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Friday, April 20, 2018

# Maritime Security Program funding: with FY 2018 appropriations assured, focus shifts to FY 2019

n March 23, the Consolidated Appropriations Act of 2018 was signed into law after being approved by Congress ahead of the deadline to avert a partial shutdown of the federal government. The Appropriations Act provides, and in some cases exceeds, statutory funding for key maritime programs for the current fiscal year.

The 2018 Appropriations Act fully funds the Maritime Security Program (MSP) and its fleet of 60 U.S.-flagged ships at \$300 million, providing a \$5 million stipend per ship for the remainder of Fiscal Year 2018 (October 1, 2017-September 30, 2018). This is the statutory funding level for the MSP mandated

by the National Defense Authorization Act of 2017.

The MSP supports a fleet of militarily-useful U.S.-flagged ships, which are crewed by U.S. merchant mariners and operate in international commercial trades. The ships and their corresponding privately-owned intermodal cargo systems and networks are available to the Department of Defense for military sealift operations and in national security emergencies. The cost of the MSP amounts to a small fraction of the projected \$65 billion it would cost the government to replicate this sealift capacity and the intermodal infrastructure provided to the DOD by private-sector MSP participants.

SUP-contracted American President Lines operates nine vessels enrolled in MSP.

Shortly after the successful fight to secure full Fiscal Year 2018 funding for the Maritime Security Program, the battle has begun to keep the program appropriately funded in Fiscal Year 2019 (October 1, 2018-September 30, 2019).

Earlier this year, the President Trump's budget recommended only \$214 million for MSP in Fiscal Year 2018. But bipartisan Congressional support for the program prompted lawmakers to pass their massive Omnibus spending bill with the full FY 2018 \$300 million funding for the MSP. USA Maritime has

been vigilant in pressing Congress throughout the years to do the right thing on behalf of the industry. Readers of the West Coast Sailors know that USA Maritime is a coalition of maritime Unions, associations and shipping companies —including the Sailors' Union of the Pacific—fighting for the U.S. Merchant Marine.

Their efforts help whip up support for the program which ensures a U.S.-flag presence in the internationally trading commercial fleet along with the requisite American mariner pool needed not only to man the 60-ship fleet but to crew the Military Sealift Command and Ready Reserve Force surge

fleet in times of emergency and war. From time to time, lawmakers who don't understand the importance of the program remain silent when a misguided proposal to undermine the MSP is put forward.

Getting an early start on next year's fight, USA Maritime enlisted 90 House Members to sign on to a letter of support calling for full MSP funding in FY 2019. The bipartisan collection of Members strongly urges House appropriators to embrace full funding for the program that serves as "a vital component of our military strategic sealift and global response capability." The letter points out that the

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# USTRANSCOM Commanding Officer testifies in support of Merchant Marine

eneral Darren McDew, the commanding officer of the United States Transportation Command (US-TRANCOM) testified this month in support of a strong U.S. Merchant Marine during a hearing of the Senate Armed Services Committee. He was the lone panelist for the session titled, "Posture of the United States Transportation Command."

An outspoken advocate of the American maritime industry, McDew told the committee that the nation depends on strong, reliable, U.S.- flag sealift capability and U.S. crews. He described the need to maintain a modern American-flag fleet and emphasized concerns about the gradual reduction that has taken place with the shipboard manpower pool.

"When the United States goes to war, USTRANSCOM moves 90% of its cargo requirements with the strategic sealift fleet, which consists of government-owned ships augmented by the commercial U.S.-flagged fleet," McDew stated. "The ability to deploy a decisive force is foundational to the National Defense Strategy, as the size and lethality of the force is of little consequence if we are unable to project power in the pursuit of national objectives. Therefore, the readiness of the entire strategic sealift portfolio, both organic and commercial, remains the top

priority for USTRANSCOM."

"USTRANSCOM's Navy component, Military Sealift Command (MSC), controls the organic strategic sealift ships that deliver logistics and humanitarian relief, move military equipment, supply combat forces, and forward-position combat cargo around the world." McDew continued, "MSC also assumes operational command of the Maritime Administration's (MarAd) Ready Reserve Force (RRF) ships during periods of activation."

"However, our organic sealift capabilities will degrade rapidly over the coming years if we fail to pursue a responsible recapitalization strategy .... US-TRANSCOM is working with the Navy on a comprehensive recapitalization plan which includes acquiring used vessels, extending the service life of able vessels, and building new ships—all three of which are required to stabilize the fleet," McDew said.

The general said that the aging fleet, coupled with a reduction in U.S.-flag vessels and a corresponding decrease of available mariners "threatens our ability to meet national security requirements." He added that if those trends continue, the U.S. could eventually be forced to rely on foreign-flag vessels for sustainment in a mission on the scale of Operation Desert Shield/ Desert Storm.

McDew further pointed out that during Desert Storm, 13 foreign-flag ships that were hired to carry materiel to American troops "declined to enter the area of operations, while U.S.flagged vessels provided steadfast support."

The general then spoke in support of the Maritime Security Program (MSP) and explained how the Jones Act and cargo preference laws "are intended to ensure a baseline of ongoing business to support our inter-coastal shipping capacity and maintain a market for U.S. industrial shipyard infrastructure to build, repair, and overhaul U.S. vessels."

He described the U.S.-flag commercial fleet as "vital to the Joint Force's ability to accomplish its mission."

McDew pointed out that the MSP and its related Voluntary Intermodal Sealift Agreement (VISA) "has proven a cost-effective means to assure access to sealift capability, capacity, and worldwide networks .... The MSP provides an intermodal and logistics capability outside of

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"We must guard against being fooled by false slogans, as 'Right to Work'. It provides no 'rights' and no 'works'. Its purpose is to destroy labor Unions and the freedom of collective bargaining."

> Martin Luther King, Jr. January 15, 1929-April 4, 1968

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# Port of Oakland agricultural exports soared last month

The Port of Oakland announced last month that agricultural exports have increased 42.7% in volume since 2013. Port officials said that the growth reflects continued strong overseas demand for agricultural products from the United States.

Despite the strong growth, port officials added that export growth could stall if foreign governments tax American goods in retaliation for tariffs placed on the import of a number of foreign goods by the Trump Administration.

"Overseas demand for high-quality, American-grown products –especially in Asia– has never been stronger," said Chris Lytle, Executive Director at the Port of Oakland. "We'd be disappointed to see anything curb the gains being made by American producers."

According to recently released data by the port, Oakland's agricultural export volume totaled 375,727 TEUs in 2017. That figure was up from 263,218 containers just four years ago. The Port said that California producers accounted for 55% of Oakland farm shipments last year. Japan, China and South Korea were the top-three export destinations.

The port tracks agricultural shipments closely since export cargo accounts for half of its total volume. Oakland is considered a principal U.S. gateway to overseas markets because it is the last U.S. stop for ships heading back to Asia, which makes it the shortest route to the world's fastest-growing markets, and Oakland is the closest port for producers in California's Central, Napa and Salinas valleys.

According to port data, the leading export commodities from Oakland in 2017 included almonds and rice. The Port of Oakland expects big increases in meat shipments beginning this fall, as a 283,000-square-foot distribution center called Cool Port Oakland is expected to open in September. The distribution center expects to export up to 30,000 containers of beef, pork and poultry annually. The port said that most of that product would originate in the U.S. Midwest.

### **Final Departures**

**Michael Bogdonoff**, Book No. 5275. Born in California in 1923. Joined SUP in 1944. Died March 14, 2018. (Pensioner)

Anthony J. Ingegneri, Jr., Book No. 365. Born in Massachusetts in 1925. Joined SUP in 1943. Died in Ceres, California, March 28, 2018. (Pensioner)

**Melvin Kessler**, Book No. 3049. Born in Minnesota in 1928. Joined SUP in 1953. Died February 9, 2018. (Pensioner)

**Jacob Kipperberg**, Book No. 2975. Born in 1923. Joined SUP in 1946. Died in Everett, Washington, April 4, 2018. (Pensioner) **Donald Steffens**, Book No. 7380. Born in Colorado in 1928. Joined SUP in 1951. Died February 9, 2018. (Pensioner)

Richard Walsh, Book No. 3426. Born in Massachusetts in 1927. Joined SUP in 1947. Died in Scarborough, Maine, March 19, 2018. (Pensioner)



# ITF Inspectors help repatriate abandoned Ukrainian Seafarers

Sixteen crew members of the container ship *Avonmoor* have been repatriated home to the Ukraine, thanks to the efforts of International Transport Workers' Federation (ITF) Inspectors, and ITF affiliate, Moroccan Workers' Union (UMT).

In January 2018, the 16 Ukrainian crew members of the Bahrain-flagged vessel, *Avonmoor*, were abandoned in the Port of Casablanca, Morocco, leaving them without wages, provisions, fuel and first aid supplies. The vessel was in blackout, while anchored in the mouth of the port, which caused significant security concerns for the crew.

The vessel is owned by Tylos Shipping and Marine services, with whom the ITF have identified previous issues on this same vessel as well as others, with unpaid wages and failure to repatriate crew. The ITF is currently dealing with three cases of abandonment with these owners, including the *Sanad*, the *Aman* and the *Jerna S*. This is also the second instance of crew abandonment on this vessel, with the first only being resolved last September, having been abandoned in Malta.

Mohamed Arrachedi, ITF Arab World Contact Network Coordinator and Paul Falzon ITF Inspector for Malta have been assisting the crew members, initially working with local Union UMT to deliver humanitarian aid and medical assistance.

Once it was established that Tylos were failing to deliver on their promises to the crew, the ITF called on the P&I Club to establish a plan of action.

Thanks to the coordinated efforts from P&I, port authorities, the Ukrainian Embassy, ITF and UMT, the situation was resolved. Wages totaling \$107,000 were paid by P&I \$20,000 were paid by the owner as part of December salaries during the negotiations, and the crew repatriated home. Arrachedi thanked all involved for their efforts: "I would like to extend my thanks to UMT for their assistance, the Ukrainian Embassy and the Moroccan port authority for their support to bring this to a satisfactory end."

Arrachedi further commented, "Justice has finally been served, the 16 Ukrainian crew have at last been paid and repatriated home. We would like to take this opportunity to actively denounce the irresponsible behavior of abandoning seafarers. The ITF, working collaboratively with the maritime industry and governments, will work towards eliminating this notorious practice, and to secure dignity and respect for seafarers all over the world."

Paul Falzon, added "This latest episode of the *Avonmoor* highlights the dark side of the maritime sector being manifested by rogue owners such as Tylos Shipping. Above all, it demonstrates in practice the indispensable role the ITF plays in maritime labor relations, greatly benefiting the lives of seafarers."

# Labor Board gets Republican majority

The U.S. Senate approved John Ring for a seat on the National Labor Relations Board on April 11, again giving Republicans the majority on the body that oversees Union-employer disputes.

Ring, an employment-law attorney with Morgan, Lewis & Bockius LLP, becomes the third Republican on the five-member panel. Nominated by Republican President Trump in January, he was approved in a 50-48 vote along party lines.

Republicans briefly held the majority on the board last year for the first time in nearly a decade. In mid-December, however, the panel was again split evenly between Democrats and Republicans when former Chairman Philip Miscimarra departed at the end of his term.

