



West Coast Sailors

Official Organ of the Sailors' Union of the Pacific

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SAN FRANCISCO, CALIFORNIA

Friday, May 20, 2016

Europeans approve of \$2.4 billion purchase of NOL/APL by French company

The European Commission's (EC) competition directorate has cleared the proposed acquisition by France's CMA CGM (Compagnie Maritime d'Affrètement-Compagnie Générale Maritime) of Singapore-based Neptune Oriental Lines and its APL container shipping subsidiary. The clearance is conditional upon APL leaving the G6 ocean carrier alliance by April of next year.

"Container liner shipping plays a central role in global trade, so competition in this sector is essential for businesses and consumers in the EU," Commissioner Margrethe Vestager, in charge of competition policy, said in a statement. "The decision ensures that the takeover will not lead to price increases for the many EU companies using these container shipping services." CMA CGM is a founding member of the Ocean3 Alliance along with China Shipping and United Arab Shipping Company, while APL is currently a member of the G6 Alliance, which also includes Hapag Lloyd, MOL (Mitsui O.K. Lines), NYK (Nippon Yusen Kaisha), OOCL (Orient Overseas Container Line) and HMM (Hyundai Merchant Marine).

The commission said membership in two consortia would have resulted in anti-competitive effects on trade routes between Northern Europe and North America as well as between Europe and the Middle East because on those routes, "competition from liner shippers who have no connection with the merged entity or its alliance partners would have been insufficient."

Although CMA CGM had previously stated publicly that it intended to remove APL from the G6 Alliance following completion of the deal, the competition directorate said formal commitment to do so was necessary to remove the risk of anti-competitive effects on the two trade routes described above.

CMA CGM said this month that next April, after APL leaves the G6, it plans to form a new consortium with the recently merged COSCO China Shipping, OOCL and Evergreen. It is calling that vessel sharing agreement simply the OCEAN Alliance.

The European Commission said although APL will continue to operate for the G6 until March 31, 2017, "to guarantee an orderly exit, the commitments foresee that a trustee will ensure that no anti-competitive information is shared between the alliance and the merged entity during that remaining period. This will eliminate the potential additional links between previously unrelated consortia that the merger would have created on the two routes."

CMA CGM said with the approval from the EC, it and NOL "will continue to cooperate with the remaining authorities to close their reviews as quickly as possible." The Marseilles, France-based company said its voluntary general cash offer for NOL will be launched when approvals from all relevant antitrust authorities have been satisfied or waived.

Loretta Sanchez for U.S. Senate

The Sailors' Union of the Pacific at its September Union meetings overwhelmingly endorsed a true champion of labor and the U.S. Merchant Marine for the open United States Senate seat in California – Congresswoman Loretta Sanchez.

Since she was first elected to Congress in 1996, representing California's 46th District—which includes the cities of Anaheim, Santa Ana, Orange and Garden Grove in Orange County—Congresswoman Sanchez has compiled a 100% pro-labor voting record according to the AFL-CIO.

As a senior member of the House Homeland Security Committee since its inception after the 9/11 attacks, she serves on the Subcommittee on Border and Maritime Security.

"Congresswoman Sanchez's vocal and unequivocal support for the Jones Act, the Maritime Security Program, cargo preference, Food for Peace over the last 20 years have made her a champion of the U.S. Merchant Marine and a voice that is needed in the United States



LORETTA SANCHEZ

Senate," said SUP President Gunnar Lundeberg.

In addition to her work on the Homeland Security Committee, Congresswoman Sanchez is a senior member of the House Armed Service Committee and serves on the Subcommittee on Strategic Forces. Her knowledge of

the U.S. Merchant Marine—the nation's fourth arm of defense—makes her a powerful advocate for the maritime industry. This fact was recognized this year when the influential *Congressional Quarterly* named her one of the 25 most influential members of Congress.

Vote June 7 – Vote Sanchez for U.S. Senate

Amendment to defense bill would require U.S.-flag ships for LNG exports

As the *West Coast Sailors* went to press, Congressman John Garamendi (D-California) introduced an amendment to the National Defense Authorization Act of 2017 that would require some LNG (Liquid Natural Gas) exports be carried in U.S.-flag ships.

The U.S. is projected to be exporting more than 12% of its natural gas production by 2020. This will require an estimated 100 or more LNG tankers. LNG carriers have not been built in the United States since the 1970s, and there are currently no LNG tankers registered under the U.S. flag. Without the window of opportunity opened by this amendment, it is very likely that all exported LNG will travel on foreign-flag ships

crewed by foreign mariners.

Between 4,000 and 5,200 mariners would be needed to operate the 100 ships required to transport U.S. LNG exports. This amendment would unlock important training and credentialing opportunities for U.S. mariners.

Under the amendment, the U.S.-flag carriage requirement is waived for one year if no U.S.-flag tankers are available at the time the requirements take effect. This ensures that the amendment would not result in the unintended consequence of causing disruption to LNG export.

Congressman Garamendi's amendment would also require that 15% of exported LNG

be carried in U.S.-flag ships from 2020 to 2024, and that 30% be carried in U.S.-flag ships thereafter. In addition, the amendment requires that foreign-flag LNG operators provide opportunities for U.S. mariners to receive experience and training necessary for them to be credentialed to work in LNG vessels.

In addition to the SUP, Garamendi's amendment is supported by the MEBA, MM&P, SIU-AGLIW, Transportation Trades Department, AFL-CIO; Metal Trades Department, AFL-CIO; Navy League of the United States; International Brotherhood of Boilermakers; and the International Brotherhood of Electrical Workers.

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SUP Quarterly Finance Committee Report

SUP QUARTERLY FINANCE COMMITTEE REPORT FOR THE QUARTER ENDED MARCH 31, 2016

The Quarterly Finance Committee, duly authorized to act by the regular meeting at Headquarters on April 11, 2016, hereby submits the following report:

SUMMARY OF CASH AND INVESTMENTS

General Fund.....	\$1,908,048.38
Political Fund	\$11,274.93
Strike Fund	\$1,293,730.99
Total Cash and Investments 1st Qtr. 2016	<u>\$3,213,054.30</u>

GENERAL FUND

Income:	
Dues, Initiation, Assessments	\$143,850.10
Interest	12,677.54
Donations - <i>West Coast Sailors</i>	1,870.00
Tanker & Joint Committee, Hiring Hall.....	189,975.03
Advertising & Promotion	200.00
Miscellaneous Income, Reimbursements, Fines.....	1,874.10
Reimbursed Administrative Expenses.....	23,010.45
Contributions - General Fund	<u>2,755.00</u>
Total Income:.....	<u>\$376,212.22</u>

Expense:

Auto & Travel	\$440.00
Rent.....	20,251.56
Postage, Printing & Office	10,711.03
Telephone & Telegraph.....	5,049.32
<i>West Coast Sailors</i> Publishing Expense	18,226.08
Contributions	145.00
Per Capita	20,920.00
Salaries & Payroll Taxes.....	235,074.50
Office Workers Pension.....	8,676.20
Insurance.....	59,257.09
Field Expense.....	286.32
Meeting/Committee & Neg., Conference & Conv.	4,163.63
Investment Expense	1,784.81
Officials Pension.....	4,770.00
Subscriptions.....	9,164.75
Legal - Rep	24,129.64
Accounting.....	(6,000.00)

Advertising & Promotion.....	720.00
Election.....	8,196.93
Miscellaneous.....	(750.00)
Total Expense:.....	<u>\$425,216.86</u>

BUILDING CORPORATION

Income:	
Rents	\$228,925.49
Bldg. Util. & Service Reim.	0.00
Total Income:	<u>\$228,925.49</u>

Expense:

Building Services & Utilities.....	\$28,011.96
Repairs & Maintenance	3,628.42
Insurance.....	6,665.30
General Taxes	0.00
Salaries & Payroll Taxes.....	18,193.42
Pension	1,568.88
Accounting.....	(3,000.00)
Auto	198.00
Office	<u>3,274.27</u>
Total Expense:	<u>\$58,540.25</u>

POLITICAL FUND

Income:	
Contributions	\$5,825.00
Total Income	<u>\$5,825.00</u>

Expense:

Office	50.00
Contributions	<u>\$4,650.00</u>
Total Expense:.....	<u>\$4,700.00</u>

Net Income 1st Qtr.....	<u>\$122,505.60</u>
Net Income YTD:.....	<u>\$122,505.60</u>

/s/ Dave Larsen

/s/ Jerry Marshall

/s/ Robert Reed

/s/ Frank Portanier

/s/ Arthur Thanash

ACTION BY THE MEMBERSHIP May 9, 2016. *M/S/C*—That we concur in the report of the SUP Quarterly Finance Committee and, as per past practice, publish in the *West Coast Sailors*. Carried unanimously.

Man adrift for two months rescued

On May 4, a Colombian national arrived safely in Honolulu following a two-month ordeal at sea and a very lucky rescue by a merchant vessel. The unnamed survivor was rescued by the Panama-flagged bulk carrier *Nikkei Verde* on April 26. While under way in the Southeastern Pacific, bound for China, the ship's crew spotted a 23-foot skiff adrift. They brought the survivor aboard and requested assistance from the nearest Coast Guard facility – 1,900 nautical miles to the northwest at Hilo, Hawai'i. Despite the distance, the vessel was within the U.S. Coast Guard's area of responsibility.

"This mariner had great fortitude and is very fortunate the crew of the *Nikkei Verde* happened upon him as the area he was in is not heavily trafficked," said Lt.

Cmdr. John MacKinnon, Joint Rescue Coordination Center Chief. "The Pacific is vast and inherently dangerous and all mariners respect that. These merchant mariners did the right thing in rendering assistance and most mariners heed the obligation to render assistance at sea . . . out of a sense of duty and understanding rather than required compliance."

Coast Guard officials worked with the *Nikkei Verde* crew to arrange a transfer near Honolulu and coordinated with the Colombian consul in San Francisco who arranged for transportation, Customs clearance, lodging, hospital care and an escort ahead of his arrival to Honolulu.

According to the survivor, he and three companions had set out from Columbia more than two months earlier; the location

of the *Nikkei Verde* at the time of its initial incident report was thousands of nautical miles from Colombian shores. The Coast Guard's report did not mention the skiff's intended destination. After the skiff set out, its engine became disabled, and the four men were adrift. The survivor said that he caught and ate fish and seagulls to stay alive; the three other men reportedly perished at sea. Their bodies were not aboard the skiff when it was located by *Nikkei Verde's* crew, but the survivor had the deceased men's passports and surrendered these to officials.

The survivor told a Coast Guard interviewer that he was very grateful for the timely rescue and the assistance provided by the *Nikkei Verde*, and said that his faith sustained him during the ordeal. The Coast Guard says that it is not investigating the case as the circumstances fall outside its purview.

The USCG's rescue center in Honolulu has responsibility for search and rescue across 12 million square miles of the Pacific Ocean, including the Hawaiian Islands, Guam and Saipan. The Coast Guard maintains several search and rescue agreements with sovereign Pacific Island nations and regional partner countries.



SUP deck gang in the R.J. Pfeiffer enroute to a Chinese shipyard. From left: LJ Benson, Luis Rosas, Robert Strabbing (delegate), Vern Johansen (Bosun), Julie Ortiz, and Steve Swinton.

SUP Meetings

These are the dates for the regularly scheduled SUP meetings in 2016:

	Hdqs.	Branch
June	Tues. 14	20
July	11	18
August	8	15
September	12	19
October	Tues. 11	17
November	14	21
December	12	19

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Final Departures

James Crandall, Book No. 4611. Born in New York in 1927. Joined SUP in 1951. Died April 10, 2016. (Pensioner)

John Cook, Book No. 3668. Born in Ohio in 1925. Joined SUP in 1943. Died in Paradise, California, April 18, 2016. (Pensioner)

Matson's profits shrink due to weak Chinese exports

Matson Navigation Company's results in the first quarter of 2016 had a lot to do with a single string of ships that carry goods back from China, according to the company's latest financial statements.

