

PRESIDENT'S REPORT – MARCH 2021

CORONAVIRUS AND VACCINE OVERVIEW

In February, the United States suffered its 500,000th coronavirus death. A half-million dead due to one cause in one year. More Americans have died in the pandemic than all of the combat deaths of World War I, World War II, the Korean War and Vietnam War combined. Because the United States has less than five percent of the world's population yet accounts for more than twenty percent of the global COVID-19 deaths, we can lay grim claim to the virus as an American tragedy.

Now amid the terrible death toll comes hopeful signs. New case rates and hospitalizations have fallen sharply, we are on the downslope side of the third peak of infections, and there are highly effective vaccines in production. These vaccines are being rolled out, despite initial clumsiness, and at last some sailors are getting vaccinated.

Clumsy is a kind description; the vaccine program remains uncertain and unfair. The original national prioritization from the federal government rightly held high the supply chain essential workers of the U.S. merchant marine, on a par with first responders and just after health care and the elderly. But modifications even at the federal level affected us, and then many states established their own shifting and politically motivated criteria. State by state and county by county we navigate a patchwork policy until the vaccine supply reaches critical mass and prioritization becomes unnecessary. President Biden has promised enough supply for all American adults by May 31, although adequate and effective distribution by then seems ambitious.

Overall, the best course now is to enroll for appointments both at county websites and with their health care providers for those with insurance, as well at the Veteran's Administration for those eligible. Members should remain alert to any opportunity to gain legitimate vaccine access, such as via equity access based on ZIP codes of residence, end of day availability at mass vaccination sites, or at pharmacy chains. Honolulu Branch Agent Mike Dirksen reports significant vaccination progress for members at Kaiser, with a TWIC as sufficient prioritizing identification. There is also evidence of improvement in Los Angeles and Long Beach. If members need letters of essential worker priority vaccine access from the Union please contact us or visit the vaccine page of the SUP website at www.sailors.org for that and much more on individual sites and methods specific to location.

As we await our turn, and as things quickly change, a protest must be recorded. It is outrageous that a government can send us to our deaths in war zones cannot get us a rapid vaccination against a killer here at home. It is infuriating that the definition of "essential workers" was so widely expanded such that the basic purpose of prioritization was hollowed out. It made possible situations where certain service employees, some of whom are not working at all, had far better access despite far less risk of exposure. We know that there are massive political and economic forces at work, and real and deep inequality to fight against, and that the government program is trying to do a lot of things at once. But this schizophrenic, ever-changing

approach, especially in California, is a dishonor to American merchant mariners, and it is failing transportation workers on the front lines of exposure. A mariner's work requires living there at work, in multi-generational close quarters where social distancing is impossible. We will not blithely stand by while our hazard protection is ignored, and deadly havoc is loosed both on our work and our lives.

Instead, the SUP raised objections to anyone who would listen and many who would not. See for a catalogue the past issues of this report, the joint Union letter to the Governors Association, and the attached letters to specific governors, for other examples, all posted on our website. But far more than this: at state commissions and local boards, at community and labor working groups, to mayors and city councils and public health officer task forces, to authorities everywhere we have pounded the table asking this question: why deny mariners a relatively insignificant amount vaccine in exchange for supply-chain reliability that will benefit the public health of everyone? The question has been met most often with silence or something like "just wait – more supply is on the way." Broad policy agendas are one thing, but the seagoing workplace simplifies things. It's unacceptable. We will go on sounding the alarms and demanding fair treatment until we are all protected.

PANDEMIC UNION BUSINESS

In accordance with the direction from various SUP Emergency Committees (most recently meeting on March 4, 2021) related to the health and safety of members and staff during the pandemic, and in order to comply with local health orders prohibiting congregation, the January/February meetings were regrettably cancelled. Despite the decline in overall cases, there are new variant strains of the coronavirus that are both more contagious and potentially more lethal, and so we must stay cautious about congregation. Member questions and concerns continue to be handled on a day-to-day basis by phone, text and email, as well as limited in person appointments, but the in accordance with the SUP Constitution the business of the Union must be reported in full and acted on in a regular meeting. Accordingly, the March meeting cycle must update and authorize all previously delayed actions as reported, distributed to the Branches, published in the West Coast Sailors, and on the Union's website at www.sailors.org and as selected here for reference, as follows:

1. Ready Reserve Force increases to wages and wage related items, and fringe benefits of two-and one-half percent (2.5%) due and effective January 27 under the Memorandums of Understanding between the Sailors' Union of the Pacific and both Matson Navigation Company and Patriot Contract Services covering the Matson ships (*Cape Henry, Cape Horn and Cape Hudson*) as well as Patriot ships (*Cape Victory, Cape Vincent, Cape Texas, Cape Taylor, Cape Trinity, Cape Orlando and Adm. Callaghan*).
2. APL December and February Extensions of RTS Agreement renewing existing terms and providing or confirming faster internet, \$40.00 per week slop chest allowance, and \$150.00 stipend for certain restrictions with extensions to December 31, 2020 and February 28, 2021.

3. UFCW Local 5 Extension Agreement through December 31, 2021 with the following changes [Already approved by an overwhelming majority of members employed by UFCW on January 13 as recorded by SUP VP Matt Henning]
 - a. Term and increase: 1 year “extension” expiring December 31, 2021 with a
 - b. Three percent (3%) increase on wages retroactive to January 1, 2021.
 - c. Vacations: unused vacation due to a necessary assignment by Local 5 will not be subject to existing caps.
 - d. Sick Leave: out for medical leave or funeral leave on a holiday will not be deducted from employee’s sick leave account.
 - e. Funeral leave: added son-in-law and daughter-in-law eligibility and leave valid for six months.
 - f. Out of area assignments premium: set at \$100 per week or prorated for less than a week.
 - g. Car Allowance: increase of \$50 per category (i.e., \$900 to \$950, \$950 to \$1000, \$1000 to \$1050) and a new excess mileage premium of \$300 per month if over 4k miles per quarter.
 - h. Increase in the allowable self-contribution rate to the pension from 4 to 5% with the agreement of the International Union’s.
4. Final Departures for December, January and February
5. Monthly Secretary Treasurer’s Reports for December, January and February
6. Membership and Ratings Committee Reports for December, January and February
7. Quarterly Finance Committee Report (4th Quarter, 2020)

Despite the delays due to public mandates protecting health and safety, these items were nevertheless introduced and distributed for review prior to discussion at today’s meeting, and all have separately been published, received previous approval from Emergency Committees, or from members employed under the Agreements, and in accordance with past practice. Therefore, Mr. Chairman, recommend ratification of the above items.

MATSON NAVIGATION COMPANY

The Offshore Agreement between the Union (acting both as the Sailors’ Union of the Pacific and a member of the Seafarers International Union-Pacific District) and Matson Navigation Co. will expire on June 30th, 2021. We intend to bargain a new agreement and have informally notified Matson management. Management sent acknowledgement and expressed the same intent. Preliminary discussion about the methods and schedule of bargaining are underway. In the meantime, members are encouraged to submit proposals in writing for contract improvements to the Union for referral to the SUP Negotiating Committee. The Offshore Agreement includes the General Rules, the SUP Work Rules, as well as the maintenance agreements. More information will be forthcoming as the schedule develops.

POLITICAL ACTION

President Biden Thank You Letter: In late February, a final amended version of an earlier letter showed President Biden our appreciation for his support of the U.S. merchant marine was signed by the SUP and many others and sent on behalf of the membership. It staked out many positions and covered many topics, but the letter also declared an industry position that