Ring has primarily represented employers, including chemical maker Olin Corp. and online retailer Amazon.com Inc, according to his financial disclosure. He also listed the New York State Teamsters Benefit Funds as a client.

#### SUPPORT THE SUP POLITICAL FUND

#### **SUP Meetings**

These are the dates for the regularly scheduled SUP meetings in 2018:

	Haqs.	Branch
May	14	21
June	Tues. 12	18
July	9	16
August	13	20
September	10	17
October	Tues. 9	15
November	Tues. 13	19
December	10	17

Republicans have made Ring's nomination a priority. Ring's appointment "is an important next step to continue cleaning years of regulatory rust off of the American economy," Senate Majority Leader Mitch McConnell (R-Kentucky) said.

Democrats contend Ring is too tied to corporate interests. "Mr. Ring's long list of clients is a huge red flag: either he'll ignore the ethics rules when they're inconvenient," Senator Elizabeth Warren (D-Massachusetts) said, "or he'll likely have to recuse himself from important cases."

### West Coast Lailors

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# MSP Funding focusing on FY 2019

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\$76 million underfunding of the program proposed by the President earlier this year would challenge the ability to maintain "a viable U.S.-flag commercial merchant fleet" and flies in the face of meeting logistics challenges facing any future war or national contingency. The letter makes note of U.S. Transportation Command leader General Darren McDew's continued passionate defense of U.S. shipping and its vital importance in providing our troops with the supplies and equipment needed to support our nation's overseas objectives. General McDew told Congress, "As a military professional and senior leader, I think about and plan for what the future may hold, and I would tell you we must prepare for the real possibility we will not enjoy the uncontested seas and broad international support experienced in 1991. If either of those possibilities becomes reality, and if we remain committed to responding to security incidents around the globe, the only way of guaranteeing we decisively meet our national objectives is with U.S. ships operated by U.S. mariners."

The letter was dispatched to the House Appropriations Committee led by Congressman Mario Diaz-Balart (R-Florida), the Chairman, as well as Ranking Member Congressman David Price (D-North Carolina). A similar letter will be forwarded in the Senate Appropriations Committee and is currently in the process of picking up signatures. As the *West Coast Sailors* went to press, 24 senators signed a letter for full MSP funding.

#### **Food for Peace**

The Appropriations Act also provides funding for U.S. food-aid programs for Fiscal Year 2018. Food for Peace Title II —the primary source of food-aid cargoes for U.S.-flagged vessels— is now funded at \$1.6 billion for the current fiscal year, an increase from the base level funding of \$1.466 billion provided for this program in fiscal year 2017. The Trump budget did not fund Food for Peace.

Under U.S. cargo preference requirements, at least 50% of U.S. government impelled food-aid shipments must be carried by U.S.-flagged vessels. These cargoes help keep U.S.-flagged commercial vessels in service and U.S. merchant mariners, who are needed to man surge and reserve military sealift vessels in times of war or crisis, employed and current on their skills and certifications.

The Appropriations Act provides approximately \$289.3 million for the National Defense Reserve Fleet, including expenses related to the Maritime Administration's Ready Reserve Force. In fiscal year 2017, the appropriation was approximately \$274.5 million.

The Appropriations Act provides the National Security Multi-Mission Vessel Program with \$300 million for the construction, planning, administration and design of maritime academy training ships, which could also be used in defense sealift and humanitarian crisis missions domestically and abroad.

In an article posted on the State University of New York (SUNY) Maritime College's website, details of the construction of the first multi-mission vessel were provided. The ship will replace the college's training vessel *Empire State VI*, which was built in 1962.

"After many years of work, our dreams of having a new, purpose-built ship to educate and train the nation's future mariners has come to pass. This news would not have been possible without the consistent staunch support of our elected officials, especially Congressman Joe Crowley, Senators Chuck Schumer and Kirsten Gillibrand, and the rest of the New York delegation, as well as the dedication of Transportation Secretary Elaine Chao and SUNY Chancellor Kristina Johnson," the college stated.

"The college anticipates the nation's first National Security Multi-Mission Vessel will be delivered in time for the 2022 summer sea term," the college stated.

The Appropriations Act provides \$30 million for the Maritime Administration's Title XI shipbuilding loan guarantee program. Of the total, \$27 million is designated for new loan guarantees and \$3 million is designated for administrative expenses and managing the administration's existing portfolio of loan guarantees. Title XI eases access to commercial credit for U.S. companies by selectively providing loan guarantees to support private-sector financing of, among other things, the construction of commercial ships at U.S. shipyards.

The Appropriations Act provides added funding for harbor maintenance and dredging. According to an article published by the *Great Lakes/Seaway Review*, an additional \$341.4 million is included in the U.S. Army Corps of Engineers budget above what the agency requested. The funds are designated for harbor dredging and other operation and maintenance activities. The Corps will develop a work plan to nationally distribute these funds. Great Lakes ports will receive a share of the funding, with specific amounts to be announced in six to eight weeks.

# **USTRANSCOM** support of Merchant Marine

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the [Defense Department] portfolio that would be cost prohibitive to replicate. MSP assures access to 60 militarily useful vessels, the mariners who crew those ships, and commercial carriers' global networks and infrastructure. Without this program, DOD's asymmetric advantage in logistics would be put at significant risk as many of the vessels currently in the program would reflag under foreign flags and no longer participate in VISA. In this scenario, DOD would be forced to augment organic capacity with foreign-flagged vessels to deploy and sustain the Joint Force."

Turning to the area of manpower, McDew said USTRANSCOM is "concerned" about a decline in numbers, and that further reduction would "put at risk our ability to surge forces overseas and sustain a protracted conflict with U.S. Mariners. Although the qualified mariner labor pool industry-wide is adequate to support a surge requirement today, a protracted need for mariners would stress the labor pool beyond acceptable risk."

He said the Defense Department and Transportation Department "must seek innovative ways to recruit and retain sufficient mariners to sustain sealift operations across the full spectrum of conflict. A healthy and viable U.S.-flagged fleet remains the foundation for a suitable U.S. Merchant Mariner pool."





Chris Go, left, and Rudy Bautista slush the topping lifts on the APL Gulf Express.

# Jones Act importance discussed during Navy League Exposition

A number of national security and maritime leaders spoke to the importance of the Jones Act during this month's annual United States Navy League's Sea-Air-Space Exposition, which brings together the U.S. defense industrial base, private-sector U.S. companies and key military decision makers.

The Jones Act panel discussion on April 11, presented an opportunity for participants –Anthony Fisher, Deputy Associate Administrator for Commercial Sealift of the Maritime Administration, Michael Herbert, Chief of the CBP Jones Act Division of Enforcement, Rear Admiral John P. Nadeau, Assistant Commandant for Prevention Policy for United States Coast Guard, and Matt Woodruff, Chairman of the American Maritime Partnership (AMP)– to discuss the importance of the Jones Act in ensuring sealift capacity, supporting a strong defense industrial base, and for maintaining homeland and economic security.

Fisher commented that the Jones Act was actually the essential piece to ensuring that vital supplies, like food, water and medicine, were quickly delivered to the Puerto Rico hours after the storm hit. "The Jones Act did not hamper the response. The Jones Act made the response possible," said Fisher.

"We use the Jones Act as a virtual wall. Without the Jones Act in place, our inland waterways would be inundated with foreign-flagged vessels," Herbert said when addressing the critical homeland security aspects of the Jones Act.

When asked about the consequences of a hypothetical Jones Act repeal, Nadeau stated, "The Coast Guard is responsible for the safety and stability of the marine transportation system, and [if you repeal the Jones Act] you just made our jobs a whole lot harder."

"Our mariners are U.S. Citizens and are credentialed by the U.S. Coast Guard. They undergo extensive background checks. Our mariners are the neighborhood watch of the waterways of America," Woodruff added.

During an earlier panel discussion, Rear Admiral Mark H. Buzby (Ret.), Administrator of the U.S. Maritime Administration, stated, "Take away the Jones Act, you have taken away the majority of jobs for our U.S. mariners in peacetime, that we need in wartime. Getting rid of the Jones Act does not think through all of the ramifications it has on our war fighting ability— and to sustain the Navy and to sustain the Marine Corps. That is why our flag says in peace and war."

An important pillar of the Jones Act –the ability for the United States to build innovative vessels that help American men and women in the military achieve their missions in times of war and peace— was discussed during the "Innovation in Shipbuilding" panel on April 10. Moderated by Matthew Paxton, President of the Shipbuilders Council of America, the panel brought together leading military voices who discussed growing military shipbuilding and repair, sustaining a qualified U.S. merchant marine and maintaining a strong industrial base.

Panelists included Allison Stiller, Principal Civilian Deputy Assistant Secretary of the Navy Research, Development and Acquisition, Rear Admiral John P. Neagley, USN, Program Executive Officer, Littoral Combat Ships, Rear Admiral Michael J. Haycock, USCG, Assistant Commandant for Acquisitions, Chief Acquisition Officer, Rear Admiral William J. Galinis, USN, Program Executive Officer, Ships, and Vice Admiral Thomas Moore, USN, Commander, Naval Sea Systems Command.

# A look astern...50 years ago

SUP Secretary-Treasurer Morris Weisberger reported on April 15, 1968, that "The recent attempt to place so-called 'Apprentice Engineers' aboard SIU-Atlantic & Gulf ships was a calculated maneuver by the Marine Engineers Beneficial Association, with the help of the shipowners, to move in on the jurisdiction of unlicensed maritime Unions.

Although the dispute was concerned

primarily with unlicensed engine room jurisdiction, all SIU of North America affiliates fought against the MEBA move. The SUP felt further that the issue would have established a precedent that could at a later date affect us even more seriously.

Believe the beef as it stands now is won, but we would be well advised to remain on guard against any further attempts to invade our jurisdiction."

### **Australia bans ship over Maritime Labor Convention violations**

Australia has banned the Liberian-flagged containership MSC Kia Ora from its ports for three months due to violations of international crew welfare laws after the operator failed to pay crew wages in full and on time, in addition to other detainable deficiencies.

MSC Kia Ora is operated by Vega-Reederei, the same company which operated the Vega Auriga, which AMSA banned over repeat offenses in 2014.

The Australian Maritime Safety (AMSA) inspected the ship in the Port of Brisbane on March 14, after receiving a complaint alleging that crew had been underpaid.

During the inspection, AMSA found evidence that crew had been underpaid for the previous four months (November 2017 to February 2018) and were owed more than \$40,700. The outstanding wages had been transferred to the crew just 24 hours before the inspection, according to the AMSA. "Failure to pay crew their wages in full and on time is a clear and unacceptable breach of the Maritime Labor Convention," AMSA's General Manager of Operations Allan Schwartz said.

Further breaches of the Maritime Labor Convention, which is often referred to as the seafarers bill of rights, were also found during the inspection. They included violations related to hours of rest and fitness for duty, Schwartz said, placing the safety of the crew and the ship at risk.

The inspection also revealed that two of the ship's four generators were defective as well as the starboard main engine fire damper. In total, 24 deficiencies were issued to the MSC Kia Ora, and the ship was detained the same evening.