The ocean carrier reported a profit of \$18.1 million for the quarter ended March 31, 2016, down 27.6% from \$25.0 million in the same period last year. Consolidated revenues for first quarter 2016, however, stood at \$454.2 million compared with \$398.2 million reported for the first quarter 2015.

The company saw container volumes from China drop 18.1% year-over-year in the first quarter due to the absence of the exceptionally high demand the service experienced in the first quarter of 2015, when West Coast ports were snarled by labor disruptions. Matson also noted this year has seen continued market softness amid a slower than normal post-lunar new year recovery.

Matt Cox, Matson's president and chief executive officer, said Matson's "core businesses performed largely as expected in the first quarter," but that operating results declined year-over-year in the absence of last year's extraordinarily strong demand for its China service.

"Market conditions in the China trade have deteriorated further in 2016 as international ocean carriers have continued to lower rates in an attempt to attract cargo in this heavily over-supplied trade lane," the company said. "This dynamic has spilled over into the annual contracting cycle with freight rates being offered at historically low levels."

"Despite this downward pressure on Matson's freight rates, we expect to continue to earn a substantial rate premium, and given our dual-headhaul route structure, we expect our China service to remain solidly profitable," it added.

Matson's China ships carry cargo from the U.S. mainland to Hawai'i and Guam on their westbound voyages across the Pacific before calling Xiamen, Ningbo and Shanghai before returning to Long Beach, so they get heavy utilization in both directions, unlike most TransPacific carriers who carry many empty containers or lower value commodities to China on their westbound "backhaul" voyages.

"While these challenging dynamics in China will weigh on our 2016 results, we continue to see solid fundamentals and performance in our other core trade lanes, and also SSAT (its terminal joint venture with SSA Marine) and Logistics," said Cox. "In Hawai'i, where we recently deployed an 11th ship, we expect to benefit from continued market growth and a stronger market position."

Matson acquired the Alaska service of now-defunct Horizon Lines last year, and "integration activities in Alaska are progressing well, and are on-track to be complete by the end of the third quarter," said Cox.

"Overall, we remain confident that our businesses will continue to generate strong cash flows to fund our fleet renewal program, invest in equipment, and pursue growth investments, while continuing to return capital to shareholders," he added.

In first quarter 2016, the company's Hawai'i service achieved 8.4% container volume growth compared to the first quarter 2015 thanks to "competitive gains and modest market growth."

Matson said it believes "the Hawai'i economy is healthy and expects construction activity to be a primary driver of market growth. For the full year 2016, the company continues to expect its Hawai'i container volume to be moderately higher than 2015 with substantially all of the relative increase occurring in the first half of 2016."

Cox said there has been an upsurge in construction in Hawai'i and, "One of the primary places in our network that we were struggling to carry all the cargo that was demanded or presented to us was in the Pacific Northwest. It's where you'll recall that Pasha, as they reconfigured their fleet last year, withdrew from that market to focus on California and in particular, Southern California."

Matson is now operating two ships with capacity of about 2,800 TEU between Seattle and Hawai'i, where previously one of the ships had 2,800 TEU and the other had 1,600 TEU capacity. So some cargo was flowing over to barges operated by competitors. The company said by increasing the size of the one ship, the company will be able to accommodate growth and help better meet the cargo management needs of its customers.

"We, long term, continue to believe that the construction segment is going to be the segment that grows the fastest and much of that construction-related cargo comes out of the Pacific Northwest and Canada over Seattle, we felt we were not serving the market the way we wanted to."

Matson expects to continue to operate 11 ships to Hawai'i for the foreseeable future, though it may revert to 10 ships during slack months.

The company has two 3,600 TEU ships under construction at Philly Shipyard in Philadelphia which are scheduled for delivery in the third quarter of 2018 and first quarter of 2019. When the first of those is delivered, "planning now suggests that we're going to move into a 10 ship fleet," said Cox.

In the Guam trade, Matson noted APL launched a bi-weekly U.S.-flagged containership service (the *APL Guam*) at the beginning of the quarter. APL transships cargo through Japan. For the full year 2016, Matson said it expects to experience continued modest competitive volume losses to this new service.

In Alaska, Matson said "container volume for the first quarter 2016 approximated the level carried by Horizon Lines in the first quarter 2015, primarily due to muted economic activity," adding that the company expects full-year 2016 Alaska volumes to fall slightly from the total 67,300 containers carried by Horizon and Matson in 2015.

Matson said it expects "2016 operating income to modestly exceed the 2015 level of \$8.5 million, driven by volume growth and continued expense control."



SUP and MFOW members aboard the Ready Reserve Force vessel *Cape Victory* in Beaumont, Texas. From the left: Bosun Gerry Gianan, Electrician Carlito Espisoco, O.S. Gilbert Bio and O.S. Muhammad Mohamad.

Keeping Americans employed and protected

by Congressman Charles Boustany (R-Louisiana)

Whether you are a member of the marine industry or not, you have probably heard the phrase "Jones Act" before. What you may not know, or truly understand, is how critical this program is to U.S. national security. While many critics attack the Jones Act for being protectionistic, the law and principles are derived for our nation to attend to its maritime needs as a matter of national security and internal defense. The Jones Act is not intended to protect an industry – but to protect this country.

We live in a time of great global instability. In today's world we worry about the possibility of attacks that would jeopardize our ability to do business and defend ourselves. We must protect our waterways, which every Louisianian knows as the lifeblood of national commerce. Consider the consequences if we were unable to move grain, fuel or other basic commodities on our waterways for even a few weeks. The Jones Act simply ensures that we have a fleet of maritime vessels that are owned by U.S. companies, employ U.S. crews, and built in U.S. commercial shipyards. American built, owned and operated vessels support communities and economies around the country. Its quite simple – the Jones Act advances national security by ensuring our internal waters and coastal communities do not to fall victim to a foreign enemy.

Unfortunately, many in Washington seem to misunderstand the purpose behind the Jones Act. Opponents argue that the Jones Act has caused a "historic decline" of U.S. shipping as a whole, and that the law places unnecessary harm on domestic consumers due to higher charter rates. If we analyze the facts, it quickly becomes clear these attacks are unfair. There are currently 40,000 Jones Act qualified vessels – a fleet that has consistently grown in size and capacity, providing almost 500,000 good paying American jobs nationwide. The Jones Act simply highlights the importance of our domestic marine industry – the role that mariners play to keep our coastlines secure, and to keep our domestic transport of goods reliable.

In Washington, individual interests often raise unnecessary concerns, using fear tactics to spread information that isn't true. Attacking the Jones Act and encouraging repeal does nothing but jeopardize American jobs, American security, and the fact that we are, and must remain a maritime nation.

[Editor's Note: This article was published in *The Hill* on April 27.]

Senate passes funding for waterways and ports

On May 12, the U.S. Senate passed the Fiscal Year 2017 Energy and Water Development Appropriations Bill by a wide margin of 90 to eight. It is the first appropriations legislation to pass the Senate this year, and it incorporates \$6 billion in funding for the Civil Works Program of the U.S. Army Corps of Engineers, the agency charged with maintenance and improvements to navigable waterways.

For ports, the bill includes \$1.3 billion for Harbor Maintenance Trust Fund work, more than last year and about 10% higher than the target established under previous legislation. The House version of the bill is awaiting floor action, after which the legislation will be reconciled in conference and sent to the president for signature.

"This is extremely important legislation that will aid our economy and environment, and the ability of America's ports to handle increasingly larger cargo and passenger ships," said American Association of Port Authorities President and CEO Kurt Nagle. "It reflects substantial advocacy by AAPA and our member seaports to appropriate crucial funding to maintain and improve our nation's navigation infrastructure and provide more donor equity. We now look to the House leadership to bring this bipartisan bill to the House floor for a vote soon."

In addition to harbor provisions, funding for the Corps of Engineers' operations and maintenance account was set at a record \$3.2 billion, almost half a billion dollars above the administration's request. Its construction account was funded at \$1.8 billion, up by more than \$700 million.

**SUPPORT THE
SUP
POLITICAL FUND**

SUP Honor Roll

Voluntary contributions from the membership to the following funds:

Organization/ West Coast General Fund Sailors

Jaime Acosta	50.00	Jaime Acosta	50.00
Jim Linderman	50.00	Archie Bickford	50.00
		Thor Erikson	20.00
		Eugene Souza	25.00

Political Fund

Jaime Acosta	100.00	Vince O'Halloran	100.00
Dianne Ferrari	200.00	Jordon Polon	25.00
Dustin Grobschmit	100.00	Mike Potenti in memory of	
Isnin Idris	100.00	Steve Schack	50.00
Bruce Lepelo	50.00	Robert Reed	40.00
Jim Linderman	50.00	Mike Rendes	50.00
Gunnar Lundeberg	50.00	Gonzalo Sarra	50.00
Eric McDonald	10.00	Richard Stinson	10.00
Dave Mercer	100.00	Bruce Thompson	50.00
Camilo Moreno	50.00	Lawrence Wotlow	50.00

Dues-Paying Pensioners

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Kaj E. Kristensen	Book #3120	David Shands	Book #7483
Hannu Kurppa	Book #3162	Arthur Thanash	Book #3249
Dave Larsen	Book 19078		

New Panama Canal study raises safety concerns

An independent safety study into the Panama Canal expansion commissioned by the International Transport Workers' Federation (ITF) has raised pressing concerns about the canal's new locks.

The study was carried out by Brazil's Fundacao Homem de Mar (FHM), in response to safety concerns raised by its Panamanian member Unions. FHM was tasked with preparing a mathematical model, using a Maneuvering Simulator Class A, to recreate the new locks, a neo-Panamax vessel and the tugboats that would assist its maneuvers.

The concerns raised by the Unions centered on the Panama Canal Administration's (PCA) refusal to engage in dialogue on matters such as training, as well as the technical and construction issues that have led to delays in the operation of the new infrastructure.

According to the results of the study, using a neo-Panamax model vessel and two tugboats, it was concluded that the safety of maneuverability is compromised due to several factors:

- The locks' dimensions are too small for safe operation (with both gates closed);
- There are no refuge areas for the tugboats inside the locks, leaving no room for failure (human error, miscommunication, broken lines or engine failure);
- The bollard pull is insufficient;
- In terms of maneuverability in the locks, the control of the vessel was compromised under the average environmental conditions present in that geographic area (data provided by the contracting party). The main reasons were the low power of the tugboats and the required bollard pull. With milder conditions the exercise was concluded safely.

The study recommends that a complete risk analysis and special training should be carried out to avoid any accidents that may result in loss of life or pollution.

The study's conclusions were released on April 27, morning at a press conference in Panama City that was attended by leading representatives of trade Unions, safety and maritime organizations, as well as government representatives.

"I wish I could report that the study gave the new locks the all clear. Sadly, I can't. Instead we face a situation where those working on the canal, and those passing through it, are potentially at risk. That will have to change," said ITF General Secretary Steve Cotton. "The study was based on the PCA's original plan to use one forward tug and one aft tug. We understand that compensatory alternatives are being examined, which we welcome. The issues identified in this study will not be a surprise to workers on the canal. Unfortunately their expertise and experience have up to now been snubbed. Thankfully they're still on offer. Those who'll be working these locks have to be brought into the process, while there's still time to fix the defects," continued Cotton.

"We share our affiliated Unions' concerns and we can assure that the ITF and its canal affiliates want the new canal to be safe and to work. The Panama Canal is crucial for the international maritime industry. We offer our full support to make this important maritime route safe for all those who transit it or work on it, and for a positive engagement between Unions and the PCA," concluded Cotton.

Abu Sayyaf releases 10 kidnapped tug crewmembers in the Philippines

Islamist militants in the southern Philippines released 10 Indonesian hostages on May 1, ending a month-long ordeal during which a kidnapped Canadian held by the same group was beheaded after a ransom deadline passed. Police and military officials said it was unclear whether or not a ransom was paid for the men. The Philippines rarely publicizes such payments, but it is widely believed no captives are released without them.

