



West Coast Sailors

Official Organ of the Sailors' Union of the Pacific

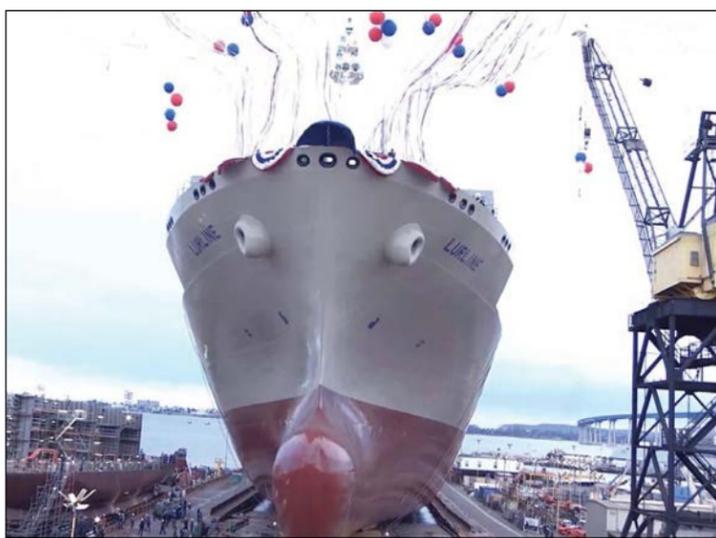
Volume LXXXII No. 6  185

SAN FRANCISCO, CALIFORNIA

Friday, June 21, 2019

Matson christens first Kanaloa class vessel 'Lurline' in San Diego

On Saturday, June 15 in San Diego, the General Dynamics shipyard NASSCO christened and launched the merchant ship *Lurline* on June 15. The *Lurline* is an 870-foot-long, 3,500 TEU, 44,200 deadweight metric ton, combination container ship/roll-on, roll-off (ConRo) vessel built for Honolulu-based Matson, Inc. She has LNG-capable engines and is the lead ship of a two-vessel contract being built for Matson at General Dynamics NASSCO. The ship has an enclosed garage space for up to 800 vehicles or breakbulk cargo and is built for an operating speed of up to 23 knots. The ship is the first of the Kanaloa class, covered by SUP collective bargaining agreement and named in honor of the ocean deity revered in the native Hawaiian culture.



The sixth Matson vessel to bear the name *Lurline*, the original *Lurline* was Capt. William Matson's second vessel, a brigantine built by Matthew Turner, Shipbuilder of Benicia, California in 1887. Named by sugar tycoon, Claus Spreckels, the vessel made its first sailing from San Francisco to Hawaii on June 16, 1887. The second Kanaloa Class vessel, now under construction

and 15% complete, will be the fifth Matson vessel to be named *Matsonia*. The Kanaloa Class vessels represent an investment of more than \$500 million. The two ships will replace three diesel powered vessels in active service. With delivery of the Kanaloa Class ships, along with its two new Aloha Class ships, Matson will have completed the renewal of its Hawaii fleet, allowing it to retire its seven older steamship vessels that will no longer comply with environmental regulations in 2020 without substantial modification.

Ceremony participants include General Dynamics NASSCO president Kevin Graney and Matson CEO Matt Cox. Constance Lau, CEO and director of Hawaiian Electric Industries and a Matson board of directors member, christened the ship with the traditional break of a champagne bottle on the hull at launching.

"The great speed, capacity and environmental improvements of this new ship position us well to serve the needs of our communities in Hawaii for many years

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Trade war heats up

Tariffs fuel uncertainty on demand and rates

The trade war between the United States and China shows no sign of moderating and no end in sight. Numerous industry sources have reported slackening trade numbers and building concern over the impact of escalating and expanding tariffs with the strong possibility of more to come.

In May, the U.S. increased to 25% its tariff rates on roughly \$250 billion of exports from China. The Chinese government in June raised their own tariff rates on certain U.S. goods worth about \$60 billion, from between 5% and 25%. Adding to the mix is the repeated threats of the Trump administration to tax another \$300 billion of Chinese exports, and in a new twist, to impose new tariffs on all imports from Mexico.

Meanwhile, despite a mostly positive economic outlook, container shipping rates are falling in the trans-Pacific trade. Maersk Lines, which carries nearly 20% of all containers worldwide has reduced its capacity by more than 4% in the first quarter and reduced its China sailings.

"The optimism we had just a few weeks ago when we thought a trade deal between the U.S.

and China would be reached, has evaporated," said Jonathan Roach, a container shipping analyst at London-based Braemar ACM. "The silver lining is that it will at least stop more orders of mega-container ships but there will be substantial overcapacity this year and next."

Tariffs appear to be restraining container imports into U.S. West Coast ports, which fell 0.5% in the first quarter from a year ago, according to industry group Bimco, and exports from those ports most exposed to trans-Pacific trade fell 18% in the same period. Moreover, carriers have reported a sharp increase in blank sailings, or sailings that were scheduled but cancelled, in recent weeks. When blank sailings are shared across a common slot-sharing network or alliance, container volumes can be quietly but drastically reduced. The Ocean Alliance, for example, has blanked a June 2, to the U.S. west coast and June 18, sailing to the U.S. east coast. According to industry data analysts at Alphaliner the blank sailings will take 23,218 TEU of capacity out of those trade lanes.

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Celebration of American maritime heroes

American Maritime Partnership (AMP), the voice of the nation's domestic maritime industry, announced the start of a year-long celebration that will recognize individuals and groups of individuals who have added to the rich history of the United States as a maritime nation through their courage, outstanding achievements, or noble qualities. U.S. Department of Transportation Secretary Elaine Chao and the World War II merchant mariners were designated as the campaign's first American Maritime Heroes.

"The American Maritime Heroes campaign celebrates our maritime heroes and will call attention to importance of America's history as a maritime nation

and the role of the maritime industry to U.S. prosperity and security," said Matt Woodruff, Chairman of the American Maritime Partnership. "We are proud to begin by honoring Sec. Elaine Chao, who is widely recognized as the best transportation secretary ever for the U.S. maritime industry, as well by honoring our World War II merchant mariners who provided the manpower to operate and maintain the wartime vessels that ultimately helped our country and our allies win World War II."

Sec. Chao has previously served as deputy maritime administrator at the U.S. Maritime Administration; chairman of the Federal Maritime Commission; deputy secretary of the U.S. De-

partment of Transportation; and as Secretary of the U.S. Department of Labor. In addition, she has led major organizations like the Peace Corps and United Way.

"We have never had a transportation secretary with such knowledge about, experience in, and passion for our industry," Woodruff said. "When the chips are down, there is no stronger advocate than Sec. Chao. She is a proven American maritime hero."

Also deserving the title are the nation's World War II merchant mariners, renowned for their bravery and contribution to the Allied victory nearly 75 years ago. Almost 250,000 merchant mariners transported tens of millions of tons of war supplies and more than seven

million servicemen under the most challenging circumstances imaginable. As a result, they suffered the highest casualty

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ELAINE CHAO

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SUP Honor Roll

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CMA CGM expands cost cutting effort amid higher debt

CMA CGM said it is committed to turning around CEVA Logistics and expanding its cost-cutting target by 25 % to \$1.5 billion as its debt levels rise owing to capital investment and consolidation of the debt of the recently acquired logistics company.

In announcing its first-quarter results, the Marseille-based container shipping and logistics group said this month that it was expanding its original goal made in March to cut \$1.2 billion in costs. CMA CGM said it has already cut \$245 million. After coming close to bankruptcy in 2009 because of its huge bank debt, the company engineered a turnaround by cutting operating costs, selling some assets and taking on two outside investors.

Through the rationalization of its carrier brands, APL will focus on the trans-Pacific, Indian Subcontinent, Asia-Oceania, and US Flag services, while its CNC arm will focus on intra-Asia trades. ANL will remain the main brand for the Oceania market. CMA CGM, as the global brand, will be the only carrier of the four to operate in the trans-Atlantic, Asia-Europe, Asia-Mediterranean, Asia-Caribbean, and Europe-India/Middle East markets.

“The new organizational setup will allow the group to simplify its offer, while reducing its costs,” CMA CGM said in a statement.

CMA CGM said its adjusted net debt reached \$18.2 billion in the first quarter, compared with \$7.7 billion as of Dec. 31, 2018, with new accounting rules contributing \$6.8 million and the acquisition of CEVA adding \$2.8 billion in debt. CMA CGM’s earnings in the first quarter before interest, taxes, depreciation, and amortization (EBITDA) was relatively flat at \$212 million.

The company narrowed its consolidated net loss from \$77 billion in first quarter 2018 to \$43 billion in the same three-month period this year, as total transport volume rose 4.4% to \$5.16 million TEU. Excluding CEVA’s \$1.7 billion contribution, CMA CGM’s revenue grew 5.6 % to \$5.71 billion for the quarter.

The rising debt level comes as the company attempts to position itself as an

integrated provider of container logistics services. Unlike competitor Maersk, however, CMA CGM is keeping CEVA’s logistics business, including forwarding, together as a discrete unit within the group, meaning it will offer end-to-end solutions not through a single branded business, but by bringing together the capabilities of different service providers within a closely knit, family owned group.

According to CMA CGM, the carrier’s

Tanker attacks in Gulf of Oman

In attacks that sent shockwaves throughout the shipping industry, two underway tankships were hit by explosions in the Gulf of Oman on the morning of June 13. Both crews successfully abandoned ship without any reported casualties.

The Marshall Islands-flagged *Front Altair* is owned by the Norwegian tanker outfit called *FrontLine*. The *Kokuka Courageous* is Panama-flagged. The *Front Altair* was believed to be carrying 75,000 tons of Naptha originating from Abu Dhabi. The *Kokuka Courageous* is believed to be carrying methanol, originating from Saudi Arand also Qatar.

The rare peacetime attacks on unarmed merchant ships comes about a week after four other tankers at anchor in the nearby port of Fujairah were also attacked, apparently using limpet mines. The timing of the latest attacks was noted by many to be suspicious coming amid heightened tension between Washington and Tehran, and during the visit of the Japanese Prime Minister Shinzo Abe was visiting Iran to try and rekindle diplomacy to ease the standoff. Japan’s Trade Ministry said the two vessels struck on this month were carrying “Japan-related cargo.”

Secretary of State Mike Pompeo said intelligence reports pointed to Iran as being responsible for the attacks. Iran has denied involvement. The U.S. military, who assisted the evacuation of crew from *Kokuka Courageous* via the *USS Bainbridge*, said it had a video showing Iran’s Revolutionary Guard removing an unexploded limpet mine from one of the two ships.

“This assessment is based on intelligence, the weapons used, the level of expertise needed to execute the operation, recent similar Iranian attacks on shipping and the fact that no proxy group operating in the area has the resources and proficiency to act with such a high degree of sophistication,” Pompeo said. Pompeo characterized the incident in the context of the recent attacks noting that on April 22, Iran promised the world that it would interrupt the flow of oil through the Strait of Hormuz. In early May, the Revolutionary Guard Corps attempted the covert deployment of modified dhows capable of launching missiles. On May 12, four commercial ships in Fujairah were attacked and Iran was designated as the perpetrator. On May 14, Iran-backed surrogates used armed drones to strike two strategically important oil pipelines into Saudi Arabia. On May 19, a rocket landed near the U.S. Embassy in Baghdad. “Taken as a whole, these unprovoked attacks present a clear threat to international peace and security, a blatant assault on the freedom of navigation, and an unacceptable campaign of escalating tension by Iran,” said Pompeo.