a national maritime policy is achievable now, one that could vastly increase the number of vessels operating under the U.S.-flag and the number of jobs for American merchant mariners. How? By living up to the spirit and intent of the nation's existing cargo preference laws. The President's "Buy America" Executive Order, which so emphatically supports and defends the Jones Act was after the fact determined to also include cargo preference laws. They are the most often overlooked (and most easily spurned) of the national cabotage laws and as deceptively simple as they are immensely powerful. They stem from the authorizing legislation of the Maritime Administration which says that the United States will have a merchant marine sufficient to carry all of the domestic cargo and some significant part of its international cargo. The Biden Administration has once again been again remarkably pro-Union and pro-U.S. flag on this topic, closing loopholes, creating oversight and accountability, and directing a cross-agency review and office of enforcement for preference cargos. Altogether it represents the most sweeping executive action to bolster existing American shipping laws in many decades. Unequivocal and substantial policy support of the Union position on arcane legal matters early in any Administration is rare and special, but that is the case here. We know that words and policy is one thing, and their implementation quite another, but if cargo preference could get the full support of the U.S. government then it would naturally fulfill a long-time goal of labor to fight against flag-of-convenience shipping because that's where the cargo goes now. Remember, it is the law of the land that the United States will have a merchant marine sufficient to carry all of its domestic commerce and a significant portion of its international commerce. I encourage members to consider what percentage that word "significant" could mean in for the largest and most diverse economy in the world, and to think in terms of cargo and the U.S.-flag ships needed to such an exercise will take imagination.

Letters to Gov. Newsom, Gov. Ige, and Gov. Inslee: On February 14th, on behalf of the membership I sent to Gov.'s Newsom, Ige and Inslee a request for vaccine priority recognition along the federal. Attached here and available on our website are the letters sent to West Coast governors in support of vaccine prioritization. It is a more focused effort following a letter along similar lines that broadly requested the appropriate prioritization from the National Governor's Association. As mentioned earlier, the state control of vaccine distribution means that a patchwork system is emerging, not only by state but by individual county. As the letter states

International Food Aid Support letter: On February 26th, the Union signed onto a letter to members of Congress to fully support the nation's international food aid programs, including P.L. 480 Title II Food for Peace, Food for Progress, and McGovern-Dole International Food for Education. These programs have enjoyed significant bipartisan support for more than 60 years and are key to sustaining the U.S. merchant marine. We request that Congress continue to fully support these programs and that the Fiscal Year 2022 agriculture appropriations funding for these accounts be increased to at least \$2.2 billion. .

Meetings with Maritime Administration: Acting Administrator Lucinda Lessely chose maritime labor for her first outreach to the industry. Along with MFOW President Tony Poplawski, SIU Vice-President George Tricker and others we presented the vaccination of merchant mariners as fundamental not only to the present-day health and safety of mariners, but also to the future of the U.S. merchant marine. Who will want to go to sea after this if a simple

inoculation cannot get timely delivery? Administrator Lessely listened closely and earnestly vowed to redouble the efforts of MarAd to publicize and advocate for mariners on vaccine.

The Maritime Administration also held a meeting with U.S. flag carriers and labor that included various branches of the U.S. government including the Department of Defense, the Joint Chiefs J4 Logistics Directorate, TRANSCOM, the Military Sealift Command, the Office of Defense Logistics, as well as the Coast Guard, the CDC, the Federal Maritime Commission, as well as a new office within the Department of State on maritime relations. In this meeting like others labor raised again the importance of vaccine. We described our congregate, multigenerational, close quarters workplace, that is also our living space. We pointed out our testing and quarantining regimens and the difficulties that creates in crew reliefs. We noted the again that with a small assignment of vaccine to a key group of workers an outsized effect of immunization was within our grasp, even as we are sent into risky places and situations. And we railed against our restrictions to ship denouncing being held to a different and tougher standard than any workforce anywhere. We criticized the federal officials who advised us to press state and local governments, noting how the importance of the U.S. merchant marine is not well understood even on a federal level and mainly lost on many state and local levels. This credentialled, trained workforce, dedicated to safe operations in a now doubly dangerous environment, can be damaged beyond easy repair, it can be broken if care is not taken to sustain it.

A well-known military epidemiologist advised the group that January and February were peak virus months and now there was a steep decline on the downside of the third peak since the outset of the disease. He said however that any optimism should be contained by the unknown impact of the many variants. Daily case counts were trending down at that time, nearly 70% from the last peak but the latest flattening of the downward trend leaves a question. Which way is it going? There has been a huge drop of 61% in hospitalizations, daily death worldwide down 23% in late February. But this doctor urged continued masking saying that infections could easily increase yet again because of the virus variants that are apparently both more contagious and lethal and against which the protection of the vaccines are not yet clear.

