

PRESIDENT'S REPORT

GEORGE FLOYD

The SUP was born to fight oppression, and the Union is re-dedicated to lifting up all races through economic justice and peaceful protest. It was physically sickening to watch the death of George Floyd, both for what it was and what it symbolized. The anguish unleashed in the widespread aftermath of protest is made no less desperate by being predictable. We stand with our black brothers and sisters, and join the repeated calls for all manner of reform. Our long-standing resolve to fight discrimination and build diversity recognizes the dangers of pervasive implicit bias. Let it be clear that whatever the danger we decline to consent to any form of racism, including systemic toleration of it, whether overt or covert, real or perceived. It is antithetical to our nature and the foundations of equality. Our goal to improve the lives of our members and all working people includes doing everything we can to extend the benefits of membership to all. "Whatever right belongs to one member, belongs to every member alike..." says the SUP Constitution. I ask all members to help ensure that statement remains strong and true, and to contact me with their thoughts on opportunities for improvement.

JONES ACT

The first Congress of the United States in 1789, in its third act, established a preference for a U.S.-flag seagoing fleet over a foreign fleet. Other precedents came later but one hundred years ago from last Friday – on June 5, 1920 – President Woodrow Wilson signed the Merchant Marine Act of 1920, also known as the Jones Act after Sen. Wesley Jones from Washington. It requires that ships that call in consecutive American ports are built by Americans, owned by Americans, and crewed by Americans. But it also provides wage, safety and other basic protections for American seaman and has broad implications for economic and national security. It is exceedingly rare for any legislation to stand so long without significant revision, dilution, or repeal. That steadiness, despite a century of continuous attack, makes it even more remarkable. We support it because it's the right thing to do – it is the how of groceries in the stores, electronics and furniture in our homes, medical supplies in hospitals. It's how we get shoes and lumber and drywall and grain and gas in the tank. Not many Americans know they depend on the same legal bedrock as us, and consequently we all owe an existential debt to the Jones Act. In return, at time when it is far safer to stay at home, SUP sailors go down to the ship instead and by their daily work form up the defense for the next 100 years. Happy Birthday to the Jones Act.

APL MARINE SERVICES

Shuttle Ship Reliefs: Over the past month the SUP has continued pursuit *APL Gulf Express* rotational reliefs for sailors restricted and detained on board. That work included working with and making repeated petition of many levels of management and government to leverage international diplomatic alliances for immediate action. We were joined by others in maritime labor in a letter sounding the alarm to the Secretaries of Defense and State, and we held intense discussions with the Maritime Administrator Adm. Mark Buzby, the planners of J-4 Joint Chief Logistics command, the Department of State, among many others.

Various possible Persian Gulf states and ports both emerged and receded, until on Tuesday June 2, SUP HQ got notice of the first definitive plan for a relief procedure in Bahrain. A full crew was dispatched the next day, and dispatched again after document problems. As with other dispatches, normal clearances including COVID-19 testing will occur before joining, or in this case, boarding a flight. Special Department of State clearances were arranged as part of the entry request associated with a high-level single purpose visa. On arrival in Bahrain, a two-week hotel quarantine will commence and must be adhered to before joining. As difficult and onerous as this process is, it represents another achievement on the COVID 19 related list of member service priorities: regular reliefs in shuttle ships despite fierce travel and visa restrictions.

PCR Testing: Against a backdrop of a continuous rise of domestic cases COVID-19 testing has increased dramatically in last month. Although increased testing is itself attached to the rise in reported cases, greater access to testing is more progress on a high-priority item on labor's overall COVID-19 action agenda. APL initially tested on-signers only in Los Angeles, with a hotel quarantine to follow. The Company agreed to pay for travel, hotel, meals, wages and benefits for that period, (including overlap), but on May 22nd the procedure expanded to include the use of a vendor called FutureCare who arranges testing in clinics in both northern and southern California, Honolulu and, in certain cases, Guam. By testing in ports of dispatch, members no longer need to fly to testing site which limits exposure and stays within the normal dispatch rules except that earlier job calls will be required, normally 5 days to facilitate testing in advance of signing on. (The membership has already been informed of and approved earlier job calls.) Test results are available in a few days and allows for home self-quarantine and more or less normal crew change with a significantly lower risk of both infection transmission. FutureCare requires the use of the most accurate COVID PCR test, expedited laboratory results, and also handles initial response in cases of a positive test.