The fate of four other hostages from Indonesia held by a different Abu Sayyaf faction is unknown. Indonesia's foreign ministry had no immediate comment on the release of the 10 detainees.

Abu Sayyaf, a formidable and brutal militia known for amassing tens of millions of dollars from the ransom business, is now holding 13 people, among them four Malaysian seamen and Japanese, Netherlands, Canadian, Norwegian and Filipino citizens.

John Ridsdel, a former mining execu-

tive, was executed on May 2, by the Abu Sayyaf, which kidnapped him and three others from a resort last year. His head was found in a bag a few hours after the deadline passed and a torso was discovered two days after. Canadian Prime Minister Justin Trudeau called it "an act of cold-blooded murder" and has urged countries not to pay ransoms. The price for his life was 300 million pesos (\$6.41 million).

Philippine President Benigno Aquino has vowed to devote all his energy to eliminating the group before he steps down in two months. But the group's network is deeply entrenched and efforts to flush out its fighters have proved to be a big challenge for the 2,500 Philippine troops engaging them.

The lucrative business has allowed Abu Sayyaf, whose name translates as "Bearer of the Sword", to invest in high-powered boats, weapons and modern communications equipment. With poverty and joblessness rife, it is able to recruit with ease.

Mate sentenced to jail for fatal collision

Last month, the former second mate of the ferry *Scottish Viking* was sentenced to jail for his role in the August 2010 collision with the fishing vessel *Homeland*, which resulted in the death of a young fisherman.

Pasquale Miccio, had been on watch on the *Viking* as it approached a group of small fishing boats off St. Abb's Head, Scotland. Both he and the AB acting as lookout had sighted the boats, but the British Marine Accident Investigation Branch found that Miccio "did not make a full appraisal of the situation or of the risk of collision." Miccio did not use ARPA, radar or visual bearings to appraise the risk, preferring instead to watch the approaching boats with binoculars. The *Viking* was the stand-on vessel, and Miccio continued to close without changing course, despite repeated warnings of the risk from the AB. As a close quarters situation developed, he chose not to alter course to starboard, instead ordering incremental changes to port. He sounded a warning signal about 18 seconds before striking the *Homeland*. *Homeland* crewmember Daniel McNeil, 16, was killed in the collision.

Miccio was charged with culpable homicide for his failure to take timely and effective action. He pled instead to a breach of the 1995 Merchant Shipping Act, in March, with sentencing scheduled for April 25. His attorney, Dorothy Bain, argued for a fine without jail time, citing her client's contrition. "He is struggling to come to terms with what has happened. It is difficult to convey the level of remorse and sadness that he feels as a consequence of his actions," she said.

However, High Court judge Lord Bannatyne concluded that "a custodial sentence is the only option;" the maximum available sentence would be for two years.

"The collision was most certainly avoidable," said Coast Guard officer Allan Marsh, who led the investigation into the accident. "We're never going to know why this happened because Mr. Miccio never gave an account explaining his actions."

America's \$1.44 trillion infrastructure gap

The United States will fall \$1.44 trillion short of what it needs to spend on infrastructure through the next decade, a gap that could strip 2.5 million jobs and \$4 trillion of gross domestic product from the economy, a report from a society of professional engineers said this month.

The American Society of Civil Engineers (ASCE) estimated that through 2025, the United States has funded only about 56% of its needed infrastructure spending.

The nation needs to spend \$3.32 trillion to keep its ports, highways, bridges, trains, water and electric facilities up to date but has funded only \$1.88 trillion of that, ASCE said. The shortfall rises to \$5.18 trillion through 2040 without new funding commitments.

"America is currently spending more failing to act on its infrastructure gap than it would to close it," said Greg DiLoreto, past president of ASCE and chair of the Committee for America's Infrastructure.

Examples of major U.S. infrastructure failures abound, from Flint, Michigan's drinking water crisis to travel delays at New York's LaGuardia Airport and the deadly 2007 I-35W Mississippi River bridge collapse in Minneapolis.

For ports and waterways, the projected investment gap will potentially lead to 440,000 fewer jobs in 2025 and almost 1.2 million fewer jobs in 2040 than would otherwise be expected with modernized waterborne transportation systems in place, states the report. By 2025, the nation will have lost almost \$800 billion in Gross Domestic Product (GDP), while the cumulative impact through 2040 is expected to be almost \$2.8 trillion of GDP. These impacts include ground congestion at ports.

Crumbling infrastructure "has a cascading impact on our nation's economy, impacting business productivity, gross domestic product, employment, personal income, and international competitiveness," said the ASCE report, an update to a previous report released three years ago. It also dampens families' disposable income. From 2016 through 2025, each household will lose \$3,400 annually because of infrastructure deficiencies, ASCE said.



California Labor Federation, AFL-CIO

Endorsements for the June 7 Primary Election

United States House of Representatives



CONGRESSMAN MIKE HONDA

- 1 No Endorsement
- 2 Jared Huffman (D)
- 3 John Garamendi (D)
- 4 Robert Derlet (D)
- 5 Mike Thompson (D)
- 6 Doris Matsui (D)
- 7 No Recommendation
- 8 Paul Cook (R)
- 9 Jerry McNerney (D)
- 10 Michael Eggman (D)
- 11 Mark DeSaulnier (D)
- 12 Nancy Pelosi (D)
- 13 Barbara Lee (D)
- 14 Jackie Speier (D)
- 15 Eric Swalwell (D)
- 16 No Recommendation
- 17 **Mike Honda** (D)
- 18 Anna Eshoo (D)
- 19 Zoe Lofgren (D)
- 20 Jimmy Panetta (D)
- 21 DUAL: Emilio Huerta (D)
Daniel Parra (D)
- 22 No Endorsement
- 23 Wendy Reed (D)
- 24 Salud Carbajal (D)
- 25 Bryan Caforio (D)
- 26 Julia Brownley (D)
- 27 Judy Chu (D)
- 28 Adam Schiff (D)
- 29 Tony Cardenas (D)
- 30 Brad Sherman (D)
- 31 Pete Aguilar (D)
- 32 No Recommendation
- 33 Ted Lieu (D)
- 34 Xavier Becerra (D)

- 35 Norma Torres (D)
- 36 Raul Ruiz (D)
- 37 Karen Bass (D)
- 38 Linda Sanchez (D)
- 39 Brett Murdock (D)
- 40 Lucille Roybal-Allard (D)
- 41 Mark Takano (D)
- 42 Tim Sheridan (D)
- 43 Maxine Waters (D)
- 44 Isadore Hall (D)
- 45 No Endorsement
- 46 Joe Dunn (D)
- 47 Alan Lowenthal (D)
- 48 Suzanne Savary (D)
- 49 Douglas Applegate (D)
- 50 No Endorsement
- 51 Juan Vargas (D)
- 52 No Recommendation
- 53 No Recommendation

U.S. Senate

Kamala Harris*

California State Assembly

- 1 Brian Dahle (R)
- 2 Jim Wood (D)
- 3 DUAL: Ed Ritchie (D)/ James Gallagher (R)
- 4 DUAL: Don Saylor (D)/ Dan Wolk (D)
- 5 Kai Ellsworth (D)
- 6 Brian Caples (D)
- 7 Kevin McCarty (D)
- 8 Ken Cooley (D)
- 9 Jim Cooper (D)
- 10 Marc Levine (D)
- 11 Jim Frazier (D)
- 12 Harinder Grewal (D)
- 13 Susan Eggman (D)
- 14 Mae Torlakson (D)
- 15 Tony Thurmond (D)
- 16 Cheryl Cook-Kallio (D)
- 17 David Chiu (D)
- 18 Rob Bonta (D)
- 19 Phil Ting (D)
- 20 Bill Quirk (D)
- 21 Refer back to Executive Council
- 22 Kevin Mullin (D)
- 23 No Endorsement
- 24 DUAL: Marc Berman (D)
Vicki Veenker (D)
- 25 Kansan Chu (D)
- 26 No Endorsement
- 27 Ash Kalra (D)
- 28 Evan Low (D)
- 29 Mark Stone (D)
- 30 Karina Cervantez Alejo (D)
- 31 Joaquin Arambula (D)
- 32 No Recommendation
- 33 Scott Markovich (D)
- 34 Perrin Swanlund (D)
- 35 Dawn Ortiz-Legg (D)
- 36 Darren Parker (D)
- 37 Monique Limon (D)
- 38 No Endorsement
- 39 No Recommendation
- 40 Abigail Medina (D)
- 41 Chris Holden (D)

- 42 Greg Rodriguez (D)
- 43 Ardy Kassakhian (D)
- 44 Jacqui Irwin (D)
- 45 No Recommendation
- 46 Adrin Nazarian (D)
- 47 No Recommendation
- 48 Bryan Urias (D)
- 49 Ed Chau (D)
- 50 No Recommendation
- 51 Jimmy Gomez (D)
- 52 Freddie Rodriguez (D)
- 53 Miguel Santiago (D)
- 54 Sebastian Ridley-Thomas (D)
- 55 Greg Fritchle (D)
- 56 Eduardo Garcia (D)
- 57 Ian Calderon (D)
- 58 Cristina Garcia (D)
- 59 Reggie Jones-Sawyer (D)
- 60 Eric Linder (R)
- 61 Jose Medina (D)
- 62 Autumn Burke (D)
- 63 Anthony Rendon (D)
- 64 Mike Gipson (D)
- 65 Sharon Quirk-Silva (D)
- 66 Al Muratsuchi (D)
- 67 No Endorsement
- 68 No Endorsement
- 69 No Recommendation
- 70 Patrick O'Donnell (D)
- 71 No Endorsement
- 72 No Endorsement
- 73 No Endorsement
- 74 No Endorsement
- 75 No Endorsement
- 76 No Endorsement
- 77 No Endorsement
- 78 Todd Gloria (D)
- 79 Shirley Weber (D)
- 80 Lorena Gonzalez (D)

California State Senate

- 1 Rob Rowen (D)
- 3 Bill Dodd (D)
- 5 Cathleen Galgiani (D)
- 7 No Recommendation
- 9 DUAL: Nancy Skinner (D)
Sandre Swanson (D)
- 11 No Recommendation
- 13 Jerry Hill (D)
- 15 Jim Beall (D)
- 17 Bill Monning (D)
- 19 Hannah-Beth Jackson (D)
- 21 Jonathon Ervin (D)
- 23 Mark Westwood (D)
- 25 Anthony Portantino (D)
- 27 Henry Stern (D)
- 29 Sukhee Kang (D)
- 31 Richard Roth (D)
- 33 Ricardo Lara (D)
- 35 Steven Bradford (D)
- 37 Ari Grayson (D)
- 39 Toni Atkins (D)

Ballot Measure

Prop 50: Recommend vote: YES

***SUP supports Loretta Sanchez for U.S. Senate**



Government awards grants for maritime heritage preservation

The National Park Service and Maritime Administration have awarded \$2.58 million in Maritime Heritage Program grants for projects in 19 states to preserve maritime history sites. Funding for the grants is provided through the recycling of vessels from the MarAd's National Defense Reserve Fleet. The grant program supports a broad range of maritime education and preservation projects, without expending tax dollars, while ensuring that the vessels are dismantled in an environmentally sound manner.

The Maritime Heritage Program grants are available to state, tribal and local governments, as well as private non-profit organizations for education and preservation projects. Education projects are funded in amounts between \$15,000-\$50,000; preservation projects are funded in amounts between \$50,000-\$200,000. Education grants can be used for programs such as school curriculum, interpretive programs and web pages and preservation grant projects can include the rehabilitation or restoration of ships and other maritime resources.

Examples of projects that will be supported by this year's Maritime Heritage Program grants include: an educational program providing students studying state history at California Title I schools an overnight stay on board historic tall ship *Spirit of Dana Point*; a plan to rehabilitate four offshore lighthouses to enhance public education and tourism related to Michigan's unique maritime history and the refinishing of the steel superstructure of the Liberty Ship *John W. Brown* in Maryland to stabilize and preserve the ship from hull and superstructure corrosion.

