

PRESIDENT'S REPORT – MAY 2022

SHIP AMERICAN

Defending our work in an age of disasters and emergencies starts with sharp lookouts. The latest hit came this month from the U.S. Senate where Senators Joni Ernst and Chris Coons introduced a pair of resolutions (S.CON.RES. 37 and 38) which would declare a state of shipping emergency in response to the Russian invasion of Ukraine to achieve an open-ended waiver of U.S.-flag cargo preference shipping requirements. The cargo preference program, now called Ship American, is being attacked in the \$33 billion Ukraine supplemental spending bill sent to Congress by President Biden.

As of today's meeting, the bill status is pending but working with friends last week the SUP helped develop and sign on to two fast targeted letters of opposition, one from the Transportation Trades Department of the AFL-CIO and another from USA Maritime Coalition. In them we objected to waivers first as unnecessary since the means to do that already exists if U.S. flag ships are not available. In fact, USAID, the agency responsible for administering the Food for Peace program, has already waived the Ship American rules for 40% of the program money, and as a result U.S.-flag ships carry less than a third of the cargo. We also object to the broad application of waivers that cover not only to supplies and food from and to Ukraine, but on the entire cargo preference program in every market, indefinitely in one case, for three years in the other. Of course, the rationale greatly exaggerates the effect of higher-cost of U.S.-flag shipping which is less than 1% of the overall cost of the Food for Peace Program and the letters called that out too.

Well-intentioned or not this attack like others threads clever falsehoods with hot-button issues. Politicians eager to find inflation scapegoats are blaming shipping for everything from food insecurity to inflation and the Ship American rules are being swept up in it. But now is not the time for making political points by bashing American cabotage: in fierce economic and maritime competition with Russia and China, and during a global supply chain crisis, we should never cede our US-flag shipping capacity to foreign interests. To support our allies and our own economy we need the security of American sealift capacity, including the mariners who have never failed our nation in the past. In shipping you can't cut your way to strength, and we should be growing the U.S.-flag fleet to prevent the next crisis. Diminishing the Ship American rules is bad enough but using American taxpayer dollars in American government programs to do it and at the same time benefit foreign interests adds salt to the wound. Ship American, the Jones Act, the Maritime Security Program, these laws are all fundamentally conceived to redound to the benefit American worker mariners, not international commodities traders or flag of convenience operators that dodge taxes and famously abuse their crews in a thousand ways. More to come and more about it this month's *West Coast Sailors*.

RRF ACTIVATION

Steady and normal dispatching is working to catch up on relief requests, and making progress. As this report noted last month, SUP members and dispatchers stepped up to fulfill difficult military additional activation dispatching needs both real and simulated. Adding to the

surge in activity is the changing out of crews for shipyard activations, which come with their own unique challenges and generally adds to the degree of difficulty. Another *Watson*-class ship will soon depart the yard, and another payoff go into ROS, and then crew up again for the yard. Now comes the strong probability of pending real activation of Ready Reserve ships, perhaps as many as five, in support of military movements particularly in Europe. Both issues will again test our capabilities and I urge all hands to remain available to sail as a matter of reputational professionalism and in support of the United States government. Contact Union dispatchers in advance to signal your readiness.

UFCW 5 NEGOTIATIONS

After months of bargaining a tentative agreement was reached with Local 5's Executive Board and management. This was preceded by a call for proposals, research of issues, and polling of members starting in October of 2021. In November each member was contacted for feedback and invitations to submit proposals for the negotiations. Formal notice was filed with the Employer and bargaining commenced in and through December. A cumulative package proposal, presented essentially by the employer as final, was received before expiration on December 31. The Negotiating Committee however pressed for a better set of outcomes and so a series of revised proposals were drafted, vetted, and re-proposed. Tangible economics were mostly static, but more proposals and counterproposals with different configurations were exchanged, and many meetings with the Negotiating Committee ensued. The Local 5 Executive Board needed more time to review the package and together with management's medical leave delay, the acceptance of Local 5 of our tentative and subject to ratification proposal came at their April meeting. A series of new meetings with the Negotiating Committee on the specifics of the Memorandum of Agreement were held and were followed by a question-and-answer session with the entire unit. The ratification vote of the members working under that Agreement is now underway and the results are pending. Will keep the membership informed.

APL MARITIME

President Wilson: This ship arrived in China on February 9 and after discharging cargo and 12 days in a quarantine anchorage entered a Shanghai shipyard and work commenced in a drydock. Shifting to a wet berth on March 21, an Omicron wave of coronavirus hit China and the government's rigidly extreme COVID lockdown went into full force. It has persist now for more than six weeks creating an event with vast implication and global impact on economies, national supply chains, carriers, customers and workers. For SUP members other crew employed in President Wilson it manifested first as extreme restriction and isolation as shipyard workers stayed away from work, and movement throughout the vast city came to a standstill.