TRANSPORTATION TRADES DEPT., AFL-CIO

Executive Committee Meeting February 17, 2021 – At the first regular meeting of the Transportation Trades Department of the AFL-CIO's Executive Committee since the tragic and untimely death of President Larry Willis, executive committee members including myself voted to elect previous Secretary-Treasurer Greg Regan to fill the lamentable vacancy. Long-time staff member Sharri Semelsberger was elected to fulfill the Secretary-Treasurer role and as a result the TTD emerged from an unforeseen crisis with capable and experienced leadership so important to the SUP and maritime advocacy in Washington.

Legislative Meeting 3/1/21 – COVID Stimulus Checks: Early on Saturday February 27th the House passed the next round of COVID rescue funding. For transportation unions, much of the focus is on public transportation, especially, rail and commuter. It is now under debate in the Senate after bypassing the Committee hearings and markup. There will be a debate that bears a close watch for anti-labor provisions but other than that the main item for members will be the third round of stimulus checks right now set at \$1400 per person earning under \$75,000 or

\$2,800 per couple earning under \$150,000, plus \$1400 per each dependent, subject, of course, to change.

On January 20th, the White House released a memo called “Regulatory Freeze Pending Review.” The memo directs that rules not yet released be held for review by incoming agency officials, including rules not yet published in the Federal Register. This is an under-the-radar election benefit for workers as many negative regulations now go into an administrative limbo, including for example the “hair follicle drug screen testing” and other drug and alcohol testing rules among many others.

FOSS MARITIME COMPANY

After meetings with management and members, the Union held settlement negotiations with Foss Maritime Company over the past two months related to its sale of equipment and exit from the bunkering business in California. Our initial work was the assessment of the benefit, costs and risks of action to retain the work, against Company objections, by any available means. They included everything from renewal or modification of the existing Agreement, negotiating new labor, pass-through, and neutrality agreements with the Company, the Company’s parent company, and the acquiring company. We also evaluated various courses of legal and economic action. After these options were investigated, analyzed, and explored, and in some cases reasonable proposals made and repeatedly rejected, the Union entered into effects bargaining to mitigate the job loss. On February 25th we reached a tentative settlement on all terms and conditions along the following condensed lines as per a Memorandum of Understanding.

1. Continuing Relationship:
 - a. The Union will retain for a period of 2 years under a preferential hiring clause. If the Company reenters the tank barge market in the San Francisco Bay within two (2) years from the date of this agreement, Company will approach the SUP to propose terms for a labor agreement covering those employees.
 - b. Additionally, the Company agrees former bargaining unit employees will have preferential hiring on open marine based positions at Foss NorCal for the next 24 months, allowing equally qualified former employees preference subject to the existing terms with applicable collective bargaining provisions.
 - c. Finally, all marine-based job postings at Foss not posted on the Company’s website will be sent to SUP Vice President Matt Henning for the next 24 months.
2. Health and Welfare Contribution: The Company agrees to make a payment related to the cost of limited extended eligibility for health and welfare benefits of bargaining unit employees under the rules of the SUP Welfare Plan. A four-month reference basis for the partial offset of those costs will carry through June 30, 2021 subject to individual eligibility dates. As a condition, an agreement recognizing other coverage may release the Company from continuing settlement payments.
3. Training. To partially offset the cost of retraining necessary to improve job opportunities for displaced employees, a contribution of \$12,000 will be made to the Andrew Furuseth School of Seamanship Training Trust as well as service record letters including number of oil transfers for the purpose of maintenance of credentials.

4. Severance. To offset the financial effects of termination to members, the parties agree to following terms and conditions:
 - a. payment of regular wages through to the contract termination date of March 1, 2021, and;
 - b. payment of all other compensation due such as all accrued unused vacation and Personal Time Off balances (and associated trust contributions required by the Agreement), and;
 - c. payment of severance to each bargaining unit employee at the rate of \$650.00 per full year of service, capped at 20 years minus any lawful withholdings, for every full year of service, provided adequate completion of service through the termination date without work stoppage.