"As a nation with vast coastlines and interior waterways, our maritime heritage is an integral part of the story of our economic growth and the defense of our nation," said Director Jonathan B. Jarvis. "These grants will enable our state historic preservation partners to connect local communities to their maritime heritage from sea to shining sea."

"These iconic maritime treasures must be preserved for future generations – ships, lighthouses, and the vast array of strategic maritime vessels that served and protected our nation at critical times in our history," said Maritime Administrator Paul "Chip" Jaenichen. "The Maritime Administration is committed to preserving these assets and artifacts from our past, so that future generations can fully appreciate, and be inspired by our nation's maritime legacy."

The full list of projects receiving grants is as follows:

Alaska-Kodiak Maritime Museum and Art Center, Thelma C Exhibit Project, \$50,000

California-Santa Barbara Maritime Museum, *Spirit of Dana* Tall Ship Overnight Education Program, \$35,000

California-Maritime Museum Association of San Diego, A Distance Learning History Project: Linking to Cabrillo's Ship San Salvador, \$49,100

California-University of South Carolina, Island of the Blue Dolphins and its Maritime History Context, \$49,669

California-San Francisco Maritime National Park Association, Steam Ferryboat Eureka Structural Survey, \$52,900

Connecticut-Mystic Seaport Museum, Scrimshaw, Marine Painting, and Ship Model Preservation and Access Project, \$49,959

Connecticut-Connecticut River Museum, Connecticut River Museum Bulkhead Replacement Project, \$197,364

Delaware-Kalmar Nyckel Foundation, "Wilmington Shipbuilding" Interpretive Educational Exhibit, \$31,800

Florida-St. Augustine Lighthouse and

Museum, Construction of an Archaeological Research and Education Center, \$50,000

Maine-Maine Maritime Museum, Construction of Building Addition for a Simulated Lighthouse Lantern Room, \$50,000

Maryland-Historic St Mary's City Commission, Maryland Dove Pier Repair, \$50,000

Maryland-Phillips Wharf Educational Center, Chesapeake Oysters: From Skipjack to Shucker—A Maritime Heritage Experience, \$49,875

Maryland-Project Liberty Ship, Preservation of the Superstructure of Liberty Ship *John W. Brown*, \$178,670

Massachusetts-Massachusetts Institute of Technology, Visualizing Maritime History: A New MIT Online Resource, \$50,000

Massachusetts-New Bedford Fishing Heritage Center, Resilience: The Story of New Bedford's Fishing Industry, \$20,000

Massachusetts-Old Dartmouth Historical Society, Centennial Celebration of the Lagoda, the World's Largest Ship Model, \$37,000

Massachusetts -*USS Constitution* Museum, Renewing "Old Ironsides," \$50,000

Massachusetts-PAST Foundation, Telltales to Learning: Professional Development/Immersion Programs in Maritime Heritage, \$49,738

Michigan-Mason County Historical Society, The Cleaning, Preservation, and Public Display of Fresnel Lighthouse Lenses, \$52,335

Michigan-Michigan State Historic Preservation Office, Michigan Offshore Lights Historic Structure Report and Public Education Project, \$123,000

Minnesota-Minnesota Historical Society, Cultural Landscape Report for Split Rock Light Station, \$68,000

New Jersey-Mid-Atlantic Center for the Arts and Humanities, Exterior Painting at the Cape May Lighthouse, \$50,000

New York -National Maritime Historical Society, Indexing, Digitizing, and Online Expansion of *Sea History Magazine*, \$50,000

New York-Seamen's Church Institute of New York and New Jersey, Mapping New York City's Sailortown: A Networked Digital Maritime History Consortium, \$34,000

New York-Greater Lockport Development Association, Phase II of the Restoration of the Erie Canal Flight of Five: Miter Gates, \$200,000

New York-Town of North Hempstead, The Stepping Stones Lighthouse: First Steps to Rehabilitation, \$165,000

North Carolina-North Carolina Department of Cultural Resources, Queen Anne's Revenge: Development of Large Artifact Conservation Wet Lab, \$144,569

Ohio -Ohio Historical Society, Interior Restoration of the Historic Steam Towboat *W.P. Snyder Jr.*, \$100,000

Oregon-Oregon Museum of Science and Industry, Introducing Public Audiences to the *USS Blueback*, \$45,035

Pennsylvania-Independence Seaport Museum, Submarine Becuna Multimedia App Development, \$50,000

Pennsylvania-Philadelphia Ship Preservation Guild, Restoration of Boat Deck and Hull: 1902 Tug Jupiter, \$100,088

Rhode Island-Steamship Historical Society of America, Steaming into the Future, \$50,000

Virginia-Christopher Newport University, Documenting, Interpreting, and Disseminating Historical Collections from The Mariners' Museum Library, \$47,095

Washington-Sound Experience, Schooner Adventuress Deck Renewal Project, \$200,000

Grand Total \$2,580,197

At McDonald's, fat profits but lean wages

McDonald's Corporation has reported a 35% increase in profits for the first quarter of 2016, an unexpectedly large gain driven in part by its recent decision to sell Egg McMuffins all day long. It was the third straight quarter of positive results, indicating that the company has begun to compete more effectively against hipper, faster-growing rivals.

All of which is good news for the executives and shareholders of McDonald's. But when, if ever, will it be good news for McDonald's employees and for taxpayers?

McDonald's, a leader in the restaurant and food service sector, is a target in the Fight for \$15 movement to raise pay, and rightly so. Nearly 23% of workers in the sector are paid at or near the minimum wage, and raises have been feeble. A recent pay increase at McDonald's to at least \$1 over the local minimum wage will not help most employees, because it applies only to those who work at some 1,500 corporate-owned restaurants, rather than the vast majority who work at 12,500 franchises.

The stated rationale for the disparate pay scales is the company's assertion that franchisees, not the corporate parent, are solely responsible for pay at the franchises. Since last year, the National Labor Relations Board has been examining the legality of that assertion. It's been slow going. At a recent hearing, McDonald's lawyers disputed at length the admissibility of plain-English emails that the general counsel of the NLRB wanted to use as evidence to show the involvement of corporate headquarters in employee issues at the franchises. The irritated judge asked whether they would prefer "another 50 subpoenas" before moving on.

Through it all, taxpayers continue to pick up the difference between what fast-food workers earn and what they need to survive. An estimated \$1.2 billion a year in taxpayer dollars goes toward public aid to help people who work at McDonald's.

At the same time, McDonald's is under fire in Europe for shifting profits to Luxembourg in ways that allow the company to avoid tax in Europe and in the United States. Margrethe Vestager, the competition commissioner of the European Union, said recently that the tactic exploited policies against double taxation to justify "double non taxation." France has reportedly sent McDonald's a 300-million-euro tax bill connected to the profit shifting. Similarly, in Brazil, McDonald's is expected to respond to federal subpoenas asking about the company's tax, labor and business practices no later than the end of June.

As its profits show, McDonald's makes a lot of money on fast food. There was a time when workers and citizens received a fair share of such profits through decent pay and robust corporate taxes. This is a past that McDonald's and much of corporate America would rather you forget.

Editorial: *New York Times*, April 28.

Congressmen blast Norwegian flag-of-convenience airline

by Peter DeFazio (D-Oregon), Frank LoBiondo (R-New Jersey) and Rick Larsen (D-Washington)

"The planes are painted in the national colors of Norway, their tails decorated with pictures of famous Norwegians. Emblazoned on the fuselage in bold print is the airline's name, Norwegian. You buy your tickets at Norwegian's website to fly on the airline from New York or Los Angeles to Oslo.

But that's where the "Norwegian" part of this airline's business model ends. Norwegian Air International (NAI) is headquartered in Ireland, employs crews under short-term contracts governed by Singapore law, and bases many crewmembers in Bangkok to avoid Norway's fair and strong labor standards. It is "Norwegian" in name only. The airline is set up to operate services under our expansive air transport agreement with Norway and the European Union on anti-labor terms that put American jobs at risk.

Despite NAI's overt use of a flag of convenience, the U.S. Department of Transportation gave this arrangement a stamp of approval on April 15, tentatively deciding to issue NAI a foreign air carrier permit for permanent service to the United States. Not only is the Department's decision shortsighted, it ignores the clear language of our air transport agreement stating that U.S.-Europe air services "are not intended to undermine labor standards or the labor-related rights and principles contained in the Parties' respective laws." In signing this agreement, the United States agreed not to be complicit in any attempt by a European airline to circumvent its home country's labor laws by hiring crews under cheaper, foreign contracts. But in allowing NAI to serve the United States using this business model, that is exactly what the Department of Transportation has done.

The NAI business model creates a race to the bottom among global carriers when it comes to fair and sustainable labor practices. As a result, hundreds of thousands of hardworking airline employees in the United States who are protected by the strong labor rules that govern U.S. air carriers will lose. And ultimately so will American travelers, who may one day find themselves with fewer options for travel to Europe and beyond once Norwegian and carriers like it have exploited cheap labor to drive U.S. carriers out of the market.

The Obama Administration must enforce labor standards in trade deals. If this administration chooses not to enforce its own commitment in the U.S.-EU-Norway-Iceland Air Transport Agreement that air services will not "undermine labor standards or the labor-related rights and principles" of U.S. or Norwegian law, the future of U.S. competitiveness looks very bleak indeed.

To protect the sanctity of labor rights in international civil aviation, Congress must step in and require the Department to honor its commitments. Last week, we introduced a bipartisan bill that will prohibit the Secretary of Transportation from allowing an airline to fly between the United States and Europe unless the Secretary specifically finds that the airline's business practices are consistent with the air transport agreement's labor protections. The Administration can still change course and correct its flawed tentative decision. Doing so will demonstrate a willingness to enforce reasonable, universal labor standards and maintain a sustainable global aviation system that's here for the long haul."

ESU Office Assignments

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

ESU NEWS

MAY 2016

Official Publication of the Exxon Seamen's Union

SeaRiver President Jack Bouno retires

SeaRiver Maritime Inc. President Jack Bouno has elected to retire effective July 1. Mr. Bouno illustrious career with SeaRiver Maritime and ExxonMobil spans more than 38 years.

Mr. Bouno joined the Marine Department of Exxon Company, USA in 1978 as a ship's officer, upon graduating from the United States Merchant Marine Academy at Kings Point, New York. He sailed in all deck officer capacities for 13 years, including five years as Captain of crude, product and chemical tankers. In 1991, he transferred ashore, where he held increasingly responsible positions including Senior Marine Advisor, Head of Operations Safety & Casualty Response, and Assistant to the President of SeaRiver Maritime, Inc.



JACK BOUNO

In 1996, he left SeaRiver and joined the Supply Department of Exxon Company, USA, where he held the positions of Logistics Advisor and Business Development Manager. He returned to SeaRiver Maritime, Inc. in 2000 as Operations Vice President. In 2003, he moved to Virginia where he served as General Manager of ExxonMobil Refining & Supply Company, Global Marine Trans-

portation Optimization, until the end of 2011. He was appointed President of SeaRiver Maritime in January 2012, and has served in that capacity to this day.

Jack is Chairman of International Marine Transportation (IMT), Vice Chairman of Oil Companies International Marine Forum (OCIMF), a Director of the International Tanker Owners Pollution Federation (ITOPF) and Chairman of the North America Region of the American Bureau of Shipping (ABS). He is also a Coast Guard Foundation Trustee and a member of the Board of Trustees for Webb Institute of Technology.

The Exxon Seamen's Union would like to thank Jack for his many positive contributions while President of SeaRiver Maritime. Under his leadership SeaRiver Maritime has prospered and remains a strong and viable shipping company. We wish Mr. Bouno and his wife Lorraine a long and happy retirement.

ExxonMobil boosts 2Q dividend by 3%

The Board of Directors of ExxonMobil Corporation declared a cash dividend of 75 cents per share on the Common Stock, payable on June 10, to shareholders on record of Common Stock at the close of business on May 13. This second quarter dividend compares with 73 cents per share paid in the first quarter of 2016. 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 34 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; or 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 member John Straley visited the *Progress* on April 22, at the Enterprise terminal near Beaumont, Texas. The past two discharge ports included Jacksonville and Port Everglades. Next load port looks like Phillips 66 Alliance in the Mississippi River. Joe Butler is filling in as Ship Rep. and reports everything going well aboard ship.

