



West Coast Sailors

Official Organ of the Sailors' Union of the Pacific

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Friday, March 22, 2019



Congress hears from maritime labor

In a wide-ranging and detailed examination of the current state of the American maritime industry, there were two sets of hearings in both the House and Senate on Capitol Hill in Washington D.C. on March 6. These hearings highlighted the critical nature of existing legislation, government funding and program support for maritime interests as both a vital American industry and a national defense asset. At the same time, maritime labor and other industry representatives converged on Capitol Hill and met with lawmakers on funding for the Maritime Security Program and other issues. (See President's Report on page 10.)

Yet the strong support for the U.S. merchant marine from both Congress and the Trump Administration came as new Jones Act waivers and repeals were considered. (See page 3.)

Following the signing of an Executive Order by President Donald J. Trump to create an easier pathway for veterans to transition into maritime careers in the U.S. Merchant Marine, congressional and maritime leaders convened for two hearings exploring the state of the domestic maritime industry and the role of the Jones Act. These hearings coincided with the release of new economic data from PricewaterhouseCoopers (PwC) which quantified that the Jones Act creates 650,000 jobs nationwide with an economic impact of more than \$150 billion annually.

On March 6, the House Transportation and Infrastructure Subcommittee on Coast Guard and Maritime Transportation gathered for a hearing titled "U.S. Maritime and Shipbuilding Industries: Strategies to Improve Regulation, Economic Opportunities, and Competitiveness"

while the Senate Committee on Commerce, Science, and Transportation simultaneously held a hearing titled "The State of the American Maritime Industry."

Chair of the House Committee on Transportation and Infrastructure Peter DeFazio (D-Oregon) opened the hearing by addressing the recent Executive Order signed by President Trump saying, "I applaud the President for signing an Executive Order on March 4, to support the transition of active duty service members and military veterans to careers in the U.S. Merchant Marine. That was the right thing to do. It would be a cruel irony, however, if the next action taken by this administration were to waive the Jones Act and simultaneously eliminate future job opportunities for those very same veterans and separat-

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The Sailors' Union of the Pacific was organized 134 years ago on March 6, 1885, on the old Folsom Street Wharf in San Francisco.

In that era, organizing a Union was a bold move as there were no laws on the books that addressed collective bargaining rights for workers. That would not occur until the passage of the National Labor Relations Act in 1935.

For sailors, there were no

rights. Under federal law they were serfs at the beck and call of the shipowner, the crimp, bucko masters and mates. Recognition, respect and improved conditions did not come easy. Men bled and some died for it.

During World War I and particularly World War II, hundreds of SUP members faced enemy attacks and went down with their ships. The SUP today continues to be a vital part of America's "Fourth Arm of Defense".

With a militant membership and the tenacious leadership of Andrew Furuseth (March 5, 1854) and Harry Lundeberg (March 25, 1901), tremendous obstacles were overcome and the Sailors' Union developed an enduring legacy of strength and integrity.

In addition to the anniversary of the organization of the Union and the birthdays of former secretaries Furuseth and Lundeberg, March is also the 104th anniversary of the Seamen's Act which was signed into law by President Woodrow Wilson on March 4, 1915, after a 20-year struggle by Furuseth to free seamen from indentured servitude.

The Sailors' Union of the Pacific is the oldest Union of seafarers in the world in continuous existence.

Key maritime programs receive funding

President Trump signed into law last month the Consolidated Appropriations Act, 2019, which provides funding for several federal agencies and programs through the close of the current fiscal year, including programs crucial to the U.S.-flag fleet and U.S. Merchant Marine.

The Appropriations Act provides full funding for the Maritime Security Program (MSP) fleet, \$300 million for the fiscal year. The Maritime Security Program supports a fleet of 60 militarily-useful U.S.-flagged ships, which are crewed by U.S. merchant mariners and operate in international commercial trades. The ships and their corresponding privately-owned intermodal cargo systems and networks are available to the Department of Defense for military sealift operations and in national security emergencies.

The Appropriations Act also provides funding for U.S. food-aid programs through the current fiscal year. Food for Peace

Title II, the primary source of food-aid cargoes for U.S.-flagged vessels, is now funded at \$1.5 billion. In appropriations legislation enacted last March, the program had been funded at \$1.6 billion for the previous fiscal year.