“Two near-simultaneous maritime attacks have been reported in the Gulf of Oman in the vicinity of 25-27N 057-22E on June 13, against two vessels on an outbound transit of the Strait of Hormuz. These attacks have been confirmed and involve damage to both vessels. The precise means of attack is currently unknown. Exercise caution when transiting this area. Vessels operating in this area are advised to review U.S. Maritime Advisory 2019-006 (Threats to U.S. Interests from Iran – Persian Gulf, Strait of Hormuz, Gulf of Oman, Arabian Sea, Gulf of Aden, Bab-el-Mandeb, and Red Sea). This alert will automatically expire on June 20. Any questions regarding this alert should be directed to GMCC@uscg.mil.”



GULF OF OMAN (June 13, 2019) In this Powerpoint slide provided by U.S. Central Command damage from an explosion, left, and a likely limpet mine can be seen on the hull of the civilian vessel M/V Kokuka Courageous in the Gulf of Oman, June 13, as the guided-missile destroyer USS Bainbridge (DDG 96), not pictured, approaches the damaged ship. Sailors aboard Bainbridge aided the crew of Kokuka Courageous. Bainbridge is deployed to the U.S. 5th Fleet areas of operations in support of naval operations to ensure maritime stability and security in the Central Region, connecting the Mediterranean and Pacific through the western Indian Ocean and three strategic choke points. (Source: US Navy)

4.4 percent growth in ocean shipments surpassed the market average, but was outpaced by growth in the carrier’s vessel capacity at 6.6%.

Hapag-Lloyd CEO Rolf Habben Jansen has predicted that global container volume will grow in line with market expectations of 4% and be supported by rising rates. Alhaliner recently cut its global

TEU growth forecast from 3.6 to 2.5%, citing “the expected decline in trans-Pacific volumes as a result of an escalating US - China trade war.” But with the escalating US-China tariff dispute potentially serving as a drag on trade growth, CMA CGM said it would “continue to closely monitor current geopolitical tensions,” as well as other factors, such as oil prices.

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U.S. Assessment: Iran's involvement in tanker attack "highly likely"

American officials told U.S. media in May that it is "highly likely" that Iran was involved in the recent attack on four tankers at Fujairah. Norwegian war risk insurer DNK has reached a similar assessment, according to Reuters.

Most private-sector analysts have suggested that the attackers used hand-placed limpet mine with explosive charges of less than five kilograms; however, the DNK report concludes that the attack was likely conducted with underwater drones, each carrying a charge of 30-50 kilograms of high explosives. As evidence for Iranian involvement, DNK cited a similarity between the shrapnel found on the Norwegian-flagged *Andrea Victory* at Fujairah and shrapnel found after surface drone boat attacks carried out previously by Iranian-backed Houthi rebels in Yemen. DNK intended the report as a confidential assessment for its shipowner clients, not for public release.

An investigation carried out by the UAE with assistance from French and U.S. officials is expected to conclude within days. In the meantime, the UAE's foreign ministry has called for restraint and for all parties to avoid assigning blame until after the results of the inquiry are finalized.

"We need to emphasize caution and good judgment. It is easy to throw accusations but it is a difficult situation, there are serious issues and among them is Ira-

nian behavior," said UAE foreign affairs minister Anwar Gargash. "We will . . . be deliberate in considering our response, what to do about it, how to deal with it."

The Lloyd's Market Association Joint War Committee announced Friday that it was expanding its list of designated areas with enhanced risk due to the heightened tensions in the Middle East. Areas added include the territorial waters of Oman and the UAE, the Persian Gulf and the Gulf of Oman west of longitude 58 degrees east.

"Very little information is to hand about the explosions at Fujairah anchorage on May 12, and the circumstances and methods employed remain unclear. There is no doubt that considerable damage was done and there will be significant claims," the committee wrote. "The JWC has met to review the situation and in the light of further information, has updated the Listed Areas to reflect the perceived heightened risk across the region. The situation will be kept under close review."

The exact level of ongoing risk to shipping is uncertain. According to EOS Risk Group, the attacks were likely a one-off strike designed to send a message, and further attacks in the immediate area are unlikely on a one-month timescale. Over the medium to long term, merchant shipping - particularly tanker shipping associated with the U.S., Saudi Arabia or the UAE - could be vulnerable if tensions persist or increase, EOS assesses.

Coast Guard warns of cyber attacks on merchant ships

The U.S. Coast Guard warns that unidentified hackers have recently attempted to gain access to ship electronic systems in order to steal sensitive business information and disrupt shipboard computer systems.

According to the Coast Guard, cyber adversaries are attempting to gain sensitive information from shipboard systems, including the contents of an official Notice of Arrival, using email addresses that pose as an official Port State Control authority (for example, port @psc.gov.org). These so-called "phishing" attacks have been documented before in the maritime sector, especially in business-to-business transactions between shoreside stakeholders. The Coast Guard urges vessel operators to verify the validity of the email sender prior to responding to unsolicited email messages. If there is uncertainty regarding the legitimacy of the email request, the vessel or its representatives should try contacting the PSC authority directly by using verified contact information.

Additionally, the Coast Guard has received reports of malicious software designed to disrupt shipboard computer systems. The USCG is aware of these incidents because vessel masters have reported suspicious activity to the Coast Guard National Response Center (NRC), thereby enabling federal agencies to understand and address cyber threats in the maritime sector. By federal regulation, American vessels must report cyber attacks and suspicious activity to the NRC.

Phishing attacks are a longstanding problem in the maritime sector: cyber criminals send legitimate-looking correspondence to solicit payments, defrauding the ship operator or other stakeholder by getting them to wire money to the wrong account. In 2014, marine insurer Skuld drew attention to a case in which a scammer pretended to be the Suez Canal Authority and emailed vessels to ask for detailed and confidential information. The scammer would then ask for the settlement of fake invoices, defrauding the vessel operator.

Skuld warned that the risks from this form of cyber attack could extend well beyond monetary losses. If a malicious actor obtained sensitive information about a vessel's itinerary, schedule and operations, it could compromise the vessel's security and make it more vulnerable to a physical attack like armed robbery or hijacking.

Final Departures

Antonio Vasquez #847. Born in Arizona in 1929. Joined SUP in 1948. Died April, 28, 2019. (Pensioner)

Selwyn Robinson #2934. Born in Australia in 1925. Joined SUP in 1944. Died in Oregon, May 20, 2019. (Pensioner)



Crew of the SFBP pilot boat *California*: Eric Weiss, Mike Sposeto, Adian Minty, and Mark Hargus before departing via the Golden Gate Bridge in fog for the offshore pilot station on June 13, 2019

Unions call for Gulf maritime safety assurances

Even before the most recent attacks on the two underway tankers, global seafarer's unions raised the alarm about the increasing risks to sailors. Taken with the four separate attacks at bunkering port of Fujairah and amidst the escalating political and military tensions in the Gulf generally, the safety of seamen is at risk of becoming a secondary consideration.

The International Transport Workers' Federation seafarers' unions from around the world met in Genoa, Italy, this month to discuss the issues facing seafarers globally.

'Clearly our priority is the seafarers aboard these vessels, seafaring is challenging and dangerous enough on any given day without adding the threat of terrorism into the picture. Any risk to seafarers' safety is of grave concern,' said Dave Heindel, chair of ITF Seafarers' section.

'Seafarers' unions from across the world have urged all governments to do everything possible to de-escalate the situation and assure safe navigation and the security of maritime traffic in the region,' he said.

Meanwhile the Joint War Committee (JWC) of the London marine insurance market has extended the list of waters deemed as high risk to include Oman, the United Arab Emirates and the Persian Gulf.

In addition to the attacks on *Front Altair* and *Kokuka Courageous*, the decision follows armed drone attacks on two of Saudi Aramco's oil pumping stations forcing the producer to briefly shut its East-West pipeline. The pipeline, known as Petroline, was built to carry crude oil from Al-Jubayl on the Persian Gulf to Yanbu on the Red Sea.

Members of the Gulf Cooperation Council (Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the UAE) were 'specifically increasing communication and co-ordination with each other in support of regional naval co-operation and maritime security operations in the Gulf'. Potential supply disruptions could mean major importers such as China look further afield for crude if traditional routes become too expensive or disturbed.

Trade war heats up: Tariffs fuel uncertainty on demand and rates

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Container rates also show downward revision. The cost to move a container from Shanghai to Los Angeles was \$1,262, at the end of May, according to Drewry Shipping Consultants Ltd., 4% lower than a year ago. That comes in the context of earlier rate reductions. Overall, since the first week of January rates from Asia to the U.S. west and east coasts have slumped by 22% and 16% respectively, while carriers between Asia and North Europe have seen rates drop by 24% since January and by 17% to Mediterranean ports. If there is a reduction in demand for Chinese manufacturing, or if container capacity is diverted to other trade lanes such as the European markets, the situation for shipping could quickly deteriorate further.

The trade war extends beyond tariffs. On May 15, Trump banned US companies from providing technology or components to Chinese telecommunications company

Huawei and blocked the use of Huawei equipment in the United States. According to the South China Morning Post, China is considering cutting back on natural gas purchases from the United States. Certainly, Chinese President Xi Jinping's recent comment that China is beginning a "new Long March," a reference to the Chinese Communist Party Red Army's historic fighting retreat in 1934 and 1935, doesn't bode well for a quick reconciliation with the US in further trade talks. Trump and Xi are scheduled to meet at the G-20 summit in Osaka, Japan, June 28 and 29.

Two Bloomberg economists, Dan Hanson and Tom Orlik, are predicting that if the tariffs expand to cover all of the U.S.-China trade and the markets continue to respond negatively as expected, there will be a hit to global output of at least \$600 billion in 2021, the year of maximum effect.

Transportation-housing and urban development funding bill approved

The House Appropriations Committee today approved the fiscal year 2020 Transportation, Housing and Urban Development, and Related Agencies bill on a vote of 29 to 21. The legislation funds the Department of Transportation, the Department of Housing and Urban Development, and other related agencies, including the United States Interagency Council on Homelessness.

In total, the legislation provides \$137.1 billion in budgetary resources, an increase of \$6 billion above the 2019 enacted level and \$17.3 billion above the President's budget request. The bill includes \$75.8 billion in discretionary funding, an increase of \$4.7 billion over the 2019 enacted level and \$17.3 billion over the President's 2020 budget request.

"This year's Transportation, Housing, and Urban Development funding bill represents a positive, inclusive vision for our country," said House Appropriations Subcommittee on Transportation, Housing and Urban Development, and Related Agencies Chairman David Price. "It makes forward-looking investments in our housing and transportation infrastructure, while ensuring concerted attention to safety, the needs of the most vulnerable, and resilience. It will benefit all American communities – urban and rural – and lays the foundation for economic growth and opportunity. I'm thankful for the collaborative effort by all our members to pass the bill through committee and look forward to working together to enact it into law."

"The Department of Transportation should prioritize safety, and this bill would equip the Department to fund safety upgrades on our roads and rails as well as safety research," said House Appropriations Committee Chairwoman Nita Lowey. "The bill also would provide adequate funding for the federal share of one of the most important transportation projects in our country to advance commuter safety and the economy – the Gateway tunnel between New Jersey and New York. Additionally, robust investments in the bill, such as increases to CDBG, HOME, and Lead and Healthy Homes, would make our communities healthier and safer, and critical language would protect the most vulnerable, including undocumented individuals and their U.S. citizen children and LGBTQ youth, against eviction. With this bill, we have the opportunity to invest in our infrastructure and fundamentally improve the lives of our constituents."

Trump administration appeals Alaska offshore decision

The U.S. Department of Interior has lodged an appeal to a federal court decision that stopped the reopening of portions of Alaska's Arctic waters to oil and gas drilling.

In March, U.S. District Court Judge Sharon Gleason ruled that Trump exceeded his authority when he issued an executive order undoing protection put in place by Barack Obama on oil leasing in large parts of the Beaufort and Chukchi seas.

The decision of the Alaska District court has delayed development of a new five-year offshore leasing plan. The case will now go to the Ninth Circuit Court of Appeals.

