

PRESIDENT'S REPORT – APRIL 2020

Emergency Overview and Disaster Response

The grim statistics as of today's report April 13, 2020 are unavoidable: there are more than 2 million cases of COVID-19 and over 130,000 deaths in 185 countries. There are roughly 611,000 confirmed cases in the United States and 26,119 deaths. States of emergency and disaster declarations have been declared for all 50 states and there is no corner of American life that has not been affected by dual disasters of the health emergency and the associated economic contraction. The human cost is incalculable. The economic costs can be measured, but now economists have begun to use outlier descriptions such as "greatest recession since the Great Depression." By only one measure, the number of Americans filing for unemployment topped 22 million during the last month. As everyone stayed home to fight disease, the U.S. consumer economy abruptly stopped. The impact on maritime transportation cannot be overstated as shipping companies struggle with dramatically reduced supply and demand. Commercial cargoes have all but disappeared, defense-related cargoes are less than a quarter of normal. Dozens of indicators are in the red and the question of duration looms.

Through it all, the health and safety of SUP members and their families remains our primary focus and principal concern. Both in the workplace and the Union Halls, we've moved quickly to manage the risk. These temporary protections for safety may change again but will stay fixed on keeping us all free of both hardship and disease.

After safety, foremost among our responsibilities is serving our contractual obligations via the ongoing viability of our hiring halls and the rotary shipping system. Following local and state orders for responsible safe operations, and mindful of our history, our Constitution, and our role as a critical part of the maritime supply chain, SUP hiring halls remain open on a limited basis for essential business. Registration, supplemental benefit applications, medical services dispatch, credential and training consultation are important but can and are being handled remotely. The SUP Shipping Rules remain in effect. All agents are working. Job calls occur within standard guidelines of pre-screening, self-quarantining, regular monitoring of wellness, mask use, physical distancing, disinfection, etc. Detailed guidance and policy is posted in all halls and is available on the SUP website at www.sailors.org on the COVID-19 page.

Our SUP Welfare Plan, as well as our Supplemental Benefits, Training, and Pension Plans are all functioning. The Seafarer's Medical Center and its contracted clinics (and their backups) are functioning in the new normal. The dedication of SUP agents and staff deserve tremendous credit as they overcome historic impediments; they all appreciate members trying to reduce exposure and limit the strain on the system. It is important to remember that safe and healthy inaction is also a major contribution in this weird situation, for both active and reserve Union strength depends as much on tolerance and self-control at sea as it does on cautionary if solitary self-maintenance ashore.

The pandemic storm will run its course and take its toll. While it rages, urge all hands to take another turn and hold fast.

SUP Operations during coronavirus

On March 16 an Emergency Committee convened at SUP Headquarters under Article XVII of the SUP Constitution and as empowered there “to take such urgent action as may be necessary” specifically discussed the coronavirus impact and advised on SUP operations and contingency planning. The Committee reviewed a memorandum (attached) from the President on various safety actions both taken and proposed as necessary to effectively maintain our democratic and transparent seniority-based rotary shipping system in the current environment of contagion. The Committee generated a report (attached) that distilled these concepts down to four main elements of response necessary: self-quarantine measures, remote services, limited ship visits, best safety practices. The report led to a March 18th clarification memo to all members on hiring hall coronavirus operations, (attached), in part responding to the individual requests of the Branch Agents and after the MFOW took similar action. The memo confirmed the notion that all Halls were open for essential business only, required electronic service where possible, and stopped congregation in the Halls.

On March 17 and renewed on March 31, (extended now until at least May 3), the public health officer of the City of San Francisco and surrounding counties enacted the first shelter-in-place order in the country for all residents, closing most businesses, and requiring home quarantines to fight the spread of coronavirus. On March 19, California Governor Gavin Newsom issued a similar order for the entire State of California for an indefinite period. On March 21, Los Angeles County issued a similar order and on March 23, Honolulu Mayor Kirk Caldwell and Hawaii Governor Ige followed suit with three different orders. And on March 29, 2020, President Donald Trump extended pre-existing national social distancing requirements for the same reasons until at least April 30.

Although SUP hiring halls remain open for essential business (registration, job call and dispatch) in part because we are designated by the federal government as critical to the maritime supply chain and the national defense infrastructure, we are forced to take other measures as well. Because of state and local government orders against the congregation of almost any number of people, the Emergency Committee met again on March 30, 2020 to discuss and ultimately confirm the April membership meeting cancellation to reduce exposure risk. The Committee this time consisted of SUP Building Corporation Trustee Paul Fuentes, rank-and-file member Randy Cruz, San Francisco Business Agent Roy Tufono, Vice-President Matt Henning as well as Leon Gandy, Brendan Bohannon and Mike Dirksen, the Branch Agents of Wilmington, Seattle and Honolulu. Those meetings were the April membership meetings at Headquarters on April 13th and all Branches on April 20th (notification memo attached). The MFOW took the same action a week earlier.