AMSA reinspected the MSC Kia Ora on March 25, and reported it was satisfied that all detainable deficiencies had been rectified. The ship was released from detention and immediately issued with a ban, preventing it from accessing Australian ports for a period of three

# Ocean liner Queen Elizabeth 2 is now a Dubai floating hotel

The famed ocean liner Queen Elizabeth 2 has been refurbished and shifted to a permanent berth at Port Rashid, Dubai, where she will enter a new phase of life as

The QE2 exited service with Cunard Line in 2008 and has been in layup in Dubai ever since. This month, after a deep cleaning, paint touchups, new livery on her bow and the removal of her propeller, tugs moved the QE2 to Dubai's old cruise terminal. According to her new operator, QE2 Dubai, the venerable vessel will have 12 attractions, including fine restaurants, theaters and nightclubs.

The QE2 is a TransAtlantic passenger liner built in 1969. Upon her retirement she was purchased by Dubai World subsidiary Istithmar, which intended to use her as a floating hotel. However, her sale coincided with the onset of the global financial crisis in 2008, which had a heavy impact on Dubai, and plans for her conversion were delayed. She was nearly sold to Chinese buyers for scrap in 2012, but the plan was canceled and she was rescued by another set of Emirate buyers.

The QE2 had a long and distinguished history of service. She was requisitioned by the British government during the Falklands War, and she transported 3,000 troops of the Fifth Infantry Brigade across the Atlantic to fight. In 2002, she set a world record as the first merchant ship to pass five million nautical miles of total travel. As the market changed in the 2000s, she retired from the TransAtlantic liner route and entered service as a full-time cruise ship, with round-the-world and Mediterranean itineraries. However, the passage of the 2010 SOLAS requirements meant that costly changes would be required for her continued operation, and Cunard made the decision to retire her before the convention's entry into force.

# Japanese shipping companies plead guilty to cartel conduct in Australia

Kawasaki Kisen Kaisha (K-Line) has Senior managers from NYK were in re pleaded guilty to criminal cartel conduct in the transport of vehicles, Australia's competition regulator said this month, becoming the second Japanese shipping company to make such an admission.

The conduct relates to the shipping of cars, trucks and buses to Australia between 2009 and 2012, according to the Australian Competition and Consumer Commission (ACCC). The ACCC declined to disclose details relating to the K-Line complaint.

Nippon Yusen Kabushiki Kaisha (NYK) was convicted last year by Australia's Federal Court and fined A\$25 million (\$20 million) for its part in the activity.

During the NYK case, the court found that cartel members fixed freight prices for carrying Nissan, Suzuki, Honda, Toyota and Mazda vehicles to Australia and agreed not to try and win business from each other from as early as February 1997. ular contact with rivals over such matters, even taking telephone calls in hallways or lift lobbies to avoid being overheard by more junior employees who may have reported their conduct, Justice Michael Wigney said last August in his judgment.

NYK's fine was the second-largest ever imposed by the regulator, however it was lower than what it could have been due to an early guilty plea, contrition, and cooperation with investigators.

The case against K-Line will now proceed to the sentencing phase, and is next scheduled for a hearing in the Australian Federal Court in November, the ACCC said in a statement.

The penalty for cartel conduct under Australian competition law is the greater of A\$10 million, triple the benefit attributed to the offense, or 10% of the corporation's annual turnover in Australia.



Instructor Dave Larsen and student Vashaun Tillery at the Andrew Furuseth School of Seamanship at Headquarters this month.

# Shippers may be flouting container weight rules

Inadequate policing of SOLAS-verified gross mass (VGM) regulations may be encouraging shippers to flout the rules, senior figures from across the supply chain have claimed.

The Safety of Life at Sea (SOLAS) Convention's VGM amendment was introduced in July 2016 to ensure the accuracy of container weights to prevent vessels from becoming destabilized and stacks collapsing or being lost overboard.

The regulation requires the shipper to provide a VGM declaration, calculated using a certified weighing process, to a carrier prior to loading. Despite initial reports of shippers' compliance with the amendment there are signs that, two years on, many may be ignoring the ruling.

A port and terminal operations manager at a major European port that offers a VGM weighing and certification service to shippers, told the maritime publication, Safety at Sea. "The number of containers being weighed on our system has steadily dropped since the regulation was introduced. Either shippers are weighing boxes themselves, or at another third-party service, or they are not doing it at all. We believe many have seen that there is not any concern from Port Authorities here, or in other countries, to properly monitor the SOLAS VGM implementation, so they disregard the rules.

"In the first year they might have said, 'It's a criminal offense if we don't do it'. But now they don't see any control from authorities and they think, 'If no one is controlling it and my competitor isn't doing it, then why should I?" he said.

CertiWeight, a firm providing a container weighing and VGM certification service in the Port of Antwerp, says some shippers may be acting illegally by failing to comply with the national interpretation of the regulation.

SOLAS VGM permits two methods of verifying the gross mass of packed containers. Under Method 1, a packed container has its weight verified at an accredited weigh bridge, at a port, or elsewhere and a VGM certificate is issued. Under Method 2, the weights of all packages and cargo items, including pallets, dunnage, and other securing material to be packed in a container are added to the tare mass of the container, using a certified method approved by the member state where the container is packed.

In Belgium, shippers that want to use Method 2 must gain approval for their method of calculation from the Ministry of Transport and those that are approved are entered on to an official list.

"I do believe that alot, and I mean alot, of shippers use Method 2 but are legally not allowed to do so," said Frank Van Reybroeck at CertiWeight. "The list of approved companies on the Ministry of Transport website includes only about 200 firms, but it is possible that many more are submitting VGMs based on Method 2. Their weights may be correct but for sure they are not legal."

Regional Port State Control is required to verify compliance with SOLAS requirements and any non-compliance is enforceable according to specific national legislation. A lack of adequate policing in the Port of Antwerp may have fueled a lack of compliance among shippers visiting the port.

Kristin van Kesteren-Stefan, a senior advisor for Trade Facilitation Antwerp Port Authority, said, "Since the regulation came into force, we have not had any complaints about the weighing process from carriers, terminals, or anyone. That may be because there are no controls at this moment. The Belgian government previously said they wanted to implement controls after one year, but I have not heard if they were introduced, if it affected VGM documents, or if containers are being weighed a second time to check compliance."

Similar concerns were flagged up in a technical paper published by the insurer TT Club last year, The VGM Ruling: A Review of the Implementation, which found that national governments were too focused on other regulatory issues or did not have the resources to support SOLAS VGM regulation.

John Butler, president and chief executive officer of the World Shipping Council said, "The next critical piece for SOLAS VGM is oversight. A number of governments have issued guidance on implementing the regulations and taken other steps, but what we haven't seen much public discussion of is actual enforcement activity. This is vital if the regulation is going to be effective for safety and to create a level commercial playing field." SOLAS VGM was developed in response to a spate of major accidents linked to mis-declared container weights, including the grounding of the container ship MSC Napoli in the English Channel in 2007, a fire on board MSC Flamina, in 2012, and a fire on Maersk Kampala in 2015.

The International Maritime Organization has always required that shippers declare the gross mass of cargo and containers, but it was widely known that the figures were often inaccurate, and some have claimed that as many as 20% of all export containers were mis-declared.

Washington, DC

# ILA, USMX plan meetings aimed at contract deal

Negotiators for the International Longshoremen's Association (ILA) and United States Maritime Alliance (USMX) have scheduled meetings June 5 through 7, in hopes of finishing an East and Gulf Coast labor contract months before the current one expires September 30.

The meetings between USMX officials and the ILA's 200-member wage scale committee will follow what the two sides described as "significant progress" during bargaining last month on a six-year extension of their Maine-to-Texas master contract.

U.S. beneficial cargo owners (BCOs) are anxious for a deal that spares them the need to activate costly strike contingency plans. In early March, the National Retail Federation and more than 100 other organizations representing BCOs urged the Union and employers to act promptly.

Shippers have warned that cargo they shifted to ILA ports to avoid West Coast labor turmoil could be shifted back if the ILA-USMX contract extension remains unsettled. The East and Gulf Coasts' share of U.S. containerized imports from Asia rose to 34.7% last year from less than 22% in 2005.

BCOs are hoping for the kind of assurances the International Longshore and Warehouse Union and the Pacific Maritime Association provided last year when they signed a five-year West Coast contract.

Although the ILA has not had a coastwide strike since 1977, it came close to one in 2012-2013, when negotiations dragged on for a year and included two contract extensions.

### ILA wage scale delegates review contract, then rank-and-file

Union and USMX officials would not comment on the June meetings, but ILA president Harold Daggett's convening of the wage scale committee in Delray Beach, Florida, suggests an agreement could be reached there. Under ILA rules, wage scale delegates must approve any contract before it is presented for rank-and-file ratification.

The current round of ILA-USMX bargaining has progressed in fits and starts, including a three-month hiatus following a break-off of negotiations last December after a dispute over how to define automated terminals. This year's talks, however, have lacked the tenseness and acrimony that surrounded the 2012-2013 negotiations.

Although Daggett accused employers last December of trying to blur differences between fully automated and semi-automated terminals, the two sides apparently found common ground on the issue last month.

Last month's bargaining session centered on the Maine-to-Texas master contract, which covers container and roll-on/roll-off cargo wages, medical benefits, carrier-paid container royalties, and other coastwide issues.

With a master contract agreement in sight, the emphasis has shifted to supplementary local and regional contracts covering work rules, pensions, and other port-specific issues. Negotiators hope to complete most local bargaining before the June meetings.

The ILA and employers plan to use the first part of the June meetings to wrap up local agreements before the Union's wage scale committee reviews the proposed new master contract.

#### This year, local agreements sought first

In the past, local contract negotiations in some ports have dragged on for months or even years after the master contract is settled. This year, Daggett has sought to work out local agreements before signing off on the master contract, in order to preserve the union's leverage in local bargaining.

This new bargaining schedule stems from a Baltimore arbitrator's 2013 ruling ruled that once the master contract is ratified, its no-strike clause applies even in ports where local negotiations are incomplete. An arbitrator in Charleston later issued a similar ruling.

The central issue in the 2012-2013 negotiations was container lines' insistence on productivity improvements in the local contract covering the high-cost Port of New York and New Jersey employer sources say that although the port's productivity is still not what they would like to see, it is gradually improving.

ILA officials have said that in this year's negotiations they are sensitive to the need to retain BCOs' confidence and retain cargo gains that have followed the expansion of the Panama Canal, the raising of the Bayonne Bridge, in New York-New Jersey, and cargo shifts from the West Coast.

Also lurking in the background of the current talks is uncertainty about how President Trump might react to a port strike. When West Coast ports were closed for 10 days by a lockout in 2002, then-president George W. Bush moved to invoke a seldom-used provision of the Taft-Hartley Act to seek a back-to-work injunction. The lockout ended before an injunction could be issued.



Don't Wait! Ensure a Better Fate!
Check your immersion suit zipper seams

During a recent inspection, U.S. Coast Guard Port State Control examiners discovered a significant flaw involving almost all of a vessel's immersion suits. The examiners noted that the glue used to attach the main zipper to the body of the suit had failed. Failure of the suit at this location will prevent the suit from achieving a watertight seal. Such conditions present serious risk to crewmembers in a survival situation.

Due to the high failure rate discovered during the Coast Guard exam (35 out of 40 suits were defective), the Coast Guard strongly recommends that vessel operators inspect their Immersion Suits for this potential unsafe condition. Do not wait to discover the problem during a real emergency. As a reminder, any replacement survival suits need to be approved by the vessel's Flag State.