Eagle Bay

ESU Board officer John Straley visited the vessel at anchor in Long Beach on April 28. Ed Stoeckel is filling in with the Ship Rep. duties and staying in touch with the ESU office. Vessel is slated for back-to-back trips from Valdez to Long Beach with a trip scheduled for the Puget Sound in June.

Liberty Bay

ESU officer Leo DeCastro visited the ship at anchor in Long Beach on May 10. The *Liberty* discharged part of its cargo at Tesoro 121 and then the remainder at Shell Anacortes in the Puget Sound on May 17. Next discharge is slated for a split in San Francisco towards the end of May. Regular Ship Representative Joe Buffington aboard and reports everything going well.

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

ExxonMobil starts production at Point Thomson

On April 22, ExxonMobil said it had started production at its Point Thomson project, the first company-operated project on Alaska's North Slope.

Central pad facilities are designed to initially produce about 5,000 barrels per day of condensate and 100 million standard cubic feet per day of recycled gas. The recycled gas is re-injected for future recovery. At full rate production, the facility is designed to produce up to 10,000 barrels per day of natural gas condensate and 200 million cubic feet of recycled gas. It is anticipated to reach that level when the west pad well is online in a few months.

The Point Thomson reservoir holds an estimated 8 trillion cubic feet of natural gas and associated condensate – a high-quality hydrocarbon similar to kerosene or diesel. The resource represents 25% of the known gas on the North Slope. Potential future development will depend on a range of factors such as business considerations, investment climate, and the fiscal and regulatory environment.

“The successful startup of Point Thom-

son demonstrates ExxonMobil's project management expertise and highlights its ability to execute complex projects safely and responsibly in challenging, remote environments such as the North Slope in Alaska,” said Neil W. Duffin, president of ExxonMobil Development Company.

ExxonMobil and the working-interest owners have invested approximately \$4 billion in the development of Point Thomson production facilities through 2015. About 100 Alaskan companies have contributed to the success of the project, and thousands of people worked on site and around the state during peak construction activity.

“Our strong partnership with Alaskans and Alaska-owned companies played a critical role in helping to complete this major project,” Duffin said. “It further reinforces our commitment to pursuing the development of Alaska's natural gas resources.”

Point Thomson is located on state acreage along the Beaufort Sea, 60 miles east of Prudhoe Bay and 60 miles west of the village of Kaktovik.

Two ESU members retire

The Union has been notified that two longtime ESU members have elected to retire from SeaRiver Maritime.

Able Seaman Nathan Lambird will retire on June 1, with 30 years of Company service. Nathan began his career as AB with Exxon Shipping during May of 1986, with his first tour aboard the *Exxon Jamestown*. Nathan joined the Company with prior seagoing experience with Dixie Carrier and offshore Logistics. Nathan says he is still getting used to the idea of retirement and admits there are things about the job that he will miss, especially his shipmates. His immediate plans in retirement includes hunting and fishing near his home in Newton, Illinois. Nathan's last vessel assignment was the *S/R American Progress*.



NATHAN LAMBIRD

Pumpman Erwin Smerecnik retired on May 1, with over 26 years of combined company service from SeaRiver and Mobil Oil Corp. Erwin began his career with Mobil on April 28, 1989. He later joined the SeaRiver fleet in June of 2000 when the *American Progress* became a part of SeaRiver as a result of the ExxonMobil merger. Erwin's last vessel assignment was the *S/R American Progress*.



ERWIN SMERECNIK

On behalf of the membership, the ESU wish both Erwin and Nathan fair winds and following seas and the best of luck in their retirement years. We thank them for their many contributions and years of service, support of the ESU and wish all the very best as they begin a new chapter in their lives.

EXXON SEAMEN'S UNION

Founded March 28, 1941

Affiliated with the Sailors' Union of the Pacific

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Vice President/Treasurer Leo DeCastro

Board Member at Large Don Picou

Board Member at Large Ein Cooley

Deck Trustee Jeffrey Harris

Engine Trustee William Ackley

Steward Trustee Joel Mitchell

Indonesia could be the new Somalia

Indonesia fears piracy on a shipping route along its sea border with the Philippines could reach Somali levels and has told vessels to avoid danger areas, officials said last month, after a spate of kidnappings.

Analysts say the route carries \$40 billion worth of cargo each year. It is taken by fully laden supertankers from the Indian Ocean that cannot use the crowded Malacca Strait. Concerns over maritime attacks by suspected Islamist militants are disrupting the coal trade, with at least two Indonesian coal ports suspending shipments to the Philippines.

Up to 18 Indonesians and Malaysians have been kidnapped in three attacks on tugboats in Philippine waters by groups suspected of ties to the Abu Sayyaf militant network. Abu Sayyaf, which has posted videos on social media pledging allegiance to Islamic State militants in Iraq and Syria, has demanded 50 million pesos (\$1.1 million) to free the Indonesian crew.

"We don't want to see this become a new Somalia," Indonesian Chief Security Minister Luhut Pandjaitan told reporters, referring to the southern Philippine waters of the Sulu Sea, where the abductions took place. The foreign ministers of Indonesia, Malaysia and the Philippines will meet in Jakarta to discuss the possibility of joint patrols, Pandjaitan said. He added that the armed forces chiefs of the three countries would hold talks in Jakarta on May 3.

The Indonesian Navy has instructed all commercial vessels "to avoid piracy-prone waters around the southern Philippines", a spokesman for the Indonesian military said. The navy is increasing patrols around Indonesia's borders with Malaysia and the Philippines "to prevent acts of piracy and hijacking", Tatang Sulaiman said.

The Kuala Lumpur-based Piracy Reporting Center has also warned ships sailing in the Celebes Sea and northeast of the Malaysian state of Sabah on the island of Borneo to stay clear of suspicious small vessels.

COAL TRADE HIT

Two Indonesian coal ports have blocked departures of ships for the Philippines and more suspensions are expected, said Pandu Sjahrir, Chairman of the Indonesian Coal Mining Association, and a director of Jakarta-listed coal producer Toba Bara Sejahtera. Toba had suspended all shipments to the Philippines, Sjahrir said. Other companies had canceled shipments "from both sides", he added. The Indonesian state-owned coal miner Bukit Asam said it was diverting Philippine coal shipments to Hong Kong for the next three months. The company ships less than a million tons to the Philippines per year, Bukit Asam corporate secretary Joko Pramono said.

One company with a fleet of 40 dry cargo ships saw a silver lining, however. "If Indonesia bans tugs and barges from exporting coal then it will have to travel in larger cargo ships, of 32,000 to 64,000 tons," said Khalid Hashim, managing director of Bangkok-listed Precious Shipping. "All this would of course be beneficial for shippers like us."

Indonesia, the world's largest thermal coal exporter, supplies 70% of the Philippines' coal import needs, which Indonesian data shows stood at about 15 million tons, worth around \$800 million, last year. Philippine coal importers, however, said they could import coal from other countries including Australia, South Africa and Russia and source more locally if Indonesian shipments dried up.

USCG warns of dangerous rise in laser strikes

On April 29, the U.S. Coast Guard reported administrative efforts in Puerto Rico and in Washington State to combat the aiming of high-powered lasers at vessels and aircraft, which can impede safe navigation or even damage bridge or aircraft crews' eyesight.

In Washington, the USCG Sector Puget Sound issued a \$100,000 civil penalty last month to a Washington resident who intentionally struck the Washington State Ferry *Tokiate* with a high-powered blue laser October 22, 2015, resulting in injuries to the ferry master and chief mate.

"Firing a laser at a vessel is extremely dangerous and directly interferes with the safe movement of commercial vessels and the Coast Guard's ability to conduct search and rescue operations," said Captain Joe Raymond, Captain of the Port, Sector Puget Sound. The Sector said that in addition to laser incidents involving ferries, laser strikes on Coast Guard helicopters and rescue boats in Puget Sound have continued to increase over the last few years. Captain Raymond requested assistance from the public in reporting laser attacks to authorities.

In Puerto Rico, the Coast Guard Office San Juan is investigating three laser strike incidents during a five-day period aimed at Coast Guard aircraft in Aguadilla Bay, Puerto Rico – including one strike occurring in the middle of a rescue operation. "Pointing a laser at an aircraft

is irresponsible, illegal and dangerous," said Lt. Hunter Blue, MH-65D Dolphin helicopter aircraft commander. "I was in disbelief to know that someone was pointing a laser at us during the middle of a rescue hoist . . . adding difficulty to an already complex life-saving mission. I am extremely proud of the performance and focus of our crew in completing a successful rescue and bringing the victim to the care of medical authorities."

The USCG said that personnel affected by laser strikes regularly report temporary effects in vision, including afterimage, flash blindness and temporary loss of night vision. In some cases, laser strike can result in permanent damage to a person's eyesight.

Pointing a laser at an aircraft is a federal crime and a felony offense, and if found guilty, offenders could be fined up to \$250,000 and sentenced to five years in prison, the Coast Guard said.

SUP member join pension ranks

The following SUP member joined the rank of pensioner, bringing the total number of SUP members to 213:

Christopher Roblee, 66, Book No. 19057, joined SUP in 2001, 6 years seetime.

Welfare Notes

May 2016

Dental Plans and Benefit News

Dental implants are now covered for Active Participants under some of the Dental Plans offered through the SUP Welfare Plan. Should you be in need of dental implant services, first check whether they are a covered benefit of your particular plan and verify that your dentist is a network provider. If implants are covered, the service must be pre-authorized just as all major dental work to be performed must be pre-approved by your dental plan. Be sure that you understand what your financial responsibility will be before you undergo treatment. Copayments for dental implants are not reimbursed to the Participants by the SUP Welfare Plan.

California residents enrolled in the United Health Care Dental Plan should have already received information on the new dental schedule of copayments going into effect June 1, 2016. If you are enrolled in this plan and did not receive this information, please contact the Plan office.

Participants who were enrolled in the AIG (U.S. Life) Dental Plan have been moved into the Standard Dental Plan. AIG is no longer offering Dental Insurance. The Standard Dental Plan policy number is 160-770231-1. The Plan change was effective May 1, 2016. Participants who have been moved into the Standard Dental Plan should have already received their ID cards for the Standard Dental Plan with information on how to find a dentist.

There are no changes to the other dental plans for active members at this time. Be sure to enroll yourself and eligible dependents in a dental plan when you become eligible. If you delay the enrollment you may not be eligible to enroll until the next open enrollment period. When you are enrolled in a plan you must stay in that plan for 12 months before you can change plans unless you move to another location outside of their service area.

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SUP Welfare Plan 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

Costa Concordia's skipper appeals conviction: blames the helmsman

The captain of the wrecked cruise ship *Costa Concordia*, Francesco Schettino, has appealed a court decision convicting him of multiple manslaughter and other charges for his part in the fatal 2012 disaster.

In February of last year, Schettino was sentenced to 16 years in jail. His defense argues that the court was mistaken in charging him with primary responsibility for the wreck, which resulted in the deaths of 32 people. Legal counsel Saverio Senese suggested that there were other factors leading to the accident, "and we hope to be able to show that." Senese pointed to shipowner Costa Crociere, the actions of the *Concordia's* helmsman, and to coast guard authorities for partial responsibility. "We will ask that the responsibility of all the protagonists in this affair be redefined, not just that of our client," said Donato Laino, another member of Schettino's legal team.

At the same time, the prosecution intends to ask the court to go in the other direction, and to increase Schettino's sentence to 27 years' imprisonment. His current sentence includes 10 years for manslaughter, five years for causing the disaster and the costly salvage operation that followed, and one year for abandoning ship before his passengers. The prosecution said that the partial culpability of any other parties was beyond the scope of the captain's trial. "It also lies with others, but that does not clear Schettino," said prosecutor Alessandro Leonizzi.