If the process is to remain safe for both themselves and for the crew they will join, dispatched members must maintain self-quarantine discipline post-testing. Although these safety improvements are welcome, there is much more work to do: the industry needs more testing, unlimited testing, in nearly any situation, with rapid results that can prompt the immediate response that really cuts risk.

Shore Leave: Despite their previously relatively enlightened shore leave policy, APL's Manager of Labor Relations John Dragone contacted the Union on Thursday June 4, 2020, to express management's concern about the overnight shore leave of crews on the U.S. West Coast. He said the Company's efforts to maintain a limited exposure to COVID-19 had been undermined by the California shore leave of crew. I raised the Union's objection that state and local orders allow for such leave, that it can and has been done safely, that members have a right to shore leave in general and especially in their home ports, and that restrictions were being lifted or relaxed throughout the industry and in all states throughout the country. I also reminded management of APL's responsibilities under Section 18. No official policy had yet been issued on the topic. Delegates are instructed to advise of any changes, record restrictions on a separate OT sheet and submit for payment on board and then sent to the Union.

MATSON NAVIGATION COMPANY

Restriction to Ship: On May 21, the Union and its members in Matson ships were informed by policy statement that a broad-based two-month Company-imposed COVID-19 restriction to ship had been lifted by management. The new policy statement still requires crewmembers to abide by the state and county shelter-in-place orders pertaining to social distancing, face coverings, etc. On June 3, 2020, following a full accounting of the COVID period in question, the constituent unions of the Seafarer's International Union-Pacific District including the SUP, MFOW and SIU completed their initial investigations and filed a unified and detailed restriction to ship claim with management under Section 18 of the General Rules. Thanks are due to all members who suffered the restriction with composure and fortitude, the delegates that ably filed and accounted for it, and to Vice-President Matt Henning who painstakingly reviewed every line of the OT sheets and carefully compiled all the claims into a single summary. Will keep the membership informed.

China cross-deck: Following up on questions from the crew of the *Maunalei*, and acted upon by SUP HQ together with Honolulu Branch Agent Mike Dirksen, Matson informed the Union on June 2, 2020 that it intended to "cross-deck" or transfer in the shipyard the crew of *Maunalei* to the *R.J. Pfeiffer* in the shipyard in Nantong, China. Although it is abnormal and unprecedented, the rationale is based on a practical problem: a sudden and complete ban on Chinese visas. After our own investigation it became clear that the visa situation had recently deteriorated dramatically. To solve both the problem of new crew needed for *Pfeiffer* activation and the departure of laid off *Maunalei* combining the work and "cross-decking" the crew was appropriate. In previous dispatch interpretations during this abnormal COVID-19 period our goal has always been to stay consistent with the intent of Shipping Rules with as little changes as possible. The same is true here. Since a new crew was not possible, combining the time of cross-decked crew as if it were the same ship is the best available method of maintaining normal application of the Rules. This means that the former *Maunalei* crew will finish out their time aboard the *Pfeiffer* by combining *Maunalei* and *Pfeiffer* working days under the same dispatch. *Pfeiffer* return rights had expired, and since the *Maunalei* dispatch continues no return rights from layup are properly gained.

Foreign-flag Operations: Continuous observation of Matson operations indicated Company use of the foreign flag ships *Arguello*, *Bahamas*, *Bomar Hamburg*, *Bomar Bellini*, *Captain Thanasis*, *Navios Magnolia*. To ensure compliance with our Agreement, and along with MFOW President Tony Poplawski, I sent on May 20th an inquiry to Vice-President Jack Sullivan on Matson's new use of foreign-flag ships. Sullivan responded by saying that such ships were time-chartered to cover what was expected to be a short-term surge of China freight seeking expedited service to the U.S. West Coast. The surge was apparently associated with high demand items such as personal protective equipment (PPE), cleaning and medical supplies. Notably, Sullivan claimed that the time-charters were without impact to the Matson U.S. flag fleet. Will continue to keep a weather eye on this development.

Internet speed: A COVID-19 issue around improved internet access and speed was raised by maritime labor on a national level and picked up by Matson management. After a period of equipment upgrade and testing, the Union was on May 21 notified by management that crew internet speed and connectivity at sea had been increased significantly across the entire fleet. The speed was roughly doubled. Crews should experience increased performance for texting, email

and web browsing. Large downloads and streaming video/audio are specifically prevented by the communications link and is not yet available.