National Ocean Industries Association (NOIA) Vice President of Government and Political Affairs Tim Charters has applauded the appeal: "The Obama administration recklessly closed off American resources without the slightest consideration of our national needs or of the environmental impact of replacement energy production from other nations. The Trump administration's reversal responsibly aims to restore our national security by opening and examining these areas for potential energy development.

"As China threatens to cut off American supplies of rare earth elements, we are reminded once again that our national security is closely tied to our resource and energy security, says Charters. "America's west coast is heavily dependent on foreign nations for energy; development offshore Alaska will directly undercut that dependence and make America more energy secure and economically prosperous."

Worse second quarter is likely for container lines after slow first quarter

With the second quarter now nearly done, ocean carriers look to be heading for a second successive quarter loss, making a good peak season more essential than ever for the sustainability of the liner industry.

Last week CMA CGM completed the set of container lines that publish their financial results recording a less than inspiring \$22 million net loss from its container business in Q1 to add more gloom to what turned out to be a generally disappointing first quarter for the sector.

In contrast to 2018, the year had started with carriers appearing to hold many of the cards needed to get off to a strong start, with spot container rates at a reasonably healthy level, thanks to the front-loading boost on the transpacific tradelane, and "satisfactory" contract increases on the Asia-Europe routes.

But of the top six carriers that publish their financials and do not receive state subsidies it was only Hapag-Lloyd with a profit of \$109 million that managed to record a result in the black in the first quarter.

And carriers are now facing a number of headwinds in the current quarter that look set to ruin their voyage results for Q2.

On both the major tradelanes spot rates have fallen significantly since the beginning of the year.

Since the first week of January rates from Asia to the U.S. west and east coasts have slumped by 22% and 16% respectively, while carriers between Asia and North Europe have seen rates drop by 24% since January and by 17% to Mediterranean ports.

Notwithstanding the predictable transpacific rates correction following the front-loading burst at the end of last

year, on the Asia-Europe tradelanes one carrier source told The Loadstar recently that headhaul trade had been "sluggish" since the Chinese new year and was taking "longer than normal to bounce back".

Indeed, the slow recovery has reportedly led to some discounting on the trade with for example CMA CGM cutting it 40 ft FAK rate by \$100 and Maersk slashing its FAK rate by \$300.

Speaking during the company's earnings call last month Hapag-Lloyd's chief executive, Rolf Habben Jansen said he expected the second quarter to be tougher.

"I would not be disappointed if the result was a little bit lower in Q2; that would still be in line with our expectations," Mr Habben Jansen told investors and analysts.

On the cost side of the equation carriers are facing substantial hikes from owners for charter hire as the market tightens in the mid to large vessel sectors due to a combination of higher demand caused by preparations for IMO 2020, such as scrubber retrofits and tank cleaning, and a dearth of newbuilds, a consequence of the industry's focus on ordering ULCVs in the past few years.

MSC, which has a large scrubber retrofit programme for its fleet and also has one of the highest ratios of chartered in tonnage at 69% of its capacity is likely to be hit hard, along with CMA CGM with 61% of chartered tonnage and ONE with 64% of its ships chartered in.

In terms of using owned tonnage, Hapag-Lloyd has one of the highest ratios at 39% with Maersk at 43%, which is expected to give both carriers cost advantages on their rivals.

Celebration of American maritime heroes

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rate of any service during World War II, with one mariner out of every 26 lost. Often defenseless against enemy vessels, these merchant mariners nevertheless sustained the war effort. A total of 8,241 of them died in the war, and many others were captured and became prisoners of war. Today only about 2,000 remain.

"Especially as Americans reflect this

week on the 75th anniversary of D-Day, it is a privilege to salute the courageous mariners who helped make the invasion possible and ensured that our military could triumph, at Normandy and throughout the entire war," said Woodruff. "We all owe these heroes a debt of gratitude that can never be fully repaid."

America's maritime heroes



Some of the SUP's own maritime heroes gathered on Maritime Day, May 22, in San Pedro on the 30th anniversary of the Maritime Memorial and the Wall of Honor. From left to right: Captain Joe Ison, an SUP sailor during WWII, former Wilmington Branch agent Mark Hurley with great nephew and USS Iowa volunteer Jake Perry, members Mike Haslam, Tom Larkin, Eli Wegger, Mark Littlejohn, Wilmington Branch Agent Leon Gandy, former Branch Agent Duane Nash, and members Randy Runyan, and Joe Oprisoro. Photo by: Margaret Hurley



Blackbeard's ship embarks for U.S. Supreme Court in video piracy case

The nine black-robed justices of the U.S. Supreme Court will soon navigate the treacherous legal waters around a sailing ship made famous in the 18th century by the notorious English pirate known as Blackbeard.

This month, the court agreed to hear a bid by a documentary filmmaker to revive his lawsuit against state officials in North Carolina who he accused of unlawfully pirating his footage of the wrecked pirate ship named the *Queen Anne's Revenge*, which went down in 1718.

The filmmaker, Frederick Allen, has appealed a lower court's ruling that North Carolina could not be sued under federal law for allegedly infringing his copyrights on five videos and a photograph of salvage operation for the ship in the Atlantic Ocean off the coast of Beaufort, North Carolina.

Though states typically are shielded from lawsuits under the U.S. Constitution through a form of protection known as sovereign immunity, the case hinges on whether the shield applies to copyright infringement. In 1990, the U.S. Congress passed a law allowing states to be held liable for illegal copying.

Blackbeard, whose name was Edward Teach, ran aground the *Queen Anne's Revenge*, his flagship, on a sandbar 58 years before the United States declared independence from Britain. By law, the ship and its artifacts are owned by the state.

A private salvage company located the wreck in 1996. Allen and his firm, Nautilus Productions, documented the efforts by divers and archaeologists to recover

artifacts. Allen obtained federal copyright registrations on the videos and still images.

Allen and Nautilus sued North Carolina in federal court after state officials used some of the documentary materials on YouTube and a state agency website. The state also passed a law converting the materials into public records.

The Richmond, Virginia-based 4th U.S. Circuit Court of Appeals threw out the case last year, ruling that Congress exceeded its powers in passing the 1990 Copyright Remedy Clarification Act as an attempt to override state sovereign immunity in copyright disputes.

Appealing to the Supreme Court, Allen said states are flagrantly infringing authors' copyrights and invoking sovereign immunity as a way to avoid paying damages.

If the 4th Circuit's decision is not overturned, Allen said in a legal filing, "creators of original expression will be left without remedy when states trample their federal copyrights."

North Carolina Attorney General Joshua Stein emphasized the shipwreck's historical and archaeological value and told the justices that the 1990 law is unconstitutional.

Blackbeard prowled the shipping lanes off the Atlantic coast of North America and throughout the Caribbean before being slain – shot, stabbed and decapitated – in 1718 during an encounter with British naval forces at North Carolina's Ocracoke Inlet.

The justices will hear the case in their next term, which begins in October.

Seafarers collect rainwater to survive

The International Transport Workers' Federation (ITF) claims to have heard stories that seafarers on board Blumenthal's Liberian-flagged bulk carrier Lita are being forced to collect rain water with tarpaulins for drinking water after the ship ran out of potable water.

The ITF had alerted the Liberian flag authorities more than a week ago after an initial report that the vessel was running critically low on water.

"The fact that seafarers are being forced to collect rainwater in order to survive is an indictment on Blumenthal. Their diet is a bread and water, without the water!" said ITF maritime coordinator Jacqueline Smith.

"This systemic abuse of these seafarers' rights is the dreadful reality of many flag of convenience ships and one that allows unscrupulous operators like Blumenthal to exploit workers' most fundamental rights like access to clean drinking water," added Smith.

The operator is being targeted by the ITF after the detention of the Anna-Elisabeth in Australia and the release of stories of abusive conditions on board the German shipping company's global fleet

ITF inspector and leader of the Blumenthal targeted operation, Sven Hemme said today: "Over the past six weeks, the ITF have exposed the exploitative conditions seafarers are forced to endure working on Blumenthal ships. Seafarers who are desperate for help." He called on the Liberia to intervene.

Matson Navigation Company

Wage Rates

Effective July 1, 2019

071, Roll-On/Roll-Off, C-8, C-9, CV-2500, CV-2600

Aloha-Class, Kanaloa-Class

Rating	Wages		Supp. Benefit Base Monthly	Supp. Benefit Daily	Supp. Benefit Monthly	Money Purchase Pension Plan Daily
	Monthly	Daily				
Bosun	\$6,619.61	\$220.65	\$6,821.62	\$128.86	\$3,865.80	\$25.00
A.B.	\$4,668.76	\$155.63	\$5,097.53	\$96.29	\$2,888.70	\$25.00
O.S.	\$3,583.87	\$119.44	\$4,005.59	\$75.66	\$2,269.80	\$18.51

OVERTIME AND OTHER RATES

The hourly overwork rate for all ratings except the Ordinary Seaman shall be..... \$39.14
 Ordinary Seamen (overtime rate)..... \$29.34

CARGO RATES

The hourly cargo rate for all ratings shall be.....
 Straight Time..... \$29.34
 Overtime..... \$48.95

SHORTHANDED (SECTION 7. SUP Work Rules)

Bosun..... \$66.82
 A.B..... \$66.82

STANDBY RATES (Section 43 SUP Work Rules)

Bosun
 Straight Time..... \$45.80..... \$25.00
 Overtime..... \$74.29

A.B.
 Straight Time..... \$37.73..... \$25.00
 Overtime..... \$62.18

SHIFT SHIP GANGS (Section 44 SUP Work Rules)

Bosun
 Straight Time..... \$33.15..... \$25.00
 Overtime..... \$55.09

A.B.
 Straight Time..... \$31.11..... \$25.00
 Overtime..... \$52.62

DECK PORT WATCHES (SECTION 55. SUP Work Rules)

Bosun
 Straight Time..... \$44.53
 Overtime..... \$66.80

A.B.
 Straight Time..... \$33.57
 Overtime..... \$50.33

FUEL OIL SPILL CLEANUPS

All Ratings: Straight Time..... \$22.79

SHOREGANG: MAINTENANCE AGREEMENT

Working Bosun
 Straight Time..... \$45.34..... \$25.00
 Overtime..... \$74.29

General Maintenance
 Straight Time..... \$37.28..... \$25.00
 Overtime..... \$62.18

Spraying, Sandblasting enclosed spaces: additional per hour \$2.27

SHOREGANG: EXTRA MAINTENANCE AGREEMENT

Standby Bosun
 Straight Time..... \$48.50..... \$25.00
 Overtime..... \$74.29

Standby AB
 Straight Time..... \$37.73..... \$25.00
 Overtime..... \$62.18

UPDATED WAGES IN SEPTEMBER'S WCS

King Kamehameha Day

King Kamehameha united the Hawaiian Islands into one royal kingdom in 1810 after many years of conflict. Historians believe he was born in 1758, the year of the passing of Halley's Comet and consistent with a prophecy made by Hawaiian kahunas or mystics that a light in the sky with feathers like a bird would signal the birth of a great chief. The infant prince Kamehameha was ordered put to death by the former chieftain, but he was instead protected, raised in secret, and trained as a warrior. He gained such tremendous even mythic strength that the story of his unassisted overturning of the Naha Stone comes down to us, evidence of his authority, and wherein he was identified as the future king in Hawai'i's own Arthurian legend. The enormous stone itself sits today outside the Hilo public library on the Big Island. As prodigious as moving the Naha Stone, Kamehameha's unification of the Hawaiian Islands is historical fact and self-evident today. It was a feat of tremendous physical and organizational strength, of maritime and military genius, of deft diplomatic skill and the courage of a great will to power. After unification of the islands he maintained a long period of both independence and cohesion, and he did so against the powerful exploitative pressures of western colonial interests. His creation of a politically unified indigenous archipelago stands among history's greatest achievements of warfare and statesmanship. And because it is rooted in our own independent spirit and diverse origins, but especially in recognition of our love for King Kamehameha the Great, a great mariner in the great maritime state of Hawai'i, we celebrate this holiday in his honor.