Five other crewmembers entered plea bargains and were sentenced in connection with the disaster, with shorter terms in the range of two to three years. So far, owner Costa Crociere has only received a civil penalty in the amount of \$8 million, for survivor compensation.

Membership and Ratings Committee

The Committee met on May 5, 2016, and found the following members eligible for advancement in seniority and rating stamps in the various departments:

Name and Membership Number	Seetime	Rating	Seniority
Juancho Gutierrez 19445	1 Year	A.B.	B
Frank Duffin 19446	1 Year	A.B.	B
Salvadore Del Rosario 19447	1 Year	A.B.	B
Chanratana Ting 19448	1 Year	O.S.	B
Timothy Jones 19449	1 Year	A.B.	B
Roberto Morante 19450	1 Year	A.B.	B
Artemis Ervin 19451	1 Year	A.B.	B
Christian Trujillo 19452	1 Year	O.S.	B
Miguel Gill C-2593	30 Days	O.S.	C
Pedro Abuda C-2594	30 Days	A.B.	C
Miguel Trujillo C-2595	30 Days	O.S.	C

Membership and Ratings Committee's Report: M/S to concur in the Committee's report. Carried unanimously. Membership and Ratings Committee: Langston Holmberg #19422, Shane McCullough #C2576 and Leszek Jeziorski #19212.

NTSB search locates voyage data recorder from *El Faro*; another mission needed to recover the device

The following is excerpted from articles released April 27, and April 26, by the National Transportation Safety Board (NTSB). On April 26, the NTSB announced the voyage data recorder had been located by the search team working onboard the *Atlantis*. The NTSB's landing page for the *El Faro* investigation with links to the complete articles and additional information, images and video is available online at <http://go.usa.gov/cuDfV>.

WASHINGTON (April 27, 2016)

The investigative team aboard the research vessel *Atlantis* who located the *El Faro*'s voyage data recorder Tuesday has determined it will not be possible to recover the VDR during the current mission.

The team of investigators and scientists aboard *Atlantis* collaborated with investigators at the National Transportation Safety Board lab in Washington and determined that, given the VDR's proximity to the mast and other obstructions, recovery of the VDR cannot be accomplished with the equipment currently available on the ship.

Video and photographic images revealed that the VDR appears to remain attached to a steel beam connected to the mast structure.

"Now that we have been able to see just how the VDR is oriented relative to the mast structure, it's clear that we're going to need specialized deep-water salvage recovery equipment in order to bring it up," said Brian Curtis, acting director of the NTSB Office of Marine Safety. "Extracting a recorder capsule attached to a four-ton mast under 15,000 feet of water presents formidable challenges, but we're going to do everything that is technically feasible to get that recorder into our lab."

Although there is not yet a confirmed timeframe for the launch of the VDR retrieval effort, investigators are hopeful that the logistics can be coordinated so that the mission can be completed in the next several months.

The current mission will continue to gather imagery of the *El Faro* hull and debris field until successfully completed. *Atlantis* is expected to depart the site April 30, and arrive in Woods Hole, Massachusetts, May 5.

In October and November of 2015, the NTSB conducted an initial search mission to locate the sunken vessel and conduct an initial survey of the debris field. The data collected during that mission were used by investigators to plot "high probability" search zones for the current mission. Those data proved reliable and resulted in the location of the mast and VDR in one of the zones.

WASHINGTON (April 26, 2016) - The cargo ship *El Faro*'s voyage data recorder was located early Tuesday morning in 15,000 feet of water, about 41 miles (36 nautical miles) northeast of Acklins and Crooked Islands, Bahamas, by a team of investigators and scientists using remotely operated undersea search equipment.

The investigative team is comprised of specialists from the National Transportation Safety Board, the U.S. Coast Guard, Woods Hole Oceanographic Institution and TOTE Services, the operator of *El Faro*.

At about 1:00 A.M. EDT, the team aboard the research vessel *Atlantis* located the *El Faro*'s mast where the VDR was mounted. After examining numerous images provided by undersea search equipment, the team positively identified the VDR.

"Finding an object about the size of a basketball almost three miles under the surface of the sea is a remarkable achievement," said NTSB Chairman Christopher A. Hart. "It would not have been possible without the information gained during the first survey of the wreckage and the equipment and support provided by Woods Hole Oceanographic Institution, the National Science Foundation, the U.S. Coast Guard, the U.S. Navy, the University of Rhode Island, and the many other partners involved in this effort."

The type of VDR mounted on *El Faro* is capable of recording conversations and sounds on the ship's navigation bridge, which could provide investigators with important evidence as they seek to understand the sequence of events that led to the sinking.

European maritime industry unites for *Prestige* captain

In a show of solidarity, the European Transport Workers Federation (ETF) and the European Community Shipowners' Associations (ECSA) have united to condemn the recent sentencing of *Prestige* master Apostolos Mangouras.

Spain's Supreme Court sentenced the captain of the *Prestige* tanker, which sank off Spain's northwestern coast in 2002, covering thousands of miles of coastline in fuel oil, to two years in prison in January. Mangouras was convicted of recklessness resulting in catastrophic environmental damage, according to a statement by the court, overturning a previous sentence which cleared him of criminal responsibility.

The two organizations have stated that they stand ready to show their full support for Mangouras and are willing to travel to Greece to meet with him and make it publicly clear they remain determined to stand firm against the trend in criminalization of seafarers.

The European Social Partners in Maritime Transport – ETF and ECSA – are extremely concerned about the recent court decision in the *Prestige* case as it unexpectedly overturned the judgment by the Provincial Court of La Coruña (Galicia) which had yet cleared both the master and the chief engineer of criminal responsibility.

Judges have now convicted Mangouras of gross negligence for his decisions during the voyage and his actions as events unfolded. But this decision is nothing less than a further proof – one time too many – of the ill-treatment of seafarers that began as early as the time of accident and which, in the case of Mangouras, has continued for an agonizing period of fourteen long and stressful years of judicial harassment, says the Social Partners.

The Provincial Court judgment found Mangouras innocent for the simple reason that he bravely fulfilled his professional duty in attempting to save his ship. Confronted with a refusal by the Spanish authorities to give the damaged ship a place of refuge (where an oil spill could have been contained), not only the master but also the chief engineer and the chief officer remained on board the vessel, while the hull was breached and the risk of capsizing was dramatically increasing. Under pressure from the Spanish authorities, the master had to take a series of actions against his will that resulted in the damaged tanker being forced to remain out at sea in dreadful conditions, where it eventually broke in two and sank off the coast of Galicia.

The Social Partners cannot accept that seafarers

should have to pay such a heavy price while the Spanish maritime authority, who had been exempted from any liability, ordered the vessel away from any port of refuge, with well-known catastrophic effects upon the natural environment.

It is beyond dispute that seafarers are too often used as easy scapegoats upon whom to shift all the responsibility for possible environmental damages, and unfairly sued – sometimes in flagrant breach of their fundamental rights, say the Social Partners.

In addition, the Social Partners fear that such a ruling will impact negatively on the attractiveness of a seafaring career and hence on the future recruitment of young competent seafarers. At a time when ECSA and ETF – together with the European Commission – are looking to promote the European maritime profession and render it attractive to young Europeans, the Supreme Court's judgment sends entirely the wrong signal.

Against this background, it is the industry's duty to condemn and rebut in the strongest terms the Supreme Court's judgment. It criminalizes seafarers with no evidence and makes it clearer than ever that there is a strong case for securing the supervision and implementation of the IMO/ILO Guidelines on fair treatment of seafarers in the event of a maritime accident of June 12, 2006, and the new E.U. Operational Guidelines on Places of Refuge of November 13, 2015. The latter have been developed jointly with the shipping industry, with the specific aim of avoiding a repetition of the mistakes made during the *Prestige* and *MSC Flaminia* incidents. It is therefore ironic that this judgment just comes at a time when the proper implementation of these guidelines could have prevented the worst from happening.

ETF and ECSA sincerely hope that this wholly unjustified sentence will not be served, as logic suggests a man who is past 80 and deeply marked by injustice cannot again be pointlessly sent to jail.

At a meeting of the International Oil Pollution Compensation Funds (IOPCF) last month, the International Chamber of Shipping (ICS) also strongly criticized the judgment of the Spanish Supreme Court. "The Supreme Court's decision was extremely surprising in that it overturned a lower court's acquittal of the master, in his absence, and without hearing any new evidence as to his knowledge about the condition of the ship. This raises fundamental questions as to whether it was a fair trial," said the ICS statement.

Health inspectors find cockroaches, potentially hazardous food aboard two foreign-flag cruise ships

Federal health inspectors have given two Carnival Corp.-owned cruise ships a failing grade after finding cockroaches, dirty kitchen spaces and "potentially hazardous" food on board.

In March, the Center for Disease Control (CDC) inspectors found kitchens with soiled grout, various insect remains throughout the ship and "potentially" hazardous food on the Bermuda-registered *Oceana*, which is owned by Carnival subsidiary P&O Cruises based in Britain. One pantry area onboard had a fruit fly infestation and the temperature of a refrigerator used to store cheese was found to be too high, which could result in quicker spoilage. The liner received a failing grade of 82 out of 100—85 or higher is needed to pass. The health inspectors also shut down the ship's swimming pool area after finding inadequate levels of chlorine, according to the report which was released April 1.

Another P&O ship, also registered in Bermuda, the *Oriana* which is slightly smaller than the *Oceana*, passed with a score of 90 but was marked down for several issues including improperly stored utensils which were found unprotected by a temporary sneeze guard and three live cockroaches crawling in areas where food is prepared or stored.

In January, a line cook aboard the *Oriana* began experiencing gastrointestinal problems but continued to work in the kitchen without reporting his symptoms for several hours. The report reprimanded the employee for failing to report his symptoms sooner.

A spokeswoman for Cruise Lines International Association (CLIA) indicated that passengers must take responsibility for the spread of illnesses like norovirus, but the report raises concerns about the role sanitation standards that employees play in spreading or preventing disease on large ships. "The process starts even before a ship leaves port, including screening of passengers for any illnesses they may have contracted on land," said CLIA's Elinore Boeke. "Passengers are also reminded to wash hands regularly, just as people should do on land, and hand sanitizers are located throughout a ship."

In wake of the report's release, P&O Cruises said it was "extremely disappointed" by the inspection results. Carnival spokeswoman Michele Andiel said that the line had "immediately rectified the areas identified as needing attention."

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



SUP President's Report

May 9, 2016

MATSON NAVIGATION COMPANY

A year ago this month (see the May 2015 issue of the *West Coast Sailors*), Matson initiated its corporate shell game to deny the SUP and MFOW bargaining rights and employment in its newly acquired Alaska service when it purchased Horizon Lines. The company's position was that the acquisition of Horizon was a "merger" and that it would continue to honor that defunct company's collective bargaining agreements – including those with the SIU-A&G for the unlicensed deck and engine departments.

Since that time it has become even clearer that Matson's failure to employ SUP and MFOW personnel in vessels engaged in its Alaska service are in violation of various provisions of the General Rules of the 2013-2017 Agreement. Specifically, **Section 3 - Vessels Covered and Manning:**

(a) This Agreement is binding with respect to all vessels operated by the Company signatory to this Agreement, except as otherwise specifically provided herein, to the fullest extent permitted by law.

(b) This Agreement covers the unlicensed employees represented by the SIU Pacific District employed on oceangoing U.S.-flag vessels, owned, operated or bareboat chartered (both at present or at any time during the life of this Agreement) by the Company signatory hereto, or any of its subsidiaries or affiliates (whether so at present or at any time during the life of this Agreement) as an owner, agent, operator or bareboat charterer. The term "subsidiary" or "affiliate" shall be deemed to include any business entity whether corporate, partnership, trust, individual or otherwise, which is effectively controlled by or effectively controls the Company either directly or indirectly.

There is no question that Matson owns and operates the four vessels dedicated to the Alaska trade. However, when the SUP and MFOW sought clarification on this issue from the National Labor Relations Board, this government agency – while acknowledging and ignoring the Agreement at the same time – was prepared to rubber-stamp Matson's double-breasted operation. While this battle was lost, the SUP and MFOW continue to explore all options to gain work in Matson's Alaska vessels. (See the February 2016 issue of the *West Coast Sailors*.)

