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Transportation Dept. dismisses plan for flag-of-convenience airline

The U.S. Department of Transportation (DOT) has dismissed a controversial request by Norwegian Air International (NAI) to operate a cut-rate, contractor-based, multinational shuttle out of major U.S. cities. The proposal has been slammed by airlines, labor unions and consumer safety advocates in Europe and the United States. Although NAI calls itself an Irish airline, it has no plans to operate out of Ireland and is actually a subsidiary of a Norwegian air carrier, Norwegian Air Shuttle. The flag-of-convenience subterfuge allows it to benefit from the more "business-friendly" regulations of the Republic of Ireland and to avoid complying with Norwegian tax and labor laws. The company plans to use pilots and flight attendants based in Thailand who work for independent contractors under the legal and regulatory regimes of several other Asian countries.

"Flag of convenience" is the name given to the system that allows U.S. and other first-world ship owners to register their vessels under the laws of countries such as Liberia, Panama and the Marshall Islands. By registering their cargo ships, cruise ships and even fishing boats in these far-away lands, they avoid the legal obligations of their own countries. The system enables these staunch advocates of free trade to evade national taxes, labor standards, safety and environmental regulations and in some cases even criminal responsibility.

"Lessons learned in the U.S. maritime industry show how allowing companies to cherry pick among different national regulatory regimes can sink a great industry and with it tens of thousands of jobs," said SUP President Gunnar Lundberg. "NAI's attempt to shirk the regulatory regime of its home country would give it an unfair competitive advantage over America's airline carriers and put thousands of U.S. taxpayers—pilots, flight attendants and mechanics—out of work."

While NAI's application for a permit is still pending, DOT recognized that the case presents "novel and complex issues" and that granting the company permission to operate is "not appropriate or in the public interest." This is a big step because DOT is now under no statutory deadline to act.

While denial of the exemption is a crucial step, there is still a final decision to be made on NAI's request for a foreign air carrier permit.

"NAI must not be granted a foreign air carrier permit," said Edward Wytkind, President of the AFL-CIO Transportation Trades Department (TTD). "Only by rejecting NAI's application will the DOT send a clear message that it will enforce worker protections embodied in aviation trade agreements."

A broad labor coalition including TTD's 32 member Unions has worked for months in opposition to the NAI application. The efforts were led by the Air Line Pilots Association, the Association of Flight Attendants-CWA, the International Association of Machinists and Aerospace Workers, and the Transport Workers Union. TTD has also been joined in the effort by European labor unions and air carriers.

The SUP is a member of TTD.

Status of the U.S. Merchant Marine subject of Congressional hearing

On September 10, the House Transportation & Infrastructure's Subcommittee on Coast Guard and Marine Transportation held a fact finding hearing on the "status of the merchant marine."

The hearing, chaired by Congressman Duncan Hunter (R-California), focused on what role the U.S. Merchant Marine plays in the nation's economy and national security and examined ways that it can be strengthened and expanded.

"Beyond the important contributions to our economy, a healthy merchant marine is vital to our national security," Hunter said during his opening remarks. "Throughout our history, our nation has relied on U.S.-flagged commercial vessels crewed by American Merchant Mariners to carry troops, weapons and

supplies to the battlefield. Unfortunately, over the last 35 years, the number of U.S.-flagged vessels sailing in the international trade has dropped from 850 to less than 90," Hunter continued. "In the same period, we have lost over 300 shipyards and thousands of jobs for American mariners. For the sake of our national and economic security, we need to reverse this trend."

Seagoing maritime labor was invited to testify and on behalf of the SUP, American Maritime Officers (AMO), Marine Engineers Beneficial Association (MEBA), Marine Firemen's Union (MFW), and the Seafarers International Union-Atlantic, Gulf, Lakes and Inland Waters (SIU), Don Marcus President of the Masters, Mates & Pilots, gave testimony that was agreed on by all Unions.

Marcus gave an overview of the recent history of the U.S.-flag industry and stated that the "industry in the foreign trades is in jeopardy, that the foreign-flag competition operates on a playing field less burdened with the additional layer of Government-imposed rules, regulations and tax obligations that U.S.-flag shipping must bear. "As a result," Marcus noted, "U.S.-flag vessel operators face significant economic and competitive disadvantages which have resulted in a decline in the share of U.S.-foreign trade carried by privately-owned U.S.-flag commercial vessels, a decrease in the number of vessels operating under the U.S.-flag in the foreign trades, and a loss of employment opportunities for American merchant marines."

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Canadian cabotage in crisis: free trade deal imperils fleet

The Canadian merchant marine is facing a crisis situation after the Conservative Party government of Prime Minister Stephen Harper agreed to sacrifice key cabotage statutes—Canada's equivalent of the Jones Act—in international trade negotiations.

The Canadian-European Comprehensive Economic Trade Agreement (CETA) would allow European Union and flag-of-convenience vessels to trade between Canadian ports without any restrictions on nationality of the crew or wages and working conditions. The "free trade" pact is scheduled to be signed later this month but still must be ratified by the Canadian and European Union parliaments.

In response this treaty which would doom the Canadian Merchant Marine, Canadian Unions have organized the Canadian Maritime and Supply Chain Coalition to fight the destruction of the Canadian marine transportation industry. The coalition

includes leaders from the following Unions from Canada and around the globe: International Longshoremen's Association, International Longshore and Warehouse Union, Alliance du St-Laurent, Canadian Union of Public Employees, Dockers, United Steelworkers, Canadian Labor Congress, Teamsters Canada, International Transport Workers' Federation, European Transport Workers' Federation, BC Ferry and Marine Workers Union, International Association of Machinists, Maritime Union of Australia and the AFL-CIO Maritime Trades Department.

The Chairman of the Coalition is James Given, President of the Seafarers International Union of Canada, who stated this month that, "This agreement will have a severe negative impact on the Canadian maritime industry by opening domestic trade to foreign carriers, doing away with our cabotage laws." Given added that if the treaty is ratified

by Canada, "it will not take long before the rest of the Canadian transportation sectors are affected including air, road and rail."

Canadian shipowners are also alarmed about the pact. Robert Lewis-Manning, President of the Canadian Shipowners Association (CSA), told Canadian media that his organization was "concerned about the lack of transparency in the CETA negotiations and the fact that access to trades between Canadian ports may be given to European Union carriers, who employ international labor at much lower rates, do not pay Canadian taxes or employ Canadian workers and are not regulated to rigorous Transport Canada Safety and Operating Standards for Canadian-flagged vessels." Lewis-Manning added that "our mariners possess unique local knowledge that ensures Canadian waters are safely transited, respected and protected. We need to ensure these jobs remain in Canada."

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SUP Honor Roll

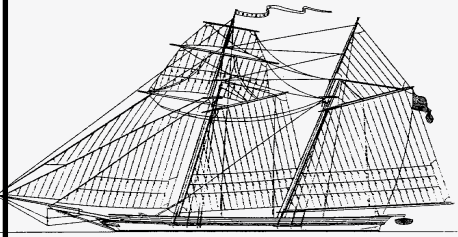
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Laniakea is “immense heaven”

For the first time, astronomers have outlined and named the network of galaxies that includes the Milky Way, adding a line to our cosmic address and further defining our place in the universe. They call it Laniakea, which is Hawaiian for “immense heaven.”

Galaxies tend to gather in clusters, and those clusters move about in large networks called superclusters. But astronomers have struggled to figure out where one supercluster ends and another begins.

To trace the outline of the Milky Way’s supercluster, an international team of astronomers used high-powered telescopes to map the motions of neighboring galaxies relative to Earth. By figuring out which galaxies were being pulled toward us and which were being pulled away, the scientists could draw a circle (more or less) around the 100,000 galaxies that make up Laniakea.

The Milky Way rests on the outskirts of Laniakea, which measures 500 million light-years across and is 100 quadrillion times the mass of the sun.

The study’s lead author, R. Brent Tully, an astronomer at the University of Hawai’i, said the new methods for measuring the supercluster would be put to use measuring other large galactic networks. “I think we’re going to use it on a whole bunch of scales, to see components within the Laniakea supercluster and the outline of adjacent supercluster systems,” he said. “We already have found a mini-supercluster adjacent to us.” Dr. Tully’s team, which published its work in *Nature*, has not named the adjacent cluster.

Thai tanker robbed of lube oil cargo

Pirates have stolen a cargo of oil from a tanker off Malaysia in this year’s eighth such incident in Southeast Asia waters.

At about 2040 local time on August 28, Thailand-flagged 1,569 dwt products tanker *V.L. 14* was hijacked about 30 nautical miles north of Pulau Tioman. Six pirates armed with guns boarded the tanker, which was sailing with 1,296 tons of lube oil from Singapore to Bangkok. The pirates commandeered the tanker and sailed it about 10 nautical miles before ordering the crew to open all cargo valves, activate the cargo pump, and transfer the cargo to two tankers that came alongside.

The pirates also stole the crew’s belongings and damaged navigational and communication equipment before escaping.

Matson receives ocean carrier top honor for 2014 Quest for Quality awards

SUP-contracted Matson Navigation Company announced last month that it was ranked number one in the ocean carrier category for *Logistics Management* magazine’s Quest for Quality award, which honored 15 domestic and international carriers. The recognition is regarded in the transportation and logistics industry as the most important measure of customer satisfaction and performance excellence. For the past 31 years, the publication has conducted the annual survey of buyers of transportation and logistics services, asking them to rank service providers on five key criteria: on-time performance, value, information technology, customer service and equipment and operations. This year, the survey had over 7,400 participants.

Matson received the highest weighted score of all ocean carriers recognized this year with Quest for Quality awards. It was ranked number one for on-time performance and information technology and number two for customer service and equipment and operations.

“Matson is very proud to be ranked the top ocean carrier for 2014,” said Matt Cox, President and CEO. “Matson’s mission is to move freight better than anyone. We strive to deliver superior service in all aspects of our business. This honor is particularly gratifying in that the winners are determined by those who rely on our ocean transportation services to achieve their business objectives. The recognition is a direct reflection of the commitment to excellence throughout Matson.”

Lockout ends: ILWU approves grain deal

Longshore workers who load grain in Pacific Northwest export terminals have voted to ratify a new collective bargaining agreement with several multinational grain companies. The vote included members of ILWU Local 8 in Portland, Local 4 in Vancouver, Local 21 in Longview, Local 19 in Seattle, and Local 23 in Tacoma, who overwhelmingly voted in favor of a tentative agreement with Louis Dreyfus Commodities, United Grain Corporation and Columbia Grain Inc. that will be in effect until May 31, 2018. Negotiations for the new agreement began in August of 2012, involved 70 separate sessions, and included lockouts at Portland’s Columbia Grain and Vancouver’s United Grain facilities. Terms of the agreement include work rule changes and wage increases over the life of the agreement.

ILWU members resumed their jobs at the locked-out facilities on August 27. The parties have agreed to drop all pending NLRB and other legal actions associated with the dispute.

Bargaining was difficult, but in the end, both sides compromised significantly from their original positions, resulting

in a workable collective bargaining agreement that preserves the work of the ILWU-represented workforce and fosters stability for the export grain industry.

More than a quarter of all U.S. grain exports move through nine grain terminals on the Columbia River and Puget Sound. The contract dispute initially involved six of those terminals that operate under a single collective bargaining agreement with the ILWU at United Grain, Louis Dreyfus Commodities, and Temco, which has grain elevators in Portland and Tacoma.

Temco broke away from the alliance in early December 2012, and negotiated separately with the Union.

United Grain locked out Longshore workers in February 2013. About two months later, Columbia Grain locked out Union dockworkers at its facility in Portland. Terminal operators had argued for a new contract that mirrored the terms the ILWU signed in February 2012 with Export Grain Terminal in Longview. The Union contended the demands by United Grain, Columbia Grain and Louis Dreyfus Commodities would hurt workers.