Wage Increase: Finally, a wage increase is due and payable at Matson. In accordance with the collective bargaining agreement between Matson Navigation Company and the SIU Pacific District Unions, effective July 1, 2020, there shall be a three and one quarter (3.25%) percent increase for all offshore unlicensed crew rates of pay and wage-related items. There shall also be a fifty cent (\$0.50) per manday increase to the Andrew Furuseth School of Seamanship training plan. The wages and wage related items of members employed under the SUP Maintenance Agreement with Matson will also experience the bargained increase of a three and one quarter (3.25%) percent. That increase also covers all shoreside standby personnel shipped under the Extra Maintenance Agreement. Finally, the memorandum of understanding covering the CV700 vessel *Kamokuiki* calls for a three percent (3.0%) increase in wage and wage-related items effective July 1, 2020. Recommend the wage increases are allocated in full and applied directly to wage and wage-related items.

PATRIOT CONTRACT SERVICES

Gangway Up Order DGAR Exemption: Near the end of May the Union received good news on shore leave restrictions in SUP contracted MSC ships in Diego Garcia. In concert with local authorities, the MSC Commanding Officer lifted the restrictions including the Patriot ships POMEROY, WATSON, and SISLER, subject to certain limitations and exceptions. The exception is that joining crew will still be subject to a 14-day quarantine aboard ship on arrival. From the outset of the March 21st coronavirus driven “gangway up” order, maritime labor unions including the SUP and MFOW had repeatedly argued for this ending this restriction as a key to sustaining the entire complex relief system. Its relaxation now represents another significant achievement for the Union and improvement for its members.

Restriction to Ship: In the WATSON-class, contract language specifically forbids such a claim unless it is paid to other similarly affected government employees. At the same time, under that language SUP members remain party to, and eligible for, any other settlement that may be claimed and paid to other similarly restricted mariners or federal government workers which includes Navy sailors or MSC sailors known as “civmars.” The Union will continuously evaluate the options for a successful claim where any such restriction may violate our agreement.

Rotations resumed: Earlier in May, the SUP helped arrange advance dispatches to a special charter flight and hotel quarantine designed to restart the relief rotation system in hard-to-reach Diego Garcia and other ports. A total of 113 mariners joined and another 119 mariners departed using the charter flight that may become a near-term workaround solution for stalled reliefs in that port. A pack of fresh job orders has been sent to the Union and jobs are being dispatched with clearances underway. Taken with the relaxation of the “gangway up” order the resumption of even limited rotational reliefs marks a waypoint on our passage back from COVID-19 and indicates significant improvement ahead for SUP members in MSC ships.

U.S. GOVERNMENT MEETINGS ON PANDEMIC ISSUES

Support for maritime labor: On May 21, in another MARAD arranged call, Maritime Administrator Rear Adm. Mark Buzby cited improved economics and also noted PPE acquisition and distribution efforts, particularly of cloth face masks (which SUP HQ will distribute to members and Branches.) Rear Adm Mewbourne, speaking on behalf of TRANSCOM again acclaimed the critical importance and stellar performance of the U.S. merchant marine. He said that there will be new testing phase, and a “conditions-based” return to normalcy, especially about cargo which he called the “force flow” of military gear which has been missing from the U.S. cargo mix. Adm. Mewbourne predicted that the “stop movement” order, (issued by the Secretary of Defense and that so hampered both the fundamental cargo and rotational relief underpinnings of the supply chain system), would soon be lifted, and likely to be shortly renamed the “safe travel” policy. This "safe travel" policy will have a direct influence on relief time and procedure and augurs well for SUP members both at sea and ashore. Finally, Adm. Mewbourne also said that he supported the letter from maritime Union presidents including the SUP that urged Congress to increase funding on Maritime Security Program and said he would testify to that effect on Capitol Hill.

Economic outlook: The ship-operating carriers however continue to report that the dire economic situation essentially unchanged. A steep and volatile downturn persists, severely impacting the U.S.-flag fleet in certain sectors that have resulted in ship layups on the other coasts. Recent numbers on U.S. economy indicate retail sales down 59%, home furnishings down 61%, electronics down 79%, and clothing down 74%. The supply chain responded predictably by reducing capacity via laying up 524 ships globally, adding more blank sailings, and by other means, taking some 2.6 to 3.5 million TEU off the market.