Now another issue has arisen in the ongoing conflict with Matson.

In early April, Matson's long-term schedule showed the *Matson Navigator* departing Oakland for Long Beach during the last week of the month then sailing to Honolulu. On April 7, the SUP and MFOW sent a request to Captain Jack Sullivan, the company's Vice President of Vessel Operations and Engineering, seeking all information regarding the operation of the vessel in the Hawai'i trade. Sullivan responded that additional tonnage was needed in the trade and that the *Navigator* was being added to increase capacity from 10 to 11 ships. After further correspondence from the SUP and MFOW, Sullivan stated on April 14, that the *Matson Navigator* is a Horizon Lines vessel and that the unlicensed deck and engine jobs would be filled by the SIU-A&G.

It must be noted that the Navigator is not employed in the Alaska trade, but is one of the five old tubs that Matson acquired when it bought Horizon. The Matson Navigator was built for Farrell Lines in 1972 as the Austral Envoy, then sold to United States Lines where she was renamed American Envoy, then to Sealand Service where she became the Sealand Navigator, then the CSX Lines where she was renamed CSX Navigator, then to Horizon Lines as the Horizon Navigator, and finally when Matson bought Horizon last year, she became the Matson Navigator – painted in Matson colors and registered in Honolulu.

On April 19, the SUP and MFOW filed a grievance with Matson under Section 10 of the General Rules "... in response to Matson's assignment of work in the Hawai'i trade to non-bargaining unit personnel in violation of Matson's collective bargaining agreement with the SUP and MFOW."

The Unions pointed out that the company's actions violated not only Section 1, Recognition of the General Rules, but Sections 3(a) and 3(b) which were previously mentioned, but Sections 3(d), 5(a), 5(b), 33 and other applicable provisions of the General Rules.

Section 3(d) Vessels Covered and Manning, states:

"This Agreement shall be binding upon the parties hereto, their successors, transferees and assigns. The Company agrees that it will not sell, transfer or assign any vessel covered by this Agreement to another entity (including any partnership, joint venture, alliance or other business arrangement in which the Company is a party) without first securing the written agreement of said entity to assume the Company's obligations under this Agreement. In the event the Company sells, transfers or assigns any vessel covered by this Agreement to another entity who does not agree in writing to assume the obligations of this Agreement, the Company shall be liable for any and all lost wages and benefits thereby incurred, for a period not to exceed the current term of the contract, by bargaining unit employees and shall be obligated to reimburse the Union for its attorneys' fees related to the prosecution of the Company's violation of this provision."

Section 5. No Interference With Other Employees, states:

(a) The Union shall not interfere with the performance of work outside the general scope of this Agreement provided such work is customary in the particular trade and is arranged for with the employees by the Employer on mutually satisfactory terms and conditions, nor shall the Union or its members interfere with the performance of any work by other employees, provided it is customary in particular trades to employ other employees to perform such work.

(b) Work customarily assigned to unlicensed personnel in each department aboard vessels will continue to be assigned to unlicensed personnel and no one else."

Section 33. Sale or Transfer of a Trade Route or Service, states:

"(1) The parties agree that a sale or transfer of a "trade route" or "service" is not in the normal course of doing business in the maritime industry, and the Company agrees that by reason of the Unions' lawful right and interest to cushion the effects of any job dislocation on individuals in the bargaining unit and to stabilize labor relations, it will not sell or transfer such trade route or service or make any application to any governmental agency for approval thereof without the prior written consent of all of the Unions comprising the District.

(2) For abridgment of the foregoing provision by the Company, the Unions shall be entitled to judicial injunctive relief against the Company, anything to the contrary contained herein notwithstanding.

(3) If bargaining between the parties becomes necessary, the parties shall meet promptly for the purpose of bargaining collectively in an endeavor to mutually resolve all issues arising from the effects of any sale or transfer of a trade route or service upon individual employment opportunities, and upon all other rights arising out of such employment. They shall consider and endeavor to provide fair and reasonable resolution for the employment service of individuals in the bargaining unit and economic loss by termination of jobs; the loss or threat of loss of entitlement to benefits provided by contractual beneficial funds; and a quid-pro-quo type severance payment."

The Unions further stated that the company's decision to operate the *Navigator* in the Hawai'i trade without workers represented by the SUP and MFOW is contrary to century-plus past practice.

The SUP and MFOW then demanded that the unlicensed deck and engine room work be assigned to the Unions without delay, and if the company refused – which it did – the issue, proceed to immediate grievance resolution via arbitration, which is a crap shoot but the only viable and legal option until bargaining begins with the company in June of next year.

Matson agreed to arbitration and the parties selected Oakland-based Arbitrator Frank Silver. As of today's meeting, the arbitration is scheduled for June 9.

The importance of this issue cannot be understated and to add insult to injury, the company has laid-up the SUP/MFOW crewed *Maui* indefinitely while the *Matson Navigator* is projected to be on the Long Beach-Honolulu run for the foreseeable future.

Will keep all hands fully informed.

AMERICAN PRESIDENT LINES

As reported in a front page article in the March issue of the *West Coast Sailors*, Arbitrator Margaret Brogan ruled on February 9, that APL violated the collective bargaining agreements of the SUP, MFOW, MEBA and MM&P when the company crewed the *APL Guam*, a Maritime Security Program (MSP) replacement vessel, with labor from the SIU-A&G and the AMO. Based on the award, APL removed the SIU-A&G unlicensed deck and engine room personnel and replaced them with SUP and MFOW members. The same thing happened topside with MEBA and MM&P licensed personnel relieving the AMO.

The second part of the arbitration award involves wages and contributions to the respective benefit plans covering the time period when the *APL Cyprine* was flagged foreign and the *APL Guam* began operating with SUP, MFOW, MEBA and MM&P personnel.

On April 29, after several weeks of bargaining, the SUP and MFOW received a revised offer of damages from the company.

For the SUP, the company proposal is based on the contractual manning of one bosun, four ABs and one Specially-Trained Ordinary Seaman (STOS). The proposal by the company, agreed to by the Union, pending membership ratification, is \$293,442.79.

Recommend membership ratification.

CHEVRON SHIPPING COMPANY

Barely a month after Arbitrator Andria Knapp determined that Chevron violated the collective bargaining agreement and the National Labor Relations Act by unilaterally implementing one-person watches at sea (see the April issue of the *West Coast Sailors*), the company was back at it: notifying the Union that it intended to implement a one-person watch system in the *Florida Voyager* enroute to a shipyard in Spain.

Chris Hendry, Chevron's Manning Manager for Fleet Operations, whined that the company was "...disappointed and disagrees with the Union's interpretation of the Award..."

The Union objected. SUP Vice President Dave Connolly immediately fired back a response to Hendry on May 5:

"After further review and discussion, we herewith repeat the objection made to any new implementation of a one-person watch at sea in the *Florida Voyager* or any other ship under SUP contract with Chevron. The arbitrator's award is unequivocal. "One person watches may only be implemented pursuant to the express terms of the parties' agreement. Any modifications to the existing two-person watch system at sea must be negotiated with the Union." There is no agreement and there has been no negotiation. Therefore, any such implementation is a violation of the existing contract and the arbitrators Award.

Please confirm that in accordance with the Company's stated intention to comply with the Award there will be no implementation of the one-person watch in *Florida Voyager* enroute to the shipyard."

Hendry responded that "... at this time, we will not implement one-man watches at sea. . . but instead will look at alternative ways in which to best utilize our manpower onboard the U.S.-flag fleet under the current watch system." Hendry also indicated that the watch system would likely be a subject the company will raise in bargaining next year when the current Agreement expires.

continued on next page

SUP members employed by Chevron should report any violations of the Agreement to the Union. It should also be noted that Arbitrator Knapp retains jurisdiction over the one-person watch award which is particularly useful with this clueless outfit that complies with the law only when it is forced to. It should be noted that the arbitrator's Award is final and binding.

HOLIDAYS

Memorial Day:

All SUP halls will be closed on Monday May 30, in observance of Memorial Day, a holiday under all SUP contracts.

Kamehameha Day:

All SUP halls will be closed on Monday June, 13, in observance of Kamehameha Day which this year falls on Saturday, June 11. In accordance with the Matson Agreement, Kamehameha Day is a paid holiday of those employed in company vessels at sea or in port and for members working under the Maintenance and Extra Maintenance Agreements.

Due to the holiday, the Headquarters meeting will be on Tuesday, June 14.

Since the *ITB Moku Pahu* is now operated by Patriot Contract Services and since Patriot assumed Matson's collective bargaining agreement for the vessel, if the *Moku Pahu* is in a Hawai'i port on June 13, the holiday is observed in accordance with the ILWU Local 142 Agreement.

ACTION TAKEN

M/S to ratify the settlement with APL over the APL Guam. Carried unanimously.
M/S to concur with the balance of the President's report. Carried unanimously.

Gunnar Lundeberg

Indonesia, Philippines, Malaysia agree to act against pirates

Indonesia, Malaysia and the Philippines agreed this month to conduct coordinated maritime patrols after a spate of ship hijackings by Islamist militants in the southern Philippines.

Most of the piracy in the area is the work of militants from the Abu Sayyaf group operating out of lawless Philippine islands. Indonesia has warned that the problem could reach levels seen off Somalia.

Indonesian port authorities in some areas have stopped issuing permits to ships taking coal through the southern Philippines because of the attacks.

"We will undertake coordinated patrols in the maritime areas of our common concern," Indonesian Foreign Minister Retno Marsudi said after a meeting of the countries' military chiefs and foreign ministers in the Indonesian city of Yogyakarta.

The southern Philippines shares maritime borders with Indonesia and Malaysia and they signed an agreement in 2002 to strengthen border security in response to increasing cross-border attacks by militants of the Abu Sayyaf group, but they have yet to mount coordinated naval

patrols. Coordinated patrols involve voyages by the different navies operating in their own territorial waters.

Indonesia last month called for joint maritime patrols, which would involve ships from the three navies patrolling together and crossing into each other's territorial waters. But the Philippines said it wanted separate but coordinated patrols to identify safe corridors where ships can travel.

Indonesia is the world's largest thermal coal exporter and supplies 70% of the Philippines' coal imports.

Budhi Halim, Secretary-General of the Indonesian National Shipowners Association has recommended that crews should maintain a double watch (bow and stern) when traveling through high risk areas, reports Channel News Asia. "Secondly, they must move in a convoy, don't travel alone."

Abu Sayyaf militants have become notorious for kidnapping over the past 15 years or so and have earned millions of dollars in ransoms. They have acquired modern weapons, high-powered boats and communications equipment.



AB Adam Tassin with a mahimahi aboard SNLC PAX enroute Kwajalein in the western Pacific. The PAX is operated by SUP-contracted Patriot Contract Services.

Vice President's Report

May 2016

Along with Keith Miller representing the MFO, on April 25th I attended a maritime industry roundtable discussion hosted by Congressman John Garamendi (D-California), the ranking member of the House Subcommittee on Coast Guard and Maritime Transportation. Garamendi, a solid defender of the Jones Act, predicted a new wave of attacks on the law. He asked industry stakeholders to help formulate his maritime policy agenda which was done in breakout sessions. The consensus of the "private sector opportunities" work group was that the revitalization of the U.S. shipbuilding industry is of paramount importance to the continued health of the Jones Act and the maritime cabotage system upon which our jobs depend. Also, in addition to the routine duties of the front office, checked the following ships:

Lihue: Tony Ymas, delegate. Clarification of trip off procedure when ships change the run. Calling now in Long Beach and Honolulu means that all jobs revert to those halls.

APL Philippines: Jenn Corner, delegate. Traditional West Coast menu standards are required as per Appendix C of the Agreement.

APL China: Janan Johair, delegate. Clarification on sanitary routine and relief procedures.

APL Coral: Wil Williamson, delegate. New APL Agreement publication delayed due to *APL Guam* problem. Should be available soon.