Crew saved from sinking ship off Tianjin

Twenty-two crew members on board a containership were rescued on August 25, after it collided with another container ship off Tianjin, China. At about 11:00 A.M. local time, the 500 teu *Tao Yuan* collided with the 3,500 teu *Gang Tai Tai Zhou* at about 10 nautical miles east of Dagukou Anchorage off Tianjin.

The Beihai Rescue Bureau dispatched its *Beihaijiu 199* to the rescue of the crew members of *Tao Yuan*, which listed about 30 degrees, took on water and sank quickly. All the crew members were rescued by passing vessels before *Tao Yuan* sank.

The *Gang Tai Tai Zhou* sustained minor damages to its bow.

Final Departures

Frank Davinis, Book No. 2111. Born in New Jersey in 1924. Joined SUP in 1943. Died in Kaneohe, Hawai’i, August 10, 2014. (Pensioner)

George Pope, Book No. 3828. Born in Washington in 1939. Joined SUP in 1961. Died in Everett, Washington, August 14, 2014. (Pensioner)

James Grassi, Book No. 2592. Born in California in 1926. Joined SUP in 1944. Died in Rio Linda, California, September 2, 2014. (Pensioner)

SUP Meetings

These are the dates for the regularly scheduled SUP meetings in 2014:

	Hdqrs.	Branch
October	Tues. 14	20
November	10	17
December	8	15

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Grant to Port of Seattle will boost capacity for super post-Panamax ships

The Port of Seattle has won a \$20 million grant to rehab and expand one of its busiest container terminals downtown, one of two projects from Washington that successfully competed for a piece of \$600 million in federal grants set aside for critical transportation needs around the nation. The award from the U.S. Department of Transportation (DOT) will pay for repairs and paving at Terminal 46, one of the Port’s four major container-handling terminals. It handles about 20% of the Port’s container terminal volume, mostly from Asia. More importantly, the money will help boost cargo-handling capacity by extending the crane rail at the dock to fit in more of the largest cranes. That would allow the Port to load and unload two mammoth “super post-Panamax” ships simultaneously.

The grant, made under the Transportation Investment Generating Economic Recovery (TIGER) program, was announced on September 9, by Senator Patty Murray. The Washington Democrat helped create the TIGER fund, which since 2009 has doled out \$4.1 billion in discretionary grants for road, transit, rail and port projects. Murray also said \$1.1 million will go to the Makah Tribe for dock work to better prevent and prepare for oil spills. The Washington coast’s sole oil-spill response vessel is moored at the tribe’s Makah Marina in Neah Bay.

The TIGER grants are awarded on merit to infrastructure deemed most critical to local, regional, or national interests. Even so, Murray’s spokesman Eli Zupnick said the senator wrote letters supporting applicants from Washington and spoke to Transportation Secretary Anthony Foxx “to make sure he understood their value to Washington state and the regional economy.”

Peter McGraw, spokesman for the Port of Seattle, called the \$20 million “a very significant” sum that would pay for much-needed upgrades at Terminal 46, which is across from the sports stadiums in Sodo. It now has room for five cranes to serve one big ship. With space for more cranes after the expansion of the dock rail, the terminal can serve two super post-Panamax ships loaded with more than 10,000 containers. McGraw added the Port may apply for more TIGER grants in the future. It recently closed Terminal 5 for upgrades. Among other things, its docks need strengthening and the berth needs deepening to accommodate the larger ships.

ILA, employers appealing decision in favor of NY Waterfront Commission

The International Longshoremen’s Association and two groups representing their employers –the New York Shipping Association and Metropolitan Marine Maintenance Contractors’ Association– are appealing a decision last month by a U.S. District Court judge that dismissed their complaint against the Waterfront Commission of New York Harbor.

Announcing their appeal, the three organizations repeated their claim in the original complaint that the commission was overstepping its statutory authority in imposing requirements it believes are needed to ensure hiring is fair and non-discriminatory.

“The ILA asserts that the Waterfront Commission has no business interfering in collective bargaining agreements the ILA has with its employer groups. The ILA will use all available resources and legal means to deny the Waterfront Commission from overreaching its statutory authority,” said Harold J. Daggett, President of the ILA.

John Nardi, President and CEO of NYSA, said a recruitment-and-hiring plan announced last year as part of their contract agreement calls for employment of hundreds of military veterans and “further enhances the diversity of the longshore industry’s workforce.”

Nardi explained, “The current demographics of the new hires under that plan reflect a real cross-section of our community. More than 60% of the 423 newly hired individuals are minorities; and 51%

of the individuals employed by the industry will be military veterans, with the balance consisting of referrals from NYSA, its employer members, and the ILA.”

He continued, “As can be seen from the diversity achieved by the industry’s recruitment-and-hiring plan, that action is not about the industry’s purported ‘attempts to institutionalize discrimination through collective bargaining’ as the Waterfront Commission has asserted. Instead, the action is about curtailing the Waterfront Commission’s misuse of its limited statutory authority. The appeal will seek to resolve the overarching legal issues relating to the extent of the Waterfront Commission’s statutory authority and whether it is permitted to run roughshod over the industry’s collective-bargaining rights, even though those rights are expressly protected by the very compact that created the Waterfront Commission.”

James R. Mara, President of MMMCA, whose group bargains with ILA mechanics and maintenance workers, said, “We are troubled by the Waterfront Commission’s continued interference into our federally protected collective bargaining rights and their misuse of the authority given to them under the Waterfront Commission Compact which has had a negative impact on port commerce. We firmly believe that an appellate court will share our concerns and we trust that it will be for the betterment of the economies of New York and New Jersey. “

Patriot tapped for responsible carrier award

SUP-contracted Patriot Contract Services will receive the Responsible Vessel Carrier Award at an American Maritime Safety, Inc. ceremony set for October. The award recognizes the implementation of safety systems and procedures that serve to promote safe vessel navigation and operation. Patriot Vice President for Operations Frank Angelacci credited the company’s seagoing personnel for their attention to safety and implementation of the Safety Quality Management System, their dedicated office staff for creating the SQMS and to their Union partners for their awareness and contributions to a strong safety culture aboard all the Patriot’s vessels. AMS is a non-profit maritime trade association, which facilitates the maritime industry’s compliance with international shipping protocols and U.S. Coast Guard regulations.

Jones Act under attack by oil refiners, marketers

Petroleum marketers and refiners are planning a substantial effort to get Congress to change the Jones Act, a nearly century-old law they claim is driving up motor fuel and heating oil prices and severely inhibiting the flow of crude oil between U.S. ports amid the ongoing domestic oil boom.

But rather than repealing the law, due to the overwhelming support it has within the U.S. shipbuilding industry and by members of Congress, the planned Capitol Hill lobbying efforts will be aimed at weakening the Jones Act. This could include new waivers to get the rising tide of light sweet crude from the Gulf of Mexico to East Coast refineries or modifying rules on the percentage of a vessels’ crew that must be U.S. citizens.

“I’m not naive enough to think that Congress will repeal this thing,” said Charles Drevna, President of the American Fuel & Petrochemical Manufacturers, in an interview. “But, I think after 94-plus years, now it’s time to take a look at this thing and see how the Jones Act, ... and the economic realities of 1920, fit in with the economic realities of 2014.”

The Jones Act, enacted as the Merchant Marine Act of 1920, requires all vessels shipping cargo between two U.S. locations to be U.S.-built, crewed by at least 75% U.S. citizens and be majority U.S. owned. But these requirements have created dramatically higher charter rates and daily operating costs for U.S.-flagged vessels, compelling oil shippers to move Gulf Coast crude to eastern Canada and other foreign ports rather than to U.S. refineries in the Northeast, for example.

The costs of U.S.-built tankers can be as much as four times the costs of those built in Korean, Chinese and Japanese shipyards, while the daily operating costs of a U.S.-flagged ship, crewed by U.S. citizens, is nearly four times that of a foreign-flag tanker, according to the Maritime Administration.

In addition, charter rates for Jones Act-compliant tankers are averaging \$75,000-\$100,000 per day, up from an average of \$50,000 per day two years earlier, according to a Congressional Research Service (CRS) report. Charter rates for foreign-flagged tankers are averaging \$10,000 per day for spot charters and \$15,000 per day for annual charters, the report said.

In an earnings call earlier this month, Thomas O’Malley, PBF Energy’s executive chairman, said the gap between moving crude on a U.S.-flagged ship versus and foreign-flagged ship may be as much as \$5 per barrel. He said PBF, an independent petroleum refiner and supplier, was focused on moving crude by rail, rather than pay the premium for shipped by water.

Shipping crude from the Gulf Coast to other ports in the United States can cost between \$5-6 per barrel, compared to the \$2 per barrel its costs to ship it on foreign-flag tankers from the Gulf to eastern Canada, according to the CRS report.

“For a Texas oil producer using a tanker with a capacity of 300,000 barrels, this rate difference amounts to receiving \$1 million less for a shipment of oil to a U.S. refinery than for a shipment to a more distant Canadian refinery,” the report said. This year, more than twice as much Gulf Coast crude is being shipped to eastern Canada by water as is being shipped to U.S. Northeast refineries, the report added.

The refiners and marketers are focused on weakening the law’s requirements, such as the rule that it has to be crewed by at least 75% U.S. citizens, a potential change which could lower transport costs or at least increase crew availability, from foreign sources.

Rob Underwood, director of government relations with the Petroleum Marketers Association of America, called the Jones Act “outdated” and a “protectionist policy” but also conceded that repeal was unattainable considering its support within the U.S. maritime industry. He said instead, petroleum marketers were pushing for a U.S. Government Accountability Office report on the impacts of the Jones Act. He said other changes may be possible, such as new allowances for waivers to ship the glut of light sweet crude in the Gulf to refineries in the mid-Atlantic. Underwood said this lobbying effort was just beginning and likely would not fully begin until after the mid-term elections.

In the August 2011, due to the cutoff of oil from Libya, the Obama Administration waived Jones Act requirements to move about 25 million barrels of Strategic Petroleum Reserve crude on foreign-flag tankers to refineries throughout the United States. Temporary Jones Act waivers have also been issued following Hurricanes Katrina and Rita in 2005 and superstorm Sandy in 2012.

Any changes to the Jones Act would also be a difficult task, considering congressional support for the law. For example, the fiscal 2015 National Defense Authorization Act, which passed the House by a 325-98 vote but has yet to be voted on in the Senate, includes a congressional declaration in support of the Jones Act.

In April, shortly after being named chair of the Senate Energy and Natural Resources Committee, Senator Mary Landrieu (D-Louisiana), held a Capitol Hill news conference highlighting the importance of the Jones Act to her state’s economy. The conference was notable because it was her first as chairman and because it was not motivated by any pending legislation, news event or apparent efforts at the time to weaken the law.

Senator Lisa Murkowski (R-Alaska), the committee’s Ranking Member and a leading proponent of loosening U.S. restrictions on crude oil exports, backed the Jones Act following the release of a shipping industry-backed study in March on maritime jobs. “The U.S. maritime industry, supported by the Jones Act, provides vital services necessary for Alaska’s economy and quality of life,” said Murkowski, who is expected to become chairman of the energy committee if Republicans take control of the Senate in November’s mid-term elections.

“If I were looking for a good job that lets me build some security for my family, I’d join a Union.”

President Barack Obama
September 1, 2014, Milwaukee, Wisconsin

Status of the U.S. Merchant Marine continued from page 1

Maritime Security Program

On the Maritime Security Program (MSP), the Unions called on Congress to fully fund this critical program: “We believe it is imperative that Congress appropriate the authorized \$186 million for the MSP for Fiscal Year 2015. Legislation pending in the Senate contains this amount; the legislation that passed the House of Representatives includes only \$166 million. This reduced amount, if approved, threatens the continued operation of as many as seven U.S.-flag ships in the maritime security fleet and undercuts Department of Defense planning that is predicated on a 60-ship maritime security fleet.