Despite these favorable terms to provide some preferential hiring, re-training, severance, and especially health care, and despite the favorable reception of SUP unit members, it is still a bitter pill for the SUP. The Union's long relationship with Foss Maritime Company (and even longer relationship with the Chevron's Inland Fleet covering tugs as well as bunkering work) provided failsafe world-class tankerman service for more than a half-century. Here it was quickly ditched to low-grade competition and cheap operations. The elaborate corporate management of capital as both stewards of the environment and as employers, are designed to escape the costs of high-quality operations and labor, are likely to result in a race to the bottom from which no one profits. These are how good jobs get undone, and as in the aviation industry, they may never come back. Given however that the SUP members employed in the unit are realistic if unimpressed by the Company, they are in strongly favor of this Agreement, and in the opinion of SUP VP Matt Henning and myself it makes the best of a bad situation, Mr. Chairman I recommend ratification.

CHEVRON SHIPPING COMPANY

The Company informed the Union this month it was amending its main health care prescription drug benefit to include coverage of most uses of the COVID-19 vaccine except international travel.

Related to the annual bonus, Chevron Corporation's Chairman and CEO Mike Wirth recently announced a Corporate factor of **0.75** for the 2020 performance year, which he said was "reflective of our mixed performance as a corporation." Chevron operating companies, including Chevron Shipping Company, then apply the Corporate factor to their own internal performance targets, which for unlicensed seamen represented by the SUP was in 2020 set for 6%. Multiplying the corporate factor by the performance target then sets the bonus payout amount at 4.5% of base wages.

Management also said that "we regularly review our mariner compensation and benchmark against industry peers to ensure we remain competitive. Overall, we target above the median of the general industry benchmark to rank competitively compared to our similar peers and attract and retain top talent. In recent years, market data has showed wages and benefits significantly higher than benchmark. This provides opportunities to be more competitive with the industry while also managing costs as part of the Shipping Transformation efforts. While the

shipping industry is seeing a downturn, we continue to be committed to our Total Rewards program, while remaining financially competitive.” Management wasted no time seizing the opportunity by lowering the 2021 performance target from six to five percent in the same communication.

Under the terms and conditions of the SUP collective bargaining agreement, unrelated to the 4.5% bonus, unlicensed represented personnel received an additional 2.75% increase on all wages and wage related items including vacation and overtime rates on Feb 1, 2021.

APL MARINE SERVICES

Restriction to Ship Stipend: Working in concert with the licensed Unions, the SIU-PD moved to increase the Restriction to Ship stipend with APL in accordance with the prior agreement. The Company, seeking a two-month renewal, proposed instead a renewal of the same terms and conditions. The Unions countered, and eventually reached a tentative agreement that included an increase of \$10.50 per day was added to the existing \$150.00 per day stipend for a total of \$160.50 per restricted day as per the terms of the existing agreement. The \$40.00 per week slop chest allowance will be reduced by a roughly corresponding amount to \$25.00 per week. Since the slop chest reimbursement covers only certain items and cannot always be used to its maximum, in the opinion of SUP VP Matt Henning and myself, as well as the other unlicensed unions of the SIU-PD including the Marine Firemen’s Union and the Seafarers’ International Union, it is a small but steady improvement. As of this meeting date we have not heard definitively from APL. If APL indicates agreement to these terms, and to facilitate timely payment, Mr. Chairman, I recommend ratification.

Sign-on Documentation: brought to the attention of SUP HQ from the Wilmington Branch members in APL ships were asked to sign an “acknowledgement of company policies” newly required as part of the sign-on procedure. The language of the policy is bogus, especially as it falsely hinted Union members may be subject to the unrepresented “at will” status of non-Union employees which does not require “just cause” for termination among other things. Along with MFOW President Anthony Poplawski, I joined in objection and the Company vowed to make the appropriate adjustments to the policy.

PATRIOT CONTRACT SERVICES

On Thursday March 4, 2021, Patriot President Lance Bardo and owner Ryan Libhart Pereyda informed the Union that Patriot, for the operation and maintenance of the eight WATSON-class ships, had been awarded the competitive contract. The ships include the USNS *Watson*, USNS *Sisler*, USNS *Dahl*, USNS *Red Cloud*; USNS *Charlton*, USNS *Watkins*, USNS *Pomeroy*, and USNS *Soderman* with work performed worldwide. It is a base period one-year contract with four option years and expected completion date of March 31, 2026.

