize resources.

"Such alliances require ports to craft cooperative responses, where appropriate, to meet shipping lines' needs," according to the ports.

The ports also noted that shipping lines are deploying larger container ships. The size of these ships could lead to fewer port calls, but also signals an opportunity for ports that have the capability to handle these vessels through deeper drafts,

stronger aprons and berths, and adequate cranes.

"The larger container ships entering the shipping trades require significant capital investment by ports and marine terminal operators in infrastructure. Ports must make targeted and strategic infrastructure investments to remain competitive," they said.

The plan seems likely receive a sympathetic reception at the Federal Maritime Commission. Mario Cordero, chairman of the FMC, delivered a keynote address at the Ocean Shipping & Trade Summit in Seattle last month and, according to an account on his web page, "commended the ports for taking the bold step towards working together for the greater good of the region."

Cordero "noted that the Alliance has the potential to address the rapidly increasing competitiveness of the Ports of Vancouver and Prince Rupert in British Columbia, Canada."

The Ports of Long Beach and Los Angeles recently moved forward with their own collaborative efforts, filing a discussion agreement to address operational related questions and maximize their joint efforts in the management of the Southern California port complex.

"This agreement is the culmination of months of work to set aside decades of competition in creating a new business model for the greater good," said Don Johnson, Port of Tacoma commission president. "We recognize how vital the maritime industry is to our state's economy, and we are proud and excited to strengthen it even more."

The agreement outlines the Northwest Seaport Alliance's governance charter, management and financial structures, a transition plan and a business development strategy.

"With today's vote our two ports take another step toward becoming a united cargo gateway that will compete globally for more trade," said Stephanie Bowman, Port of Seattle commission co-president. "Our work continues as we help provide our region with the solid economic base it needs for the coming decades."

While the ports will remain separate organizations and retain ownership of their respective assets, they will form a joint port development authority (PDA) to manage the container, breakbulk, auto and some bulk terminals in Seattle and Tacoma. The airport, cruise business, marinas, such as Fisherman's Terminal; grain terminals and industrial real estate, such as the Northwest Innovation Works and Puget Sound Energy facilities and Terminal 91 uplands, will remain outside the alliance.

The commissioners expect to hire John Wolfe, current Port of Tacoma chief executive officer, as the CEO of the Northwest Seaport Alliance following the FMC's approval of the agreement.

Tsunami debris still crossing the Pacific

In early April the floating 30-foot forward section of what appeared to be the remains of a Japanese fishing vessel was found drifting off the Oregon coast. The hulk was towed into the Port of Newport, Oregon, where the holds were found to still contain a number of live fish from the Western Pacific, including 21 yellowtail jack fish and one striped knifejaw fish. These were captured and placed in care of a local aquarium while the fiberglass hulk, covered in seaweed, was taken to a local landfill for disposal. It is thought that the hull had been drifting in the Pacific since the earthquake and resulting tsunami struck Japan in 2011.



SUP President's Report

June 8, 2015

MATSON NAVIGATION COMPANY

As reported last month, Matson told the SUP and MFOW that the transaction with Horizon Lines for that company's Alaska service was a merger of Horizon with Matson. That information was confirmed by documents submitted to the federal Securities and Exchange Commission and press releases issued by the company.

On May 29, Matson, Inc. announced that it had completed the acquisition of Horizon Lines, Inc., which includes Horizon's Alaska operation and assumption of all non-Hawai'i business liabilities. Separately and immediately preceding the Matson transaction, Horizon completed the sale of its Hawai'i service to The Pasha Group.

As previously reported, Matson intends to honor Horizon Lines' collective bargaining agreements with its existing Unions including that with the SIU-AGLIWD covering the deck and engine departments.

Unless the SUP and MFOW can mount a successful legal challenge to Matson's corporate shell game, or Matson changes its operating structure, the SIU will remain aboard the three vessels in the Alaska service for the foreseeable future.