Credential improvements: In a credentialing change, the Coast Guard updated Marine Safety Information Bulletin 8-20 that extended again the expirations of credentials, STCW medical certificates, and national endorsements from October 31, 2020 to December 31, 2020. This marks another item checked on labor’s COVID-19 relief and recovery agenda. Separately, on the Transportation Workers’ Credential issued by the Transportation Security Administration (TSA), the Union was informed on May 26, 2020 by that TSA PreCheck may be available to TWIC holders at no additional cost. Many TWIC holders may meet the criteria for the TSA PreCheck Application Program and could therefore be eligible for expedited screening. This new offering is available now for TWIC holders with certain conditions. In addition to having a valid security threat assessment, the TWIC holder must:

- Be a U.S. citizen, U.S. lawful permanent resident, or U.S. national.
- Be approved for a TWIC outside TSA’s waiver process.
- Not be under investigation as a result of TSA’s recurrent vetting.
- Use an active TWIC Credential Identification Number (CIN) that has not been canceled or reported lost, stolen, or damaged.

TWIC holders must include the eight-digit CIN printed on their TWIC card in the known traveler number (KTN) field of airline reservations made with a participating airline or in an airline profile. The TWIC CIN is printed on the back lower left-hand corner of the TWIC card. There is no additional cost to add TSA PreCheck eligibility.

HOUSE TRANSPORTATION HEARING ON MARITIME SUPPLY CHAIN

On May 29, 2020 I attended the first ever virtual hearing of the House Committee on Transportation and Infrastructure's Subcommittee on Coast Guard and Maritime Transportation held on the internet. Opened by the chairman Rep. Sean Maloney (D-NY), the hearing emphatically supported labor's issues and concerns and even mentioned the above-referenced the recent letter in support of Maritime Security Program. The chairman of the main committee, House Transportation and Infrastructure, Rep. Peter DeFazio (D-OR), also attended and demonstrated again his strong support maritime understanding and union support.

There was also detailed testimony from a panel of industry representatives about the strain on the maritime supply chain. Testimony from non-labor experts was remarkable by its unanimous assertion that the resilience of the supply chain was due predominately to the workers. In particular, they spoke against restrictions and quarantines, urging relief funding to maintain operations and to avoid off-shoring the supply chain, which both confirmed the position of maritime labor. Nearly everyone noted the importance of keeping the bargain with essential maritime workers by remaining faithful to the Jones Act and avoiding waivers or other attempts to diminish it.

SUP COVID-19 OPERATIONS UPDATE

Meetings resumed: In accordance with local shelter-in-place orders, and as promulgated through reports, memos, and website postings, our April and May meetings were cancelled due to the COVID-19 health crisis. As the nation and states begin reopening, SUP Headquarters holds this June meeting in conformity with local orders on social distancing and other precautions. We will convene as we can to conduct our business, but we will do it safely following the posted local protocols. All spaces will undergo regular daily sanitization and a periodic regimen of disinfecting deep cleaning. Masks will be required and available for distribution to members among many other safety considerations.

We take this limited risk because it is important that the membership has full access to the entire proceedings, documentation and reports of the Union. Accordingly, Mr. Chairman I ask approval of the previous reports of the Branch Agents, Committees including Membership and Ratings, Auditing, Emergency and Quarterly Finance Committee Reports, as well as the Branch Agent's, Vice-President's, and President's Reports for April and May as published in the *West Coast Sailors*, made available on the Union's website, and as laid out here on this table. Availability to these documents and information is not limited to Headquarters, fully distributed to the Branches, the website, and the West Coast Sailors. The Emergency Committee Reports dealing with the April and May cancellation of the meetings, the coronavirus emergency SUP limited operations summary, and the temporary dispatch method of Honolulu jobs for Matson CLX ships, have all been incorporated into the applicable month's President's Reports. Recommend ratification of previous action.

Staff reduction: As the Union's Quarterly Finance Committees, Auditing Committees, and the Trustees of the SUP Building Corporation are aware, the Union has felt financial pressure due to reduced income, particularly the loss of rental income due to the COVID-19

economic collapse. Combined with higher expenses, mainly deferred maintenance costs such as a new roof at 450 Harrison St., overall finances were modestly negative for the fourth quarter of 2019. The situation improved in the first quarter of 2020 where the bottom line moved back slightly into the black. Nevertheless, due to considerable ongoing income risk, and to maintain Union financial strength for the future, a staff reduction was unavoidable. On June 1, 2020 Julia Preciado, the executive secretary and editor of the West Coast Sailors was laid off. The layoff conformed with the provisions of the collective bargaining agreement that the Union holds as an employer with the Office of Professional Employees International Union, Local 29. The tasks and duties of the position have been reassigned to maintain service levels.