After years of performance, multiple bids and delays, and year and half of indefinite waiting, the award is a remarkable milestone achievement. Although it is still tentative, it is likely that this critical component of Union work will be renewed.

The government owns the ships, so what Patriot offers is crew. And SUP crews past and present deserve the credit. Their hard work, often in incredibly difficult situations, has made all the difference. Because we're on the ships now and through the entire contract bid period, our past performance grade not only passed the test, it was the standard against which six other bidders were judged. The award then is no mere bid technicality but also a confirmation of our professionalism, our rotary shipping system, our contract administration, our training and health and welfare infrastructure – our general way of doing things in satisfaction of the toughest certification standards that ever existed on a ship. Let's here recognize Vice-President Matt Henning and the Branch Agents Brendan Bohannon, Mike Dirksen, Leon Gandy along with SF Business Agent Roy Tufono, as well as the training representative Berit Eriksson and staff dispatch expert Martha Vizcarra, all of whom have gone above and often extremely beyond the call of duty necessary to make it possible. It was their talents have kept our readiness engine running through thick and thin. On behalf of a grateful membership, I thank them all again for their service. Will keep the membership informed on developments.

HOLIDAYS

Cesar Chavez Day All SUP Halls on the West Coast will be closed on Wednesday, March 31, 2020, in observance of Cesar Chavez's Birthday, which is an ILWU holiday and a recognized holiday under SUP agreements with the San Francisco Bar Pilots, as well as Matson and APL for their ships in West Coast ports. It is not a holiday at sea.

Harry Bridges Memorial Day: The Honolulu Hall will be closed on Tuesday, March 30, 2020 in observance of the ILWU Local 142 holiday. As an ILWU holiday it is also a recognized SUP holiday under the Matson Agreement for company ships in Honolulu on that day, the Paint and Rigging Gang working under the SUP/Matson Maintenance Agreement, and Honolulu standbys working under the Extra Maintenance Agreement. It is not a holiday in West Coast ports.

Good Friday: All SUP halls will be closed on Friday April 2, in observance of Good Friday. Under our Agreements with Matson and APL, unlicensed personnel shall be granted a three-hour holiday between noon and 3:00 PM and overtime paid if required to work during those hours. The Honolulu Branch will be closed all day on April 2 due it also being an ILWU Local 142 holiday. Therefore, it is also holiday for Matson ships in port and for those working under the SUP/Matson Maintenance and Extra Maintenance Agreements.

MARCH 6, 1885

This month of March is the sailors' month. On Saturday March 6, 1885, the Union celebrated the 135th anniversary of its founding at a meeting of sailors at the foot of San Francisco's Folsom Street on the Embarcadero. March is also the birthday month of two famous leaders of the SUP, Andrew Furuseth on March 5, 1854 and Harry Lundeberg on March 25, 1901, both luminaries of American labor history. The passage of the Seamen's Act, made possible by a 20-year struggle by Furuseth to free merchant mariners from an institutional indentured servitude, was signed into law on March 4, 1915. Through it all the SUP has survived violent union-busting attacks, pressed endlessly for Union rights, launched historic strikes that led to foundational American labor law, all while surviving wars, recessions and depressions and now this – its second pandemic. It was the many decades of hard work by generations of sailors,

work now taken up fresh by new and capable hands, that keep the fires burning for what seamanship what rightly is – an honorable and useful calling. Happy birthday to the SUP.

ACTION TAKEN

M/S (Idris, several) to concur in previous actions of regular/emergency committees. Carried unanimously.

M/S (Reed, several) to approve the allocation of RRF increase to wages. Carried unanimously.

M/S (Smith, several) to ratify the UFCW Local 5 contract. Carried unanimously.

M/S (Worth, several) to ratify the Foss effects settlement. Carried unanimously.

M/S (Coulter, several) to approve the tentative terms of revised APL RTS Agreement. Carried unanimously.

M/S (Rallos, several) to concur in the balance of the President's Report. Carried unanimously.

Dave Connolly