On May 26, the SUP and MFOW met with legal counsel to discuss several potential strategies. Those discussions will continue.

Will keep the membership fully informed.

In accordance with the 2013-2017 Agreements with Matson, wages and age-related items (overtime, Supplemental Benefits, etc.) will increase by 2.75% effective July 1, in all company vessels plus those employed under the Maintenance and Extra Maintenance Agreements.

Recommend that the 2.75% increase be applied to wages and age-related items.

New wage rates will be published in the June issue of the *West Coast Sailors*.

CHEVRON SHIPPING COMPANY

As reported last year (see the July 25, 2014 *West Coast Sailors*) and again in May of this year, the SUP has been locked in an ongoing dispute with Chevron over the company's brazen violation of the collective bargaining agreement by unilaterally implementing one-man watches at sea.

The beef originated in 2013 when the *Florida Voyager* departed a Singapore shipyard bound for Hawai'i. The company requested and the Union agreed – on a non-precedent basis – that a one-man watch could be used on that 19-day sea passage so that more shipboard maintenance could be accomplished. Before the vessel arrived in Hawai'i, the Union asked for a permanent resumption of the two-man watch which was reinstated for cargo operations. Departing Hawai'i for the West Coast, the company, despite the Union's protest, again imposed the one-man watch by order of the master.

Subsequently, the master of the *California Voyager* pulled this stunt when the vessel was transiting the Panama Canal with cargo, which the SUP again protested. Violations continue sporadically.

The SUP exchanged correspondence and met with Chevron to resolve the issue, but with no success as the company insisted it was a management right as per Article IV of the 2012-2017 Agreement to impose the one-man watch.

Hence, on July 11, 2014, the SUP filed unfair labor practice charges against Chevron with the National Labor Relations Board. The NLRB on September 9, 2014, referred the dispute to arbitration in accordance with the Agreement (see the May 22, 2015 *West Coast Sailors*).

The arbitration hearing was finally held on June 4 and 5 in Oakland before Arbitrator Andria Knapp. The Union was represented by Peter Saltzman of the Leonard Carder law firm while the company was represented by in-house counsel Dan Orfield.

Testifying for the Union were SUP members Jennifer Corner and Wil Williamson who both gave compelling evidence on the nature of the work aboard Chevron tankers and the disruptive effect on sleep and safety when

the one-man watch is imposed at sea. Written statements backing the Union's position were submitted by SUP members Thor Eriksen, Mike Fox, and Scott Oliphant, all currently sailing as Bosun in company vessels – each with over 20 years of experience with Chevron.

SUP Vice President Dave Connolly, who has handled the beef from its inception and did much of the work in compiling the Union's case, and your secretary testified as to the bargaining history with Chevron and the fact that the one-man watch was never proposed by the company in negotiations in 2012.

The chief witness for Chevron was Chris Hendry, Manager of Human Resources. It became clear under questioning by Union attorney Saltzman that Hendry was the company official that interpreted the Agreement that gave Chevron skippers the green light to implement the one-man watch at sea – at their discretion. Hendry also testified that before coming ashore he had never worked in a U.S.-flag ship, but had sailed as mate in foreign-flag tankers including those owned or chartered by Chevron – where work rules and watchstanding are essentially decided by topside. He also stated that he was not *that* familiar with the SUP/Chevron Agreement. Captain Oscar Prada, the company's U.S.-flag Marine Superintendent also testified.

As previously reported in May, arbitration is a crap shoot which the SUP has historically avoided, if possible. In my judgment, the SUP put forward a strong case, but the final decision will be made by the arbitrator. However, that decision will take a few months as the hearing testimony has to be transcribed and the attorneys for the parties will submit legal briefs to the arbitrator.

In the meantime, SUP members employed by Chevron should report any violations of the Agreement to the Union and file grievances with the company as outlined in the contract.

APL MARINE SERVICES, INC.