Moku Pahu: Burt Duckett relieved Rocky Casazza as delegate. Departed an East African port for Singapore in good shape with Bosun Saher Ali running the gang. As a slow-speed integrated tug and barge bulker with low freeboard, this vessel carefully crossed the most dangerous pirate waters in the world without incident. The anti-pirate preparations, prolonged hand-steering and extra vigilance of the SUP crew is partly responsible for that safe transit.

SNLC Pax: Adam Tassin, delegate. Called management's attention to ongoing problems in this ship, such as an under-manned deck department. In the world of fixed-cost government contracting there are no easy solutions, but the idea that things can't be improved is unacceptable. Pressed for shore leave wherever safe and appropriate.

USNS Yano: Mark Kane, delegate. Clarification on meal hours and return rights on layup. Ship will crew up and head to the yard this month. Lots of other activations are likely this summer including the Shughart return to homeport, Gordon activation for yard and possible mission, and Ready Reserve "tabletop" exercise that may include actual breakouts for sea-trials this year. These are important jobs for new members working to gain seniority and credentials for the upgrades that will lift them into the middle class.

Florida Voyager: Terry Black, delegate. Enroute a Spanish shipyard the one-person watch idea was floated again by management but rejected by the Union as a function of the arbitrator's decision. It is a two-person watch at sea, and management agreed to stand down from a post arbitration re-interpretation. See President's Report.

Oregon Voyager: Thor Erikson, bosun. Questions on one-person watch arbitration decision answered including many about the post-decision implementation. See President's Report. Roy delivered Tiger Team MOU and serviced the ship at Richmond Long Wharf. Hardest working ship in the fleet on the El Segundo to Richmond run.

Dave Connolly

China wants ships to use Arctic route

China will encourage ships flying its flag to take the Northwest Passage via the Arctic Ocean, a route opened up by global warming, to cut travel times between the Atlantic and Pacific oceans, a state-run newspaper said last month.

China is increasingly active in the polar region, becoming one of the biggest mining investors in Greenland and agreeing to a free trade deal with Iceland.

Shorter shipping routes across the Arctic Ocean would save Chinese companies time and money. For example, the journey from Shanghai to Hamburg via the Arctic route is 2,800 nautical miles shorter than going by the Suez Canal.

China's Maritime Safety Administration in April released a guide offering detailed route guidance from the northern coast of North America to the northern Pacific, the *China Daily* said. "Once this route is commonly used, it will directly change global maritime transport and have a profound influence on international trade, the world economy, capital flow and resource exploitation," ministry spokesman Liu Pengfei was quoted as saying. Chinese ships will sail through the Northwest Passage "in the future", Liu added, without giving a time frame.

Most of the Northwest Passage lies in waters that Canada claims as its own.

Asked if China considered the passage an international waterway or Canadian waters, Chinese Foreign Ministry spokeswoman Hua Chunying said China noted Canada considered that the route crosses its waters, although some countries believed it was open to international navigation.

In Ottawa, a spokesman for Foreign Minister Stephane Dion said no automatic right of transit passage existed in the waterways of the Northwest Passage. "We welcome navigation that complies with our rules and regulations. Canada has an unfettered right to regulate internal waters."

Maritime experts say shipping companies would most likely be deterred by the unpredictable nature of Arctic ice, the total absence of infrastructure in the region, relatively shallow waters, a lack of modern mapping and increased insurance costs.

The route would also be strategically important to China, another maritime official, Wu Yuxiao, told the *China Daily*. Melting sea ice has spurred more commercial traffic, and China wants to become more active in the Arctic, where it says it has important interests. Chinese ships, even merchant vessels, using the Northwest Passage could raise eyebrows in Washington. In September, five Chinese Navy ships sailed in international waters in the Bering Sea off Alaska, in an apparent first for China's military.

SUP Branch Reports

Seattle

April 18, 2016

Shipped the following: 2 Boatswains. 1 A card for a relief for a relief. 1 B card to Navy Bottom. 6 Able Seaman jobs shipped and filled with 3 A-cards, 2 B-cards and 1 C-card. 11 standbys to 9 A-cards and 1 B and 1 C card.

Registration: 5 A cards for a total of 14; 11B cards for a total of 18; 5 C cards for a total of 14.

Ships checked

Matson vessels *MV Manoa*, *SS Kauai*, *SS Maui*; and the *USNS Cape Hudson* all called in Seattle or called Seattle for crew replacements. The *APL Agate* and *APL Coral*; along with Patriot Contract vessels *USNS Pomeroy*, *USNS Soderman*, *USNS Gilliland*, all called for SUP crew replacements.

I received a call from the Delegate in the *Kauai* that the Chief Mate told the crew that they would not run the stores crane in Seattle and that only the Mate and the vendors would operate the stores crane because it could be dangerous to operate. The Delegate further stated that the Mate said he would pay one sailor overtime when he or the vendors operated the crane. When the ship docked I met with the gang and stated that if the crane is operated the sailors will be the ones to run it. I called Matson HQ's and this issue was immediately resolved per our collective bargaining agreement.

I represented the SUP at the following meetings or events: the King County Labor Council Executive Board meetings, the King County Labor Council Climate Change meeting, the Washington State Maritime Federation meeting, and the KCLC Committee on Political Education meeting with Governor Jay Inslee, whereby in solidarity with the Machinists Aerospace Council 751, we took no action at this time for endorsement in the Governor's race.

Along with ILWU Local 19 President Rich Austin, and Dan McKisson, and ILWU Puget Sound Council President John Persak, met with Port of Seattle Council President John Creighton with questions regarding our efforts to keep a third sports stadium out of the Seattle Industrial District. Brothers Austin, McKisson and Persak, along with your Agent have spent countless hours in front of various city of Seattle elected officials and staff educating them on the economic value of the Port of Seattle. This is a thankless task and we may lose but we have to keep fighting.

This is an election year. Senators, members of Congress, many state governors and a U.S. president will be elected. All of us have our own beliefs and views on how to live our lives and vote for candidates that support those views. The easy litmus test for any of us that go to sea is: does the candidate you are considering voting for have a history of supporting the "Jones Act". That is the issue to research when deliberating on whom to cast your ballot for.

In order to elect candidates that both support the Jones Act and our "pocket books" our Union needs to be able to participate in the electoral processes. That means campaign contributions. If every member contributed \$100 a year, that amount collectively will go a long way in helping us keep a viable U.S. Merchant Marine and our jobs!

Vince O'Halloran, Branch Agent

Wilmington

April 18, 2016

Shipped the following: 3 Bosuns, 10 ABs, 5 AB maints and 41 standbys. Total jobs shipped: 59.

Registration: A: 27, B: 21, C: 20, D: 13.

Ships checked

Mahimahi, *Maunalei*, *Mokihana*, *R.J. Pfeiffer*, *APL Belgium*, *APL Thailand*, *APL Singapore*, *Lihue*.

This month has been fraught with the frustration of spending a great deal of time vetting sailors' for duty in the LMSR/MSC fleet. Staying aware of document expiration dates and poor work history records often plague the process. Most Matson and APL ships calling here in L.A. were made with minor clarifications made regarding "fly day" and "Meridian Day" payroll dynamics.

Bob Burns
Branch Agent

Honolulu

April 18, 2016

Shipped the following jobs in the month of April: 1 Bosun steady, 1Bosun return, 2 AB Day steady, 2 AB Day relief, 1 AB Day return, 2 AB Watch steady, 2 AB Watch reliefs, 1 AB maint. steady and 2 OS Watch. The shipping jobs were filled by 7 A cards, 5 B cards and 2 C cards. Shipped 31 standby jobs. The standby jobs were filled by 2 A cards, 12 B cards, 14 C cards, and 3 D cards.

Registered in April: 7 A cards, 6 B cards, 2 C card and 1 D card.

To date totaled registered: 13 A cards, 16 B cards, 5 C cards, 3 D cards.

Ships checked

I visited the *Manukai*, *Lihue*, *R.J. Pfeiffer*, *Maunawili*, *Manulani*, *Manoa*, *Mokihana*, *Maui*, *Kauai*, *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. Next month the Hawai'i Ports Maritime Council will be hosting the Annual Maritime Ohana Pa'ina (BBQ) on the Ewa side (west side) of Aloha Tower. It will be from 1700 until 2000 hours. Free food, beer, wine, and entertainment for all that attend. Plus you will get the chance to hear your local and federal politicians give you their views on what they will do for the Hawai'i maritime community. All SUP members are invited to attend. Please let me know if you plan on attending as we need to figure out how much food and drink to buy. If you can't let me know in advance, don't worry. We always have enough food and drink for everyone.

And as usual, make sure that your documents are current. It is your responsibility to make sure they are in order, not the Union's.

Now that the port of Honolulu has a shuttle ship, your documents need to have over four months of validity from the day you fly to the job. Not the day I ship the job. This requirement has caught a couple of the Honolulu membership by surprise.

Live and learn. And then when you think you have it figured out; the USCG will change the rules on us again. (I remember when my Z-card was good for life.) Mahalo,

Michael Dirksen, Branch Agent

Business Agent's Report

May 9, 2016

California Voyager: Ship on the East Coast running between several ports in New York. Returning to the West Coast at the end of May. In good hands with Bosun Scott Oliphant, and Delegate Reyano Obis.

Mississippi Voyager: Running between the Richmond Long Wharf and El Segundo with little or no beefs. Bosun Ron Gill and Delegate Brian Dixon.

Oregon Voyager: In at the Long Wharf on L.A./Richmond run. Thor Erikson Bosun, and Kevin Graige as Delegate.

Florida Voyager, California Voyager: Checked in with little or no beefs.

Kauai: In from Honolulu, ongoing issues with stores crane. Quentin Brown Bosun and Izzy Idris Delegate.

Mahimahi: Switch up to the Northwest run. Remoni Tufono Bosun and Haz Idris Delegate.

Matsonia: In and out of Oakland; OK with Paul Fuentes as Bosun.

Maui: Called the crew back. Rumors have her making one trip and then lay-up. Robert Reed Bosun, Jill Holleman Delegate.

APL Belgium: In and out of Oakland #57. Clarification on carpenter work. Dennis Belmonte Bosun and Nick Hoogendam Delegate.

APL China, Thailand, Philippines: All checked in with little or no beefs.

Cape Horn: On a routine schedule; lots to learn and work to be done. Joel Schor Bosun.

Cape Hudson: On here, one ship feeds both crews so the GUV rotate the duties helping out the stewards department. Mark Relojo Bosun.

Cape Henry: Running smoothly with Gabriel Sapin as Bosun.

Cape Orlando: For reasons not known to the deck department, they were not allowed to take small arms, which Patriot

provides that class in Alameda, and the Henry and Callaghan participated in. Sounds like the chief engineer is pulling a power trip again. Jim Linderman Bosun.

Admiral Callaghan: Maintenance work never ending and lots to learn. Philip Coulter Bosun.

San Francisco Bar Pilots: Getting guys checked off and qualified ready to operate the boats is a priority. Leo Moore Bosun, Big Mike Koller Delegate.

Once again pay attention to your documents. Just this week, I've denied three members because of expired documents.

Worked in front office and dispatched.

Roy Tufono.

Dispatcher's Report

Headquarters—April 2016

Deck	
Bosun.....	6
Carpenter.....	0
MM.....	3
AB.....	18
OS.....	4
Standby.....	17
Total Deck Jobs Shipped.....	48
Total Deck B, C, D Shipped.....	52
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.....	48
Total B, C, D Shipped-All Depts.....	41
Total Registered "A".....	18
Total Registered "B".....	30
Total Registered "C".....	18
Total Registered "D".....	23

2016 MARITIME OHANA PA'INA

Sponsored by the Hawaii Ports Maritime Council

Thursday, June 2, 2016 | 5PM - 8PM

Aloha Tower | Pier 11 Terminal

RSVP by May 15th

to rswindell@bridgedeck.org or tel. (808) 523-8183

Join us for a social evening with friends and families of our Maritime Community