It is also important to emphasize that the weakening of the Maritime Security Program will cost the American taxpayer far more than what it costs to fully fund the MSP. In fact, a 2006 report prepared for the National Defense Transportation Association–Military Sealift Committee, concluded that “the likely cost to the government to replicate just the vessel capacity provided by the MSP dry cargo vessels would be \$13 billion.” In addition, the United States Transportation Command has estimated that it would cost the U.S. government an additional \$52 billion to replicate the “global intermodal system” that is made available to the Department of Defense by MSP participants who are continuously developing, maintaining and upgrading their systems. In contrast, the commercial maritime industry, through the MSP, will provide the Department of Defense with these same vessels and global intermodal system at a cost to the taxpayer of \$186 million, a fraction of what it would cost our government to do the job itself.

Looking forward, we believe it is critically important that the per vessel support levels authorized for the MSP as part of the defense authorizations legislation enacted in 2012 be reviewed and adjusted as appropriate. As we noted previously, significant reductions in the amounts of defense and non-defense government cargoes available to U.S.-flag vessels; the proliferation economic incentives available to foreign flag vessels and foreign crews but not to U.S.-flag vessels and their American crews; and the growing competition for cargoes from foreign flag-of-convenience vessel operations which fail to meet the operational and labor standards applicable to U.S.-flag vessels are all contributing to the differential between the cost of operating a U.S.-flag vessel and a foreign flag vessel. By taking constructive and immediate action to update the funding levels authorized in the MSP, Congress and the Administration will be acting to ensure that this essential U.S.-flag commercial sealift capability continues operations under the U.S. flag and that the associated American mariner jobs are not lost and outsourced to the benefit of foreign maritime workers.”

Cargo Preference

Another key component of U.S. maritime policy that promotes the use of U.S.-flag vessels and enhances the economic and security interests of the United States are the cargo preference statutes. Taken together, these statutes require that a percentage of U.S. government cargoes be transported on U.S.-flag vessels if such vessels are available at fair and reasonable rates. They provide U.S.-flag vessels with a critical base of cargo, giving U.S.-flag vessels the opportunity to stay active

while they compete against lower-cost and often times tax-free, foreign-flag vessels for the carriage of commercial cargoes in the U.S. foreign trades. This in turn helps to ensure that the U.S.-flag vessels and their American crews remain available to the Department of Defense in time of war or other international emergency.

Consequently, we believe:

- Congress should make clear to the Maritime Administration (MarAd) that MalAd has responsibility to determine if a Federal program is subject to U.S.-flag cargo preference shipping requirements and that it must exercise its authority to enforce U.S.-flag shipping requirements. We greatly appreciate your efforts Chairman Hunter, Ranking Member Garamendi and the Members of this Subcommittee for including language intended to achieve these objectives in the House-passed Coast Guard authorizations legislation for FY’15 and we urge that this language be included in the final version of this legislation.

We further believe it is important that the Maritime Administration regularly exercise this responsibility, and that Congress ensure that this is in fact done. To this end, Congress should require that the Maritime Administration report to Congress on a regular basis and to document its actions and efforts, specifying the programs, departments and agencies it has reviewed as well as the actions taken to ensure full compliance with cargo preference requirements.

- Congress should restore the U.S.-flag share of PL 480 Food for Peace and other humanitarian food aid cargoes to the 75% level that was in place beginning in 1985 until reduced to 50% in 2012. Such language is included in the House-passed Coast Guard authorizations legislation for FY’15 and this language should be included in the final version of this legislation.

We believe it is also important to reiterate that maritime labor strongly opposes proposals to transform the existing PL 480 Food for Peace Program from a program predicated on the use of U.S. produced agricultural commodities shipped in part on U.S.-flag vessels to a program that instead gives away cash instead of food. While serving U.S. humanitarian and foreign aid objectives the Food for Peace program also provides a significant return to the American taxpayer by creating and maintaining American jobs, by generating income for American ports and the domestic agricultural and transportation industries, and by raising revenues for U.S. taxing authorities.

We believe the Food for Peace program is a program that should be emulated, not eliminated. American taxpayers and the Federal government should be proud that there is a Federal program that not only demonstrates the generosity of the American people to help the world’s neediest people, but which at the same time results in significant economic and strategic benefits for our country.

Encouraging the use of U.S.-flag vessels for energy exports

Our maritime labor unions strongly support legislation (HR 5270) introduced by Congressmen John Garamendi and Duncan Hunter to encourage the use of U.S.-flag liquefied natural gas (LNG) vessels. We agree that the export of LNG offers an opportunity for the United States merchant marine to expand and to create significant new job opportunities for American mariners. This legislation,

the Growing American Shipping Act, authorizes the Secretary of Transportation to develop and implement a program to promote the export of LNG on U.S.-flag vessels. The Secretary is further directed under this bill to give priority in the processing of LNG export applications for deepwater port terminals that include the utilization of U.S.-flag ships.

In order to build upon and to more fully realize the goals inherent in HR 5270, we suggest that this legislation be expanded and amended as follows:

- **The scope of HR 5270 should be expanded to encompass crude oil exports so that if the ban on such exports is lifted, U.S.-flag vessels would also have an opportunity to participate in this trade. We would note that existing law governing Alaskan crude oil exports reserves the export of oil transported over the TransAlaska Pipeline System (TAPS) to U.S.-flag vessels, including reflagged vessels, owned by a United States citizen.**

- **Congress should require regular reports from the Secretary on the steps being taken to develop and implement the program called for in HR 5270 to promote the carriage of LNG exports on U.S.-flag LNG vessels. In order to achieve the participation of U.S.-flag vessels in the carriage of U.S. energy exports, it is necessary to address the competitive impediments to operating a U.S.-flag rather than a foreign flag LNG vessel.**

- For example, one way to minimize the inherent cost differential is to create tax parity for American merchant mariners with their foreign counterparts by extending the provisions of section 911 of the Internal Revenue Code (the foreign source income exclusion) to American mariners working aboard LNG vessels engaged in the carriage of LNG exports from the United States. This action would have two extremely important benefits: First, extending section 911 to Americans working aboard vessels carrying LNG exports could encourage companies to employ American mariners for their foreign flag LNG vessel operations, thereby giving Americans the seetime and training they need to operate U.S.-flag vessels in this trade. Secondly, not only could this change in the tax law help develop the cadre of U.S. citizen mariners qualified to operate LNG vessels, but it could eliminate a significant economic disincentive to the operation of LNG vessels under the U.S.-flag, thereby encouraging companies to develop U.S.-flag LNG vessel operations in these trades.

- As mentioned previously, another way to reduce the operating cost differential relates to the remedies available to American mariners in the event of a ship-board-related injury or death. Maritime unions and shipping companies should be allowed, through the collective bargaining process, to negotiate a mutually acceptable system limiting or otherwise controlling liability and damages arising through the injury or death of a member of the crew of an LNG vessel that both protects the rights of the individual mariner and provides cost certainty, and lower insurance, for the company.

- Congress should also allow foreign built, foreign flag LNG vessels to document under the U.S.-flag and engage in international trade without the need for any vessel construction-related changes provided they meet commonly accepted international standards. In other words,

foreign flag LNG vessels meeting International Maritime Organization (IMO) requirements and holding a valid United States Coast Guard Certificate of Compliance for foreign flag LNG vessels entering U.S. waters would be deemed in compliance with all U.S. standards required for documentation under the U.S. flag.

Development of a marine highway system

Our maritime labor organizations are part of a large maritime industry coalition (USA Maritime) comprised of shipping companies, ports and other interests that strongly supports the development of a U.S. marine highway system comprised of U.S.-built, U.S.-owned and U.S.-flag vessels. Increasing the operation along the coasts of the United States, including within the Great Lakes, will provide numerous benefits to the United States.

One of the major impediments to the development of a marine highway system is the discriminatory application of the Harbor Maintenance Tax (HMT) on the transportation of waterborne cargo between American ports, including ports on the Great Lakes. As applied today, the HMT is imposed on cargo entering the United States from an overseas market. If this cargo is then reloaded onto another vessel for transportation along our coasts to another U.S. port, it is taxed again upon its arrival at this second U.S. destination. This double taxation of waterborne cargo under the HMT discourages shippers from using vessels to supplement their rail and truck traffic, thereby increasing congestion on the roads and rails.

We ask that Congress enact legislation to eliminate the double taxation of waterborne commerce moving between American ports in order to eliminate this serious tax-related impediment to the development of a marine highway system. Such a system has the potential to create significant new employment opportunities for American shipbuilding workers and workers in related service and supply industries as well as for those licensed and unlicensed merchant mariners who will crew these vessels. The shipment of imported cargo along our coasts will provide a significant opportunity for America’s underutilized smaller and medium sized ports, creating important new employment opportunities for American longshoremen and other shoreside workers.

We would point out that in 2008 the National Association of Counties adopted a resolution that calls on Congress “to support the development of a robust short sea shipping [i.e. marine highway] system to aid in the reduction of greater freight congestion on our nation’s highway systems, with an additional benefit of reducing air pollution.” The Resolution went on to state that “water transportation, especially along our coasts and inland waterways, is a sensible, economical, and environmentally-sound solution to many of our congestion problems and the related issue of air pollution. Urban and rural counties would benefit from increased use of coastal and inland waterways to move freight ...”

Conclusion

If Congress and the Administration believe as we do that the economic and military security of the United States are best served if our country has a strong, competitive U.S.-flag shipping capability, there are a number of important and innovative steps that can be taken to achieve this objective.

Our country cannot afford to lose any

APL MSP Wage and Overtime Rates

Maritime Security Program Vessels

APL Agate, APL China, APL Coral, APL Cyprine,
APL Korea, APL Pearl, APL Philippines,
APL Singapore, APL Thailand

Effective October 1, 2014

Rating	Wages		Supp. Benefit Base		Supp. Benefit		Money Purchase Pension Plan
	Monthly	Daily	Monthly	Daily	Monthly	Daily	
Bosun	\$5,456.02	\$181.87	\$5,622.73	\$106.21	\$3,186.40		\$25.00
A.B.	\$3,847.89	\$128.26	\$4,202.29	\$79.38	\$2,381.44		\$25.00
AB Watchstander/Daystander	\$3,847.89	\$128.26	\$4,202.29	\$79.38	\$2,381.44		\$25.00
O.S.	\$2,951.41	\$98.38	\$3,298.29	\$62.30	\$1,869.14		\$18.51

OVERTIME RATES

The hourly overtime rate for all ratings except the Ordinary Seaman.....	\$31.40	Money Purchase Pension Plan Daily
Ordinary Seamen	\$23.57	

CARGO RATES

The hourly cargo rate for all ratings:		
Straight Time Hours	\$23.57	
Overtime Hours	\$38.80	
SHORTHANDED (Section 7 SUP Work Rules)		
Bosun.....	\$53.61	
A.B.	\$40.40	
STOS	\$30.30	
STANDBY RATES (Section 43 SUP Work Rules)		
Bosun		
Straight Time Hours	\$29.98	\$25.00
Overtime Hours	\$49.30	

A.B.		
Straight Time Hours	\$28.73	\$25.00
Overtime Hours	\$47.35	

SHIFT SHIP GANGS (Section 44 SUP Work Rules)

Bosun		
Straight Time Hours	\$26.55	\$25.00
Overtime Hours	\$44.17	
A.B.		
Straight Time Hours	\$25.05	\$25.00
Overtime Hours	\$42.22	

DECK PORT WATCHES (Section 55 SUP Work Rules)

Bosun		
Straight Time Hours	\$35.75	
Overtime Hours	\$53.63	
A.B. and STOS		
Straight Time Hours	\$26.92	
Overtime Hours	\$40.39	

FUEL OIL SPILL CLEANUPS

Straight Time, all ratings	\$18.32	
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Maintenance Agreement Rates

Effective October 1, 2014

Rating

		Money Purchase Plan
Rigging-Splicer and Sail Maker		
Straight Time	\$35.15	\$25.00
Overtime.....	\$58.31	
Rigging-Wire Splicer’s Helper		
Straight Time	\$32.30	\$25.00
Overtime.....	\$54.16	
Rigging-General Maintenance Work		
Straight Time	\$30.90	\$25.00
Overtime.....	\$51.97	
Spray Painting, Sandblasting, Steam Cleaning and Welding		
Straight Time	\$33.61	\$25.00
Overtime.....	\$56.03	
Storekeeper-General Maintenance		
Straight Time	\$32.61	\$25.00
Overtime.....	\$54.41	
Bosun		
Straight Time	\$37.62	\$25.00
Overtime.....	\$61.67	
Bosun’s Mate or Leaderman		
Straight Time	\$35.16	\$25.00
Overtime.....	\$58.31	
Carpenter		
Straight Time	\$34.40	\$25.00
Overtime.....	\$57.35	
Spraying, Sandblasting enclosed spaces additional per hour.....	\$1.65	

EXTRA MAINTENANCE AGREEMENT RATES

Bosun		
Straight Time	\$37.56	\$25.00
Overtime.....	\$61.67	
A.B. (Rigging-General Maintenance Work)		
Straight Time	\$30.85	\$25.00
Overtime.....	\$51.97	

SUP Officers’ Wages

In accordance with Article XV, Section 3, of the SUP Constitution: “Every time the new wage scale is printed in the *West Coast Sailors* showing the seagoing [dry cargo-offshore] members and standby gang wage scale, the benefits and wage scale of the Union officials shall be printed right along with, and in the same issue, of the *West Coast Sailors*.”