All actions taken by the Committee are subject to the review and approval of the membership at the next regular meetings. The same goes for the reports of all other committees including the Membership and Ratings Committee Report, the Quarterly Finance Committee’s Report, the Auditing Committee Reports, the Business Agent’s Reports, the Dispatcher’s Reports, the reports of the Branch Agents, the Vice-President and the President.

Membership resolve is evident as we work together to mitigate exposure risk and maintain the continuous safe operation of our fundamental hiring halls. A healthy membership is a precondition to readiness and members are urged to take extra caution. Stay away from sick people, and take protective measures including frequent washing of hands, recognizing the symptoms (especially fever, cough, shortness of breath), monitoring body temperature and seeking medical care if sickness progresses, disinfecting surfaces, avoiding hands to face contact. Like members of the MFW, we have implemented a 14-day self-quarantine from any exposure or symptoms. No cure, no vaccine, no group immunity is yet available, and so we are left with the unwelcome burden of the only thing we know that works: sequestration, isolation, radical physical distancing.

(See Attachments #1 March 16 President's memo to Emergency Committee on SUP Coronavirus Operation Contingency Planning; Attachment #2 Report of the Emergency Committee on March 16 meeting on Hiring Hall Operational Guidelines during the period of Coronavirus; Attachment #3 All Members memo No 2 on hiring hall operations update during coronavirus; Attachment #4 March 30 All Members memo on cancellation of April meetings).

Mariner Credential and Document Improvements

Due to the coronavirus, the Coast Guard on March 30th closed all 17 of its Regional Exam Centers. It kept the National Maritime Center open for the time being, as well as its call center with reduced hours (1-888-IASKNMC or 427-5662). In the aftermath of those closures maritime labor quickly brought to bear a unified set of demands including various adjustments and extensions.

The Coast Guard responded quickly and with substance in a series of regulatory relaxations and extensions on expirations. The first, MSIB 8-20 (Change 1), extends expiring Merchant Mariner Credentials (MMC), including any national and international (STCW) endorsements, until October 31, 2020. The STCW Medical Certificate, though not technically part of the MMC, is also extended to October 31. (See attachment #3, MSIB 8-20 Change 1)

MSIB 10-20 relaxes some drug testing requirements, especially to allow an in-house collector to protect crew from outsider or third party exposure. There are other drug testing adjustments in MSIB 10-20 but they are not, even in the most permissive application, full and complete waivers. Anyone employed in a safety sensitive position under 46 CFR 16 should expect to be tested for Reasonable Cause or Random situations, and clean drug screens are still a condition of employment. (See attachment #4, MSIB 10-20)

MSIB 11-20 identifies merchant mariners as essential infrastructure workers critical to sustaining the flow of maritime commerce. This MSIB classification is supported in other federal guidance, specifically the Cybersecurity and Infrastructure Security Agency (CISA) March 19th memorandum. That memo was designed to help state and local officials recognize mariners as critical to the public health and safety as well as economic and national security. Although the CISA memorandum and MSIB 11-20 are advisory in nature they are meant to facilitate safe and authorized passage of mariners to and from the workplace despite the shelter-in-place and quarantine orders. State orders can be more general and therefore ambiguous (and thus open to

misinterpretation), but all local orders on the West Coast and Hawaii refer to the CISA memo and the general exemption of mariners from home quarantines. Nothing in a state or local order should preempt a mariner from doing his or her essential work. Included in that work is the occasional commute, i.e., travel to and from work from primary place of residence. Accordingly, members should carry a copy of MSIB 11-20 and together with a TWIC and MMC should not be impeded during any travel associated with work, including travel to the Union halls.

MSIB 13-20 provides notice that the USCG will not pursue revocation or suspension of the MMC based on an expired TWIC. On April 15th, the Transportation Security Administration finally issued extensions on TWIC's expired after March 1, 2020 to October 31, 2020. Mariners applying for a renewal of MMC, can gain the new MMC without a valid TWIC, provided they can show that they have applied for a new TWIC. For mariners applying for an original MMC may demonstrate only enrollment for a TWIC to begin the application but must be issued a cleared set of biographic and biometric information from the TSA to gain the MMC. Members with expired or soon to expire MMC and TWIC's are urged to begin the application process for renewal ASAP.