On May 11, APL Labor Relations Manager John Dragone notified the Union that the *APL Belgium* will be redeployed from the TransAtlantic Suez Express Service to the TransPacific Service in late July.

The *Belgium* will join the *APL China*, *APL Korea*, *APL Philippines*, *APL Singapore* and *APL Thailand* on the run the company designates as its Central China 3 Service (CC3). The ports of call are Oakland, Yokohama, Pusan, Qingdao, Shanghai, Pusan, Yokohama and Los Angeles.

The *APL Agate*, *APL Coral* and *APL Cyprine* will continue to operate in the Suez Express Service.

MARAD AND MSC EXERCISE

On May 12, the Maritime Administration (MarAd) and the Military Sealift Command (MSC) conducted a 10-day simulated activation of the Ready Reserve Force (RRF) and MSC surge sealift fleet. For the SUP this meant "crewing" the vessels Patriot Contract Services operates for the government that are in Reduced Operating Status (ROS): *Admiral Callaghan*, *USNS Gilliland*, *USNS Gordon*, *Cape Henry*, *USNS Martin*, *Cape Orlando*, *USNS Shughart*, *USNS Watson* and *USNS Yano*.

Coordinated by Vice President Connolly and assisted by Seattle Branch Agent Vince O'Halloran, Wilmington Branch Agent Mark Hurley, Honolulu Branch Agent Mike Dirksen and San Francisco Business Agent Roy Tufono, 50 jobs in four days were "dispatched" plus a questionnaire for members to answer if and when the government called to verify that they were willing, able and ready to man the vessels. A tip of the stetson to all that participated in this important exercise.

MarAd oversees this annual simulated activation which, in part, evaluates whether the maritime labor workforce can crew the vessels in time of war or national emergency. Had this been an actual breakout, the SUP would have risen to the challenge.

ITB MOKU PAHU

Last month, Matson notified the Union that the company was no longer interested in operating the *Moku Pahu* for the Hawaiian Commercial & Sugar Company and that Patriot Contract Services would likely manage the vessel, which carries raw sugar from Hawai'i to California and

hauls government-impelled cargoes – mainly Food for Peace – when not employed on the sugar run.

On May 28, the SUP, MFOW and SIU-Marine Cooks met at MFOW Headquarters with Patriot Principal and General Counsel Tim Gill. The SUP was represented by Vice President Connolly and your secretary; the MFOW by President Anthony Poplawski, Vice President "Cajun" Callais and Business Agent Bobby Baca; and the SIU-Marine Cooks by West Coast Vice President Nick Marrone.

Gill stated that although Patriot did not yet have a ship management agreement with Hawaiian Commercial & Sugar Company, Patriot has been authorized to work on Memorandums of Understanding with the Unions aboard the vessel.

The Unions pointed out that the *Moku Pahu* is covered by a Special Bulk Agreement with Matson and that applicable portions of the Matson General Rules and the Work Rules of the respective Unions would have to be adopted by Patriot.

Gill responded that Patriot would begin drafting appropriate Agreement for the Unions to review.

MARITIME SECURITY PROGRAM

In a front page article in last month's *West Coast Sailors*, it was reported that Congressman Duncan Hunter (R-California), Chairman of the House Transportation and Infrastructure Subcommittee on Coast Guard and Maritime Transportation introduced an amendment to pending defense authorization that would provide a much-needed increase in funding for the Maritime Security Program. The SUP in conjunction with other Unions in the maritime industry sent Congressman Hunter the following letter on July 1:

Dear Chairman Hunter:

The undersigned United States-flag shipping companies, maritime associations and American maritime labor organizations write to thank you for your unwavering support of the U.S. maritime industry and to ask you to lead the effort to enact legislation that secures the long-term viability of U.S.-flag national security sealift capacity and U.S. merchant mariner jobs.