Distributed by the Office of Investigations and Casualty Analysis, Washington DC. Questions may be sent to HQS-PF-fldr-CG-INV@uscg.mil .

# Animal deaths on livestock carrier spark widespread Aussie outrage

The death of a large number of sheep last year on a ship that was transporting them from Australia to the Middle East has sparked an outcry from animal rights activists and Australian agriculture officials.

During an August 2017 voyage of the livestock carrier *Awassi Express* from Freemantle to Qatar, Kuwait and the United Arab Emirates, 2,400 sheep died, 3.79% of the total consignment of 63,804 animals.

The incident became the subject of an investigation by Australia's Department of Agriculture and Water Resources, which published its findings this month.

The investigation found the sheep were prepared and transported in accordance with Australian Standards and that the cause of the animal deaths was heat stress, with the peak in mortalities corresponding to extreme heat and humidity experienced in Qatar.

David Littlefield, the department's minister, told the Australian Broadcasting Corp. he was "shocked and gutted" after viewing video footage from the ship that was given to him by the animal rights group Animals Australia. The Australian version of "60 Minutes" is reportedly planning to air that same footage on its program. "This is the livelihoods of Australian farmers that are on that ship," said Littlefield. "That is their pride and joy and it's just total bullshit that what I saw is taking place."

The Australian Livestock Exporters' Council also described the Animals Australia footage "as highly distressing and unacceptable to the industry, livestock producers and the community."

"These deaths and the conditions in which they occurred are plainly unacceptable," said Simon Westaway, the chief executive officer of the council.

According to the council, 1.74 million live sheep were exported from Australia in 2017, 12,377 of which died in transit, a mortality rate of 0.71%.

"The range of livestock mortalities since 2010 has been between 0.6% to 0.9% and is trending down, but our industry is determined to achieve better outcomes," the Australian Livestock Exporters' Council said, noting that the country also exports more than one million live cattle annually.

Animals are sometimes used to strengthen breeding and herd numbers, but the council notes religious requirements, particularly around festival times, dictate the slaughter of live animals. And in situations in which Australian animals are involved, this is done "under Australian controlled conditions."

"Processing live animals locally is often cheaper than buying boxed or chilled meat slaughtered in Australia, which is a high-input cost industry compared to its global competitors," the council added.

In a statement, Graham Daws, the managing director of Emanuel Exports, the company exporting the sheep, called the incident "devastating" and said the company has "taken steps over more than six months to address the issues arising from our own extensive review of the voyage and the government findings." He said that has included reducing stocking rates in summer up

to 15% beyond the benchmark for the Australian Standards for Export of Live Animals.

Daws said the blacklisting of Qatar by other Gulf Cooperation Council "meant the captain of the vessel had no choice other than to call Doha as first port (instead of Kuwait, as planned.) Extreme heat and humidity was encountered in Doha. Such weather events are an anomaly and voyage records show the vast majority of deliveries during the hotter summer months each year are successful."

According to a report from Australia's Financial Review, Emanuel Exports has agreed to "comply with new stringent measures to protect sheep and cattle after the federal Agriculture Department threatened to block a shipment planned for this month. About 65,000 sheep and 250 cattle are due to depart from Fremantle on board the MV Awassi Express, bound for the Middle East for a 20-day voyage."

There is a long history of reformers who have worked to improve the conditions for live animals being transported by sea.

Samuel Plimsoll, the coal merchant who crusaded for improved ship safety and the painting of load lines on vessels in the 19th century, followed that endeavor up by publishing a pamphlet called "Cattle Ships", crusading for better treatment of transported cattle.

# SUPPORT FOOD FOR PEACE BY SUPPORTING THE SUP POLITICAL FUND

# Wreck of the World War II cruiser *Juneau* found; ship of the five Sullivan brothers

At the Battle of Guadalcanal during World War II, hundreds of sailors –including five from the same family– lost their lives while serving on the same ship for the United States Navy.

The ship, the cruiser *Juneau*, was blasted apart by a Japanese torpedo on November 13, 1942. For decades it was lost, resting in pieces somewhere in the South Pacific.

It was found on March 17, when a team aboard the *Petrel*, a research vessel funded by the Microsoft co-founder Paul G. Allen, identified the wreckage about 2.6 miles underwater off the coast of the Solomon Islands.

Among the hundreds aboard the *Juneau* when it sank were five brothers from Waterloo, Iowa. Because they were all serving together, the sons of Thomas and Alleta Sullivan were well known even before they deployed.

News outlets interviewed them. They had their picture taken on the *Juneau* when it was commissioned on February 14, 1942. They met the champion boxer Jack Dempsey at his restaurant in New York City. Then they went to war.

During the Battle of Guadalcanal, a series of clashes between Allied and Japanese forces on and around the island of Guadalcanal from 1942 to 1943, thousands of men lost their lives and dozens of ships were destroyed. The American troops eventually pushed Japanese forces from Guadalcanal, marking a turning point for the Allies in the Pacific.

But the Sullivan brothers did not see the outcome of those battles, and they never returned to Waterloo.

For Kelly Sullivan, the granddaughter of Albert, the youngest of the Sullivan

brothers, the discovery of the *Juneau* was bittersweet. She was excited by the news, she said, and grateful to Allen and the researchers on his team. But at the same time, she added, "it kind of opens up a scab. You feel that loss. I don't have the big Irish Catholic family that I would have had if even one of the boys had survived."

The *Juneau* was spotted in an area so littered with warships and debris that it is sometimes referred to as Iron Bottom Sound. "It suffered massive damage on the surface and was broken into pieces probably before it sank completely, so the wreckage was scattered over a mile," said David Reams, the Senior Director for Allen's maritime operations.

To find the ship, researchers pored over navigation records and battle reports to pinpoint where it might be. Then they sent an autonomous underwater device to scan the area using sonar, followed by a remotely operated vehicle with video cameras attached.

Watching that live footage, researchers in the South Pacific aboard the *Petrel*, a 250-foot exploration vessel, were able to discern the stern of a sunken ship, blooming with translucent anemones.

They remotely maneuvered the underwater vehicle until the letters emblazoned on the stern began to come clear. "That's going to be the J, there's the U, N, E, here's the A—that's it. That is the *Juneau*," said Robert Kraft, the director of underwater operations for Allen, from his perch on the *Petrel*.

The cruiser joins a list of other sunken ships that have been found by Allen's team

recently, including the aircraft carrier *Lexington* last month, the destroyer *Ward*, late last year, and the cruiser *Indianapolis* in August.

The Sullivan brothers were on the *Juneau* together because the oldest, George, had sent a letter to the Navy shortly after the December 7, 1941, attack on Pearl Harbor asking that they be allowed to serve on the same ship. "I talked them into going into the U.S. Navy for the U.S.A.," the letter said. "As a bunch, there is nobody that can beat us. There is nothing that can back us up."

After the *Juneau* was blown apart almost a year later, Alleta Sullivan sent her own letter to the Bureau of Navy Personnel asking about a "rumor" she had heard. "A mother from here came and told me she got a letter from her son and he heard my five sons were killed," she wrote. "It is all over town now, and I am so worried."

The rumor was true. George, Francis, Joseph, Madison and Albert were gone.

In response, President Franklin D. Roosevelt wrote in a personal letter to Ms.

Sullivan in January 1943: "I realize full well there is little I can say to assuage your grief. As the Commander-in-Chief of the Army and Navy, I want you to know that the entire nation shares in your sorrow."

The *Juneau* exact location was revealed to the Navy but not to the public. "These are war graves, and we want to make sure that they are not harmed," Reams said.

A movie was made about the Sullivan brothers in 1944, and the Navy named two destroyers after them. Kelly Sullivan christened one. She said the five brothers "are a symbol of all the people who have sacrificed during wartime," adding that hers was just one of hundreds of families left grieving when the *Juneau* was torpedoed.

"I think maybe the sadness is really about feeling the sacrifices," she said. "When you see the wreckage, you can feel the sacrifice that so many families made on that day."



The Sullivan brothers, from left: Joseph, Francis, Albert, Madison and George, died after their ship, the Juneau, was torpedoed in 1942. A research vessel found the wreckage.

# California bill would make stores liable for trucking labor abuses

This month a state senator from Long Beach introduced legislation that would make retailers liable for labor violations at the port trucking companies they hire. The bill has received endorsements from the mayors of Long Beach, Los Angeles and Oakland, California's three biggest port cities.

"While we have some great trucking companies working at the ports, we need to fix our system to make sure all truckers are treated fairly," said Long Beach Mayor Robert Garcia. "We need to raise standards, and wages, in the industry while increasing efficiency to make sure our ports continue to be engines of growth."

The bill, introduced by State Senator Ricardo Lara, would create a list of trucking companies that have a history of unpaid final judgments for failure to pay wages, imposing unlawful expenses on employees, failing to remit payroll taxes and other violations. A retailer hiring a company on this list would be jointly liable for any future state employment law violations by the trucking company.

"Port truckers are driving the global economy and delivering for the biggest brands but they can barely afford to buy clothes for their families," said Senator Lara, who represents the Port of Long Beach and surrounding neighborhoods. "These used to be good jobs, and they can be good jobs again if retailers join us in improving labor conditions here in California and putting dignity back in the driver's seat."

Senator Lara noted that drayage drivers in California are a largely immigrant workforce, and are often forced to lease their own trucks in order to work – an arrangement that may leave them owing money rather than receiving wages. Under California law, Senator Lara said, drayage truckers are employees, but they are routinely misclassified as contractors to circumvent labor regulations. An enforcement effort is well under way: the California Labor Commissioner's Office has won in excess of \$45 million in judgments against port trucking companies, and none of these awards have been overturned on appeal.

In a release issued on April 11, Senator Lara quoted a local trucker who was concerned about the costs he would be forced to pay for his own new semi truck as a condition of employment. "I live near the harbor and my family wants clean air as much our neighbors do. But laws need to be passed so misclassified drivers like me are not forced to pay for expensive new zero emissions trucks that I do not own," said Manuel Martines, a port truck driver from Los Angeles. "If something isn't done, drivers will have to go on strike again."

# Indonesia seizes fugitive fishing boat carrying 18 miles of illegal gillnets

Indonesia, acting on a request from Interpol, has seized a fishing boat carrying 600 illegal gillnets that can stretch up to 18 miles after it evaded capture in several countries, the Fisheries Ministry said. The vessel, the *STS-50*, had targeted Antarctic toothfish, the ministry said, a cod species that plays an important role in the Southern Ocean ecosystem.

Gillnetting, which uses walls of finely meshed nets, has been banned in Antarctic waters since 2006 and is described by Australia as posing a huge risk to "almost all marine life."

Officially stateless, the STS-50 evaded authorities by flying eight different flags at different times, including those of Sierra Leone, Togo, Cambodia, South Korea, Japan, Micronesia and Namibia, the ministry said in a statement.

"Navy ship *Simeuleu* conducted a 'stop, investigate and detain' operation on April 6, and successfully seized the vessel," Pudjiastuti said. The vessel had earlier been detained by China but had escaped and was later detained in the port of Maputo in Mozambique before fleeing again, Pudjiastuti said.