Matson christens first Kanaloa class vessel 'Lurline' in San Diego

continued from page 1

to come," said Matt Cox, Matson's chairman and chief executive officer, after the shipyard ceremony.

"As a proud U.S. company and Jones Act carrier, our investment in this new ship is about much more than maintaining a high level of service to Hawaii. It also helps drive substantial economic benefits in and opportunities in communities around the Pacific, where this vessel will operate," Cox said.

"The construction of this ship requires 150,000 man hours to complete. It's over a year's work for about 2,000 professionals here at NASSCO engineers, tradesmen and lots of support people. And over its expected lifespan, this ship will generate approximately \$4.5 million man hours of work opportunity for the U.S. mariners who will operate it...not to mention all the dock workers and terminal personnel that move the cargo on and off our ships, and all the people who produced the materials used to build this ship that are sourced here in the U.S....like the steel that came from Iowa and Alabama.

"These are all living wage jobs, supporting the families of these American workers, the taxes they pay...it all flows from this one ship," Cox said, adding,

"Multiply that by all the ships NASSCO and other U.S. shipyards are building, and you get a sense of the value of the maritime industry to our country and its economy. In California alone, there are more than 51,000 jobs tied to the American maritime industry, providing over \$3.6 billion dollars in labor income with a total economic impact in the state of more than twelve billion dollars."

NASSCO President Kevin Graney praised the workers that built the ship and noted that such skill is rare and carefully fostered by the Jones Act. Without those skills the "capability cannot be restored and we are weaker and far less self-reliant as a nation. Critics contend that American commercial shipyard protected by the Jones Act are out of date and inefficient. I simply disagree." Graney said the yard between 2015 and 2017 delivered "ten commercial ships in twenty months and now this is the largest container ship ever built for Jones Act service with a complex garage and ramp system." The Jones Act is working, and "the sniveling of the misinformed that you may read about it in the press, particularly in recent weeks, is the work of a targeted effort by narrow interests who seek to destroy the Jones Act under the façade of supporting free trade."

Chaplain Tim Eichler gave the invocation.

"For thousands of years shipbuilders and sailors have gone down to the sea in ships doing business on mighty waters in vessels they have crafted and we call them by name.

This evening we come to christen and launch Lurline and send her to sea to be cared for and we ask that you bless her crew and the cargo she carries and that you carry them safe in your hands, as she sails on the mighty waters."

The speeches dragged on, but the tide required taking at the flood and the current when it served. The launching master abruptly ordered the ceremony suspended, the bottle was broken, and the chock stops punched out. Lurline thus stopped the talk and blasting her whistle glided smoothly down the old shipway into San Diego Bay.



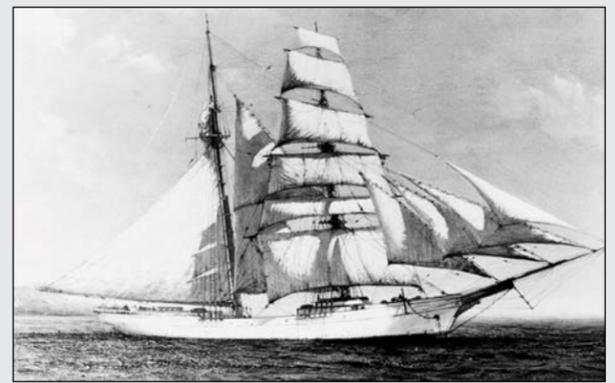
National Steel and Shipbuilding Company's Hull No 601, transformed into Matson's merchant vessel Lurline as she slips into San Diego Bay and the first water beneath her keel.



Type : Con-Ro
Length : 869'5"
Max Speed : 23
Main Engine Horsepower :
42,738 (31,870 kW)

Max Deadweight (Long Tons) : 44,484
TEUs : 2,750
Reefer Slots : 432
Auto Capacity : 500 Autos/25 Trailers

The first Kanaloa class vessel will be the sixth Matson vessel to bear the iconic name, Lurline. The original Lurline was Capt. William Matson's second vessel, a brigantine built by Matthew Turner, Shipbuilder of Benicia, California in 1887. Named by sugar tycoon, Claus Spreckels, the vessel made its first sailing from San Francisco to Hawaii on June 16, 1887. Matson's first combination roll-on / roll-off ("ConRo") vessel, the newest Lurline, is scheduled for delivery in the fourth quarter of 2019.



IMO 2020 compliant fuel developed by Chevron

Chevron plans to bring an IMO-compliant 0.5% sulphur shipping fuel blend to the market by the end of the third quarter, a company representative said earlier this month.

Ships will be required to use fuels with a sulphur content of no more than 0.5% from the start of 2020, down from 3.5% currently, under International Maritime Organization (IMO) rules aimed at cutting air pollution.

"If a shipping company is willing to try it out now we can make it available" said Chevron Fuels Technologist Monique Vermeire, but it will not be available for continuous purchase until late in the third quarter. Only ships fitted with sul-

phur-cleaning devices, known as scrubbers, will be allowed to continue burning high-sulphur fuel, under IMO regulations.

While major fuel bunkering ports such as Singapore, Fujairah in the United Arab Emirates and Rotterdam in the Netherlands are expected to have compliant-fuel supplies, analysts and shipping firms point to concerns over what happens at smaller ports. Ship owners fear that mixing different batches of very low sulphur fuels risks creating a level of sediment which could damage engines. With less than seven months until the new rules apply, there is still a lack of certainty about the change, including regarding pricing.

ITF calls for reinstatement of sacked Union leaders in Pakistan

The International Transport Workers' Federation (ITF) has condemned the recent sackings of eight union leaders by Hutchison Ports Pakistan and called on management at South Asia Pakistan Terminals (SAPT) to immediately reinstate the "Karachi 8."

ITF president and Dockers' Section chair Paddy Crumlin says the move is an attempt to undermine workers' fundamental rights to representation and to collectively bargain. The ITF says the dismissal of the Karachi 8 follows previous attempts by Hutchison Ports Pakistan to challenge the union SAPTDWU's official certification as the Certified Bargaining Agent for SAPT on April 30, 2018.

"In the past year we've seen Hutchison challenge the legitimacy of SAPTDWU in the court – and fail, register another union in Islamabad, sack leaders for ta-

bling collective demands and file trumped up charges of sabotage against union leaders that resulted in the incarceration of two leaders for nine days in the absence of any evidence submitted to court," alleges Crumlin.

The ITF has written to Hutchison Ports Pakistan requesting the reinstatement of the sacked workers as a matter of urgency and for the company to restore respect for trade union rights at the terminal. This follows thousands of trade unionists petitioning for their immediate reinstatement.

"Far from breaking the strength of the workforce in Karachi, this attack has emboldened them," said Crumlin. "We urge Hutchison to reinstate the Karachi 8 and allow genuine freedom of association for these officials to operate in the interests of their members."

**ATTEND YOUR MONTHLY
SUP UNION MEETINGS!**

“

Seapower is in the seamen. Vessels are the tools of seamen; the tools belong to the nations that can use them. We can never succeed in establishing a creditable merchant marine under our flag unless we arrange to furnish the men to sail the ships.”

—Sen. Duncan Fletcher of Florida, *The Essentials of Seapower*, from the *Coast Seaman's Journal*, November 1918

SUP letter to Harry Lundeberg, off Normandy, July 1944.

In October of 1944, Secretary Harry Lundeberg reported the status of donated funds for a World War II memorial mural, and quoted the following letter:

"While riding at anchor at the Utah beach-head on the Normandy coast of France, July 23rd and 24th, and watching the large formations of heavies, one after the other, flying overhead, (this was the start of the break-thru at St. Lo) and trying to imagine what a tremendous concentration of bombs, a thought entered my mind. That evening the deck gang gathered around for coffee and this thought was put up for discussion:

"Well, boys," I said, "the SUP is going to build a new hall after the building restrictions are lifted." "What's wrong with that?" replied one, "We need it." And it was generally agreed that this was so. And knowing the will of the SUP, once started, it was also agreed that it would be a credit to all members. "But what about all of these members who have already paid their assessment and, through enemy action, will not be able to receive any benefit of it, or even see it?" I said. "Tough luck" was heard from the other end of the mess hall. "Then what about all the members who were killed earlier in the war? Surely they would have liked to have seen it as well, having paid their share?" another AB had picked up the line of questioning. "Too bad," he was answered.

But it isn't too bad, I said, or tough luck – it's merely fate. And what would be more fitting than a memorial in our new hall in the headquarters building? It would act as a symbol of the blood by which some of our brothers gave so that our country could remain free. Then one boy spoke up and said, "What a symbol! Hey, that could even be me!" And, looking at the facts square in the face it could be meant for any one of us. So come on, you sailors, Speak up your opinion of this. If it's good, then let's get started and go down the line in the old SUP style."

-Walter (Stubby) Martenis #4390
SS Wm. C. Endicott

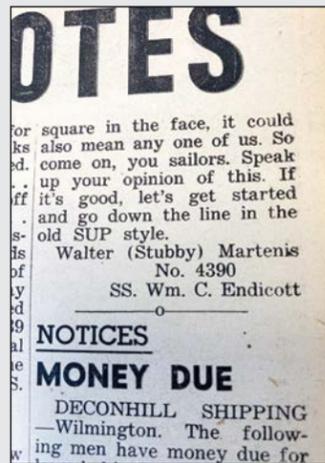


Photo of original printing of Endicott letter in the October 1944 West Coast Sailors.

Remembering D-day, June 6, 1944



"Every man in this Allied command is quick to express his admiration for the loyalty, courage, and fortitude of the officers and men of the Merchant Marine. We count upon their efficiency and their utter devotion to duty as we do our own; they have never failed us yet and in all the struggles yet to come we know that they will never be deterred by any danger, hardship, or privation. When final victory is ours there is no organization that will share its credit more deservedly than the Merchant Marine."

- Gen. Eisenhower



The World War II memorial mural contemplated by the Endicott crew began as a fund of donations made by the living and the dead, who often willed their meager earnings to the Union. The fund was also supported by the tarpaulin muster like the one called for at the end of the letter by sailors uncertain they would live to see it. The six panel oil painting depicting three attacks on merchant ships and a convoy at night, together with the names of many of those who gave the ultimate sacrifice, still hangs on the west wall of the dispatch hall at SUP Headquarters.

\$137 Billion transportation bill emerges from House subcommittee

The United States House Appropriations Committee for Transportation, Housing and Urban Developments, and Related Agencies on Thursday favorably recommended to the full committee its fiscal year 2020 funding bill, which provides \$137.1 billion in budgetary resources. The full committee markup is scheduled for the first week after Congress returns from its Memorial Day week recess.

The appropriation, which is an increase of \$6 billion over the enacted levels for the previous fiscal year, includes \$75.8 billion in discretionary funding, which represents a \$4.7 billion increase over fiscal year 2019 and is \$17.3 billion above President Donald Trump's 2020 budget request. The bill appropriates \$1.1 billion for the Maritime Administration (MARAD), which is \$63 million below the 2019 enacted level, but \$395 million above the president's budget request. The bill includes \$225 million for the

Port Infrastructure Development

Program, which was not included in the president's budget request and is down \$68 million from the 2019-enacted level. The Marine Highway Program was included in the House bill for the first time at \$15 million.

"The ports and the maritime programs are essential for economic growth," said subcommittee Ranking Member Mario Diaz-Balart (R-Florida) during Wednesday's markup. "Let me talk a little bit about infrastructure. For a number of years, we've been saying that this is the infrastructure bill. I'm hopeful that there may be another infrastructure bill elsewhere, but the one thing we can count on is this being the real infrastructure bill as it moves forward."