Last year, Secretary Anthony Foxx, Secretary Tom Vilsack, and former Administrator Raj Shah established a framework agreement that we believe provides the foundation for such legislation. That framework would provide long-term funding to support vessels operating in the Maritime Security Fleet program (MSP), a critical defense sealift capability that has faced significant challenges in recent years, as part of reforms to the Food for Peace program. Legislation enacting that framework agreement would be strongly supported by the signatories to this letter.

For more than sixty years the Food for Peace program has played a critical role in promoting American diplomacy and good will by providing humanitarian food assistance around the world while simultaneously supporting the U.S.-flag ships and mariners needed to meet our national security military sealift needs. Unfortunately, the implementation of the food aid program has, in recent years, been the source of conflict between food aid and maritime interests. This conflict is counterproductive and contributes to the uncertainty that undermines the long-term strategic investment needed in the U.S.-flag fleet. The reality is that food aid cargoes are declining and increased resources are necessary to ensure the continued viability of vessels participating in the MSP.

As the maritime industry has discussed with you on numerous occasions, ensuring the continued viability of the MSP is a top priority for the industry. The legislation we are promoting would, in conjunction with reforms in the Food for Peace program, guarantee an additional \$114 million in funding for each fiscal year beginning in fiscal year 2016 through fiscal year 2025 for the MSP, with \$95 million through an automatic annual transfer from Title II of the Food for Peace program and another \$19 million annually from the Department of Transportation. Through this legislation U.S.-flag vessel operators would have the certainty and support they need to sustain a long-term commitment in the program and to make the capital investments in the U.S.-flag fleet

SUP President's Report *continued*

necessary to continue to meet the commercial sealift capability requirements of the Department of Defense.

Given the reality of reduced U.S. government cargoes and the tax and other operating advantages enjoyed by foreign flag vessels, an annual MSP stipend of \$5 million per vessel has been determined to be the minimum amount required to preserve the critical national security sealift infrastructure and U.S. merchant mariner jobs made available to our country through the MSP.

Consequently, when enacted, the legislative framework developed by Secretary Foxx, Secretary Vilsack and former Administrator Shah will put the U.S.-flag international fleet on a more solid foundation, positioning it for future growth and success. In addition, the legislation would include \$15 million of annual funding to offset the impact on non-MSP vessels that carry food assistance cargoes and would also ensure that commodities shipped from the United States will continue to play a critical role in U.S. food aid, supporting U.S. agriculture jobs and a pool of U.S. merchant mariners necessary to meet our national security sealift capacity needs.

In the context of this legislation, we would support providing the U.S. Agency for International Development with greater flexibility in the implementation of the Food for Peace Program and would accept the agreed-upon transportation efficiency reforms, while maintaining the existing cargo preference requirements at 50 percent for all food aid cargoes. With your strong Congressional leadership we can enact this compromise legislation that protects our national security sealift capability, makes U.S. food assistance more effective, and preserves the critical role agricultural commodities play in food aid.

We are committed to working with you to improve the viability of the U.S.-flag maritime industry and ask that you introduce legislation to make this framework agreement a reality.

Sincerely,	Maersk Line, Ltd.
American International Shipping, LLC	Marine Engineers' Beneficial Association
American Maritime Congress	Marine Firemen's Union
American Maritime Officers	Maritime Institute for Research and Industrial Development
American Maritime Officers Services	Maritime Trades Department, AFL-CIO
American President Lines, Ltd.	Overseas Shipholding Group, Inc.
American Roll-on Roll-off Carrier	Sailors' Union of the Pacific
Argent Marine Operations, Inc.	Seafarers International Union
Central Gulf Lines, Inc.	Transportation Institute
Fidelio, LP	Transportation Trades Department, AFL-CIO
Hapag-Lloyd USA, LLC	Waterman Steamship Corp.
Intermarine, LLC as agents for Patriot Shipping, LLC	
International Organization of Masters, Mates & Pilots	

EXPORT-IMPORT BANK

The fight to maintain the Export-Import Bank of the United States continues unabated. Without Congressional reauthorization before the end of this month, the charter for the Bank will expire as will another source of cargo for U.S.-flag ships.