Prior to its capture off the Indonesian island of Weh in the northwestern province of Acch, the vessel had also operated under several other names including *Sea Breeze*, *Andrey Dolgov*, *STD No.2* and *Aida*, the statement said. Shipping data

Indonesia, acting on a request from in Thomson Reuters Eikon shows the aterpol, has seized a fishing boat car177-foot, 452-ton vessel was built in 1985.

At the time of its capture, the STS-50 had 20 Indonesian and Russian crew, the statement said. It was not immediately clear what would happen to the crew.

Navy deputy chief of staff Achmad Taufiqoerrochman was quoted in the statement as saying the Indonesian crew lacked travel documents and had been at sea for a long time without pay, indicating they may have been victims of trafficking.

Fishing for Antarctic toothfish is governed under the Convention for the Conservation of Antarctic Marine Living Resources, which forbids gillnet fishing and imposes strict rules on catches in the Southern Ocean. "We want this to be an example for the world to not compromise with illegal fishing," Pudjiastuti said.

Indonesia has destroyed hundreds of foreign illegal fishing boats since 2014 in an effort to protect domestic fish stocks and fishermen. In 2016, Indonesia assisted Interpol in the landmark capture of a giant Chinese-flagged vessel that had evaded Argentina's navy and fled into international waters after it was suspected of illegal fishing there. The same year, Indonesia blew up a giant illegal toothfish fishing vessel that had operated under 12 different names and flown flags of at least eight different countries.

# A new study on the Great Pacific Garbage Patch

In the Pacific Ocean between California and Hawai'i, hundreds of miles from any major city, plastic bottles, children's toys, broken electronics, abandoned fishing nets and millions more fragments of debris are floating in the water –at least 87,000 tons' worth, researchers said last month.

In recent years, this notorious mess has become known as the Great Pacific Garbage Patch, a swirling oceanic graveyard where everyday objects get deposited by the currents. The plastics eventually disintegrate into tiny particles that often get eaten by fish and may ultimately enter our food chain.

A study published in the journal *Scientific Reports* quantified the full extent of the so-called garbage patch: It is four to 16 times bigger than previously thought, occupying an area roughly four times the size of California and comprising an estimated 1.8 trillion pieces of rubbish. While the patch was once thought to be more akin to a soup of nearly invisible microplastics, scientists now think most of the trash consists, of larger pieces. And, they say, it is growing "exponentially."

"It's just quite alarming, because you are so far from the mainland," said Laurent Lebreton, the lead author of the study and an oceanographer with the Ocean Cleanup Foundation, a nonprofit that is developing systems to remove ocean trash and which funded the study. "There's no one around and you still see those common objects, like crates and bottles."

In the late summer of 2015, Lebreton and his colleagues measured the amount of plastic debris in the patch by trawling it with nets and flying overhead to take aerial photographs. Though they also found glass, rubber and wood, 99.9% of what the researchers pulled out of the ocean was plastic.

They also recovered a startling number of abandoned plastic fishing nets, Lebreton said. These "ghost nets" made up almost half of the total weight of the debris. (One explanation is the patch's proximity to fishing grounds; another is that fishing material is designed to be resilient at sea and stays intact longer than other objects.)

"We found a few unexpected objects," Lebreton said. "Among them were plastic toys, which I found really sad, as some of them may have come from the tsunami in Japan," he added, referring to the 2011 disaster that sent millions of tons of debris into the ocean.

The researchers also fished out a '90s-era Game Boy cover, construction-site helmets and a toilet seat, as well as a number of objects with Japanese and Chinese inscriptions. Other objects, Lebreton said, had "little bite marks from fish."

Some sea turtles caught near the patch were eating so much plastic that it made up around three-quarters of their diet, according to the foundation.

After its discovery in the late '90s, the Great Pacific Garbage Patch took on an image in the popular imagination akin to an island or even a seventh continent made of trash. That myth was debunked, and the patch became understood as more like a region that looked like the rest of the ocean to the naked eye, but was polluted with tiny microplastics. However the new study says that the microplastics, while still a problem, account for just 8% of the mass of the patch. "Most of the mass is actually large debris, ready to decompose into microplastic," Lebreton said.

"I think the name 'patch' is a little bit confusing," said Nancy Wallace, the Director of the National Oceanic and Atmospheric Administration's Marine Debris Program, who was not involved in the study. Describing it that way, she said, gave the wrong impression that it "would be easy to go pick it up."

The worry is that, within a few decades, the larger pieces of debris could break up into microplastics, which are much harder to remove from the ocean. "It's like a ticking time bomb," said Joost Dubois, a spokesman for the Ocean Cleanup Foundation.

The foundation says it would be almost impossible to remove the plastic already in the patch by traditional methods, like nets attached to boats. Instead, the group has developed a mechanical system that floats through the water and concentrates the plastics into denser areas that can then be collected by boats and taken back to shore to be recycled.

The foundation plans to launch the first such system this summer from Alameda,

# Australian family saved from pirate attack off Yemen

Pirate skiffs were finally scared away from a private yacht off Yemen, this month, when Japanese and Pakistani warships came in view.

An Australian couple, Lachin and Louise Turner, and their daughter 11 and son 4, were sailing off Yemen as part of a round-the-world tour when they were approached by pirates. The family was stalked for about four hours. During that time, more skiffs arrived, cutting in front of them; trying to halt their progress towards other vessels in the area.

Low on fuel, the family's concern grew. They had already called for help, and a Japanese warship had dispatched a helicopter and a plane to monitor the situation. The Japanese pilot kept in radio contact and directed the yacht towards the naval ships.

The pirates had limited time to act and closed in. However, the warships came into view at that time and they retreated.

"We believe it was only by minutes that the appearance of two warships on the horizon thwarted the attack," Ms. Turner said.

The Pakistani naval ship supplied the yacht with fuel and escorted them to Djibouti

Ms. Turner said the family knew how lucky they had been. It was both a terrifying and sobering experience.



Last month, the SUP gang aboard the APL Philippines, wished Captain Nickolai Sinkevich a happy retirement. From the left: Kris Skorodynski, David Ibarra, Joe McDonald-Bosun, Captain Sinkevich, Jennifer Corner-Delegate, Corey Burton and Earl Eastmark. Sinkevich got his first "steady" job with APL in 1986. In 1990, he was a relief Master and was assigned in 1998 as permanent Master of the APL Thailand.

### Pirate attacks worsen in Gulf of Guinea

The International Maritime Bureau's (IMB) Piracy Reporting Center (PRC) recorded 66 incidents in the first quarter of 2018, up from 43 for the same period in 2017, and 37 in the first quarter of 2016.

Worldwide in the first three months of 2018, 100 crew were taken hostage and 14 kidnapped from their vessels. A total of 39 vessels were boarded, 11 fired upon and four vessels hijacked. IMB received a further 12 reports of attempted attacks.

The Gulf of Guinea accounts for 29 incidents in the first quarter of 2018, more than 40% of the global total. Of the 114 seafarers captured worldwide, all but one were in this region. All four vessels hijackings were in the Gulf of Guinea, where no hijackings were reported in 2017.

Two product tankers were hijacked from Cotonou anchorage in mid-January and early February, prompting the IMB PRC to issue a warning to ships. Towards the end of March, two fishing vessels were hijacked 30 nautical miles off Nigeria and 27 nautical miles off Ghana.

"The hijacking of product tankers from anchorages in the Gulf of Guinea is a cause of concern. In these cases, the intent of the perpetrators is to steal the oil cargo and kidnap crew. The prompt detection and response to any unauthorized movements of an anchored vessel could help in the effective response to such attacks," commented an IMB spokesperson.

Nigeria alone recorded 22 incidents. Of the 11 vessels fired upon worldwide, eight were off Nigeria – including a 300,000 empty deadweight VLCC tanker more than 40 nautical miles off Brass.

"Attacks in the Gulf of Guinea are against all vessels. Crews have been taken hostage and kidnapped from fishing and refrigerated cargo vessels as well as product tankers. In some cases, the attacks have been avoided by the early detection of an approaching skiff, evasive action taken by the vessel and the effective use of citadels. The IMB is working with national and regional authorities in the Gulf of Guinea to support ships and coordinate counter piracy actions. The authorities from Benin, Nigeria and Togo have sent out boats in response to several incidents," said an IMB spokesperson.

One incident was reported off Somalia, where a product tanker was fired upon and chased by two skiffs around 160 nautical miles SE of Hobyo. At the end of March, a 160,000 DWT tanker reported being fired upon in the Gulf of Aden, while transiting within the Maritime Security Transit Corridor.

The distance from land, sighting of ladders and firing upon ships continues to illustrate that the Somali pirates retain the capability and intent to attack merchant shipping in the wider Indian Ocean.

Indonesia recorded nine low level attacks against anchored vessels. Five bulk carriers reported actual or attempted attacks at Muara Berau anchorage in Samarinda, while waiting to load coal cargoes.

# Indian seafarers to sail on South Korean ships

India has signed an MOU with South Korea that allows for the mutual recognition of Certificates of Competency of seafarers.

The agreement will open up new employment opportunities for Indian seafarers on South Korean ships. It was signed by Shri Nitin Gadkari, Ministry of Shipping, Road Transport & Highways and Water Resources, River Development & Ganga Rejuvenation and his Korean counterpart Kim Young-choon at a ceremony in Busan this month.

South Korean owners currently have over 500 internationally-sailing ships, and India has around 154,000 seafarers, over 70,000 of which are officers.

The number of Indian seafarers employed on Indian and foreign-flagged ships reached 150,000 for the first time last year, with 37,259 getting jobs in the last three years. India is the fifth largest supplier of officers after China, the Philippines, Russia and Ukraine, according to BIMCO's Manpower Report 2015.

Gadkari is on a four day visit to South Korea to strengthen the bilateral cooperation between the two countries in shipping, ports, inland waterways, highways, river interlinking and infrastructure sectors.

# Summary Annual Report for SIU PACIFIC DISTRICT SUPPLEMENTAL BENEFITS FUND

This is a summary of the annual report of the SIU Pacific District Supplemental Benefits Fund, Inc., EIN 94-1431246, for the year ended July 31, 2017. The annual report has been filed with the Department of Labor, as required under the Employee Retirement Income Security Act of 1974 (ERISA).

Supplemental vacation pay benefits under the plan are provided by the SIU Pacific District Supplemental Benefits Fund, Inc., a Trust Fund.

#### **Basic Financial Statement**

The value of plan assets, after subtracting liabilities of the plan, was \$839,931 as of July 31, 2017, compared to \$486,181 as of August 1, 2016. During the plan year the plan experienced an increase in its net assets of \$353,750. This increase includes unrealized appreciation or depreciation in the value of plan assets; that is, the difference between the value of the plan's assets at the end of the year and the value of the assets at the beginning of the year or the cost of assets acquired during the year. During the plan year, the plan had total income of \$13,625,376, including employer contributions of \$13,607,753, earnings from investments of \$16,103 and other income of \$1,520.

Plan expenses were \$13,271,626. These expenses included \$355,285 in administrative expenses and \$12,916,341 in benefits paid to participants and beneficiaries.

#### **Your Rights to Additional Information**

You have the right to receive a copy of the full annual report, or any part thereof, on request. The items listed below are included in that report: 1. An accountant's report; 2. Financial information and information on payments to service providers; 3. Assets held for investment; and 4. Transactions in excess of 5% of plan assets.