Weekly Wages for SUP officers effective October 1, 2014:

President/Secretary-Treasurer	\$1,701.78
Vice President/Assistant Secretary-Treasurer	\$1,463.16
Branch Agent.....	\$1,463.16
Business Agent.....	\$1,436.94

Benefits: Medical and dental coverage (SUP Welfare Plan); four weeks vacation per year, participation in the SIU-Pacific District Pension Plan and a \$100 per week auto allowance. SUP officials can contribute to the SUP 401(k) Plan. No contributions are made for SUP officials to the SUP Money Purchase Pension Plan.

Tax rules changed for Indian seafarers

India’s tax authorities have agreed to re-write rules for seafarers on Indian-flag ships to qualify them for non-resident status. The move is intended to end an anomaly that is cited by local fleet-owners as the main reason for an acute shortage of seafarers to man their ships.

A seafarer serving on Indian ships outside India for a period of 182 days or more in a year is considered to be a non-resident. However, the time spent by a ship in Indian territorial waters is considered as period of service in India.

As Indian ships generally operate in Indian trades and Indian ships call frequently at Indian ports, a large number of Indian crew employed on Indian ships, though trading outside India, face difficulties in complying with the 182 days criteria for getting a non-resident Indian status. But, Indian crew serving on foreign ships for 182 days or more are treated as non-resident, irrespective of where the ship trades (including Indian waters).

There is a continuous drift of personnel from Indian ships to foreign flag ships under the lure of higher ‘take home’ pay, without having to pay tax in India due to this un-intended differential tax treatment. As a result, Indian flag ships that are by law required to hire only Indian crew, face an acute shortage of experienced manpower, particularly in the officers category.

The tax authorities have now decided that the period of stay of seafarers outside India is calculated on the basis of dates stamped on their passport/continuous discharge certificate when they embark from an Indian port. As a result, the period spent by a ship in Indian coastal waters is also taken into account for computing the non-resident status and the resultant tax concessions, said Abdulgani Y. Serang, General Secretary of the National Union of Seafarers of India.

Los Angeles to sell \$340 million in bonds to refurbish container port

The Los Angeles Harbor Department, which runs the busiest container port in the United States, is selling about \$340 million of debt, the most since 2009. The sale, earlier this month, will help refinance debt and upgrade facilities at the Port of Los Angeles, according to bond documents.

The bond issue will be backed by revenue from the port, which has 43 miles of waterfront berthing and 23 terminal facilities. The port gets most of its receipts from tariffs on cargo and the rental of land and buildings, according to the offering.

Proceeds of the sale will help automate container movement and reduce air pollution from ships docked at the port, said Karl Pan, Chief Financial Officer of the Harbor Department. Part of the deal will also refund 2006 bonds and save about \$7 million in debt service, according to Soheila Sajadian, the harbor’s Debt and Treasury Director. The port securities are ranked Aa2, the third-highest investment grade, by Moody’s Investors Service, which cites the port’s importance to the regional and U.S. economy.

Port cargo, measured by a standard for containers known as 20-foot equivalent units, rose to 8.2 million TEUs in the year that ended June 30, or about 5.6% higher than in 2013, bond documents show. The port leads the United States in value of cargo shipped, revenue and net income, according to the documents.

“We have to make sure our facilities are strong and efficient so that shipping companies will still want to dock their ships here, and cargo owners believe rightfully that coming through the Port of Los Angeles is advantageous for them,” Pan said.

ESU Office Assignments

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



SEPTEMBER 2014

Official Publication of the Exxon Seamen's Union

New wage scales take effect September 1

The tables below represent this year’s pay increase of 3.50% on Base wages, CSB, SSHOT overtime and penalty rates. The complete wage tables for the entire contract package will appear in the new contract books All members will receive a new contract once the integration of new language and review is complete and received from the printer.

Total Monthly Wage Table: Base + CSB - Effective 9/1/14

Rating	START	1	2	3	5	10	15	20	25	30
Pumpman	4956	5268	5474	5520	5623	5830	5885	5933	5981	6038
MM/2nd PM	4682	4970	5167	5208	5306	5506	5544	5599	5647	5700
QMED-Oiler	4092	4342	4526	4555	4644	4826	4872	4915	4951	4997
Maint. Man/AB	3516	3739	3878	3912	3979	4118	4159	4195	4234	4270
Able Seaman 1	3526	3751	3895	3931	4013	4162	4200	4236	4272	4310
Able Seaman	3115	3317	3446	3475	3542	3679	3706	3744	3773	3811
Maint. Seaman	2822	2995	3125	3154	3218	3348	3377	3413	3437	3478
Fleet Chef	4675	4946	5134	5172	5270	5453	5506	5544	5594	5638
Cook	3494	3698	3838	3866	3941	4082	4114	4150	4183	4224

Hourly Wage Table: Base + CSB - Effective 9/1/14

Rating	START	1	2	3	5	10	15	20	25	30
Pumpman	20.65	21.95	22.81	23.00	23.43	24.29	24.52	24.72	24.92	25.16
MM/2nd PM	19.51	20.71	21.53	21.70	22.11	22.94	23.10	23.33	23.53	23.75
QMED-Oiler	17.05	18.09	18.86	18.98	19.35	20.11	20.30	20.48	20.63	20.82
Maint. Man/AB	14.65	15.58	16.16	16.30	16.58	17.16	17.33	17.48	17.64	17.79
Able Seaman 1	14.69	15.63	16.23	16.38	16.72	17.34	17.50	17.65	17.80	17.96
Able Seaman	12.98	13.82	14.36	14.48	14.76	15.33	15.44	15.60	15.72	15.88
Maint. Seaman	11.76	12.48	13.02	13.14	13.41	13.95	14.07	14.22	14.32	14.49
Fleet Chef	19.48	20.61	21.39	21.55	21.96	22.72	22.94	23.10	23.31	23.49
Cook	14.56	15.41	15.99	16.11	16.42	17.01	17.14	17.29	17.43	17.60

Monthly Sum for Saturday, Sunday, and Holidays (SSHOT) - Effective 9/1/14

	<u>Monthly</u>	<u>Hourly</u>
Pumpman	1358	5.66
MM/2nd Pumpman	1282	5.34
QMED-Oiler	1207	5.03
Maint. Man/AB	1032	4.30
Able Seaman 1	970	4.04
Able Seaman	924	3.85
Maint. Seaman	799	3.33
Fleet Chef	1267	5.28
Cook	953	3.97

Overtime and Penalty Payments–Effective 9/1/14

Rating	OT	PT
Pumpman	31.97	8.95
MM/2nd PM	30.16	8.45
QMED-Oiler	28.49	8.63
Maint. Man/AB	24.37	8.28
Able Seamen 1	22.93	8.78
Able Seamen	21.59	8.28
Maint. Seamen	18.75	6.45
Fleet Chef	29.93	8.45
Cook	22.44	8.28

Tank Cleaning Rates of Pay for Off – Watch Effective 9/1/14

Entry Ratings	24.05
AB and other ratings	29.24
If tank or bilge is not entered:	
QMED, PM	29.24
If tank or bilge is entered:	
QMED	34.34
PM	38.60

TWIC “OneVisit” now available everywhere

TWIC cards can now be mailed directly to your home, or other location, instead of returning to an enrollment center to pick up your card. This applies to new or renewed enrollment cards, Extended Expiration Date (EED) TWICs, or replacements for lost, stolen, or damaged cards. If you choose to receive your card by mail you will only be required to make one visit to an enrollment center to complete the enrollment process. When you

receive your card it will be activated and ready to use. A mailer with the card’s preset Personal Identification Number (PIN) will be sent to you separately. You may also choose to pick up your card at an enrollment center. If you pick up your card at an enrollment center you can select your PIN. If you receive your card by mail and want to change your preset PIN you can visit any enrollment center to have it set to your selected PIN at no cost.

New name for TWIC Enrollment Centers

Enrollment centers now provide services for TWIC as well as TSA’s TSA Pre™ and Hazardous Material Endorsement (HME) programs. Instead of looking for a “TWIC Enrollment Center” sign look for a “Universal Enrollment Services” or “UES” sign. When you need to apply for or renew your TWIC be sure to check the web

site to find the nearest UES center <https://universalenroll.dhs.gov/locator>. All TWIC services are available at UES enrollment centers to walk-ins as well as those with appointments. Those with appointments receive priority service at their appointment time, but walk-ins are served in the order they arrive.

4th quarter 2014 lump sum pension rate dips to 3.25%

The interest rate for calculating the lump sum payments of ExxonMobil pensions for July 1 – September 30 2014 is currently 3.5%. The present rate was raised at the beginning of the year by .50%. ExxonMobil benefits recently announced for the fourth quarter that the interest rate for lump sum calculations will be decreasing to 3.25% for the period of October 1- December 31 2014. If you are considering retirement and plan to take a lump sum pension, the lower interest rate should generate a larger lump sum pension payment.

The ESU advises all members that may be considering retirement in the near future to closely evaluate their financial position before deciding on retirement and whether to take the lump sum pension option or the monthly pension payment. Members deciding whether to continue employment or to retire should consider other factors that may affect their financial security in retirement. For example, employees continuing to work will receive additional months of salary, additional months of Savings Plan contributions and additional months of age and service that will normally increase pension benefits.

The ESU also recommends that everyone that is eligible, or soon to be eligible to retire from the Company, you should consider attending a pre-retirement planning seminar that is offered by ExxonMobil. Scheduling is prioritized by age and/or definite retirement plans. Eligibility normally means within 3 years of the minimum age to retire for the unlicensed group (50) with a minimum 15 years of service at the time you elect to retire. Spouses are invited to participate in this class and you can attend this course twice after you become eligible, but before your retire. It is recommended that you initially attend well in advance of your retirement and then again closer to your actual retirement date.

If you are interested in attending and know the session you wish to attend, you should then notify Helen Wright at 832-624-7759 for enrollment.

Free flu shots

Flu shots are again being offered to the membership by SeaRiver’s Medical Department at no cost to the individual. This year the Company will arrange to have flu shots administered on board the West Coast vessels while in Valdez, AK.

Individual clinics that perform annual Company physicals may also be able to provide flu shots but this depends on clinic participation and if the clinic has the vaccine on hand. At the present time, SeaRiver Medical is still working on the logistics of making flu shots available to personnel aboard the American Progress.

Seasonal flu shots are generally both safe and effective, except for people with chicken egg allergies and a few other rare conditions. If you have any health concerns about flu shots, you should check with your personal physician. Incidentally, the flu shot program is on a voluntary basis.