The appropriations bill provides \$86.6 billion in total budgetary resources for the U.S. Department of Transportation, which is \$167 million above the 2019 enacted level and \$3.7 billion above the president's budget request.

Maritime industry creates 22,500 jobs and \$6.12 billion for Washington's local economy

Washington Senator Maria Cantwell joined business and government leaders from around the region this month at the Seattle Maritime Festival Breakfast to celebrate the importance of the domestic maritime industry, sustaining 22,500 local jobs, and announced the 34% growth of domestic maritime jobs created in the State of Washington.

According to the findings of a new report conducted by PricewaterhouseCoopers (PwC) on behalf of Transportation Institute (TI), the domestic maritime industry in Washington ranks sixth among all American states for jobs and labor income relating to the Jones Act. The industry employs more than 22,500 individuals, produces \$6.12 billion for the local economy, and generates more than \$1.5 billion in worker income. Regionally, the same study shows that the domestic maritime industry employs over 37,590 individuals, supports \$2.5 billion in worker income, and produces nearly \$10 billion for the Pacific Northwest regional economy.

At the Seattle Maritime Festival Breakfast, Sen. Cantwell was presented with the "2019 Seattle Propeller Club Public Official of the Year" award in recognition for her long-standing support of the domestic maritime industry, port infrastructure, maritime commerce, and the Jones Act.

The Jones Act is not only a vital anchor for America's national security strategy but also a pillar of economic strength and job creation for the Pacific Northwest. Specifically, this law states that the transportation of merchandise between U.S. points is reserved for U.S. – built, owned, and documented vessels.

"The Jones Act is a juggernaut when it comes to helping us, and we are not talking about a relic, but a key tool in growing our economy for the future,"

said Washington Senator Maria Cantwell while speaking at the Seattle Maritime Festival Breakfast. "As shown in this report, the Jones Act has created 22,000 jobs here in Washington State, a 34% increase since the last report in 2014."

Various maritime leaders also recognized the positive economic impact of the Jones Act.

"The Pacific Northwest is a leader in the domestic maritime industry, supporting nearly 38,000 family-wage jobs and contributing \$10 billion to the local economy," said James L. Henry, Chairman and President of Transportation Institute. "The findings in our most recent study demonstrate the strength and necessity of the Jones Act which serves as the backbone of the American maritime industry, the U.S. industrial base, and job creation for the hardworking men and women that crew the vessels delivering both in times of war and peace."

"Seattle is a maritime community. It's part of our DNA and an important contributor to a vibrant economy in the region," said Frank Foti, President and CEO of Vigor Shipyards. "Vigor Shipyard is honored to be part of a growing industry in Washington and throughout the Pacific Northwest and Alaska that creates amazing family wage jobs for skilled people who excel at their craft and deliver value and service to customers."

Thanks to the Jones Act, the domestic maritime industry employs nationally approximately 650,000 Americans across all 50 states, creates \$41 billion in labor income for American workers and adds more than \$154.8 billion in annual economic output each year. There are more than 40,000 American vessels – built in American shipyards, crewed by American mariners, and owned by American companies – that operate in our waters 24-hours a day, seven days a week.

Longshore locals and employers in British Columbia reach tentative agreement

The International Longshore and Warehouse Union Canada (ILWU Canada) has reached a tentative agreement with the British Columbia Maritime Employers Association (BCMEA).

The agreement, which followed a two-hour period Thursday in which more than 6,000 ILWU members were locked out, has served to avoid a shutdown that would have affected almost all port facilities along the west coast of Canada.

Rank-and-file ILWU members had previously voted by an overwhelming margin to authorize a strike. The employers began the lockout in the morning. The longshore workers immediately set up picket lines. Two hours later, the sides announced they had reached the tentative agreement. The ILWU withdrew the pending strike notice and work in the terminals resumed in the afternoon. The

primary obstacle to an agreement during the 18-month-long period of negotiation that preceded the lockout was job losses due to port automation. No details of the agreement are being released pending the ratification vote by ILWU members.

"The effects that automated terminals could have not only on my work force but on the communities they live in... are massive," said ILWU Canada President Robert Ashton in an interview with a member of the press.

The International Transport Workers' Federation (ITF) Dockers' Committee, which has come out strongly in favor of the ILWU, said job cuts caused by automation "have repercussions on and off the waterfront including less economic spending power in the community, which leads to a reduction in tax revenue that can be used for public schools and other essential services."

HEAT-RELATED ILLNESSES

WHAT TO LOOK FOR	WHAT TO DO
HEAT STROKE	
<ul style="list-style-type: none"> High body temperature (103°F or higher) Hot, red, dry, or damp skin Fast, strong pulse Headache Dizziness Nausea Confusion Losing consciousness (passing out) 	<ul style="list-style-type: none"> Call 911 right away—heat stroke is a medical emergency Move the person to a cooler place Help lower the person's temperature with cool cloths or a cool bath Do not give the person anything to drink
HEAT EXHAUSTION	
<ul style="list-style-type: none"> Heavy sweating Cold, pale, and clammy skin Fast, weak pulse Nausea or vomiting Muscle cramps Tiredness or weakness Dizziness Headache Fainting (passing out) 	<ul style="list-style-type: none"> Move to a cool place Loosen your clothes Put cool, wet cloths on your body or take a cool bath Sip water <p>Get medical help right away if:</p> <ul style="list-style-type: none"> You are throwing up Your symptoms get worse Your symptoms last longer than 1 hour
HEAT CRAMPS	
<ul style="list-style-type: none"> Heavy sweating during intense exercise Muscle pain or spasms 	<ul style="list-style-type: none"> Stop physical activity and move to a cool place Drink water or a sports drink Wait for cramps to go away before you do any more physical activity <p>Get medical help right away if:</p> <ul style="list-style-type: none"> Cramps last longer than 1 hour You're on a low-sodium diet You have heart problems
SUNBURN	
<ul style="list-style-type: none"> Painful, red, and warm skin Blisters on the skin 	<ul style="list-style-type: none"> Stay out of the sun until your sunburn heals Put cool cloths on sunburned areas or take a cool bath Put moisturizing lotion on sunburned areas Do not break blisters
HEAT RASH	
<ul style="list-style-type: none"> Red clusters of small blisters that look like pimples on the skin (usually on the neck, chest, groin, or in elbow creases) 	<ul style="list-style-type: none"> Stay in a cool, dry place Keep the rash dry Use powder (like baby powder) to soothe the rash

CDC: Best practices of workplace heat management

Control of Heat Stress

Employers should reduce workplace heat stress by implementing engineering and work practice controls. Engineering controls might include those that:

- Increase air velocity, use reflective or heat-absorbing shielding or barriers.
- Reduce steam leaks, wet floors, or humidity.

Work practice recommendations include the following:

- Limit time in the heat and/or increase recovery time spent in a cool en-

vironment, reduce the metabolic demands of the job.

- Use special tools (i.e., tools intended to minimize manual strain).
- Increase the number of workers per task, train supervisors and workers about heat stress.
- Implement a buddy system where workers observe each other for signs of heat intolerance.
- Require workers to conduct self-monitoring and create a work group (i.e., workers, a qualified healthcare provider, and a safety manager) to make decisions

Welfare Notes

June 2019

Medicare does not send official notices when you become eligible for Medicare coverage. To avoid penalties that will require you to pay an additional penalty amount forever, you must enroll when you become eligible for Medicare. Your initial enrollment period lasts seven months including the 3 months before you become 65 years old and the three months after your birthday. As an example if your birthday is in June your enrollment period is March 1 through September 30.

Medicare Part A helps pay the cost of a hospital admission, stay in a skilled nursing facility, home health care, hospice care, and medicines administered to inpatients. There is no premium payment required in most cases for enrollment in Part A, so active participants should enroll in Medicare Part A when they become eligible.

Medicare Part B provides coverage for doctor visits in the office and hospital, outpatient services, rehab therapy, lab tests, medical equipment, and most medicines administered in a doctor's office. Enrollment in Medicare Part B requires a premium payment. Active SUP participants who are enrolled in a health plan probably do not need to enroll in Medicare Part B because copayments for most services will likely be less than the monthly Part B premium amount.

Medicare Part D coverage includes prescription drugs, insulin supplies, and some vaccines. Part D enrollment includes a required premium. There are a large number of Part D options that will require you to choose the best one for you.

If an active participant loses his active coverage for any reason including insufficient work time to continue coverage, he should enroll for Medicare Part B and Part D coverage as soon as possible to avoid any penalty for late enrollment.

Active coverage terminates on the date of your retirement. Medicare may charge you with a penalty if you have not worked for eight months prior to your enrollment in Part B or Part D. When considering retirement, check with the Medicare Social Security office about open enrollment periods and any situations that may cause you to face a penalty for late enrollments. The SUP Welfare Plan office will help you with any forms you may have to complete for enrollment.

Michelle Chang, Administrator mcsupsiupd@sbcglobal.net

Patty Martin, MPP & 401(k) Plans, Death Benefits martinpatty59@sbcglobal.net

Michael Jacyna, Eligibility mjacyna67@sbcglobal.net

Gina Jew, Claims gina@marinerbenefits.org

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

on self-monitoring options and standard operating procedures.

- Provide adequate amounts of cool, potable water near the work area and encourage workers to drink frequently.

- Implement a heat alert program whenever the weather service forecasts that a heat wave is likely to occur, institute a heat acclimatization plan and increase physical fitness.

Acclimatization

Acclimatization is the result of beneficial physiological adaptations (e.g., increased sweating efficiency, etc.) that occur after gradual increased exposure to a hot environment. Employers should ensure that workers are acclimatized before they work in a hot environment.

- Gradually increase workers' time in hot conditions over 7 to 14 days.

- For new workers: The schedule should be no more than 20% of the usual duration of work in the heat on day 1 and no more than 20% increase on each additional day.

- For workers with previous experience: The schedule should be no more than 50% of the usual duration of work in the heat on day 1, 60% on day 2, 80% on day 3, and 100% on day 4.

- Closely supervise new employees for the first 14 days or until they are fully acclimatized.

- Non-physically fit workers require more time to fully acclimatize.

- Acclimatization can be maintained for a few days of non-heat exposure.

- Taking breaks in air conditioning will not affect acclimatization.

Hydration

Employers should provide the means for appropriate hydration of workers.

- Water should be potable, <15°C (59°F), and made accessible near the work area.

- Estimate how much water will be needed and decide who will obtain and check on water supplies; individual, not communal, drinking cups should be provided.

- Encourage workers to hydrate themselves, workers should drink an appropriate amount to stay hydrated.

- If in the heat <2 hours and involved in moderate work activities, drink 1 cup (8 oz.) of water every 15–20 minutes.

- During prolonged sweating lasting several hours, drink sports drinks containing balanced electrolytes.

- Avoid alcohol and drinks with high caffeine or sugar; generally, fluid intake should not exceed 6 cups per hour.

Rest Breaks

Employers should ensure and encourage workers to take appropriate rest breaks to cool down and hydrate.

- Permit rest and water breaks when a worker feels heat discomfort.

- Modify work/rest periods to give the body a chance to get rid of excess heat.

- Assign new and unacclimatized workers lighter work and longer, more frequent rest periods.

Shorten work periods and increase rest periods:

- As temperature, humidity, and sunshine increase, when there is no air movement, if protective clothing or equipment is worn, and for heavier work.

DEFEND THE MARITIME SECURITY PROGRAM

Congress seeking inventory of offshore vessels in wind industry

Evidence keeps piling up that offshore wind is developing into a truly viable energy resource as wind turbine technology advances, the economies of scale along the supply chain become more favorable and Uncle Sam, joined by several once-reluctant state governments, are all advocating and approving offshore wind projects as part of their energy plans.