ACTIVATIONS AHEAD

Members are reminded that June 1 begins the official start of the hurricane season. Two weeks before the onset of the season, the first named storm – Tropical Storm Arthur – threatened the southeast coast of the United States before turning east into the mid-Atlantic. At least two more named storms have already come and gone. Hurricane sorties are common this time of year, now coming earlier and lasting longer. Combined with a relief surge due to COVID delays, as well as the strong possibility of military activations, storm season will this year put Union readiness to the test. Though difficult and problematic, these activations are a strategically important part of U.S. maritime policy. The SUP shows its strength and resiliency when it performs well on these sudden calls, especially now, when the deck is stacked against us. Sailors interested in serving in a quick response capacity in compliance with SUP Shipping Rules for RRF activations should notify SUP dispatchers of their individual readiness.

SIU-PD TRUST FUNDS

Pension proposal: On May 4, 2020 Greg Pastino, the actuary of the SIU Pacific District Pension Plan, issued his annual actuarial valuation report. The report is a snapshot of the Plan status as of August 1, 2019 for the plan year beginning August 1, 2019 and ending July 31, 2020. Under Section 30(e) of the General Rules of the offshore collective bargaining agreements with Matson and APL, the Unions (SUP, MFOW and SIU) met to discuss the options. Given that there is a small surplus of the “combined net actuarial gain” as outlined in 30(e), and noting that the Plan was certified by the actuary as being in “Green Zone” under the Pension Protection Act of 2006 with a funded ratio of 105.73% and a positive credit balance for the next seven years, the Union trustees viewed and an increase appropriate and referred it to the parties. On June 3, 2020, consistent with the conservative history of the Plan, the Unions proposed to the Employers a modest increase to the pension benefit of two-hundred dollars (\$200.00) per month for qualifying participants, as well as a cost of living adjustment increase of three percent (3%) for all qualifying retirees, effective on or after July 1, 2020. As of today, there has been no response but a June trust meeting is pending and will keep the membership informed.

Benefit improvement: The SIU-PD plan counsel notified the plan trustees that new legislation has created an option to increase the age at which a plan participant is required to begin receiving some benefits, a provision called the Required Minimum Distribution (RMD). Prior to the legislation, the rules governing qualified plans required that participants begin receiving benefit distributions no later than April 1 of the calendar year following the year in

which they reach age 70 and a half or retire. Now the required commencement date is delayed from age 70 and 1/2 to age 72 for participants who turn 70 and 1/2 after December 31, 2019. Participants who attained age 70 and 1/2 prior to December 31, 2019 continue to be subject to the old rule. For more on this see the West Coast Sailors or contact the Plan.

Medical Center update: The trustees of the SIU-PD Seafarer's Medical Center (SMC) were informed of the retirement of Medical Director Dr. Shapses as of May 15, 2020. A search for a replacement to fill the role of Medical Director is ongoing. In the meantime, the Pacific District Unions are using Mercy Medical Group for all doctor-required medical services for San Francisco dispatches, not including regular sign on and annual basic screening tasks which are still performed by the SMC. So far membership feedback has been good and the Mercy Group has been responsive often demanding Company-driven requirements of dispatchers.

HOLIDAYS

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

Independence Day: All SUP halls will be closed on Monday, July 6, in observance of Independence Day which falls on Saturday, July 4.

Bloody Thursday: The annual commemoration of Bloody Thursday has been cancelled this year due to the COVID-19 pandemic. We should nevertheless use the opportunity to reflect on the enduring history marked by July 5, 1934 during the coastwise maritime strike. Two SUP brothers were killed in the Big Strike, as it was known for many years, and in its aftermath. Olaf Helland was struck by a tear gas bomb on July 20, 1934, in Seattle, during the Battle of Pier 41 and died August 6. On ships at sea, particularly those owned by Dollar Line (the predecessor of American President Lines), there was a continuous battle to rid the ships of scabs in 1934 and 1935. Union men and scabs fought on the *Presidents Grant, Hoover, Hayes, Adams* and *Coolidge* in Hong Kong and Manila. SUP member Bruce Lindberg, aged 20, was knifed and killed by the ship's scab carpenter on the *President Grant* on February 3, 1935, in Hong Kong. The murderer was never brought to justice.