During several emergency operations COVID-19 industry response calls – organized and hosted by MarAd administrator Adm. Mark Buzby – maritime labor raised the need for expedited passport renewal (to go with the previous requests for MMC and TWIC extensions). Kevin Tokarski, Associate Administrator of Strategic Sealift at the Maritime Administration, quickly delivered the agreement and recognition of the Department of State's Consular Affairs Office that U.S. mariners were deserving of the expedited service, and now such is the standard (notice attached). With a letter from the Union or company, passport applications for mariners engaged in international trades will get approval and renewals in three business days.

Taken together these are significant and timely regulatory adjustments made by the government to make it easier on merchant mariners, but it is offset by reductions in service created by the closure of the REC's. As always members must also maintain readiness in their credentials. Be mindful of expirations, renew well in advance (during the last shutdown we used 12 months as the appropriate lead time), plan for probable processing delays, and remember that increased focus on immigration issues both here and overseas may uncover documentation problems. (See Attachments #5, MSIB 8-20 Change 1; #6 MSIB 10-20, #7 MSIB 11-20; #8, MSIB 13-20; #9, Dept of State, Passport Services Notice to Mariners)

Political Action: defending cargo preference, Jones Act, and MSP in the era of COVID-19

On March 2, a broad swath of the maritime industry wrote (letter attached) to the Chair and Ranking Member of the Senate Subcommittee on Agriculture, part of the Committee on Appropriations, to once again enlist support for cargo preference in the form of P.L 480 Food for Peace, Food for Progress, and the McGovern-Dole International Food for Education program contained within an Fiscal Year 2021 appropriations bill. And on March 16, a “dear colleague” letter backed by labor was sent from Congressmen Joe Courtney (D-Conn.) and Rob Wittman (R-Va.) in the House and in the Senate by Sens. Roger Wicker (R-Miss.) and Mazie Hirono (D-Hawaii) among others to Chairs and Ranking Members of House and Senate Appropriations advocating for full Maritime Security Program (MSP) funding for Fiscal Year 2021 (attached).

In retrospect, it was the pre-disaster industry warming up for the full-blown COVID-19 political action ahead.

On March 27, the U.S.-flag maritime industry joined quickly in full opposition to the devious and insidious attempt of certain oil interests to advocate for a Presidential waiver of the Jones Act ostensibly due to the coronavirus emergency. Industry advocates noted that there was certainly no shortage of Jones Act tonnage to handle the national demand, and that the collapsing economy had nothing to do with the Jones Act. Shipowners said that even the talk of a waiver had a deleterious effect on the investment capital needed to build and maintain U.S-flag ships. And maritime labor united to denounce the notion. At a time when record numbers of Americans are being tossed out of work, we think the idea of removing or weakening a basic legal support for a few of the good remaining American jobs is not merely bad policy, it's cynical and unscrupulous.

The letter (attached) said in part that "We recently learned that you will be meeting tomorrow with certain chief executive officers from the oil and gas industry and that some of those officials may ask you to waive the Jones Act. We write to strongly oppose any waiver... waiving the Jones Act means outsourcing American maritime jobs to foreign shipping companies that do not pay U.S. taxes." The presidents of all the major maritime unions noted that "many of the foreign vessels are made in China, operated with foreign crews who do not pay U.S. taxes, and cannot be counted on to go into harm's way for America's interests. Those foreign ships would subvert the ships made in American yards in Pennsylvania, Mississippi, Wisconsin, California, and elsewhere in America." Partially due to the early and vigorous action to forestall the effort, and partly due to maritime labor's enlistment of Transportation Secretary Chao to help deliver the message, we were gratified to later learn that the waiver issue never came up at the White House meeting. But once again we see our adversaries quick to use any calamity to improve the return on capital at the expense of American workers.

The maritime labor community came together yet again to craft and send a new letter (attached) to key members of Congress recommendations on COVID-19 response legislation. The letter addresses many but not all of our issues related to the crisis. Most prominently in terms of existing maritime policy, and related to the decline in cargoes, an industry effort to suspend the 320 day operating period requirement to remain eligible for the stipend was proposed. This would allow for a temporary vessel layup without disruption of the stipend provided that, we argued, the shipowners keep the crews employed. The letter also included requests to:

1. Exempt U.S. mariners from travel restrictions and quarantine requirements.
2. Increase of U.S.-flag cargo preference requirement to 100% of all govt cargo
3. Provide COVID 19 testing kits and PPE to U.S.-flag vessels
4. Extend expiring TWIC cards (now granted) in the same manner as the MMC and STCW med cert.
5. Oppose the MSC shore leave restrictions and end the two-pot Navy and other exempt personnel shore leave policy
6. Support domestic ferry operations
7. Provide assistance to maritime union vocational training facilities

8. Reject waivers for Jones Act requirements.

A comprehensive and ambitious list, to be sure, but Congress and the US government has been quick to act in our favor on unemployment insurance, safe passage with essential workers designation, priority testing, the MMC, med cert, and TWIC extensions, as well as expedited passport processing, among other things. In any case, our recent political action has been effective.