Contacted by the delegate, SUP probed management for information and immediate assistance. Getting reliable official information from the Chinese government, never good in the best of times, remains a major obstacle to an effective response. But immediate harm by COVID exposure was seen to be relatively low risk since there was no interaction with untested and unprotected shore-based personnel. Ensuring reliable communication with the ship and shore-based support was next. Management responded by setting up a continuous 24/7 watch and a daily call (now every other day) with the ship's captain who also sends a daily update on a

prioritized list of issues and included an update to the Unions via SUP anytime on request. The process now includes routine contact with U.S. Embassy in Shanghai and Beijing along with the U.S. Coast Guard Far East. Medical contingencies planning was our next area of concern and inquiry and we eventually determined that medical treatment was possible via a combination of management working with U.S. Embassy staff, company agents and P & I insurance agents. One crew member has successfully received such treatment so far. Operational contingency planning was next but depended (and continues to depend) almost entirely on shipyard workers working to at minimum make the ship seaworthy enough to consider a departure under tow. On our suggestion, other options were examined, such as escorted personnel transfer through airports or to other APL ships or U.S.-flag ships either in port or at anchor. Although rejected as not feasible at the present time, we will continue to push for accelerated departure and relief options.

Stores and provisioning were next and faced major obstacles as deliveries stopped in the largest and strictest lockdown of people, vehicles, and goods since the beginning of the pandemic. Positive testers at government checkpoints were removed to restricted quarantines and truckers and others would not risk movement even if it were possible. Eventually, the combined efforts of management, agents and Department of State personnel and others produced limited stores deliveries, although in still inadequate quantities. Now however stores are on a weekly delivery cycle. Potable water was taken on and the ship's engineers had adequate treatment chemicals at least for that load. Bottled water was loaded. Ventilation systems were confirmed working. Trash was removed. Through it all lodging claims were paid. On May 3 shipyard workers started to return to other ships in the queue and on May 6 management reported that vendors were getting through the gates and a reduced contingent of shipyard workers had returned to work on the ship.

Meanwhile the Unions keep pressing for better conditions and favorable adjustments. APL agreed that crew concerns will be paramount in future shipyard planning, taking into account the prolonged uncertainty and various problems of COVID lockdown. Entangled in this stranding, the crew of *President Wilson* continues to do its best and is withstanding the hardship, uncertainty, and insecurity with stoic fortitude – SUP style.

[UPDATE: May 10, 2022: Management advised that shipyard is projecting a full complement of shipyard workers (roughly 500) by May 14th. On Sunday, May 8 ship received a large order of food along with promise of more regular quantities in the future.]

Labor Relations: On May 6, APL Vice President and Chief Operating Officer Matt Tucker announced that Gregory Doyle was joining the company as the new Executive Vice President in charge of U.S. flag operations including Labor and Crewing. Reporting to Mr. Doyle is a new Director of Labor Relations, Capt. Michael LeBonte, who took over the day-to-day Union liaison and crew communications and management and trustee roles from the retired John Dragone. After introductions I registered several outstanding issues and beefs, primarily focused on the ongoing efforts to improve *President Wilson* and standby testing procedures in LA, but also noting pending trustee pension and welfare issues.

HOLIDAYS

Memorial Day: SUP halls will be closed in all ports on Monday May 30, 2022, for Memorial Day, a national and contract holiday.

Maritime Day: The SUP will recognize Maritime Day in ceremonies and by notice in the West Coast Sailors, on Sunday May 22. In 1933 Congress established National Maritime Day to commemorate the American ship Savannah's first successful steam powered crossing of the Atlantic. In World War II, more than 250,000 members of the American Merchant Marine served their country; more than 6,700 gave their lives as 800 ships were sunk. It is neither a national or contract holiday, yet it is the only day that recognizes U.S. Merchant Marine as still the engine that powers our national prosperity and security.

Kamehameha Day — The halls will also be closed on Monday, June 13, 2022, in observance of Kamehameha Day which falls on Saturday June 11 and is a contract holiday aboard all Matson intercoastal and offshore vessels (except the Kamokuiki) and under the Matson Maintenance Agreement.

Juneteenth National Independence Day: The newest national holiday falls on Sunday June 19, and the SUP will recognize it on Monday June 20th, 2022. All SUP hiring halls will be closed. It is also a contract holiday in Matson ships (except Kamokuiki) and under the Matson Maintenance Agreement.