To obtain a copy of the full annual report, or any part thereof, write or call the office of SIU Pacific District Supplemental Benefits Fund, Inc., the plan's administrator at 730 Harrison Street, Suite 400, San Francisco, CA 94107, telephone number (415) 764-4990. The charge to cover copying costs will be \$6.25 for the full annual report, or \$.25 per page for any part thereof.

You also have the right to receive from the plan administrator, on request and at no charge, a statement of the assets and liabilities of the plan and accompanying notes, or a statement of income and expenses of the plan and accompanying notes, or both. If you request a copy of the full annual report from the plan administrator, these two statements and accompanying notes will be included as part of that report. The charge to cover copying costs given above does not include a charge for the copying of these portions of the report because these portions are furnished without charge.

You also have the legally protected right to examine the annual report at the main office of the plan at 730 Harrison Street Suite 400, San Francisco, California 94107 and at the U.S. Department of Labor in Washington, D.C. or to obtain a copy from the U.S. Department of Labor upon payment of copying costs. Requests to the Department should be addressed to: Public Disclosure Room, N-1513, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C., 20210.

# Summary Annual Report for SIU PACIFIC DISTRICT SEAFARERS' MEDICAL CENTER

This is a summary of the annual report of the SIU Pacific District Seafarers' Medical Center Fund, EIN 94-2430964, for the year ended June 30, 2017. The annual report has been filed with the Department of Labor, as required under the Employee Retirement Income Security Act of 1974 (ERISA).

Medical exam benefits paid under the plan are provided by the SIU Pacific District Seafarers' Medical Center Fund, a trust fund.

#### **Basic Financial Statement**

The value of plan assets, after subtracting liabilities of the plan, was \$(80,274) as of June 30, 2017, compared to \$(73,411) as of July 1, 2016. During the plan year the plan experienced a decrease in its net assets of \$6,863. During the plan year, the plan had total income of \$702,791, including employer contributions of \$701,113, earnings from investments of \$103, and other income of \$1,575.

Plan expenses were \$709,654. These expenses included \$220,422 in administrative expenses, and \$489,232 in benefits paid to participants and beneficiaries.

#### **Your Rights to Additional Information**

You have the right to receive a copy of the full annual report, or any part thereof, on request. The items listed below are included in that report: 1. An accountant's report; 2. Financial information and information on payments to service providers; and 3. Assets held for investment.

To obtain a copy of the full annual report, or any part thereof, write or call the office of SIU Pacific District Seafarers' Medical Center Fund, the plan's administrator, at 730 Harrison Street, Suite 400, San Francisco, California 94107, telephone (415) 392-3611. The charge to cover copying costs will be \$2.25 for the full annual report, or \$.25 per page for any part thereof.

You also have the right to receive from the plan administrator, on request and at no charge, a statement of the assets and liabilities of the plan and accompanying notes, or a statement of income and expenses of the plan and accompanying notes, or both. If you request a copy of the full annual report from the plan administrator, these two statements and accompanying notes will be included as part of that report. The charge to cover copying costs given above does not include a charge for the copying of these portions of the report because these portions are furnished without charge.

You also have the legally protected right to examine the annual report at the main office of the plan at 730 Harrison Street, Suite 400, San Francisco, California 94107, and at the U.S. Department of Labor in Washington, D.C. or to obtain a copy from the U.S. Department of Labor upon payment of copying costs. Requests to the Department should be addressed to: Public Disclosure Room, N-1513, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210.

### Welfare Notes April 2018

#### **Dependent Coverage**

Dependents must be added to your health plan enrollment within 30 days of acquiring the dependent by marriage, birth, or adoption. Dependents who are not added within 30 days of becoming dependents can only be added during the Plan's open enrollment period. An exception is made for dependents who lose their coverage through another plan, such as a spouse losing coverage through their employer.

Contact the Plan Office for enrollment forms to add your dependents. We will also need a copy of the marriage certificate to add your spouse and birth certificates to add children. Do not delay the enrollment for children if you do not have a birth certificate. Complete the enrollment form and attach a note that you will forward the birth certificate and social security number when you have the information.

If you need help completing forms, please contact the SUP Welfare Plan office and respond to mail, e-mail, or telephone inquiries from the SUP Welfare Plan office that are needed to complete enrollments.

Also, check to make sure you have ID cards for your Plan coverage. Most medical plans have individual ID cards for all covered Members and dependents. Many of the dental plans issue only one ID card for the family, but do have all enrolled dependents listed in their records.

#### Reimbursement for Vision Care

The vision care benefit for active participants is allowed once in a 24-month period. The \$200.00 maximum includes the exam and glasses. The cost of tints is not included in the reimbursable amount. The vision benefit is for members only and does not include dependents. An itemized bill must be submitted to the Plan office within 90 days of the service. The bill must include the provider's name and address, the patient's name, date of service, and an itemization of the charges.

The vision care allowance for pensioners is included in the \$1,000.00 maximum of the Pensioners Annual Allowance for medical, dental, and vision co-payments. Glasses are an allowable expense once in a fiscal year.

Michelle Chang, Administrator mcsupsiupd@sbcglobal.net Patty Martin, MPP & 401(k) Plans, Claims, Death Benefits martinpatty59@sbcglobal.net

Michael Jacyna Eligibility mjacyna67@sbcglobal.net Training Representative Berit Eriksson 206-551-1870 berittrainrep@sbcglobal.net

SUP Welfare Plan 730 Harrison Street, #415, San Francisco, CA 94107 Phone Numbers: 415-778-5490 or 1-800-796-8003 Fax: 415-778-5495

SIU-PD Pension 415-764-4987 SIU-PD Supplemental Benefits 415-764-4991 Seafarers Medical Center 415-392-3611

# Omega 6s may help the heart

It has been believed that omega-6s, the fats found in nuts, seeds and many vegetable oils, generally increases inflammation, while omega-3s, the fats in fish oil, lower it. And some studies suggest that a high omega-6 intake increases the risk of heart disease. However, a new long-term study suggest omega-6s can be good for the heart.

Finnish researchers studied 2,480 men aged 42 to 60, following them for an average of 22 years.

The study, in *The American Journal of* seeds. It clearly ha *Clinical Nutrition*, found that compared disease prevention."

with men in the lowest one-fifth for blood levels of omega-6, those in the highest fifth had a 43% lower risk of cardiovascular death. The study controlled for factors like smoking, hypertension and family history of heart disease.

"This is not a license to eat junk or processed food," said the lead author, Jyrki K. Virtanen, an adjunct professor of nutritional epidemiology at the University of Eastern Finland. "But there is no need to fear omega-6 in vegetables, nuts and seeds. It clearly has benefits for heart disease prevention."

#### **Membership and Ratings Committee**

The Committee met on April 6, and found the following members eligible for advancement in seniority and rating stamps in the various departments:

Name and Membership	Number	Seatime	Rating	Seniority
Dimitrios Kolymparis	19556	1 Year	O.S.	В
Raily Ellis	19577	1 Year	O.S.	В
Jesus Derramas	19558	1 Year	A.B.	В
John Dacuag	19559	1 Year	A.B.	В
Pomterry Gabriel	C2735	30 Days	A.B.	C
Winston Howerton	C2736	30 Days	A.B.	C
Roque Salute	C2737	30 Days	A.B.	C
Ronald Sutherland	C2738	30 Days	O.S.	C
Terrin Dowdell	C2739	30 Days	A.B.	C
Bosun Stamp - Mark Relojo #3205				

Membership and Ratings Committee's Report: M/S to concur in the Committee's report. Carried unanimously. Membership and Ratings Committee: Dennis Belmonte #5747, Ron Reed #3188, and Paul Fuentes #2239.



# **SUP President's Report**

April 10, 2018

#### MARITIME LEGISLATION

March was a good month legislatively for the U.S. Merchant Marine, thanks to bipartisan support in Congress.

The Consolidated Appropriations Act of 2018, passed Congress and then reluctantly signed by President Trump, included full funding for the Maritime Security Program (MSP) and the 60 U.S.-flag ships enrolled in the program at \$300 million, providing a subsidy of \$5 million per vessel for the remainder of Fiscal Year 2018 (October 1, 2017-September 30, 2018). It should be noted that in the budget Trump submitted to Congress, MSP funding was reduced to \$214 million. The effort to gain full funding for Fiscal Year 2019 is underway and will be covered in this month's *West Coast Sailors*.

As the membership knows, nine ships enrolled in MSP are operated by SUP-contracted American President Lines.

The Appropriations Act also provides funding for U.S. food aid programs. The Food for Peace (P.L. 480) program, the primary source of food aid cargoes for U.S.-flagged vessels, is now funded at \$1.6 billion for the current Fiscal Year, an increase from the base level funding of \$1.466 billion provided for this program in Fiscal Year 2017. It should be noted that in the budget Trump submitted to Congress, there was no funding for Food for Peace.

#### **MATSON NAVIGATION COMPANY**

#### **New Ships**

Last month reported that Matson's new Aloha-Class containership *Daniel K. Inouye* will go into service in September and her sistership, *Kaimana Hila* will be delivered in the first quarter of 2019. Both are under construction at Philly Shipyard.

This month the company announced that General Dynamics NASSCO, based in San Diego, began construction of the *Matsonia*, the second of Matson's Kanaloa-Class 3,500 TEU combination container and roll-on/roll-off ("Con-Ro") vessels. The first vessel is the *Lurline* and she is 15% complete. The *Lurline* is scheduled to be completed during the fourth quarter of 2019, while the *Matsonia* is scheduled for delivery during the second quarter of 2020.

#### Kamokuiki

This 700-TEU vessel remains in idle status in Nantong, China. The company indicates she needs additional repairs before entering the Hawai'i-Marshall Islands trade and will be dry docked in August or September. In the interim, Matson is making her available for government charter work.

A recent charter that would have sent the ship to Naha, Okinawa to load government cargo for Australia, unfortunately, was canceled.

### MARITIME INDUSTRY CONGRESSIONAL SAIL-IN

On March 20, more than 115 representatives from America's seagoing maritime Unions, U.S.-flag companies and related maritime organizations converged on Washington, D.C. for the ninth annual Maritime Industry Congressional Sail-In. The maritime representatives met with 169 Members of Congress and their staffs to discuss the importance of the U.S. Merchant Marine to the economic and national security of the United States, and to generate support for the laws, programs and policies that are key to the survival and growth of jobs for American merchant mariners.

As the membership knows, those are the Jones Act, the Maritime Security Program and U.S.-flag cargo preference programs which includes Food for Peace (P.L. 480).

While all of these critical programs were discussed, the principal emphasis for this Sail-In focused on U.S.flag cargo preference. All too often in the past, federal agencies and departments have failed to comply with U.S.-flag shipping requirements, denying American vessels their rightful share of these cargoes, denying American maritime workers important job opportunities aboard these vessels, and instead spending American taxpayer dollars exclusively on foreign-flag shipping services.