ING U.S. becomes Voya Financial

ING U.S., the third party administrator for the ExxonMobil Savings Plan, is changing its name to Voya Financial. After September 1, you will begin to see the Voya name or logo appear within the ExxonMobil Savings Plan website and other transaction points and communication materials. This transition in name will take place in phases so you may see both names at times but the transition to Voya should be completed by the end of 2014. This will not change your account or the retirement plan services you receive today. The Plan Information Line number does not change. The Plan website changes from www.xomsavings.ingplans.com to www.xomsavings.voyaplans.com, with both versions active through November 2015.

ESU News

Alaska LNG Project takes another step forward

The Alaska LNG Project has marked a major milestone with the recent submission of a formal request to the Federal Energy Regulatory Commission (FERC) to start the pre-file process for the major natural gas project.

The FERC pre-file milestone sets the stage for the activity associated with the environmental review required for the siting, design, and permitting for construction of the proposed project. This is another important step in the progression of the Alaska LNG project.

“We look forward to leveraging the extensive strengths of all the parties involved in the FERC pre-file process,” said Steve Butt, Alaska LNG senior project manager with ExxonMobil.

This process is supported by a second season of summer field work, which is part of the project’s \$500 million pre-front-end engineering design (pre-FEED) phase. The 2014 summer field work, which is almost complete, employed approximately 250 people. The primary objective of the summer field work was to collect the data necessary to support requisite environmental permitting for the project and to support the routing and siting of project facilities. The majority of the work was focused along the pipeline route from Livengood to the proposed LNG liquefaction facility site in Nikiski.

The Alaska LNG project would provide significant economic benefits to Alaskans including state revenues, new job opportunities and access to decades of in-state natural gas for homes and businesses in Alaska. The Alaska LNG project is anticipated to create up to 15,000 jobs during construction and approximately 1,000 jobs for operation of the project.

The proposed project facilities include a liquefaction facility in the Nikiski area on

the Kenai Peninsula, an 800-mile, large diameter pipeline, up to eight compression stations, at least five take-off points for in-state gas delivery, a gas treatment plant located on the North Slope and transmission lines to transport gas from Prudhoe Bay and Point Thomson to the gas treatment plant.

A timeline laid out in the newly filed request says the companies will file for FERC approval in September 2016, and will request approval be granted by July 2018. The timeline also anticipates that a draft environmental statement will be issued three years from now, before a final impact statement is issued in early 2018. Construction would begin later that year or in 2019, and gas would begin flowing not later than 2025.

The Alaska LNG project participants are the Alaska Gasline Development Corporation (AGDC) and affiliates of ExxonMobil, TransCanada, BP and ConocoPhillips. An application for an LNG export license to the U.S. Department of Energy was submitted in July for the project.

Incidentally, The House Subcommittee on Coast Guard and Maritime Transportation held a hearing on September 10th to review the status of the U.S. Merchant Marine. In that hearing, U.S. shipping interest were pushing for additional job opportunities for the U.S. mariners through the export of LNG. Congressman John Garamendi, the top Democrat on the House maritime transportation subcommittee, and Duncan Hunter, the Republican chairman of the subcommittee, introduced legislation in July that would require the development of a program to use U.S. flagged vessels for LNG exports. Passage of such legislation would probably not occur until next year.

Ship reports

S/R American Progress

The vessel continues to call on Gulf coast ports for mogas and diesel trades. After loading at Alliance Phillips 66, the ship completed multiple discharges at Tampa, Jacksonville and Ft. Lauderdale. Larry Miles is filling in as Ship Representative and doing a good job.

Kodiak

The vessel remains at the lay berth in Vancouver, WA. The *Kodiak* will remain in a warm layup status with a couple of officers on board until further notice.

Liberty Bay

The vessel departed U.S. Gulf Coast for the West Coast on August 10, with a stop for bunkers in Sint Eustatius in the Caribbean before proceeding around the continent of South American. During the trip the crew had intermittent Internet access and email. Expected arrival in Long Beach, CA is around September 21. The vessel should be in port for a couple of days to complete stores, bunkers, inspections and crew reliefs. First discharge of cargo looks like a split between Long Beach and the Puget Sound.

Sierra

The *Sierra* continues in the ANS trade between Valdez and West Coast Ports. Board officer John Straley visited the ship while at anchor in San Francisco on September 7. Regular Ship Representative Thor Floreen departed for paid leave and Peter Flaherty has taken over the duties as Representative and reports everything going well. Next discharge port is slated for Long Beach.

Liberty Bay crosses the Equator



The crew of the *Liberty Bay* take part in the traditional equator crossing ritual known as the “King Neptune Court”. Pictured above top right, AB Penny Joule and Captain Dan Goodwin. Bottom left: AB and ESU Board member at Large, John McCarthy. Bottom right are Pumpman Bob Ross (left) and AB Ed Stocckel.

Kodiak farewell



The picture above is of the last crew that served aboard the *Kodiak* at the beginning of July. The ship was crewed up shortly after entering layup status for another trip to Valdez but as it turned out the vessel’s service was not needed after all. Pictured above on the stairs starting from the top: Robin Robinson, Ernie Evangelista, and Danny Breaux. Pictured front row from left to right: Ray Parchmon, Ed Stocckel, Paul Clow, Sumaila Mumuni, Greg Connell, Joe Buffington, Eric Guzman, Larry Miles, Ben Ramirez and Sean King. Photo by Peter Flaherty.

EXXON SEAMEN’S UNION

Founded March 28, 1941

Affiliated with the Sailors’ Union of the Pacific

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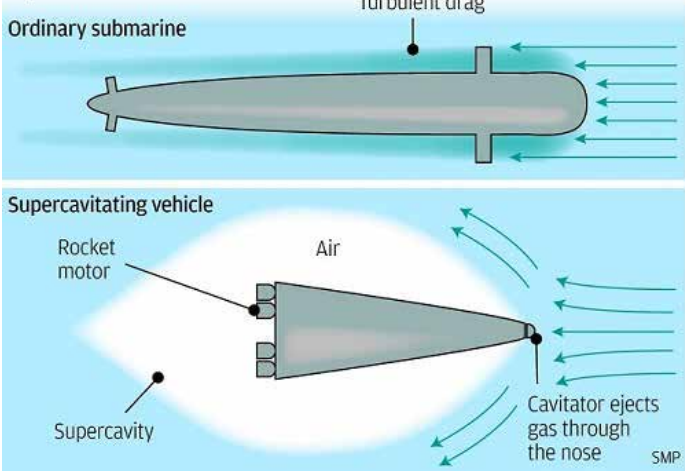
Vice President/Treasurer Leo DeCastro	Deck Trustee Jeffrey Harris
Board Member at Large Joe Bernavich	Engine Trustee William Ackley
Board Member at Large John McCarthy	Steward Trustee Joel Mitchell

Shanghai to Frisco in less than two hours?

China is working towards the creation of a supersonic submarine that could in theory travel from Shanghai to San Francisco in less than two hours.

New technology developed by a team of scientists at Harbin Institute of Technology's Complex Flow and Heat Transfer Lab has made it easier for a submarine,

Speed machine



or torpedo, to travel at extremely high speeds underwater, reports the *South China Morning Post*.

Professor Li Feng-chen says he can create the complicated air bubble required for rapid underwater travel. Air produces less friction than water, so without this development, conventional submarines cannot travel as fast as, say, an aircraft.

During the cold war, Russia developed supercavitation which involves enveloping a submerged vessel inside an air bubble to avoid water drag. This enabled a torpedo called Shakval to reach a speed of 230 miles per hour.

In theory, a supercavitating vessel could reach the speed of sound underwater, about 3,604 miles per hour which would reduce a transpacific journey to about 100 minutes, according to a report by California Institute of Technology in 2001.

Up until now, one problem associated with the technology is the need to launch the underwater vessel at speeds of close to 60 miles per hour to generate and maintain the air bubble. Also, conventional steering with a rudder is impossible without contact with water.

Li and his team have developed a way for the supercavitation vessel to be constantly showered by a special liquid membrane on its own surface to significantly reduce drag on the vessel at low speed. Then once it has reached 46 miles per hour it would enter its supercavitation state. The liquid membrane on the vessel surface would also help with steering. However, Li said many problems still need to be solved before supersonic submarine travel becomes feasible. Besides the control issue, a powerful underwater rocket engine still had to be developed to give the vessel a longer range. The effective range of the Russian supercavitation torpedoes, for example, was only between seven and nine miles per hour.

Li says the concept could also be used to create low-drag swimsuits making swimming seem like flying in air.

Commerce links exports to increased U.S. jobs

The U.S. Commerce Department this month released new data highlighting for the first time the number of jobs supported by goods exports from each of the 50 states, as well as a report on exports from the country's 387 Metropolitan Statistical Areas in 2013.

The department's research shows that U.S. goods exports supported 7.1 million jobs, whereas overall goods and services exports –which totaled \$2.3 trillion– supported more than 11.3 million American jobs in 2013.

At the same time, U.S. metropolitan areas exported more than \$1.4 trillion in goods in 2013, accounting for nearly 90% of all U.S. goods exports. Texas exports supported more jobs –an estimated 1.1. million– than any other state, with Houston leading the metropolitan area rankings for a second year in a row with \$115 billion in goods exports.

In addition to Texas, the other top five exporting states were California, Washington, Illinois and New York, which collectively supported 3 million jobs, or 43% of U.S. jobs driven by exports in 2013.

According to Commerce, exports from U.S. metropolitan areas increased by nearly \$43 billion –or 3.1%– between 2012 and 2013. “Along with Houston, New York City, Los Angeles, Seattle, and Detroit complete the top five metropolitan area rankings. The Seattle metropolitan area showed the highest annual dollar growth in exports for a second consecutive year, with exports expanding by \$6.4 billion in 2013. Both Texas and California had six metropolitan areas each in the report's top 50 rankings,” the department said.

“This new research provides further evidence that exports are strengthening our economy and creating good jobs,” said Commerce Secretary Penny Pritzker in a statement.

Membership and Ratings Committee

The Committee met on September 4, 2014, and found the following members eligible for advancement in seniority and rating stamps in the various departments:

Name and Membership Number	Seatime	Rating	Seniority
Lorenzo Otis #19363	1 Year	O.S.	B
Eduardo Santiago C-2451	30 Days	O.S.	C
Marvin Tingle C-2452	30 Days	O.S.	C
Rating Stamps - None			

M/S (O’Neal-several) to concur in the Committee’s report. Carried unanimously. Membership and Ratings Committee: Marcelo Javier, Jr. #4324, Mike O’Boyle #2472 and Cirilo Sajonia #C2391.

Welfare Notes

September 2014

To Do List Before Retirement

Check with the SUP Welfare Plan Office with regard to your health plan coverage and the SIU-PD Pension Plan for detailed application requirements.

Your active medical and dental coverage will terminate when you retire. As an example if your shipping time has given you active plan eligibility through April 2015 and you retire effective December 01, 2014, your active eligibility terminates December 1, 2014.

If you are 65 years old or older, you should already be enrolled for Medicare Part A. Medicare Part A covers in-patient hospitalizations after a deductible. For most people, a premium is not required for Medicare Part A coverage.

Since active plan coverage will terminate when you retire, you should also visit the Social Security/Medicare office to inquire about Medicare Part B and Medicare Part D. The Plan office will help you complete forms for your enrollment.

Medicare Part B covers Medicare eligible physician services, outpatient hospital services, certain home health services, and durable medical equipment. Medicare Part D is the Medicare Prescription Drug Plan. Medicare can advise you of the plans available and the cost.

The cost of the Medicare Part B premium (currently \$104.90 per month) can be reimbursed to Pensioners on their pension check with proof of premium. The amount of the Medicare Part B premium is then deducted from the Pensioners' Annual Allowance.

The cost of the Medicare Part D premium and cost of co-payments for medical services covered by Medicare Part B and prescription co-payments covered by Medicare Part D can be submitted as claims to the Pensioners Annual Allowance.

If your spouse is not eligible for Medicare or you have other dependents you will need to inquire about other health care options available for them when your active coverage terminates. It would also be in your best interest to inquire about additional supplemental plans for yourself.