Ship operations

At Matson, numerous updates from the Company have responded in part to Union demands for crew protection. These updates have been distributed to ships and Branch and are posted in all Halls. Except for request to change air vent filters to HEPA filters, a lack of thermal scanners and testing kits, as well as a general shortage of PPE and cleaning supplies, many of the Union's safety demands around procedure have been met; other matters are still pending. Delegates are instructed to keep a record of restriction claims in U.S. ports. At APL, sailors have reported widespread teamwork in protection, disinfection, and house access control. APL has made available a \$500.00 bonus for sailors over 30 days beyond contractually mandated maximum tour of duty. It is likely that members in *APL Gulf Express*, the only ship where reliefs are presently suspended, will have valid claims. Standby sailors for both companies are dispatched to specific areas of the ship with specific assignments and have been directed not to interfere with the sterile integrity of the interior spaces in the house. Chevron Shipping responded in part by implementing an accelerated and concentrated relief program, and then pausing reliefs, depending on circumstances, and making a bonus of double the base wage for each day over 120 days on the ship.

The situation varies by company and the SUP has pursued solutions anywhere they might be available, from the White House to Congress to state and local governments, in every federal department or agency with jurisdiction, with the Coast Guard, with TRANSCOM, the Military Sealift Command, and MarAd, employer by employer, unit by unit, port by port, ship by ship. We expect everyone to live up to their responsibilities whether they are implied terms or established past practices, a duty of care or explicit contract language. We don't go to work to get hurt or sick or be imprisoned; we will not rest until the risk of those things are at least normal.

In Patriot ships the situation is both more restrictive and complex. On March 21 the Military Sealift Commander Rear Admiral Mike Wettlaufer via the lead MSC Contracting Officer Achille E. Boennimann issued a "Gangways Up" order (attached) which suspended shoreside liberty across the government-owned fleet. The order includes all government-owned contractor-operated ships such as *Watson*-class ships and also those presently either in ROS, RAV or FOS in deployments either foreign or in the continental United States. This order restricted crews to their ships as a matter of health and safety and in service to the national defense.

A few days later, about March 25th, U.S. Secretary of Defense Mark Esper initiated a 60 day "stop movement order" across all of the United States military in response to the coronavirus crisis. The stop movement order meant that all travel and assignment rotations for all military

personnel in foreign deployment was completely halted. Although relief procedures had already ended for our members due to both the “Gangway Up” order and practical travel restrictions (no flight availability), the stop movement order sealed the status quo until at least May 25. Members dispatched for relief continue through the clearance process, but most travel orders are on hold. Members aboard ship, especially those past their relief dates, have put their shoreside lives on hold, and the Union is pressing the and government, military, and management for normal rotations to resume. In a remarkable show of support and professionalism, there have been few complaints. This forbearance is essential to the strength and survival of the Union and is greatly appreciated. (See Attachment 14, Gangway Up order).

SUP Building Corporation Trustee Meeting

On March 12, a meeting of the SUP Building Corporation Trustees convened at Headquarters to discuss recent developments related to the property at 450 Harrison St., in San Francisco. In attendance and joining by phone was Berit Erikson; in person was Paul Fuentes, Roy Tufono, Matt Henning, Dave Connolly, Building Manager Terry Lane and Alice Wong, SUP Controller.

Trustees heard from Ms. Wong on lease negotiations with new and existing tenants and improvements and repairs necessary for graffiti removal, to the west balcony door, for window stabilization and replacement, overhead repairs especially to Suites 210, 301 and 303. The Trustees were also briefed on the existing parking arrangements and policy and tax law. They ultimately agreed to maximize the rental income related to the space or spaces that were not in use or specifically designated by lease. Initially that was understood to be at least one (1) additional space available to market. There was also discussion and agreement to market and lease existing open offices including Suites 200, 202 and 310.

Last, the Trustees reviewed a memo from Connolly reporting on the investigation of legal options with regard to the upper main roof replacement costs and damages sustained from unauthorized tenant installations. The investigation included the legal analysis of Jeffrey Kirchmann, a real estate lawyer specializing in cell site services with the firm of Lubin, Olson and Niewandomski. Given the potential benefits and cost, Kirchmann saw no immediately serviceable legal theory in support of full-blown recovery, and recommended against any near-term action. The Trustees agreed. They decided however to retain Kirchmann as part of an overall legal review in general, and specifically a multi-faceted tenant modifications request, as well as to improve where possible the existing lease protections and income.