The Export-Import Bank helps finance the export of American goods and services from companies throughout the United States. It helped to facilitate more than \$37 billion in export sales in Fiscal Year 2013, supporting 200,000 American jobs. In addition, a portion of Export-Import Bank financed exports must be shipped on U.S.-flag vessels, providing an important source of revenue for the U.S.-flag fleet. Cargo preference has already taken a hit as the Department of Defense's drawdown of forces overseas has resulted in diminishing cargoes. In addition, food aid preference is under attack from those who want to monetize the program which would knock U.S.-flag ocean transportation out of the box.

The Export-Import Bank helps create jobs in this country and turns a profit with no cost to American taxpayers. But some in Congress, especially many "Tea Party" lawmakers, consider it a form of corporate welfare and have vowed to let the Bank's charter expire on June 30. Still, the Bank's recharter has secured enough Republican and Democratic support that the prospects for the Bank's renewal has a good chance in both the House of Representatives and the Senate – if the Republican leadership allows the re-authorization bills to proceed for a vote, which is not a certainty.

Press reports have indicated that it appears that the Senate Majority Leader Mitch McConnell (R-Kentucky) will allow the Export-Import Bank renewal vote to proceed. Prospects for a vote in the House are murkier, though Speaker John Boehner (R-Ohio) has stated that he might allow re-authorization to proceed to a vote should Bank renewal pass in the Senate. But he has also stated that would allow an open amendment process meaning opponents could attempt to tack on "poison pill" amendments to the renewal bill. This most likely is the strategy of Congressman Jeb Hensarling (R-Texas), Chairman of the House Financial Services Committee, and a fierce opponent of the Bank. Right-wing lobbies such as the Heritage Foundation and Freedom Works, which are not supporters of the U.S. Merchant Marine, are also pushing hard to kill the Bank.

CONSTITUTION COMMITTEE

In accordance with Article XXVII of the SUP Constitution, all resolutions to amend the Constitution and Shipping Rules, must be submitted IN WRITING at today's Headquarters meeting or at the Branch meetings on Monday, June 15.

The resolutions will be referred to a Committee on Constitution, comprised of three members elected at today's Headquarters' meeting and one member elected at the Seattle, Wilmington, and Honolulu Branch meetings next week.

The Committee will convene at Headquarters on Monday, June 22, at 9:00 A.M., to review the resolutions submitted and report back to the membership at the July

meetings. If a proposed Constitution or Shipping Rule amendment or a substitution thereof is endorsed by a majority vote of the membership at the July coastwise meetings, it shall be placed on the 2015-2016 referendum ballot.

HOLIDAY

Kamehameha Day: All SUP halls will also be closed on Thursday, June 11, in observance of Kamehameha Day. In accordance with the Matson Agreement, Kamehameha Day is a paid holiday for all company vessels (except the *Moku Pahu*) at sea or in port and all members employed under the Maintenance and Extra Maintenance Agreements. If the *Moku Pahu* is in an Hawai'i port, the holiday is observed as per the ILWU Local 142 Agreement.

Fourth of July: Since the Fourth of July falls on Saturday this year, all SUP halls will be closed on Monday, July 6, in observance of the holiday.

BLOODY THURSDAY

The annual commemoration of Bloody Thursday will be held at ports up and down the West Coast this year on Sunday, July 5. Details of the observance will be published in the June *West Coast Sailors*. (See Page 8.)

SUP members on the beach are urged to attend these events which mark a red letter day during the 1934 coastwise maritime strike.

Two SUP brothers were killed in the 1934 strike and its aftermath. Olaf Helland was struck by a tear gas bomb on July 20, 1934, in Seattle, during the Battle of Pier 41 and died August 6.