Michelle Chang, Administrator mcsupsiupd@sbcglobal.net

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

Virginia Briggs, Claims vbriggs80@sbcglobal.net

Michael Jacyna, Eligibility mjacyna67@sbcglobal.net

Training Representative Berit Eriksson 206-551-1870
berittrainrep@sbcglobal.net

SUP Welfare Plan 730 Harrison Street, Suite 415, San Francisco, CA 94107

Phone Numbers: 415-778-5490 or 1-800-796-8003 Fax: 415-778-5495

SIU-PD Pension Plan 415-764-4987

SIU-PD Supplemental Benefits 415-764-4991

Seafarers Medical Center 415-392-3611

Seattle picks Fick as Port Director

Port of Seattle commissioners have selected businessman Ted J. Fick as the port's next chief executive officer, effective September 29. Fick will replace Tay Yoshitani, who is retiring as port director.

Fick has spent many years leading companies engaged in international business. Most recently he served as CEO of Polar Corp., a \$475 million trailer and component parts manufacturer based in Minnesota. The company has multiple manufacturing plants and a workforce of more than 2,000 people.

From 1983 to 2000, he held executive positions at truck manufacturer PACCAR and its Kenworth division. Fick was senior vice president of Hino Diesel Trucks (USA) from 2000 to 2001. He spent the next two years as vice president of commercial tire systems at Goodyear Tire & Rubber Co. From 2004 to 2007, Fick was president of Thermo King Corp.-Americas, a maker of refrigeration units for truck trailers, rail cars and ocean containers. He was CEO of CPI Card Group from 2007-2008. He started his career helping to run his family's company, Fick Foundry, in Tacoma, Washington.

On September 10, SUP Training Representative and Workforce Development Director Berit Eriksson took the oath of office to become a member of the United States Merchant Marine Personnel Advisory Committee (MERPAC) in Easton, Maryland.

MERPAC advises the Secretary of Homeland Security via the USCG Commandant on matters relating to the training, qualification, licensing, certification and fitness of U.S. Merchant Mariners. The Committee consists of up to 19 members who have particular areas of expertise, knowledge and experience in the maritime industry.

MFOW President Anthony Poplawski is also a member of MERPAC.



Status of the U.S. Merchant Marine continued from page 4

U.S.-flag commercial vessels, or see the further decline in our nation’s ability to carry its commerce on U.S.-flag ships. The next generation of American mariners will not be available to serve the needs of our nation unless something is done. It is time for immediate, aggressive and innovative action to develop a stronger, more competitive U.S.-flag fleet, to increase the share of our trade carried by American ships, and to stop the outsourcing of American maritime jobs. A healthy United States Merchant Marine will safeguard our country’s military, economic and homeland security.

We stand ready to work with you, Mr. Chairman, with Ranking Member Garamendi, the Members of this Subcommittee and your colleagues to achieve these objectives.”

Others who gave testimony to the Subcommittee were Mark Tabbutt, Chairman of Saltchuk Resources; Matthew Paxton, President of the Shipbuilders Council of America; and Niels Johnson, Chairman of Central Gulf Lines and Waterman Steamship Corporation.

The testimony of Tabbutt and Paxton highlighted the differences between the state of the U.S. Merchant Marine in the domestic trades and in the foreign trades.

Tabbutt stated that the American maritime industry, supported by the Jones Act, is strong, vibrant and growing.” Paxton testified that “the state of America’s commercial shipbuilding industry is strong, more vibrant than ever, and that U.S. shipyards are experiencing dramatic growth as a result of the shave oil revolution and record levels of new vessel construction orders and deliveries.”

Niels Johnson, testifying on behalf of the USA Maritime Coalition, which the Sailors’ Union is a member, stated that the industry in the foreign trades is in a “precarious” state.

“Our industry is in the midst of a ‘perfect storm’ –dwindling United States Military cargoes, a precipitous drop in food aid cargoes, escalating costs and regulations from the USCG and other Federal agencies, and intense low-cost foreign competition,” said Johnsen. “Any such National Maritime Strategy must preserve and enhance the Maritime Security Program; reinforce and expand existing United States flag cargo preference requirements, while ensuring strict compliance with those requirements by all Federal agencies and Departments; and include immediate efforts to expand trading opportunities for United States flag vessels with the key trading partners of the United States. USA Maritime is fully prepared to work with this Subcommittee on these initiatives so we can rebuild the United States flag fleet and reestablish a strong American presence on the oceans of the world.”

Maritime Security Program

So, Mr. Chairman, our first and most immediate request of USA Maritime is for Congress to fully fund the MSP in Fiscal Year 2015 at the authorized level of \$186 million. Once that is accomplished, we will need to address the appropriate level of funding required to sustain the MSP fleet in future years. It is critically important that the level of support for MSP vessels be adjusted to achieve commercial viability and a more level playing field for MSP vessels when competing against foreign flag vessels. By so doing, the Congress and the Administration will

ensure that the essential sealift capability of United States flag vessels and the associated American mariner jobs are preserved.

As a complement to MSP, DOD must continue to abide by its long-standing “commercial first” policy to provide military cargo to privately-owned United States flag vessels when available in lieu of government-owned or controlled vessels. This policy has resulted in military cargo support for the United States flag fleet, and we strongly urge Congress to ensure that DOD continues its unwavering adherence to this essential policy. “

Cargo Preference.

Mr. Chairman, while the MSP is critical to the continued existence of the United States flag merchant marine, it is only one of the elements necessary for the long-term health of our industry. It is equally important for United States flag ships to have access to a broad array of commercial and government cargo. USA Maritime therefore strongly supports cargo preference requirements for government-impelled cargo.

There are three cargo preference laws which must be preserved and, where possible, enhanced. First, the Cargo Preference Act of 1904 requires that all United States military cargo must be transported on United States flag vessels. Second, under “Public Resolution 17,” cargoes generated by the Export-Import Bank must be shipped on United States flag vessels. And, third, the Cargo Preference Act of 1954 requires that at least 50% of all government-generated cargoes must be transported on United States flag vessels available at fair and reasonable rates. The Food Security Act of 1985 increased that percentage to 75% for carriage of agricultural cargoes under certain foreign assistance programs of the Department of Agriculture and the Agency for International Development. Unfortunately, that percentage was reduced in 2012 from 75% to 50%, with very negative impacts on the United States flag commercial fleet.

USA Maritime strongly supports the legislative provision that you and the Ranking Member, Congressman John Garamendi, included in H.R. 4005, the Coast Guard and Maritime Transportation Act of 2014 (the Coast Guard bill), that would restore the United States flag share of food aid cargoes to the 75% level. We look forward to continuing to work with you and your colleagues towards enactment of this vitally important legislation.

USA Maritime urges MarAd to redouble its efforts to rigorously enforce the existing cargo preference laws and ensure that all relevant Federal agencies and their contracting officers fully comply with the letter and spirit of the cargo preference requirements.

USA Maritime supports the additional cargo preference enforcement language that your Subcommittee included in the Coast Guard bill that passed the House earlier this year. Your language again makes it clear that MarAd has the responsibility to determine if a Federal program is subject to cargo preference and that it must exercise its broad authority to enforce those requirements. Congress should compel MarAd to report to Congress on a regular basis and to document its actions and efforts, specifying the programs, Departments and agencies it has reviewed and the actions taken to ensure full compliance with cargo preference requirements. We urge MarAd to

fully and aggressively use this authority to maximize the amount of United States government cargo moving on United States flag vessels.

Cooperation of the United States Coast Guard.

When the Maritime Security Program was first enacted, Congress made it clear that one of its objectives was to incentivize ship owners to document new, modern vessels under the United States flag and to enroll those vessels, as appropriate, in the MSP. In order to carry out that mission, the full cooperation of the United States Coast Guard (USCG), the Federal agency with the responsibility to inspect and document vessels under the United States flag, was required. For many years, the USCG adhered to the original intent of Congress by working closely with MSP carriers, MarAd and TRANSCOM to expedite at little or no cost the documentation under United States flag of dozens of modern vessels. During that time, the USCG complied with the provisions of the Maritime Security Act that permit vessels to be inspected in accordance with international standards in order to enter the United States flag and enroll in the MSP fleet. Unfortunately, the USCG recently issued Navigation and Vessel Inspection Circular 01-13 (NVIC 01-13) that, if fully implemented, would dramatically alter its long-standing cooperative approach to the documentation of MSP vessels under the United States flag and impose yet another obstacle to the continued success of the MSP program. NVIC 01-13 proposes to require vessels entering the MSP to comply with more costly standards that exceed international standards routinely accepted by the USCG. This NVIC, if allowed to stand, will add millions

of dollars in costs to United States flag vessel owners, and will be yet another impediment to a healthy United States flag merchant marine. USA Maritime urges this Subcommittee to request that the Coast Guard revoke NVIC 01-13 and return to the prior practice that has worked effectively since the inception of the MSP.

Removal of International Trade Barriers.

Mr. Chairman, another challenge for United States flag carriers is that numerous countries around the world continue to erect trade barriers in foreign commerce that exclude or limit the ability of United States flag shipping companies to have access to those markets. As you know, the United States has one of the most open markets in the world. Yet, regrettably, many of our trading partners do not reciprocate our “open door” policy. Over the last 20 years, we have, on a limited basis, with the help of Congress, MarAd, the Federal Maritime Commission, the Department of Commerce, and the U.S. Trade Representative gained access to certain previously-closed markets for our vessels. As we work with the Congress and the Administration to develop a new maritime policy, we should include provisions designed to promote the use of United States flag vessels and eliminate unfair and anti-competitive trade practices throughout the world. The members of USA Maritime are prepared to compete effectively in the world market, but we must have access to markets which are currently not fully open to us. We stand ready to work in a collaborative fashion with all facets of the Federal government, particularly the United States Trade Representative, in a sustained effort to eliminate trade barriers wherever they exist around the world.”

Long Beach approves \$858 million budget for port

The Long Beach City Council voted unanimously this month to approve an \$858 million budget for the Port of Long Beach for their upcoming fiscal year, with a large percentage being dedicated to modernizing and improving the Port. The Harbor Department, which manages and develops the Port, plans to spend \$579 million of the budget on capitol projects, which include the ongoing Desmond Bridge Replacement Project and the redevelopment of the Middle Harbor Terminal.

The department does not rely on taxpayer revenue for its operating costs but rather draws from funds generated from terminal leases and fees charged to companies and shipping lines for moving cargo through the Port of Long Beach. Grants from state and federal agencies for roadway, rail and security projects also contribute to the Port’s annual operating costs.

In addition to providing funds to further expand and update the Port, the approved budget will allow for the creation of close to 30 new full-time positions, including 20 in engineering.

China to focus on boosting its shipping industry

China has published a set of guidelines to support and develop its shipping industry, in an attempt to focus to secure its supply chains and grow more assertive over territorial disputes in the South China Sea with neighbors like Vietnam and Japan, according to a published report from *Reuters*.

In a statement published on their website, the Chinese State Council said that the country will introduce tax and other regulatory reforms while pushing shipping firms to upgrade and modernize their fleets to build an efficient, safe and environmentally friendly shipping system by 2020. “Shipping is a key component in economic development and plays an important role in protecting a country’s maritime rights and economy, in promoting exports and industrial development,” the statement read. The government would also encourage shippers to retire their vessels early, thus reducing supply, and instead, develop shipping centers like Shanghai and Dalian to compete with shipping hubs around the globe.

China’s shipping industry, whose numbers exceed 240 firms, carried 25% of the world’s trade and lagged behind other countries in terms of services and crew size, Deputy Transport Minister He Jianzhong told reporters at a briefing in Beijing. He said shipping firms should improve their corporate structure and costs, and aim to achieve scale to boost their competitiveness.