The workboat industry has been watching these developments closely, with some shipbuilders developing plans to build specialty vessels, and tug and barge companies, mostly in the Northeast, already working in this sector with construction of the Block Island wind project that began operations off Rhode Island in late 2016, and with anticipation of other projects soon beginning off the Atlantic from Massachusetts and New York to Maryland and Virginia.

But are there enough vessels to handle the construction and maintenance needs of the emerging offshore wind industry? Congress wants to find out.

Last month the Senate Commerce, Science and Transportation Committee approved an amendment to the Maritime Administration Authorization and Enhancement Act that would require a report on the kinds of vessels needed for offshore wind farms and whether they are available for U.S. offshore projects.

If the bill becomes law, the Department of Transportation, in consultation with the Interior and Energy Departments, would produce a report within six months assessing the number of vessels available “to install, operate and maintain emerging offshore energy infrastructure.” The study would also project the need for additional vessels over the next 10 years and make “policy recommendations to ensure the vessel capacity to support such emerging offshore energy.”

The amendment was proposed by Sen. Edward Markey, D-Mass., a proponent of green energy and whose home state approved offshore wind contracts for the Vineyard Wind project in April, clearing the way for turbine construction to begin later this year. This was clearly a major turnaround for the Bay State, which just a few years ago rejected another project, Cape Wind, which was to be the nation’s first offshore wind farm ahead of the Rhode Island project.

Growth in the U.S. offshore wind sector

is expected to spur construction of Jones Act-compliant vessels, and it is hoped that the report will provide further clarity about how that law might affect the different kinds of vessels needed to support offshore projects.

Offshore wind vessel construction is in its infancy in the U.S., concentrated mostly on personal transfer vessels, tugs and supply and construction barges which can be built relatively quickly. Vessel design know-how is primarily concentrated in Europe, and the majority of heavy lift jackup vessels necessary for installation of wind turbines and vessels for laying cables are foreign-flagged.

It’s widely believed that an installation vessel that doesn’t go back and forth to a U.S. port but is supplied as necessary by a Jones Act qualified barge can be a non-U.S.-flag vessel. This type of joint venture was the workaround strategy used in the Block Island Wind Farm in which a foreign-flagged vessel transported turbines across the Atlantic from Europe and directly to the installation site off Block Island without any interim stops at U.S. ports. U.S.-flagged vessels then ferried tower sections and blades to the offshore installation site from Rhode Island.

There remain different and often confusing interpretations about what kinds of vessels must be Jones Act compliant, however, and there is currently no public guidance. The possibility always exists that Congress might change the law at any time. This is why many operating in this sector are being conservative and assuming that the Jones Act applies in just about all instances, Charlie Papavizas, a partner at Winston & Strawn LLP who oversees the firm’s maritime practice, said during a webinar on the topic in March. He added that crew transfer vessels and other types are likely to be built in the United States and would be Jones Act compliant.

He noted that the United States is poised for substantial growth with 13 existing commercial leases off the U.S. East Coast from Massachusetts to North Carolina in various stages of permitting and more leases to be offered in the coming months. “Major international renewable energy development companies are among the leaseholders and European companies with significant experience in the construction and operation of offshore wind farms are entering the U.S. market,” he said.

Imports at ports of Los Angeles and Long Beach fall in May

The Los Angeles and Long Beach port complex – the No. 1 hub for U.S. ocean trade with China – processed 6.3% fewer inbound cargo containers in May, signaling that the escalating U.S.-China trade war is roiling business activity. Exports from the California seaport complex, the nation’s busiest, fell 7.4% year-on-year, the two ports said.

U.S. companies ranging from retailers to manufacturers stockpiled goods before Washington and Beijing began slapping tariffs on imports last year. The May decline comes at a time when importers are typically ramping up for the peak shipping season that brings in goods for the winter holidays.

“Escalating tariffs have pushed retailers to order goods early, warehouses are brimming with inventory as a result, and in response, ocean carriers are managing their vessels to deal with reduced demand,” said Mario Cordero, executive director at the Port of Long Beach, where imports fell 19.5% versus May 2018, more than offsetting a 5.5% increase in imports at the larger Port of Los Angeles.

The Trump administration escalated the trade conflict in May, announcing a tariff hike on \$200 billion of Chinese products. China retaliated with tariffs on \$60 billion of U.S. goods. President Donald Trump has also threatened to hit China with tariffs on “at least” a further \$300 billion worth of Chinese goods. That threat may have spawned another trade bump.

China’s exports unexpectedly returned to growth in May – rising 1.1% and prompting speculation that Chinese exporters rushed out shipments to avoid the new U.S. tariffs.

It typically takes about 10 to 14 days for cargo ships to make the trip directly from China to the U.S. West Coast. Many ships call at multiple ports before crossing the ocean, adding weeks to the trip.

Revived Ex-Im bank ready to advance Trump’s energy agenda

President Trump is swearing in the new export-import bank’s president and board of directors, restoring the bank’s quorum and putting it on a path to support more U.S. energy exports.

The Senate restored the quorum earlier this month by installing just enough members to allow the bank to become fully functional, after three years without enough members to approve loans for products over \$10 million.

Trump will be participating in the swearing in of Kimberly Reed, the new president of the Ex-Im Bank, along with two new directors: Spencer Bachus III and Judith DelZoppo Pryor.

One of the bank’s first priorities will be to approve a backlog of billions of dollars in loans to support energy companies looking to export technology for major infrastructure projects abroad.

One of the bigger approvals will be for a \$5 billion direct loan to undergird just over \$4 billion in U.S. equipment and services slated to build a liquefied natural gas project in Mozambique.

Supporting U.S. exports to Africa is a big priority for the bank. Trump sent Reed to South Africa last weekend to represent him at the inauguration of reelected President Cyril Ramaphosa.

Reed told Ramaphosa that supporting South Africa’s infrastructure development, which includes updating its electric

grid, will be a primary focus of the bank.

Trump “would like South Africans to know that the United States stands together with South Africa to address regional and global challenges,” she said on Saturday. Reed said the bank is now ready to begin supporting U.S. exports of goods and services to South Africa’s infrastructure projects with long-term financing.

South Africa is one of the most robust economies on the continent. Under President Barack Obama, the bank had worked to export billions of dollars in renewable energy technology to support Pretoria’s clean energy initiatives. Renewable energy and environmental technology exports remain a stated priority on the agency’s website, but critics say that won’t matter as much under the current administration.

Environmental groups are lining up to oppose the bank’s agenda now that it has been restored.

The bank will become “Trump’s billion-dollar fossil fuel slush fund,” rather than being used to fight climate change, said Doug Norlen, economic policy program director at the left-leaning Friends of the Earth.

The LNG plant being built in Mozambique is of particular concern to environmental groups, who see it as posing a threat to the health of villagers, while producing greenhouse gas emissions that exacerbate global warming.

USCG changes radar renewal rule

The Coast Guard is revising its merchant mariner credentialing regulations to remove obsolete portions of the radar observer requirements and harmonize the radar observer endorsement with the merchant mariner credential. These revisions will reduce an unnecessary financial burden on mariners required to hold a radar observer endorsement.

The final rule will affect mariners who have served on radar-equipped vessels in a position that routinely uses radar for 1 year in the previous 5 years for navigation and collision avoidance purposes, and mariners who have taught a Coast Guard-approved or accepted radar course at least twice within the past 5 years. These mariners will no longer be required to complete a Coast Guard-approved or accepted radar refresher or re-certification course in order to renew their radar observer endorsements.

The Coast Guard is retaining the existing requirements for mariners seeking an original radar observer endorsement and for mariners who do not have 1 year of routine relevant sea service on board radar-equipped vessels in the previous 5 years or have not taught a Coast Guard-approved or accepted radar course at least twice within the past 5 years.

Membership and Ratings Committee

The Committee met on June 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
Jamie McKeller 19621	1 yr.	O.S.	B
Alex Sapien 19622	1 yr.	O.S.	B
Mohsen Hassain C2792	30 days	A.B.	C
Victorino Ramos C2793	30 days	A.B.	C
Quoc-Thai Hoang C2794	30 days	O.S.	C
Andres Alarcon-Munoz C2795	30 days	O.S.	C
Jahil Cole C2796	30 days	O.S.	C

Membership and Ratings Committee’s Report: M/S (Carter-several) to concur in the Committee’s report. Carried unanimously. Membership and Ratings Committee: Terrence Lane #4107, Lee Bolden #19623 and Joel Tetrault #19612.

**DEFEND THE JONES ACT
SUPPORT THE SUP
POLITICAL FUND**



SUP PRESIDENT'S REPORT

June 10, 2019

WATSON BID

On May 28, 2019 the Request for Proposals (RFP) for the operation and maintenance of eight Watson-class vessels was published on the Department of the Navy's Military Sealift Command website. The incumbent operator Patriot notified the Union of its intent to bid to retain the work and requested Union review of the proposal. Although the proposal has an initially restrictive deadline for the submission of initial proposals by July 1, the extended process may go for months. The successor contract is for one year four fixed price with four option years. Work continues on a competitive bid based on our experience, and the existing Total Labor Cost and wage determination published by the MSC as part of the RFP. Because the bid will go through the normal phases of adjustment via an amendment process, the final package is both incomplete and premature. I expect to present a best and final wage and benefit bid later this year. The expected deployment of the ships and their operational tempo is the same: one in ROS on the U.S. East Coast, and seven in FOS with three of those in the Indian Ocean and the other four in the western Pacific.

MATSON WAGE INCREASE

Under Section 36 of the General Rules of our collective bargaining agreements with Matson Navigation Inc. – that's the Offshore, Maintenance and the Extra Maintenance Agreements as well as the Kamokuiki Agreement (CV-700) – an increase of 3.00% is due on all rates of pay and wage-related items (base wages, overtime, supplemental benefits, etc.) effective July 1, 2019. Also effective on July 1, is a \$0.25 per manday increase to the SUP training fund. Recommend membership allocation of the entire 3% wage increase to wages and wage related items and the fringe benefit allocation to training as necessary among benefit plans. New wage rates will be published in the June issue of the West Coast Sailors.

WASHINGTON DC

To address the full range of legislative and regulatory issues facing the Union, as well as to handle matters of contract administration and benefits education, I traveled to the nation's capital in late May.

The primary legislative matters – that's the Jones Act, the Maritime Security Program (MSP), and cargo preference – remain in our perennial focus, but it was especially timely to represent the Union in the midst of fresh attacks on the Jones Act, a sudden program renewal for MSP, and a focus on general military readiness. The news is good, and the outlook is affirmative despite the persistence of a great uncertainty. The Jones Act emerged from a new type of waiver threat unharmed, and the legislation that authorizes and funds a new Maritime Security Program is generally favorable in its draft forms as it emerges from committees in the House and Senate and proceeds through Congress. (For more on the MSP read recent and current editions of the West Coast Sailors.

Because of our reputation for political action, and because of our allies in maritime labor, the visit allowed access a wide variety of industry decision-makers. Among the members of Congress among others was Senator Dan Sullivan (R-AK), for example, a member of both Senate Commerce and Armed Services committees, and Congressman Bradley Byrne (R-AL) who is on House Armed Services Committee and its subcommittee on Seapower and Projection Forces, both of whom spoke directly to their influential roles in the recent rejection of a proposed Jones Act LNG waiver.

Also available were military commanders and their staff, particularly General Stephen Lyons, Commander of the United States Transportation Command (TRANSCOM) a key maritime and MSP supporter. The mission of TRANSCOM is to sustain the U.S. military, enable global logistical reach, and thereby provide a full range of strategic options. At the official Maritime Day celebration at the Department of Transportation (DOT), General Lyons said that "in World War II the merchant

marine made victory possible and was as critical as any tank or plane. Fast forward to today and the Department of Defense continues to depend on U.S.-flag merchant ships, their incredible trade networks, and their exceptional mariners. The merchant marine is an essential part of the DoD war plans and that's why I remain a strong advocate of U.S. flag ships and the Maritime Security Program that supports them." The emphatic support in that statement makes clear that the fundamental connection of the U.S. merchant marine and the nation's ability to project power overseas is not lost on Washington.