- Sail-In participants urged Congress and the Administration to express its support for the full implementation of existing U.S.-flag cargo preference shipping requirements;
- Urged the Administration to make clear to all Federal agencies and departments that they must use privately-owned U.S.-flag commercial vessels for the carriage of U.S. government generated and financed cargoes as required by law;
- Urged Congress and the Administration to make clear that the Maritime Administration has responsibility to determine if a Federal program is subject to U.S.-flag cargo preference shipping requirements and that the Maritime Administration should exercise its authority to enforce U.S.-flag shipping requirements;
- Urged Congress to restore the longstanding requirement that U.S.-flag vessels carry no less than 75% of U.S. government financed food aid cargoes and that Congress and the Administration support the existing P.L. 480 program (Food for Peace) so that American taxpayer dollars continue to benefit American farmers, American shipping and American jobs.

Representing the Sailors' Union at the Sail-In were SUP Vice President Dave Connolly and your secretary.

All Sail-In participants were divided into groups. Brother Connolly's group included MFOW Vice President "Cajun" Callais, IBU President Marina V. Secchitano and APL's Legislative Affairs Director Tim Perry. By appointment, this group met with Congressman Jamie Buetler (R-Washington), Congresswoman Jan Schakowsky (D-Illinois), Congressman John Garamendi (D-California), Congressman Rick Larsen (D-Washington), Congresswoman Karen Bass (D-California), and Congressman Alan Lowenthal (D-California).

Your secretary's group included MM&P Pacific Ports Vice President Lars Turner, IBU San Francisco Regional Director Robert Estrada, SIU-A&G Assistant Vice President Nick Celona and Jeff Pavlak from the Transportation Trades Department of the AFL-CIO. This group met with Congressman Jimmy Panetta (D-California), Congressman Ami Bera (D-California), Congressman Louis Correa (D-California), Congresswoman Pramila Jayapal (D-Washington), Congresswoman Jackie Speier (D-California), Delegate Eleanor Holmes Norton (D-District of Columbia) and Congresswoman Julia Brownley (D-California).

All the meetings were productive as many Members had a working knowledge of our issues.

#### SAILORS' POLITICAL FUND

As the Sail-In demonstrated, interaction with politicians that make the laws that affect our work is essential. While the Unions headquartered in the Washington, D.C. area do this on a regular basis, as do the Maritime Trades Department, AFL-CIO and the Transportation Trades Department, AFL-CIO, the SUP remains involved.

The other way the Union is involved is through the Sailors' Political Fund, which relies on voluntary support from the membership. This fund is the method where the SUP can financially support candidates for election that support our pro-maritime, pro-labor agenda. Financial support for current Members of Congress that stand up for our industry is essential. Educating Members of Congress on the need for a strong and viable U.S. Merchant Marine and the purpose it serves in both peace and war is a task that will never end.

As this is an election year, your secretary encourages all SUP members to support the Sailors' Political Fund in order to provide your Union the resources to carry on this fight.

### CALIFORNIA LABOR FEDERATION

The California Labor Federation will hold its biennial Pre-Primary Convention in San Jose on April 12, in San Jose. The purpose of the Convention is for delegates to vote on the recommendations of the Federation's Executive Council on candidates for Congress, state-wide office, state senate, state assembly and ballot propositions for the June 5, Primary Election. As a Vice President of the Federation, your secretary is a member of the Executive Council and will be in San Jose on April 10, and April 11, to interview candidates.

Recommend that Dave Connolly, Diane Ferrari, Mike Henneberry, Matt Henning and your secretary be elected to serve as delegates.

#### **SUP ELECTION INFORMATION**

The triennial election of SUP officers and referenda on proposed amendments to the SUP Constitution and Shipping Rules will commence on December 1, 2018, and will conclude on January 31, 2019.

Although nominations for elective office will not occur until September, the membership is reminded that in accordance with Article XXVII of the SUP

continued on next page



From the left: IBU San Francisco Regional Director Robert Estrada, MM&P Pacific Ports Vice President Lars Turner, SUP President Gunnar Lundeberg, Delegate Eleanor Holmes Norton (D-District of Columbia), SIU-A&G Assistant Vice President Nick Celona and Jeff Pavlak from the Transportation Trades Department of the AFL-CIO, participated in the Maritime Industry Congressional Sail-In last month in Washington, D.C.

#### SUP President's Report continued

Constitution, proposed Constitution and Shipping Rule changes must be submitted, in writing, to any Headquarters or Branch meeting by June.

Resolutions submitted will be referred to a rank-and-file Committee on Constitution elected at the June Union meetings. The Committee, as per the Constitution, will consist of three members from Headquarters and one member elected at the Seattle, Wilmington and Honolulu Branch meetings.

### QUARTERLY FINANCE COMMITTEE

In accordance with Article XVII, Section 2, of the SUP Constitution, a Quarterly Finance Committee shall be elected at today's Headquarters' meeting to review the finances of the Union of the first quarter of 2018 and report back to the membership at the May membership meetings.

In the event the Committee cannot be filled today, recommend that when the quarterly audit is completed, which will be in about three weeks, necessary Committee members be shipped off the hiring hall deck as per past practice. The Quarterly Finance Committee will turn-to on Monday, May 14, at 8:00 A.M.

#### **ACTION TAKEN**

M/S to concur with the delegates to the California Labor Federation Pre-Primary Convention in San Jose.

M/S to elect Quarterly Finance Committee. Elected were: Paul Fuentes, Izzy Idris, Dave Larsen, Robert Leeper and Frank Portanier.

M/S to concur with the balance of the President's Report. Carried unanimously.

Gunnar Lundeberg

# Container lines face \$34 billion cost to switch to low-sulphur fuel

Within two years it will be illegal to power a ship with fuel having more than 0.5% sulphur content, unless the vessel is fitted with an exhaust clean gas system, known as a scrubber. However, according to a new white paper, released by Swedish financial services group SEB, fewer than 2,000 ships out of a world merchant fleet of some 60,000 (3.3%) are expected to have scrubber systems installed by January 1, 2020.

In the report SEB says that, despite the significantly higher cost of low-sulphur fuel oil (LSFO)—currently about \$580 per ton compared with heavy fuel oil (HFO) at about \$370 per ton—shipowners are resisting calls to install scrubbers.

SEB explained: "The key reason is that generally it is the charterer who indirectly pays for the fuel as a pass-through cost. It is much easier to pass on a specific fuel cost than to demand compensation for capex spending on scrubbers."

There are other reasons say shipowners: they want to be fully compliant and only burn LSFO in their ships because it provides more free space on the ship, less maintenance and less need for greater crew competence, and there is uncertainty surrounding sludge disposal costs. However, the major container lines rely on the charter market for a high percentage of their fleet. For example, CMA CGM charters 62% of its capacity and MSC 66%, and if shipowners won't pay the \$5-\$10 million cost of installing scrubbers, the charterers will be obliged to budget for the higher operating costs of using LSFO, whether they want to or not. And given that an ultra-large container vessel will burn about 250 tons of fuel a day at sea, the extra cost will be massive. According to a blog published by *S&P Global Platts*, it is estimated that if the global container fleet were to switch overnight from HFO to LSFO, the extra cost would be a staggering \$34 billion a year, based on today's prices. To put this into perspective, it is reckoned that the liner industry enjoyed a good year in 2017, achieving a consolidated profit of approximately \$7 billion.



From the left:APL's Legislative Affairs Director Tim Perry, Congressman Alan Lowenthal (D-California), IBU President Marina V. Secchitano, MFOW Vice President "Cajun" Callais, and SUP Vice President Dave Connolly, participated in the Maritime Industry Congressional Sail-In in Washington, D.C. last month.

# **Vice President's Report**

#### **April 2018**

#### Washington

In an industry that exists by legislation there are few activities as effective or far reaching as smart political action. With that in mind, on March 20, along with Gunnar Lundeberg and many other representatives of maritime labor, I participated in the focused day of lobbying on Capitol Hill in Washington D.C. known as the "Sail In.". (See President's Report on page 9). In its ninth year of activity, the Sail In has become invaluable to the ongoing strength of the U.S. merchant marine. This year, fresh from the front lines of the war on the Jones Act and cargo preference, we wanted to know for example how a particular Democratic member of Congress from California could vote to undermine cargo preference. The member knew that confrontation was coming, apologized, and pledged to do better. As the omnibus budget bill was debated we insisted on including government cargo along with the traditional financial support; we demanded full-funding for the critical Maritime Security Program (MSP); we denounced the nearly 25% cut in the President's proposal. That proposal was dead on arrival, but our full-funding claim was timely and Congress soon voted in favor of it.

It's easy to become cynical about politics. But regular political presence in Washington is fundamental to SUP jobs and in that we are neither bored nor jaded. It was instead encouraging to see that amidst the crazy sound and fury inside the Beltway, the evidence of our many years of vigorous political activity was clear and unpretentious. It was substantiated by the familiarity Congressional members and staff had with our issues, how knowledgeable and receptive they were to our concerns, and how earnestly they pledged their support understanding that without doubt they would be held accountable for it. The maintenance has been done, the tools are where they should be, and the work goes on. Support the SUP Political Fund.

#### **Tabletop Exercise**

The U.S. Maritime Administration's annual test of labor readiness, where the reserve ships of the Ready Reserve Fleet are "activated" for a simulated mission, was held in late March. As usual, SUP Branches and HQ worked hard to expertly coordinate the non-assignment of members with real credentials to jobs that don't exist. But it was not an exercise in futility. The conclusions reached this year added to last year's determination that while there are probably enough qualified mariners to initiate a massive activation, the ability to sustain a surge is as uncertain as it is unlikely. Sustainable readiness of qualified seagoing labor was another point made on Capitol Hill to considerable effect: The U.S. merchant marine is a complex web of decentralized players, economic forces, and government programs which relies on strength in each interdependent component of the industry. And despite being so often forgotten during peacetime in the past, the indisputable fact that merchant mariners play a vital national security role gets attention in this belligerent era. If, as Sun Tzu argued "The supreme art of war is to subdue the enemy without fighting" then U.S. maritime readiness might register as deterrence and render the tabletop something more than theory.

#### **Ships Checked**

*Matsonia*: Mick McHenry, delegate. Company notified of non-compliance with Section 11(p) of the General Rules covering email and internet connection in port. Management responded with fleetwide filing of a Corrective Action Report and assignment of IT personnel to resolve specific case in Honolulu and overall connection. Good improvement subsequently reported in Oakland. This may not be the first SUP internet beef but possibly the first with such favorable outcome so far. Thanks to delegate and bosun Dmitri Seleznev for help in addressing this problem.

**Texas Voyager**: Larry Moses, delegate. Report of orders to paint and wire wheel on watch on the bridge at the same time as performing helmsman duties in violation of the Agreement. Advised crew and grievance filed, investigated, pursued aboard ship and after rejection with management. At Step 2.

*Mississippi Voyager*: DeAnthony Cole, delegate. San Francisco Business Agent Roy Tufono made the ship at Richmond with no beefs.

*USNS Charlton*: Charlie Wood relieved Alex Glosenger as delegate. Relief wave underway. Redeployed from alongside pier at Korean naval base to previous home island anchorage. Clarification on weekend pay when departing on a Friday: payable in ROS but not FOS.

USNS Watson: Anthony Wylie, delegate. Laid up in Texas after successful cargo mission in support of the most highly trained light infantry division in the world, the U.S. Army's 82<sup>nd</sup> Airborne. Crew callback for new mission underway. Expected return to ROS layberth USEC.