SUP President's Report

September 8, 2014

APL MARINE SERVICES

Wage Increase

In accordance with the 2005-2015 collective bargaining agreement between the SUP, MFOW, SIU-Marine Cooks, and APL Marine Services, Ltd., a 3% increase in wages and wage-related items (overtime, Supplemental Benefits, etc.) becomes effective October 1. The agreement and the wage increase covers the nine company vessels enrolled in the Maritime Security Program (MSP): *APL Agate*, *APL China*, *APL Coral*, *APL Cyprine*, *APL Korea*, *APL Pearl*, *APL Philippines*, *APL Singapore* and *APL Thailand*. Those employed under the SUP/APL Maintenance Agreements shall also receive a 3% increase.

Recommend that the wage increase be applied to wages and wage-related items. New wage rates, etc. will be published in the September *West Coast Sailors*.

Also effective October 1, all APL contributions to the SUP Welfare Plan shall be increased by the percentage increase of the Medical Care Services component of the Consumer Price Index (United States City Average for Urban Wage Earners and Clerical Workers) during the previous 12-month period for which such index has been calculated by the Bureau of Labor Statistics.

Wage rates for the non-MSP vessel APL Belgium were published in the June issue of the *West Coast Sailors*.

C-11 Drydocking

The Union was informed by APL that the company will begin drydocking its C-11 Class vessels beginning in October or November with the *APL Singapore* being the first projected to go to the yard. To pick up the slack in the trans-Pacific, the company anticipates that it will flag to U.S. registry the *APL Holland* which is currently under Singapore flag.

PATRIOT CONTRACT SERVICES

In accordance with the agreements with Patriot, there will be a Total Labor Cost increase on the following vessels effective October 1: *Cape Henry* 3%; *USNS Martin* 2%; *SLNC Pax* 3%; and *USNS Waters* 2%.

The Total Labor Cost increase covers all rates of pay, all other forms of compensation including contributions to the SUP Welfare Plan.

Watson-Class LMSRs

The wage rates for Wastson-Class Large, Medium-Speed Roll-On/Roll-Off (LMSR) vessels were first published in last year's September issue of the *West Coast Sailors*. What was missing was the Supplemental Base Monthly and the Supplemental Benefit Monthly. They are printed below along with the wage and overtime rates:

Full Operating Status (FOS)

	Wages (56 hr.week)		OT	Supp. Benefit Base	Supp. Benefit	Supp.* Benefit	Money Purchase
Rating	Monthly	Daily	Hourly	Monthly	Monthly	Daily	Plan
Bosun	\$7,407.21	\$246.91	\$31.20	\$5,243.58	\$2,621.79	\$87.39	\$27.00
AB	\$5,859.11	\$195.30	\$24.03	\$4,056.52	\$2,028.26	\$67.61	\$27.00
OS	\$4,181.94	\$139.40	\$19.07	\$2,858.96	\$1,429.48	\$47.65	\$27.00

*Supplemental Benefits: Fifteen (15) days for each Thirty (30) worked or pro rata thereof.

Reduced Operating Status (ROS)

Rating	Weekly Wage	Daily Wage	Overtime Rate
Bosun	\$1405.00	\$200.71	\$31.20
AB	\$1101.64	\$157.38	\$24.03
OS	\$843.58	\$120.51	\$19.07

Supplemental Benefits: One and one-half (1½) days for each Thirty (30) days worked or pro rata thereof.

MASTERS, MATES & PILOTS

In June, Seattle Branch Agent Vince O'Halloran informed MFOW President Anthony Poplawski and your secretary that the Masters, Mates & Pilots desired to enter into an agreement to provide sailors and firemen to the vessels Thunder and Lightning and Strong Mariner on an "as-needed" basis. Both vessels are Articulated Tug Barges (ATB) chartered to the Military Sealift Command and are owned by American Cargo Transportation Corporation, a subsidiary of Foss Maritime Company.

The Memorandum of Understanding between the SUP and MM&P states:

"This agreement is made on a non-precedent setting basis, at the sole discretion of the MM&P for its use and frequency and shall only apply to the vessels described herein. In the event a vacancy in an unlicensed deck billet exists, the MM&P may call on SUP to provide relief unlicensed deck ratings from the SUP hiring halls. If an unlicensed deck rating is provided by SUP, the terms and/or conditions of employment, and the compensation paid shall be as per the MM&P Agreement. Unlicensed deck ratings supplied by SUP shall not be required to pay dues or service charges to the MM&P, or otherwise participate in internal matters of MM&P.

"Additionally, all fringe benefit contributions provided for in the MM&P Agreement, and any mandatory employee medical co-pay requirements, if any,

shall be, as application: 1) passed through from the MM&P Benefit Plans to the SUP Benefit Plans for the credit of the SUP Plans participant who was so employed or 2) credited to the SUP rating directly in accordance with the Company's benefit plans.

"It is further agreed that the assignment of SUP ratings as described above is for temporary relief positions only, and that once an MM&P member is able and/or available to perform the work, the MM&P member will fill the billet in the next rotation at the sole discretion of MM&P."

A similar Memorandum was approved by the MFOW.

On September 2, signed the Memorandum of Understanding, subject to membership approval, attached.

SUP OFFICERS' WAGES

Article XV, Section 1(a) of the SUP Constitution states: "The salaries and supplemental pay [of Union officers] shall be adjusted automatically on the same percentage basis whenever the membership has a percentage adjustment in wage and vacation pay for the offshore agreements."

On July 1, members working aboard Matson Navigation Company vessels and those employed under the SUP/Matson Maintenance and Extra Maintenance Agreements received a 3% increase in wages and wage-related items. As reported, effective October 1, members employed aboard APL Marine Service's nine vessels enrolled in the Maritime Security Program (MSP) and those working under the Maintenance and Extra Maintenance Agreements will receive a 3% increase in wages and wage-related items.

Therefore, recommend consistent with the Constitution, that officers of the Union receive a 3% increase in wages and vacation pay effective October 1.

COLUMBUS DAY

All SUP halls will be closed for Columbus Day, Monday, October 13, a holiday under all SUP agreements. Due to the holiday, the Headquarters membership meeting will be on Tuesday, October 14.

ACTION TAKEN

M/S to allocate 3% APL wage increase to wages and wage-related items. Carried unanimously.

M/S to approve pass-through MOU with MM&P. Carried unanimously.

M/S to increase SUP officers' wages by 3%. Carried unanimously.

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

Gunnar Lundeberg

Lost British ship from 1840s found in Arctic

One of two British ships that vanished in the Arctic nearly 170 years ago during an expedition to find the fabled Northwest Passage has been found, Canada's prime minister announced on September 9, in a discovery that could unlock one of history's biggest mysteries and swell Canadian pride.

Last seen in the 1840s while under the command of Sir John Franklin, *HMS Erebus* and *HMS Terror* have long been among the most sought-after prizes in marine archaeology and the subject of songs, poems and novels.

Prime Minister Stephen Harper's office said the well-preserved wreck of one of the vessels was found 11 yards below the surface with the help of a remotely operated underwater vehicle.

Harper said that it is unclear which ship was found, but that sonar images yielded enough information to confirm it is one of the pair.

"This is truly a historic moment for Canada," said Harper. "This has been a great Canadian story and mystery and the subject of scientists, historians, writers, and singers, so I think we really have an important day in mapping the history of our country."

Harper said the discovery would shed light on what happened to Franklin's crew.

Franklin and 128 hand-picked officers and men had set out in 1846 to find the Northwest Passage, the long-sought shortcut to Asia that supposedly ran from the Atlantic to the Pacific by way of the harsh, ice-choked Arctic.

Historians believe that the ships were lost in 1848 after they became locked in the ice near King William Island and that the crews abandoned them in a hopeless bid to reach safety. Inuit lore tells of "white men who were starving" as late as the winter of 1850 on the Royal Geographical Society Island.

Dozens of searches by the British and Americans in the 1800s failed to locate the wrecks, and some of those expeditions ended in tragedy, too. But they opened up parts of the Canadian Arctic to discovery and ultimately spied a Northwest Passage, though it was inhospitable to shipping because of ice and treacherous weather.

The search for an Arctic passage to Asia frustrated explorers for centuries, beginning with John Cabot's voyage in 1497.

No sea crossing was successful until Roald Amundsen of Norway completed his trip in 1903-06.

Texas A&M to conserve 1792 anchor

A long-lost anchor — believed to have been missing since 1792 and thought to have belonged to the *HMS Chatham* when it was on an expedition in Vancouver — has made its way from the Pacific Northwest to Texas A&M University, where it will undergo extensive conservation that its owners hope will also verify its having belonged to the ship operated by British explorer Captain George Vancouver.

The 10-foot-long anchor, weighing about 1,400 pounds, made the 2,200-mile journey to Texas A&M’s Center for Maritime Archaeology and Conservation in the back of a pickup truck driven by Scott Grimm and Doug Monk, the two men who have undertaken the conservation project as a fairly expensive labor of love. Grimm resides in Seattle and Monk in Port Angeles, Washington.



The anchor is now in the hands of a team headed by Jim Jobling, a research associate at the Texas A&M center’s Conservation Research Laboratory, a veteran in tackling such tasks.

Jobling estimates work on the anchor will take 18 to 24 months, at which time Grimm and Monk will retrieve it for the trek back to the Northwest and hopes of finding a museum or other location for its permanent display.

“Our goal is definitely to keep it in the Northwest,” Grimm said. “Also, we’re confident the anchor is from the *HMS Chatham*, and we’re confident—certainly hope—that the conservation work at Texas A&M will uncover some markings that show beyond a shadow of a doubt that it belonged to the (British) crown,” he added.

Jobling, who has worked at the renowned research lab for 30 years, said the anchor will be an “interesting project,” one that could have a bearing on Puget Sound history.

“We welcome such opportunities to help conserve major artifacts of historic significance and preserve them for posterity,” he noted. It also gives graduate students in the Nautical Archaeology Program, a hands-on opportunity to learn practical artifact conservation.

The anchor was pulled from its resting place in June by a crane aboard a barge amid less-than-ideal weather conditions and was put on display briefly before arrangements were finalized to send it to Texas A&M.

The anchor was reported lost, after having become wedged against a large rock formation. The hemp anchor cable then snapped, as it was not strong enough to hold the ship in the high current off Whidbey Island, according to reports. The ship’s log mentions that the recovery effort failed. When the anchor was recovered recently, the remains of a small grapnel were found lodge in the chain.

China and Russia reportedly agree to build seaport

China and Russia have reportedly agreed to build one of the largest ports in north-east Asia on Russia’s Sea of Japan coast. The seaport is expected to be able to handle some 60 million tons of cargo a year, according to China’s state-run People’s Daily Online. That figure is comparable to the volume handled by the Port of Immingham or LeHavre, according to European Commission statistics. The new facility will be located in far eastern Russia, just 11 miles away from the Chinese border.

Chinese and Russian leaders inked a deal on the port at May’s Conference on Interaction and Confidence Building Measure in Asia (CICA) in Shanghai, the report said. The move represents the latest step by Beijing and Moscow to boost their energy and infrastructure ties.

It’s time to reel in the ramen

Instant noodles are cheap, convenient and tasty. Now for the bad news. Researchers in South Korea, where instant noodle consumption is the highest in the world, studied 10,711 adults, a representative sample of the population enrolled in a large survey of health and nutrition. They found two major dietary patterns - the “traditional diet” of fish, rice and vegetables, and the “meat and fast food” regimen, rich in meat and processed food, including instant noodles. Neither diet as a whole was associated with metabolic syndrome, the constellation of symptoms that includes abdominal obesity, high blood pressure and high cholesterol, which may increase the risk of heart disease and diabetes. But the study, in the August issue of *The Journal of Nutrition*, found that independent of other factors, women who ate instant noodles at least twice a week were 68% more likely to have metabolic syndrome.

The effect was not apparent in men. According to the senior author, Dr. Frank B. Hu, a professor of nutrition and epidemiology at Harvard, this may be because women report their diets more accurately or because post menopausal women are more sensitive to the dietary effect of carbohydrates, sodium and saturated fat. In any case, Dr. Hu said, instant noodles are not part of a healthy diet. “Once or twice a month is not a problem,” he said. “But a few times a week really is.”