The schedule of events also allowed for some discussion with a wide range of government agency officials including those from Maritime Administration and Coast Guard, as well as maritime lawyers, advocacy groups, lobbyists and Union leaders, all in support of the notion that our work still exists and survives – almost entirely – by both legislative dictate and national government funding.

On contract administration I met separately with Matson's Vice-President of Vessel Operations and Engineering Jack Sullivan and later at APL Maritime's new Rockville MD offices with the Chief Operating Officer Arnaud Lavanant, along with APL manager Labor Relations John Dragone. Both meetings were informal but covered numerous topics, some resolved and some pending, including for example with Sullivan the status of new-build ships and their timelines, their expected future deployments, retrofits, and with Lavanant and Dragone certain ship specific repairs and maintenance issues, Chinese visa dispatch and reimbursement policy, work rule interpretations, as well as economic outlook, safety, and security issues particularly in the Persian Gulf.

About benefits, I attended the International Foundation of Employee Benefit Plans which held its annual legislative update conference on issues related to health and welfare plans, pensions and 401(k) plans along with updates on state and federal labor and employment law. Chief among the many messages is the long-running and ongoing ideological war against unions, collective bargaining, and employee benefit plans. Traditional defined benefit pension plans, for example, are being directly targeted by anti-union forces for elimination via a lack of agency or Congressional relief for a single large Teamsters' pension plan called Central States. At the same time, traditional pensions are being indirectly targeted via de-funding of the Pension Benefit Guarantee Corporation (PBGC) which is the national insurance backstop to defined benefits and is funded by a rising per capita premium cost paid by all. The Central States plan will almost certainly go broke in 2024 and if nothing is done the PBGC will also become insolvent the same year. Although the exact nature of the impact is uncertain, even healthy plans could in the future be affected by widespread failure of unhealthy plans. The Trustees of the various SUP and SIU-PD benefit trusts will meet later this month to consider these and other aspects of the legislative landscape, as well as the report of the actuary and the funded status of the plan, among many other things and will report on same as necessary.

MARITIME SECURITY PROGRAM UPDATE

Following up on previously reported letters of support for Maritime Security Program (see attachment #1), and other work that is substantially the same, a careful look-out has been kept on the Congressional activity around MSP program authorization and appropriations.

The House Appropriations sub-committee on Transportation, Housing and Urban Development and Related Agencies approved a \$137 billion transportation bill on May 23 (see article on page 7 for more details), which contains funding for the Maritime Administration, the Maritime Security Program, the Ready Reserve, among many other things. As previously reported, this bill is not merely an annual appropriation of MSP funds: **it also contains a critically important renewal of the program and an extension through FY 2035.** Built into it is a fix for the so-called "fiscal cliff" – a statutory reversion of the existing stipend back to 3.7 million per ship scheduled for next year. In addition to avoiding the fiscal cliff problem by maintaining existing funding at \$300 million for FY 2020, the new MSP would increase in the stipend from present appropriations of about \$5 million per ship to \$5.3

million per ship beginning in FY 2022 and designate the same funding through FY 2025. In the out years beginning in FY 2026 through 2028 an increase to \$5.8 million per ship would be authorized, followed by a bump to \$6.3 million per ship from FY 2029 through FY 2031 and finally followed by an increase to \$6.8 million per ship from FY 2032 through FY 2035. Companion legislation already reported out by the Senate Commerce Committee would provide \$5.2 million per ship in each year from FY 2026 through FY 2035. Finally, both versions of the bill would maintain existing language relating to the operation of the MSP vessels in the Guam trade, extended to FY 2035.

The sub-committee also introduced an entirely new complementary ship support program called the Tanker Security Fleet (TSP) which under a separate legal heading would designate ten militarily useful product tankships "to meet national defense and other security requirements as well as to maintain a presence in international shipping." The TSP program would begin on January 1, 2021 with an annual stipend of \$6 million per ship. Independent of outcome a draft expansion of maritime cabotage is welcome news may serve as a template for future legislation.

CHEVRON EMPLOYEE SAVINGS INVESTMENT PLAN

The Chevron ESIP Investment Committee at its regular meeting reviewed the Plan and decided to introduce changes to the investment fund lineup that will be come effective between by July 19, 2019. The changes will include the addition of one new fund option, the removal of four existing funds including a transition to a lower-cost version of an existing fund. These changes will streamline the fund choices, reduce overlap, and provide more cost-effective fund alternatives. They will take place without any action required by the participants although they will be advised on the opportunity to make other changes if so desired. Participants will begin receiving communication directly from Fidelity on this and all other matters on Wednesday June 12, 2019. Questions can be answered at netbenefits.com or 888-835-5247.

HOLIDAYS

Kamehameha Day

All SUP halls will be closed on Tuesday, June 11, in observance of Kamehameha Day. In accordance with the Matson Agreement, Kamehameha Day is a paid holiday for those employed in company vessels at sea or in port and for members working under the Maintenance and Extra Maintenance Agreements. See page 5 of the *West Coast Sailors* for additional discussion.

Independence Day:

All SUP halls will be closed on Wednesday, July 4, in observance of Independence Day.

Bloody Thursday:

The annual commemoration of Bloody Thursday will be held at ports up and down the West Coast this year on day, July 5. Details of the observance will be published in the June West Coast Sailors.

SUP members on the beach are urged to attend these events which mark a red letter day during the 1934 coastwise maritime strike.

Two SUP brothers were killed in the 1934 strike and its aftermath. Olaf Helland was struck by a tear gas bomb on July 20, 1934, in Seattle, during the Battle of Pier 41 and died August 6.

On ships at sea, particularly those owned by Dollar Line (the predecessor of American President Lines), it was a continuous battle to rid the ships of scabs in 1934 and 1935. Union men and scabs fought on the Presidents Grant, Hoover, Hayes, Adams and Coolidge in Hong Kong and Manila.

SUP member Bruce Lindberg, aged 20, was knifed and killed by the ship's scab carpenter on the President Grant on February 3, 1935, in Hong Kong. The murderer, Alvin Chown, was never brought to justice. That same year on July 5, Brother Lindberg's mother and the widow of slain ILA longshoreman Shelvy Daffron, led a parade of 5,000 maritime workers in Seattle to mark Bloody Thursday.

VICE PRESIDENT'S REPORT

June 2019

I represented the SUP at the Alameda Labor Council delegates meeting as well as at the Unionist of the Year dinner.

APL Saipan: Christian De Mesa, delegate. Clarification regarding cranes, as well as early and retained work.

APL Gulf Express: Ariel Odion, delegate. No major beefs. Hussein Ali, bosun. Close monitor on security situation.

APL President Kennedy: Lourdes Macias, delegate. No major beefs. Roger Tupas, bosun.

APL President Cleveland: Corey Burton, delegate. Inquiries regarding shorthanded pay. Joe McDonald, bosun.

USNS Dahl: Charlie Wood, delegate. Continuing topside preservation and maintenance, possibly heading to Korea soon. Ed Zepeda, bosun.

USNS Sisler: Anthony Wylie, delegate. Busy times in shipyard. PCS called for additional AB's and three Ordinaries to assist with all the necessary work. Jon Clark, bosun.

USNS Watkins: Noel Romero, delegate. Finished offloading cargo in South Carolina, heading to the shipyard. Gary Declair, bosun.

Mississippi Voyager: Brian Dixon, delegate. Continuing west coast run from El Segundo to Richmond Long Warf. Ron Gill, bosun.

Florida Voyager: Jonah Cross, delegate. In and out of Richmond with little or no beefs. Inquiries regarding training re-imburement answered. Bob Turner, bosun.

Cape Hudson: Jonnell Hodges, delegate. Returning from overseas mission to San Francisco at the end of the month. Well done to all SUP crewmembers during her long and successful voyage. Kim Dulay, bosun.

Cape Horn: Cody Clark, bosun. ROS status in San Francisco with ongoing top side preservation. Called for four extra GVA's for maintenance work.



SUP members employed by FOSS at "Home Dock" celebrating FOSS' 130th birthday. From left: Fernando Liencres, Jason Chilbert, Jo Plant, SUP VP Matt Henning, and John Crockett.

Navy Secretary calls for used-ship buy to recapitalize sealift fleet

At a forum at the Center for Strategic and Budgetary Assessments this month, U.S. secretary of the navy Richard Spencer said that he is advocating for buying used ro/ros to replenish America's sealift capacity. Spencer said that he is still looking at the Navy's new build option - called the Common Hull Auxiliary Multi-Mission Platform (CHAMP) - but he is also making the case for a more cost-efficient solution.

"Just putting my business hat on for the business case, I can't afford a lot of \$600 million ships. I can't really afford a lot of \$400 million ships when I can go out and buy used ro/ros for \$35 to \$40 million," he said. "I'm up [at Congress] asking to get a little more relief. I don't want to abandon ship building, don't get me wrong, but I need a quick little shot in the arm for the ability to rebuff and rebuild... my ability to deliver on the high seas. We'll see how that plays out because that's an interesting two edged sword."

As there are relatively few U.S.-built ro/ros trading today, a purchase of the type Spencer described would likely require sourcing foreign-built used ships. This was an established practice in years past, as seen in the MARAD Ready Reserve Force fleet, which is primarily composed of foreign-built vessels.

In a question-and-answer session, Spencer acknowledged the tensions between purchasing enough sealift capacity, setting priorities for the Navy's budget and sustaining the American shipbuilding industrial base. "I am responsible for keeping the health of [the shipbuilding] industry, but that certainly doesn't mean that my checkbook is wide open indiscriminately," Spencer said. "We have to make every dollar count and we have to work on this situation... I totally get it that buying a used ship does not promote the shipbuilding community. I need to balance [new construction] and the ability to have the requirements fulfilled."

Gen. Steve Lyons (U.S. Army), the commander of Transportation Command, has also asked Congress to accelerate the funding to buy used vessels quickly in order to recapitalize America's sealift capacity. Many of the vessels in MARAD's Ready Reserve Force fleet are past the end of a normal commercial lifespan: the average age of the fleet is 44 years, and MARAD warns that the cost of maintenance is growing rapidly. Maritime Administrator Rear Adm. Mark "Buzz" Buzby (USN, ret'd) described the RRF's readiness as "on the ragged edge" last year, and no policy change has occurred since.

Matson begins scrubber installation

Matson, Inc. announced this month that it has begun the installation of state-of-the-art exhaust gas cleaning systems on six vessels deployed in its Hawaii and China-Long Beach Express services as part of its strategy to reduce fleet emissions in line with new worldwide regulations established by the International Maritime Organization (IMO) that take effect on January 1, 2020. Three of the vessels will receive the new equipment in 2019 and the remaining three in 2020.

While new low-sulfur fuels designed to meet the new IMO emission standard have been in development for years in anticipation of the change, there is still uncertainty about their costs and availability. Liquefied Natural Gas (LNG) is an alternative, but the infrastructure for production and distribution remains insufficient to support Matson's operations in the Pacific.

"Because of unpredictability in the way fuel markets may develop over the next few years, Matson's IMO compliance strategy retains the flexibility to implement the most economical solution as conditions evolve," said John Lauer, Matson senior vice president and chief commercial officer. Previously, Matson embarked on a fleet renewal program, replacing older vessels with four new ships that are equipped with dual-fuel engines designed to run on new low-sulfur fuels or LNG.

The other main component of Matson's strategy involves expanded use of exhaust gas cleaning systems, or "scrubbers," which enable vessels to achieve compliance with the new IMO regulations while continuing to use existing higher sulfur fuels. Matson installed scrubber systems on three vessels in its Alaska fleet in 2015 and 2016, and the success of that project became the foundation of its IMO 2020 compliance strategy.