On ships at sea, particularly those owned by Dollar Line (the predecessor of American President Lines), it was a continuous battle to rid the ships of scabs in 1934 and 1935. Union men and scabs fought on the Presidents Grant, Hoover, Hayes, Adams and Coolidge in Hong Kong and Manila. SUP member Bruce Lindberg, aged 20, was knifed and killed by the ship's scab carpenter on the President Grant on February 3, 1935, in Hong Kong. The murderer, Alvin Chown, was never brought to justice. That same year on July 5, Brother Lindberg's mother and the widow of slain ILA longshoreman Shelvy Daffron, led a parade of 5,000 maritime workers in Seattle to mark Bloody Thursday.

ACTION TAKEN

M/S to allocate Matson 2.75% increase to wages and wage-related items. Carried unanimously. M/S to elect three members to the Constitution Committee. Elected were: Dave Frizzi, Izzy Idris, and Diane Ferrari. Carried unanimously. M/S to concur with the balance of the President's report. Carried unanimously.

Gunnar Lundeberg

Vice President's Report

June 2015

We contend that California-based members employed at APL have a right to collect California Unemployment Insurance (UI) compensation and are also eligible for California State Disability Insurance (CA SDI) despite the Company claim that it is based in Arizona and need only comply with Arizona law. In accordance with that understanding we continue to question APL's payroll withholding and reporting policy with regard to both California benefits. Our confrontation with management on the topic yielded only that they don't accept recent court decisions and are litigating each case. In the meantime we continue to direct California-based members to appeal any UI claim that does not pay the regular California benefit and also to demand deduction of CA SDI on the W-2 form at sign on. Although the box on that form that asks for "any additional withholding" is meant for dollars, it appears both appropriate and recently effective to write in CA SDI on that line. Will continue to press the issue with APL management.

In addition to the routine duties of the front office including grievance handling, dispatch and work related to arbitration with Chevron Shipping Co., checked the following ships:

APL Singapore: Paul Harsany, delegate. Clarification on meal hour movement – if meal is not provided within the time limits set forth in Section 41(a), (b), and (c) of the SUP Work Rules then one hour penalty in 41(d) is triggered.

Moku Pahu: Les Jeziorski, delegate. Clarification on cargo rates for actually handling cargo – low cargo on straight time hours and high cargo on overtime hours.

USNS Soderman: Al Rossi, delegate. The agreement makes plain that at sea it all members of the unlicensed deck gang are watchstanders. That means there are 3 to a watch with the bosun, 1 AB and an OS on the 8 x 12, and 2 AB's and 1 OS on both the 12 x 4 and 4 x 8.

USNS Martin: Eduardo Zepeda, delegate. Delegate reports most things okay except for reduction of available overtime due to recent shipyard experience. Back in Jacksonville.

California Voyager: Scott Oliphant relieved Thor Erikson as bosun. The events of our recent arbitration were reported in the President's Report (see page ?). Lawyers have 30 days from completion of the transcript to file briefs and arbitrator has six weeks from that point to make a decision. Continued violations of the agreement should be grieved.

Foss Maritime Company: JD Rymel, Tom Tynan, Ed Chilbert, delegates. Investigated new training requirement of computer modules. We raised an objection with management but since the only the delivery method and not the content is new, and since Company-specific training has long been a part of our Agreement, we declined to file a grievance. If such training infringes on rest hours, or otherwise becomes a burden, we will press management for an adjustment.

Dave Connolly

SUP Branch Reports

Seattle

May 18, 2015

Shipped 2 Boatswains to Navy bottoms, both B members; 5 Able Seaman jobs shipped and filled with 4 B-cards and 1 D registrant; 1 Ordinary filled with a registrant; 9 standbys dispatched to 6 A-card and 3 B cards.

Registered: 1 A cards for a total of 19; 10 B cards for a total of 19; 2 C cards for a total of 8.