Member Assistance Program

Due to the stress and anxiety of the pandemic, members or their families may be interested in getting professional counseling. The Member Assistance Program, also known as the Employee Assistance Programs is a benefit for eligible members and their families through the SUP Welfare Plan. The Plan presently contracts with Human Behavior Associates (HBA) and they can be reached at 800 937 7770.

The MAP is a confidential resource for professional counseling of all kinds. It has a dedicated staff or referral services for clinical social workers, marriage and family therapists, eldercare/childcare professionals, psychologists, as well as drug, alcohol and addiction counselors. Members or their dependents may see licensed counselors at no cost initially and may vary depending on continued treatment. (See Attachment 15, MAP brochure).

Patriot Contract Services: *Watson, Savannah*

In late March the Union was contacted by Patriot Chief Counsel Tim Gill about the renewal of the successor contract for the operation and maintenance of the Watson class (N32205-19-R-3009). The membership will recall that the contract bid process has been extended from its expiration on September 30, 2018 until March 20, 2020. The related discussion included a six-month bridge contract proposal with six-month extension option out to March 31, 2021. The exact timeline and procedure for the next Watson bid is not yet known, but since it appears that the next proposal would not be considered until after the six month extension that is in place, (past October 1, 2020), and in order to have a reasonable bid in place, Patriot requested new pricing. In coordination with MFOW President Anthony Poplawski, I calculated new rates at a 2% increase over existing rates on Total Labor Cost for the purpose of the pending bid. The SUP retains the right to allocate increases among wages and benefits as per standard practice and as required and subject to membership approval.

On April 8, Gill contacted the Union again to discuss the possibility of offering a bid on a Maritime Administration government contract (Solicitation 693JF72R000010) for the decommissioning and license termination N/S *Savannah* (DECON-LT). The *Savannah* is an historic ship, the first commercial nuclear ship, built in 1959 as part of President Eisenhower’s “Atoms for Peace” program, and now designated as a National Historical Landmark. She is currently moored at the Canton Terminal at Pier 13 in the port of Baltimore. The ship will not get underway and remain alongside. It is presumed to be undergoing the decommissioning as the first step to conversion to a museum ship. The manning for the work associated with decommissioning is not certain but a bosun, an able seaman and at least 2 ordinary seaman or general vessel assistants appears likely and pricing for same was requested. Berthing space aboard will not be provided. Working with MFOW President Anthony Poplawski, and using the Union’s Ready Reserve contract rates as a template, constructed the following wage and benefit schedule for the purposes of the bid.

Patriot Contract Services

SUP Wage & Benefit Rates - Solicitation 693JF72R000010

***NS Savannah* Decommissioning and License Termination (DECON-LT)**

ROS Wages and Related Items

	Weekly	Daily	Hourly	Daily Supp Ben
Rating	Wage	Wage	Overtime	
Bosun	1,679.69	239.96	41.12	16.00
Able Bodied Seaman	1,107.35	158.19	35.09	10.55
Ordinary Seaman	1,031.53	147.36	20.98	9.82

General Vessel Assistant	1,011.31	144.47	20.98	9.63
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Weekly wages shall be divided by seven when determining daily wages for unlicensed crew who work less than a full week, provided however, that no unlicensed crewmember shall be paid less than the weekly wage listed above when employ M-F And the vessel remains in ROS through the subsequent weekend.

The overtime rates specified above shall apply to all work performed in excess of eight (8) hours, M-F and for all hours worked on Saturdays, Sundays and holidays.

All ratings shall earn two (2.0) days of vacation leave for each thirty (30) days employed in ROS.

ROS Fringe Benefits and Related Items

	SUP Welfare	SUP MPPP	SUP Training	SIU-PD Pension
<u>Ratings</u>	<u>Daily</u>	<u>Daily</u>	<u>Daily</u>	<u>Daily</u>
Bosun	67.96	10.77	2.72	20.00
Able Bodied Seaman	67.96	10.77	2.72	20.00
Ordinary Seaman	67.96	10.77	2.72	20.00
General Vessel Assistant	67.96	10.77	2.72	20.00

There shall be a two and one-half percent (2.5%) total labor cost increase on the first anniversary of the agreement; and a two and one-half percent (2.5%) total labor cost increase on each anniversary date thereafter.

*Dave
Connolly*