Similar to the systems Matson deploys in Alaska, the scrubber technology being installed in the six additional vessels will reduce sulfur oxides emissions to levels at or below the limits set by the new IMO regulations, and below those of vessels using low-sulfur fuel. With the deployment of dual-fuel engines in new ships and scrubbers in additional vessels, Matson will be able to meet or exceed the IMO 2020 emission standard while mitigating the expected higher cost of low-sulfur fuel over more than half of its current fleet.

Trans-Pacific carriers begin blanking sailings

Trans-Pacific container carriers are beginning to skip sailings for June as they prepare for decelerated growth of US imports from Asia due to tariffs and after eastbound spot rates to the West Coast fell for the second straight week.

The Ocean Alliance will blank a June 2 sailing from Fuzhou that was set to call Nansha, Hong Kong, Yantian, Xiamen, Los Angeles, and Oakland, and a June 18 sailing from Qingdao that was set to call Ningbo, Shanghai, Busan, Colon, Savannah, Charleston, Boston, and New York, according to Alphaliner, a maritime analyst.

The blank sailings will take 23,218 TEU of capacity out of the trade lane, and Alphaliner warned more blank sailings are likely. The Ocean Alliance, a highly integrated vessel-sharing agreement, consists of CMA CGM/APL, Cosco Shipping/OOCL, and Evergreen Line.

Eastbound trans-Pacific spot rates to move an FEU from Asia to the US West Coast are down 14.6% from two weeks ago, at \$1,442, according to the latest reading of the Shanghai Containerized Freight Index, as published on the JOC Shipping and Logistics Pricing Hub. Container lines have become more agile in matching capacity to demand via blank sailings, Philip Damas, director and operational head for Drewry Supply Chain Advisors, said at JOC's TPM 2019 conference in Long Beach, California, in March.

"This is the strongest sign of discipline by carriers we have seen since 2010," Damas told the conference.

Partly due to the front-loading of imports to beat higher tariffs last fall, US imports from China have fallen sharply in the early part of the year. Shipments have declined 6% year over year to \$3.5 million TEU in the first four months of 2019.

Carriers implemented 35 blank sailings through February and into early March,

including 22 to the West Coast and 13 to the East Coast, compared with 11 last year, according to SeaIntelligence Maritime Consulting. Alphaliner in its March 6-12 newsletter noted that the Ocean Alliance canceled 10 additional trans-Pacific sailings for March-April.

Additionally, carriers are telling customers to prepare for the likelihood of missed sailings in the fourth quarter when a number of vessels are taken out of service for a week at a time to prepare the ships for the transition to low-sulfur fuel, as required by the International Maritime Organization's mandate taking effect Jan. 1.

Alphaliner warned last week that if President Donald Trump goes through with his latest tariff threat, eastbound trans-Pacific volume will fall at least 8% this year after rising 8.3% in 2018. Increased sourcing from other Asian countries won't make up for the shortfall, the maritime analyst said in the weekly newsletter. The newest tariff shock hit the trans-Pacific before the traditional summer peak season and could put downward pressure on spot rates at a time when they would otherwise be rising.

Trump on May 5 announced that tariffs on \$200 billion of Chinese imports would rise from 10 to 25%. He has threatened tariffs on the remaining \$300 billion in Chinese goods after China said it would raise tariffs on \$60 billion of US imports June 1.

The tariffs and the uncertainty on whether they will remain or be removed via a larger trade deal between China and the United States has accelerated US importers' consideration of sourcing alternatives. At the JOC Gulf Shipping conference this week, CMA CGM America president Ludovic Renou said he doesn't expect much change in sourcing patterns this year but that 10-15 percent of trans-Pacific eastbound volume could leave China if the tariff battle is not resolved.

"When people ask me, 'Why can't labor organize the way it did in the thirties?' the answer is simple: everything we did then is now illegal."

—Thomas Geoghegan, *Which Side are You On?* 1991

SUP BRANCH REPORTS

HONOLULU

May 20, 2019

Shipped the following jobs in the month of May: 1 Bosn steady, 5 AB Day steady, 1 AB Day relief, 7 AB Watch steady, 1 AB Watch relief, 1 AB Watch return, and 2 OS Watch. The shipping jobs were filled by 6A cards, 6 B cards and 6 C cards. Shipped 23 standby jobs. The standby jobs were filled by 3 A cards, 6 B cards, 6 C cards, and 8 D cards.

Registered in Honolulu: 8 A cards; 24 B cards; 6 C cards; 6 D cards.

Ships checked

I visited the *RJ Pfeiffer*, *Manukai*, *Manulani*, *Maunalei*, *Manoa*, *Mokihana*,

Mahimahi, *Matsonia*, *Kamokuiki*, *DK Inouye*, *Kaimana Hila*, 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
- USNS Watson*-no major beefs

I represented the SUP at the Hawaii Ports Maritime Council meeting, and the Hawaii AFL-CIO executive board meeting.

Remember to check your documents and anything with less than six months to expiration you should start the renewal process.

Michael Dirksen, Branch Agent

BUSINESS AGENT'S REPORT

June 10, 2019

Matsonia: Allen Gonzalez, Delegate, Isnin Idris, Serang. In at Oakland#62. Sailed for Honolulu with no beefs. Cut back on working us hearing the B word(Budget). According to company sources she's planning to lay her up in October.

Mahimahi: Mike Henderson, Delegate, Mick McHenry, Bosun. In at Oakland#62. In on Memorial Day. Last trip there was a personal issue with claims of harassment. Matson did an investigation, interviewed crew members, and collected statements. Outcome still pending. We should have a better trip sailed for Honolulu.

Kaimana Hila: Lymwel Gador, Delegate, Phil Coulter, Bosun. In at Oakland#62. Sailed for Honolulu with no beefs.

Daniel K. Inouye: Jim Clay, Delegate, Paul Fuentes, Bosun. In and out Oakland#62. With the short stay in Oakland, stand-by's are vital when crew members are maxing out on their STCW hours. This happens every trip we need those extra men. Sailed for Honolulu.

APL Truman: Janan Jahair, Delegate, Leszek Jeziorski, Bosun. In at Oakland#56. Potable water issue raised again with management.

APL Wilson: Frank Walsh, Delegate, Rolando Mendoza, Bosun. In at Oakland#56. Sailed for the far east with no beefs.

APL Gulf Express: Hussein Ali, Bosun, Ariel Odion, Delegate. In at Jebel Ali on the middle east shuttle run. Weather starting to heat up, nothing we can't handle. We have a good gang making good money.

Admiral Callaghan: Dennis Sumague, Bosun, Larry Price(gude), Demario Dixon(gva).

Cape Orlando: Jim Linderman, Bosun, getting the maintenance work done with Rudy Martinez(gva), Jahil Cole(gude). Part of the RRF Alameda Fleet.

Cape Horn: Cody Clark, Bosun, Kenneth Carridine(gva), Quoc-thai.Hoang(gude). There's rumors of hiring stand-by's for a big maintenance job the port engineer has planned. At San Francisco Pier 50.

Cape Hudson: Jonnell Hodges, Delegate, Kim Dulay, Bosun. Last we heard from the delegate they sailed from Okinawa for Honolulu. A short stay sail for Seattle, then they arrived in San Francisco some time around the 20th.

Cape Henry: Planning to activate in late August for the Portland shipyard .Chris Bunheirao, Bosun, D'marco Horton(gva), Robert Richard(gude).

San Francisco Bar Pilots: Big Mike Koller, Delegate, Leo Moore Dock, Bosun. At San Francisco Pier 96.

Reminder if you are upgrading in seniority. Please send COPIES only when the process is complete we share everything. Worked in the front office.

Roy Tufono

SEATTLE

May 20, 2019

Patriot called for 2 Boatswains; filled by 2 registrants. 1 AB/W shipped to APL, filled by a C member. 1 relief and 1 steady AB/D and AB/W to Matson, taken by A & B members. 5 Standby AB's, filled by 2 A, 1 B, 1 C, and 1 D card.

Registered: 6 A card for a total of 10; 11 B cards for a total of 24; 1 C cards for a total of 4; 2 D cards for a total of 4.

Kaimana Hila was in with a question about common area sanitary duties and jurisdiction. The Union/Company agreed upon sanitary schedule is posted for all departments and will be adhered to. With the help of the MFOW Honolulu Agent this issue should be settled.

Please stay current on your documents! Patriot sailors; remember to check the date of you BST cert to be sure it will be valid for your next jobs duration. If you need BST renewal don't go it alone, schedule through the SUP Training Director Berit Eriksson.

Brendan Bohannon, Branch Agent

WILMINGTON

May 20, 2019

Shipping: Bosun: 1, AB/W: 15, AB/D: 7, OS/STOS: 1, GVA/GUDE: 2, and standby: 79 for a total of 105 jobs shipped.

Registered: A: 20 B: 42 C: 9 D: 4

Ships checked

Maunalei, *D.K. Inouye*, *R.J. Pfeiffer*, *Mokihana*, *Manukai*, *Manulani*, *Manoa*, *President Roosevelt*, *President Truman*, *President Eisenhower*, *President Wilson*, *President Kennedy*.

Shore side Bosun Gary Gelfgren and the stand by gang doing a great job, working additional days.

When your dispatch is complete, clean your room before leaving the ship.

Keep your dues current and be sure to check your documents, dues and document must be current to ship. When you get new documents let me know so I can update your records. This is your Union participate, come to meetings, read The West Coast Sailors and stay informed.

Leighton Gandy, Branch Agent

Dispatcher's Report

Headquarters—Jan. 2018

Deck	
Bosun.....	4
Carpenter.....	0
MM.....	6
AB.....	15
OS.....	3
Standby.....	14
Total Deck Jobs Shipped.....	42
Total Deck B, C, D Shipped.....	15
Engine/Steward	
QMED.....	0
Pumpman.....	0
Oiler.....	0
Wiper.....	0
Steward.....	0
Cook.....	0
Messman.....	0
Total E&S Jobs Shipped.....	0
Total E&S B, C, D Shipped.....	0
Total Jobs Shipped - All Depts.....	42
Total B, C, D Shipped-All Depts.....	15
Total Registered "A".....	27
Total Registered "B".....	24
Total Registered "C".....	19
Total Registered "D".....	51



AB Rudy Bautista on the mess deck of the President Kennedy after a fast run up the Coast and another middle of the night call out for arrival. Photo by: Matt Henning

UAW loses election vote at Volkswagen factory

In the most recent defeat for the labor movement in the South, workers at a Volkswagen plant in Tennessee this month voted down an attempt to form a union.

It was the second attempt in five years by the United Automotive Workers (UAW) to organize workers at VW's Chattanooga plant. This time the vote was 833 against joining in union and 767 in favor.

Almost all previous unionization attempts in factories operated by foreign car makers in the South have been unsuccessful.

The UAW's most recent loss underlined the challenges of organizing in southern states.

The union said that the vocal opposition of local politicians and lobbying by corporate groups were responsible for the defeat of its 2014 campaign to organize workers at the plant.

Volkswagen had originally offered to voluntarily recognize the UAW, but management pulled back under a barrage of attacks from Tennessee Republicans, who threatened to withhold public funding from the company if employees succeeded in joining in union.

This time UAW representatives said company officials made anti-union comments, held mandatory anti-union meetings and barred them from campaigning on site.

Almost all the company's other plants worldwide are unionized.

In 2015, a small group of maintenance employees at the Chattanooga plant voted to unionize, but Volkswagen has refused to bargain with them. That case is still the subject of litigation.

The global union federation IndustriALL has suspended its international agreement with Volkswagen as a result of the company's increasingly hostile stance to unionization drives in the United States.

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