Ships Checked

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

I represented the SUP/MFOW at the following meetings. The King County Labor Council Executive Board meeting. And a kickoff for Seattle City Council candidate John Persak. John is an active member of ILWU Local 19 who has worked closely with maritime labor in freight mobility issues. Brother Persak is one of the smartest fellows I have worked with and both organized labor and the citizens of Seattle will be well served with John as a Seattle City Council member!

Vince O'Halloran, Branch Agent

C-11 heading to shipyard.), *Mokihana*, *Manukai*, *APL Singapore*, *Mahimahi*, *Manulani* (back from yard with bottom paint peeling off), *Matsonia*.

Maritime Day is this coming Friday, May 22 at 1100 at 6th and Harbor in San Pedro.

Meetings attended: On April 23 and May 7, Harbor Labor Coalition Meetings, April 28, American Merchant Marine Veterans Memorial Committee Meeting, and on May 14, MTD Meeting.

On May 1 there was a nurses' strike. Kate Healey walked with the nurses on their picket line. On May 9, attended the Dan Foley Outstanding Labor Leader of the Year Award Breakfast. This year's recipient was Iron Workers Local 433 Business Representative, Mitch Ponce. I think they made an excellent choice as Mitch is everywhere supporting labor issues as well as one of the nicest guys you will ever meet.

On May 16 with John Pitts and volunteers from the SUP, MFOW, and *Lane Victory* we cleaned up the Maritime Memorial in San Pedro in preparation for Maritime Day.

Mark Hurley, Branch Agent

Ships Checked

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

I represented the SUP at the Hawai'i Ports Maritime Council meeting, the AFL-CIO Executive board meeting, a US Postal workers rally, and the Dave Lyman Memorial Scholarship dinner.

Shipping in the port of Honolulu remains slower than snot running down the hull of a ship on a hot sunny day. Hopefully shipping will pick up here during the summer months.

Several members have asked me about the three dates on the USCG medical certificate. The only date that matters on the USCG medical certificate for Sup sailors is the STCW date. It is the date in the left hand column. The national date and the pilots date do not apply to us (most of us anyway) for the jobs we are trying to get.

I want to wish everyone a Happy Fourth of July. As usual I will be on vacation from July 1st until July 8. Aloha,

Michael Dirksen, Branch Agent

APL Belgium: Ship due back on the West Coast in July. Teo Rojas, Bosun.

APL China: Last C11 to go to the shipyard. There's talk of keeping three guys. All in good hands with Larry Gately as bosun and Janan Johair as Delegate.

APL Philippines: In at Oakland with no beefs. David Reinking as Bosun and Bill DeBenedictis as Delegate.

APL Thailand: Major bed bug issues. Squared it away with Relief Bosun Izzy Idris. Delegate Dave Mercer. Dmitri Seleznev is on a trip off.

Cape Henry: Bosun Mike Orosz; **Cape Orlando:** Bosun Mike Worth; and **Admiral Callaghan:** Bosun Robert Reed. All running smoothly. These ready reserve ships are a rung up from entry level rating, i.e. OS/GVU to be able to gain some seatime.

California Voyager: Made a trip to the Gulf to pick up a load of crude oil; ongoing beef with the one-man watch and food budget.

Mississippi Voyager, Oregon Voyager: In and out Richmond Long Wharf.

Pier #9: Change day San Francisco to Station. Leo Moore as Bosun, Mike Koller Delegate.

Monitor your documents and keep them current. VSPSD is no good unless it's in stamped in your MMC.

Also dispatched and worked in the front office.

Roy Tufono

Honolulu

May 18, 2015

Shipped the following jobs in the month of May: 3 AB Watch steady, 1 AB Watch relief, 1 AB Watch return, 2 AB Day relief, 1 AB Day return, 1 AB Maint steady, and 1 OS. The shipping jobs were filled by 4 A cards, 4 B cards, and 2 C cards. Also shipped 26 standby jobs filled by 14 B cards, 5 C cards, and 7 D cards.