Vice President’s Report

September 2014

In addition to the routine duties of the front office, political work at the Alameda Labor Council in advance of the election, and assisting with the dispatch of the first relief wave in the Watson-Class LMSR’s, checked the following ships:

APL Agate: Arsenio Purgannan, delegate. Two man watch is set midnight the day of arrival at the port of New York/New Jersey, not Halifax.

APL Belgium: Lou Holloway, delegate. Installation of reefer staging is payable at the cargo rate of pay as per Section 19 of the SUP Work Rules.

APL China: Dmitri Seleznev relieved by Larry Gately as delegate. Boarded on Sunday in Oakland just before sailing for Dutch Harbor, Alaska. Retrieved lost discharges for two disembarked sailors, and raised with new captain the pending beefs on standby time from two trips ago and PMH where the required half-hour of service time on the mess deck was not provided as per Section 41 (c) triggering the payment under (d). Pursuing these with shoreside management. Bridge window washdown outside normal sanitary hours can be the necessary work of the watch if there is a legitimate safety/navigational concern -- but it should not be routine. Ship’s equipment should be operational: in this case wipers need repair.

Manulani: Julian Torre, delegate. Clarification on call-outs and PMH.

SNLC PAX: Peter Leo, delegate. Report from debarked sailor indicates some improvements in shore leave, especially Kwajalein where new ship alignment in the berth facilitates the gangway. Some launches available in other ports if only briefly. As is usually the case in new ships, there is still plenty of work to do but improvements should be noted as steps toward the standards we expect. Kudos to the crew for their dedication and perseverance.

USNS Watson: Cody Clark, delegate. An important relief made before departure from Diego Garcia for Charleston, SC and eventual ROS lay-up. Other reliefs delayed by underway status. Clarifications on restriction to ship, sailing board, Union seniority accrual (day for day in Watson just like all the other ships), among other things.

USNS Sisler: Matt Henning relieved Jeff Nicholas as delegate. Second wave of Watson-Class reliefs underway. Trained SUP members continue to step up to the challenge of Watson-Class manning. Agents working overtime to get the job done. Clarification on watchstanding; abnormal situation here raised with management.

USNS Dahl: Joe Carson, delegate. Late September reliefs underway.

Dave Connolly

Judge finds BP grossly negligent for Deepwater Horizon spill

A United States district judge ruled this month that British Petroleum Plc (BP) was “grossly negligent” for its role in the *Deepwater Horizon* explosion in the Gulf of Mexico four years ago. The ruling could add billions of dollars in fines to the more than \$42 billion levied against BP so far stemming from the worst offshore disaster in U.S. history. BP announced immediately that it would appeal the ruling.

U.S. District Judge Carl Barbier ruled that BP was mostly at fault and that two other companies in the case, Transocean Ltd. and Halliburton, were not as much to blame. “The Court concludes that the discharge of oil was the result of gross negligence or willful misconduct by BP,” the ruling said.

The spill occurred when a surge of methane gas sparked an explosion aboard the *Deepwater Horizon* rig as it was drilling the mile-deep Macondo 252 well off the coast of Louisiana. The well spewed oil into the Gulf of Mexico for nearly three months, fouling the shorelines of several states. Judge Barbier said BP should have taken extra precaution because the act of deepwater drilling is inherently risky. The judge faulted BP employees for misreading the results of a test on the stability of the Macondo well, suggesting that its blowout could have been prevented.

Judge Barbier has yet to announce the specific amount of damages resulting from the spill under the federal Clean Water Act. A gross negligence verdict carries a potential fine of \$4,300 per barrel fine. BP says approximately 3.26 million barrels leaked from the well while the U.S. government says 4.9 million barrels were spilled. The statutory limit on a simple negligence charge is \$1,100 per barrel. Previous calculations have shown fines under the costliest scenario of a gross negligence finding could range up to four time more than fines under a simple negligence ruling.

The judge apportioned 67% of the fault to BP, 30% to Transocean, which owned the drillship, and 3% to Halliburton, which did cement work on the Macondo well. Judge Barbier is set to assign damages after a third phase of the civil trial over the accident, which is scheduled for January 2015.

“All contributions by corporations to any political committee or for any political purpose should be forbidden by law.”
President Theodore Roosevelt 1905

ATTEND YOUR SUP MONTHLY MEETINGS!

SUP Branch Reports

Seattle

August 18, 2014

Shipped: 4 Boatswain jobs shipped and filled with 2 A-cards to commercial vessels and 1 B-card and 1 C-card to USNS bottoms; 11 Able Seaman jobs shipped and filled with 5 A-cards, 4 B-cards and 2 C-cards. 2 Ordinary Seaman went to Registrants. 9 standbys to 2 A-cards, 5 B-cards and 2 C-cards.

Registered: 4 A cards for a total of 15; 6 B cards for a total of 18; and 2 C cards for a total of 11.

Ships Checked

Matson vessels: *MV Manoa* and *SS Maui* called twice in Seattle with little or no problems. APL vessels: *APL Coral*, and *APL Cyprine*. Patriot vessels: *USNS Yano*, *USNS Martin*, *USNS Callahan*, *USNS Gilliland*, *SNLC PAX*, and *USNS Watkins*.

I represented the SUP/MFU at the following meetings. The King County Labor Council's Executive Board meetings; the Seattle Manufacturing and Industrial Council meeting. The SUP/MFU has been invited to participate as a stakeholder in the Washington Maritime Federation. This is a newly formed body consisting of Washington State's Maritime Companies, Terminal Operators, and Port Authorities.

While I have no problem repeating this same message month after month I will do so again. Please check your documents

and certifications. 2015 is almost here and if your paperwork is expiring in 2015 you need to start the renewal processes now. Equally important: if you have changed your phone numbers, email addresses or mail residence it is your responsibility to notify your Branch Agent of these changes and the companies you have worked for in the last year.

Vince O'Halloran
Branch Agent

Wilmington

August 18, 2014

Shipping: Bosun: 1 , AB: 21, AB Maint: 2, OS: 6. Standby: 47 Total Jobs Shipped: 77

Registrations: A: 26 B: 27 C: 5 D: 26

Ships Checked

APL Thailand, *Mahimahi*, *R.J. Pfeiffer*, *APL China*, *Mokihana*, *Manukai*, *APL Philippines* (Restricted to ship beef still pending), *Mahimahi*, *Manulani*, *APL Singapore*.

Meetings attended: LA Federation of Labor Delegates meeting on July 21. Eli Wegger, our other SUP delegate also attended, along with MFO&W's delegates, Bob Bugarin, Pasquale Gazillo and Port Agent Sonny Gage attended his first meeting.

Labor Day Parade Committee meeting on August 6. Our parade is coming soon.

Fund raiser for Congresswoman Janice Hahn on August 13 in San Pedro. Councilman Joe Buscaino introduced her. She does support our ports and the U.S. Merchant Marine. In fact, Janice is a founder and co-chair of the Port Caucus.

Recommend permits take the Patriot training. It's the fastest way to get your book and some of the pay rates are comparable to Matson and APL.

Mark Hurley, Branch Agent

Honolulu

August 18, 2014

Shipped the following jobs in the month of August: 1 Bosun return, 4 AB Day steady, 3 AB Watch steady, 3 AB Watch relief, and 2 AB Maint. The shipping jobs were filled by 4 A cards, 7 B cards, and 2 C-cards. Shipped 22 standby jobs. The standby jobs were filled by 1 A card, 9 B cards, 4 C cards, 6 D cards and 2 MFOW members.

Registered in August: 11 A cards, 5 B cards, 2 C cards, and 2 D cards. To date totaled registered: 11 A cards, 9 B cards, 3 C cards and 4 D cards.

Ships checked

I visited the *Manukai*, *Maunalei*, *Manulani*, *R.J. Pfeiffer*, *Maunawili*, *Manoa*, *Maui*, *Mokihana*, *Mahimahi*, and the Paint and Rigging gang. All are running with few or no beefs.

I represented the SUP at the Hawai'i Ports Maritime Council meeting, the AFL-CIO Council of Affiliates meeting, the AFL-CIO Executive Board meeting and the Labor Day Unity Picnic.

While I was at the Labor Day Unity Picnic I talked with many of our members and their families. Everyone was enjoying themselves and having a good time. The keiki (children) were having fun playing at the rides and games that were set up for them and the adults were enjoying the music. The bands were much better this year than last year. (At least in my opinion.) And nobody went home hungry as I passed out lots of extra meal tickets. I talked with three of the candidates who are running for election this November; Brian Schatz, U.S. Senator; Tulsi Gabbard, U.S. Congresswoman; and Mark Takai, former Hawai'i State Representative. All three are fully committed to supporting the Jones Act.

At the Council of Affiliates meeting there were 39 members present who gave us a quorum and we endorsed candidates which are labor friendly and support the Jones Act. For Governor, David Ige (D); for Lieutenant Governor, Shan Tsutsui (D); for U.S. Senator, Brian Schatz (D); for U.S. Congressional District 1, Mark Takai (D); and for U.S. Congressional District 2, Tulsi Gabbard. The rest of the endorsed candidates will be published in the *West Coast Sailors* before the general election in November. For those of you interested in doing more than just voting for these fine people, every Wednesday there is sign waving from 12 noon until 1:00 P.M. at the corner of Kalihi and Dillingham. There is plenty of free parking and sometimes there is a free lunch involved. If you don't want to give up you lunchtime, there is sign waving and phone banking and canvassing the neighborhoods anytime you want to help. Just give me a call and I can direct you where and when to go.

A quick reminder, if you want or need

a job, everyone I have sent to LMSR training from Honolulu is working on a ship now. I have two members in this month's LMSR training class and when they graduate I have jobs for both of them.

Mahalo,

Michael Dirksen
Branch Agent

Business Agent's Report

MANOA - Mike Soper, delegate; Brendan Bohannon as Bosun: Running smoothly with no beefs.

MAHIMAH - Austin Gahan, delegate; Mick McHenry, Bosun: Running smoothly with no problems.

MAUI - Nick Hoogendam, delegate; John Peterson, Bosun: When leaving on a trip-off, your room should be left in first-class condition. Also, any beefs should be addressed by the Union delegate, not by topside.

MOKU PAHU - Philip Romei, delegate and Remoni Tufono, Bosun: In at Crockett discharging sugar. The schedule has her running through November. No problems.

APL SHIPS have been arriving late and sailing early on the weekend. Still in contact with those ships via email.

ADMIRAL CALLAGHAN - Paul Fuentes, Bosun: Everything back to regular routine after last month's five-day activation. As we all know, it's hard work to get these ships up and running in 72 hours; nothing we couldn't handle.

CAPE HENRY - Mike Orosz, Bosun: No problems, running smoothly.

CAPE ORLANDO - Vern Haik, Bosun: Steady routine.

USNS SHUGHART - Received a call from Delegate Al Rossi to let Headquarters know what a bang-up job the gang did and everything was held up to SUP standards.

Also dispatched and worked in the Front Office.

Roy Tufono

Dispatcher's Report

Headquarters—Aug. 2014

Deck	
Bosun	2
Carpenter	0
MM	5
AB	7
OS	0
Standby	36
Total Deck Jobs Shipped	50
Total Deck B, C Shipped	19
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 Shipped	0
Total Jobs Shipped - All Depts.	50
Total B, C, D Shipped-All Depts.	19
Total Registered "A"	28
Total Registered "B"	26
Total Registered "C"	11
Total Registered "D"	27



SUP and MFOW members march in the 35th Annual Labor Solidarity Parade on September 1, in Wilmington, California.



From the left: U.S. Senator Brian Schatz, Honolulu MFU Agent Mario Higa, U.S. Congresswoman Tulsi Gabbard, SUP Honolulu Branch Agent Mike Dirksen and former State Senator and candidate for U.S. Congress, Mark Takai. Taken at the Honolulu Labor Day Unity Picnic on September 1.