*USNS Pomeroy*: Brian McCarthy, delegate. Discussion on the future of government work, new bids, and the impending expiration of Watson-class contract. SUP continues to perform at the highest standard and Patriot has been recognized for that excellence. Despite the many contractual and financial issues, the exemplary day to day work of sailors at sea is still our best method of securing the future. Do your best: it both sustains and begets the work.

*USNS Sisler*: Isiah Stafford, delegate. Raised strong objection to employer on contractor riding gangs reportedly doing SUP work. Informational demand pending. All sailors are reminded to notify captain of requested relief dates. Except in extreme circumstances where a relief is temporarily impossible, all sailors must be relieved at 180. Sailors are responsible for adhering to the relief procedures under the contract, especially waiting to be properly relieved, requesting a relief date that is not less than 120 days and not more than 180 days and informing both the delegate and the captain.

**APL Gulf Express**: Christopher Go, delegate. Under Shipping Rule No. 8 shuttle ship rules require relief at the maximum hitch of six months regardless of seniority. Crew change out underway. Delegate did a good job under tough circumstances. Matt Henning relieved Rolando Mendoza as bosun.

# **SUP Branch Reports**

### **Seattle**

#### March 19, 2018

Shipped during the period: 2 B card Boatswains shipped to Patriot; 4 ABs shipped, 2 to Navy bottoms and 2 to *Manoa*, taken by 2 A and 2 B cards; 8 Matson standby ABs went to 3 A, 3 B, and 2 C cards.

Registered: 4 A cards for a total of 6; 8 B cards for a total of 23; 6 C cards for a total of 10; 1 D cards for a total of 4.

Meetings attended: Martin Luther King, Jr. Central Labor Council, and its Executive Board meeting.

The Seattle Branch continues to reach out to environmental advocates and shoreside trades to educate them on Maritime's innovative and proactive model it operates under. All hands are encouraged to tell those on "The Beach" of our high environmental standards, training, and international compliance.

Members, when you make the hall bring all your documents with you. Let's go through them to be sure you are current. Other than your Drug-Free you cannot go to work on documents that will expire during your dispatch and your Passport must be valid six months beyond.

Brendan Bohannon, Branch Agent

# Dispatcher's Report

Headquarters-March 2018

Deck	
Bosun	5
Carpenter	0
MM	
AB	11
OS	5
Standby	
Total Deck Jobs Shipped	
Total Deck B, C, D Shipped	. 37
Engine/Steward	
QMED	0
Pumpman	
Oiler	
Wiper	0
Steward	
Cook	0
Messman	<u>0</u>
Total E&S Jobs Shipped	$\overline{0}$
Total E&S B, C, D Shipped	0
Total Jobs Shipped - All Depts	51
Total B, C, D Shipped-All Depts	37
Total Registered "A"	20
Total Registered "B"	52
Total Registered "C"	29
Total Registered "D"	

### Wilmington

#### March 19, 2018

Shipping during the period: Bosun: 3 AB: 10 AB/D: 3 OS/STOS: 3 Standby: 48 for a total of 67 jobs shipped.

Registrations: A:22 B:44 C:11 D:7

#### Ships checked

**APL Belgium**- Robert Leeper, Bosun, and James Saler, delegate, questions about carrying explosives.

*Mokihana-* John Benson, Bosun, and Robert Morgan, delegate, running smooth.

*Manulani*, Manny Roxas, Bosun and Mike Ruan, delegate, crew would like to have WiFi.

**APL Singapore-** Julian Torre, Bosun and Bert Genita, delegate, questions about the delayed sailing.

*Mahimahi-* no problems.

*Maunawili-* Nestor Guzman, Bosun and Patrick Tite, delegate, no complaints.

*APL Thailand-* Nick Hoogendam, Bosun and James Kenny, delegate.

*Maunlei*- Vern Johanson, Bosun and Joseph Ginez, delegate, running smooth.

*APL Philippines-* Joe McDonald, Bosun and David Ibarra, delegate.

Attended MTD meeting and L.A./ Long Beach Labor Day parade committee meeting.

Shipping has slowed here in Wilmington, and with loss of the LMSR ships. It may be awhile before shipping picks up.

We have had several SUP members pass away recently men with 30, 40, or 50 years or more in the Union. Thanks to all who donated for flowers for their service.

Keep your dues current and be sure to check your documents, dues and document must be current to ship.

> Leighton Gandy Branch Agent

### Honolulu

#### March 19, 2018

Shipped the following jobs in the month of March: 4 AB Day steady, 2 AB Day relief, 1 AB Day return, 3 AB Watch steady, 2 AB maintenance, and 2 OS Watch. The shipping jobs were filled by 5 A cards, 8 B cards, and 1 C card.

Shipped 28 standby jobs. The standby jobs were filled by 11 B cards, 6 C cards, and 11 D cards.



SUP gang in Matson's Maunalei at anchor last month in Ningbo, China, playing poker. From the left: Jerwin Ablan, Bosun Vern Johansen, Joe Ginez, Andy Banks, Delegate Joe Eckert, and Mark Hurley. Photo by MFOW Electrician Steve Mohlin.

Registered in Honolulu: 11 A cards, 15 B cards, 7 C cards and 10 D cards.

#### Ships checked

I visited the *R.J. Pfeiffer, Manukai, Maunawili, Manulani, Maunalei, Manoa, Mokihana, Mahimahi, Matsonia, Kauai,* and the Paint and Rigging gang. All are running with few or minor beefs.

APL Guam- no major beefs

APL Saipan- no major beefs

USNS Charlton- no major beefs

I represented the SUP at the Hawai'i Ports Maritime Council meeting, and the AFL-CIO Executive Board meeting.

If you have an AB Special endorsement in your Merchant Mariners Credential (MMC), I highly recommend that you upgrade to AB Limited as soon as you can. I hear that certain shipping companies are starting to require the AB Limited endorsement in order to sail as an AB on their ships. If you have an AB Special endorsement and you have sailed for more than six months as an AB on the AB Special endorsement you qualify to upgrade to the AB Limited endorsement with the USCG. Mahalo,

Michael Dirksen Branch Agent

#### Business Agent's Report

**April 9, 2018** 

*Mississippi Voyager*— In at Richmond Long Wharf. Clarification on cash draws for the unlicensed department. Ship sailed for El Segundo to pick up a load for Wilmington. Thomas Kaleliopu, delegate, Thor Erikson, Bosun.

*Oregon Voyager, California Voyager*—These ships are running out of the Gulf of Mexico between Houston and Florida.

Florida Voyager— In at Richmond Long Wharf. Sailed for Houston. This ship is usually shuttling between Houston and the Gulf of Mexico, but made a West Coast run. Matt Frazier, Bosun, delegate to be elected.

*Matsonia*— In at Oakland #62. Still having issues with the ship's WiFi. Clarification on moving gym equipment. As an Able Seaman the most important duty is to know how to steer a ship. It is some-

thing you CAN'T FAKE. John Duran, delegate, Dmitri Seleznev, Bosun.

*Kauai*— In at Oakland #62. Arriving late in the afternoon. Company called for a Bosun and 5 ABs to turn-to on arrival for a COI inspection for the short stay the ship was in. The gang worked into the late hours completing the inspection with flying colors. Another job well done by the SUP. Isnin Idris, delegate, Marc Calairo, Bosun.

*Mahimahi*— In and out of Oakland #62 with no beefs. Ship sailed for Los Angeles. She's on the southern triangle run. Arsenio Purganan, delegate; Remoni Tufono, Bosun.

Manoa – In and out of Oakland #62. Sailed with no beefs for Honolulu with Relief Bosun Hussein Ali; Phil Romei, delegate.

**APL Belgium**— In at Oakland #58. Sailed for Dutch Harbor with no beefs. Gabriel Sipin, Bosun; Mike Weber, delegate.

*APL Thailand, APL China, APL Philippines*—Checked in with these ships: no beefs.

Cape Orlando— This is one of the toughest ships in the fleet and one of the lease favorite ships but it's a job and pays the bills. Chris Bunheirao, Bosun.

Callaghan—How quick time fly's when your working around a bunch of hard working good guys top to bottom these Ordinary's Andre and Rudy are our future ABs in the making. Mark Pfaff, Bosun.

*Cape Hudson*— On a regular routine with Isaganni Cruz, Bosun.

*Cape Horn*– Routine with the Gang with Norhaslan Idris, Bosun.

Cape Henry – Jim Linderman, Bosun.

Roy Tufono

# SUP members join pension ranks

The following SUP members joined the rank of pensioner, bringing the total number of SUP members to 152:

**Edward Chilbert**, 68, Book No. 18341, joined SUP in 1998, 20 years seatime.

**Timothy Hill**, 65, Book No. 5877, joined SUP in 2002, 10 years seatime.

Editor's Note: To receive the West Coast Sailors via first-class mail it's \$25 per year U.S. mail; \$50 per year international.

# Receive the West Coast Sailors via First Class Mail

Name (print)		Book No.
Address		
City		
State	Zip	Country

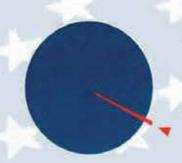


U.S. \$25; International \$50 per year Send check or money order to: West Coast Sailors 450 Harrison Street San Francisco CA 94105



The American maritime industry contributes nearly 500,000 jobs, \$29 billion in labor income, and \$92.5 billion in US economic output.





Hiring Americans to ship food aid instead of foreign carriers and mariners adds just one percent to the Food for Peace budget.

### \$65 billion

Approximate cost to the US Government to replicate the sealift capacity provided by the commercial US Merchant Marine.

**Every dollar** invested in shipping American returns approximately \$3.14 in revenue to the Treasury.

Over of sealift capacity for Iraq and Afghanistan since 2009 was provided by the US-Flag fleet that relies upon cargo preference and food aid cargo in peacetime.

The loss of national US Merchant Marine sealift capacity after ship-American requirements were slashed by 1/3 in 2012.

Less than 1 %

of the Food for Peace budget was saved by USAID after switching to foreign mariners in 2012.

was saved by USDA after switching to foreign mariners in 2012.

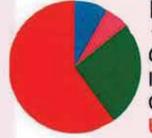
40 ships and 2,000 mariners short of national defense needs.

Food for Peace spends per pound to ship products to recipients while the American consumer pays an average of per pound at home.









#### Food for Peace Budget

Ocean Freight Inland Freight Commodities: 8.2%

6.0% 25.6%

60.2% USAID Other\*

USA Maritime is a coalition of carriers and maritime Unions that are part of the U.S. Merchant Marine. The purpose of the coalition is to educate policy makers, the media, and the public about issues impacting the U.S. flag merchant marine and maritime industry.

Members include:

American Maritime Congress, American Maritime Officers, American Maritime Officers Service, American Roll-on Roll-off Carrier LLC, APL Ltd., Central Gulf Lines Inc., Foss International, Inc., Hapag-Lloyd USA, LLC, Intermarine LLC, International Organization of Masters, Mates & Pilots, Liberty Maritime Corporation, Maersk Line Limited, Marine Engineers' Beneficial Association, Marine Institute for Research and Industrial Development (MIRAID), Sailors' Union of the Pacific, Seafarers International Union, Transportation Institute, United Maritime Group, Waterman Steamship Corporation.