Registered in May: 4 A cards, 6 B cards, 2 C cards and 3 D cards. To date totaled registered: 16 A cards, 14 B cards, 5 C cards, and 5 D cards.

Business Agent's Report

June 8, 2015

Kauai: Last trip got a call from the Delegate saying Matson was putting on a third stocktender on board and would have had to share heads with us and the MFOW. Shortly after his email, I questioned Matson and they said they never heard of it and it never materialized. In and out of Oakland. Chris Bunheirao is on a trip off. In good hands with Relief Bosun Robert Jones and Mark Pfaff as Delegate.

Manoa: Jan Peter Johnssen ("the Swede") on a trip off. Danila Ycoy Relief Bosun, Duke Maringer, Delegate. No beefs.

Mahimahi: Running smoothly with Remoni Tufono as Bosun and with Haz Idris as Delegate.

Mokihana: In and out of Oakland with no beefs. Lymwel Gabor, Delegate and John Hammon, Bosun.

Moku Pahu: After a long shipyard period, the ship is back on the run, major reconstruction on Hold #6 which was converted into a molasses tankship. In Crockett discharging sugar. Ben Garmen Bosun and Leszek Jeziorski as Delegate.

APL Agate, APL Coral: On routine run; checked in via email.

Dispatcher's Report

Headquarters—May 2015

Deck	
Bosun	3
Carpenter	0
MM	5
AB	14
OS	0
Standby	22
Total Deck Jobs Shipped	44
Total Deck B, C, D Shipped	37
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.	44
Total B, C, D Shipped-All Depts.	37
Total Registered "A"	25
Total Registered "B"	25
Total Registered "C"	17
Total Registered "D"	48

Wilmington

May 18, 2015

Shipping: Bosun: 4; AB: 12; AB Maint: 6; OS: 3; standby: 50. Total jobs shipped 74. Registrations: A: 24 B: 32 C: 13 D: 23

Ships Checked

Maunawili, *Mokihana*, *Maunalei*, *APL Philippines*, *Mahimahi*, *APL China* (last



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ADMISSION: \$15.00/Day - INCLUDES CHOICE OF HAMBURGER OR HOT DOG



3 Day GRAND Event
June 26, 27 & 28
10:00 a.m. - 6:00 p.m. Daily



Friday, June 26th
HOMELAND SECURITY EXHIBITIONS



Saturday, June 27th
65th ANNIVERSARY OF KOREAN WAR



Sunday, June 28th
HONORING 70 YEARS OF SERVICE - S.S. LANE VICTORY

S.S. LANE VICTORY, National Historic Landmark
 Berth 49, San Pedro, CA 90733 310-519-9545

Pirates hijack tanker off Malaysian Coast

The crew of the product tanker *Orkim Victory* were taken hostage after their vessel was hijacked by pirates eight nautical miles off the coast of Pu Aur, Malaysia. Two small boats approached the 7,119 dwt, *Orkim Victory*, owned by Orkim Ship Management of Malaysia in the early morning hours of June 4. The armed assailants boarded the tanker and altered its course to rendezvous with a larger vessel. Part of the oil cargo was then transferred to the pirate ship. The pirates also robbed the crew and seized ship property. Before leaving, the pirates damage the onboard communication systems. All members have been reported safe and the tanker was able to make its way back to a nearby port.

This is the second pirate attack in the South China Sea this month. On June 3, the Indonesian-flagged timber carrier *KM Mutiara* was also hijacked. Crew members were forced to jump overboard as the pirates made off with the ship and its cargo. The location of the ship is still unknown.

The International Maritime Bureau has reported that attacks against small tankers are increasing in the South China Sea. Additionally, around 75% of pirate attacks in 2014 occurred in Asian waters.