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

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

domestically and abroad.

The Act also provides \$3 million for administrative expenses related to the Maritime Administration's Title XI shipbuilding loan guarantee program, which eases access to commercial credit for the construction of merchant vessels in U.S. shipyards.

The Chairman of the House Committee on Transportation and Infrastructure Peter DeFazio (D-Oregon) and Chairman of the House Subcommittee on Coast Guard and Maritime Transportation Sean Patrick Maloney (D-New York) applauded the signing, which includes critical funding for construction of the first Coast Guard Polar Security Cutter.

"This funding for the Polar Security Cutter will help to address the need for future polar operations and improve polar icebreaking capabilities. Polar icebreakers enable the U.S. to maintain defense readiness, support the enforcement of treaties

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ANDREW FURUSETH



HARRY LUNDEBERG

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Stephen Rydberg..... 200.00
Dennis Belmonte..... 50.00

West Coast Sailors

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Fast facts about the Roaring Forties

Sailors call the latitudes between 40 and 50 degrees south of the equator the Roaring Forties.

During the Age of Sail (circa 15th to 19th centuries), these strong prevailing winds propelled ships across the Pacific, often at breakneck speed. Nevertheless, sailing west into heavy seas and strong headwinds could take weeks, especially around Cape Horn at the southern tip of South America, making it one of the most treacherous sailing passages in the world.

The Roaring Forties take shape as warm air near the equator rises and moves toward the poles. Warm air moving poleward (on both sides of the equator) is the result of nature trying to reduce the temperature difference between the equator and at the poles created by uneven heating from the sun.

This process sets up global circulation cells, which are mainly responsible for global-scale wind patterns. The air descends back to Earth's surface at about 30 degrees' latitude north and south of the equator. This is known as the high-pressure subtropical ridge, also known as the horse latitudes. Here, as the temperature gradient decreases, air is deflected toward the poles by the Earth's rotation, causing strong westerly and prevailing winds at approximately 40 degrees. These winds are the Roaring Forties.

The Roaring Forties in the Northern Hemisphere don't pack the same punch that they do in the Southern Hemisphere. This is because the large land masses of North America, Europe, and Asia obstruct the airstream, whereas, in the southern hemisphere, there is less land to break the wind in South America, Australia, and New Zealand.

While the Roaring Forties may be fierce, 10 degrees south are even stronger gale-force winds called the Furious Fifties. And 10 degrees south of the Furious Fifties lie the Screaming Sixties! We can thank the intrepid sailors of yore for these wildly descriptive terms.

Labor is prior to, and independent of, capital. Capital is only the fruit of labor, and could never have existed if labor had not first existed. Labor is superior to capital, and deserves much the higher consideration.

—Abraham Lincoln

Final Departures

Gordon Bohner, Book #4889. Born in California in 1926. Joined SUP in 1943. Died in Orangevale, California, February 3, 2019. (Pensioner)

Robert Copeland, Book #4763. Born in California in 1942. Joined SUP in 1960. Died on January 23, 2019. (Pensioner)

Gerald Ingemansson, Book #379. Born in California in 1936. Joined SUP in 1953. Died in Daly City, California, February 13, 2019. (Pensioner)

SUP Meetings

These are the dates for the regularly scheduled SUP meetings in 2018/2019:

	Hdqtrs.	Branch
April	8	15
May	13	20
June	10	17
July	8	15
August	12	19
September	9	16
October	Tues 15	21
November	Tues 12	18
December	9	16

Maritime Administrator reiterates optimism regarding maritime industry

Maritime Administrator Mark Buzby delivered an address to the Maritime Trades Department (MTD) Executive Board last month, expressing his optimism regarding the maritime industry.

Buzby reiterated the unwavering support of his boss, Secretary of Transportation Elaine L. Chao, another longtime friend of the U.S.-flag maritime industry.

Buzby detailed many of the obstacles the industry is dealing with, including a manpower shortage and an urgent need to recapitalize the Ready Reserve Force (RRF) vessels and other sealift ships.

"I really am optimistic. We're making some real headway in getting our merchant marine strengthened. All of my energy and focus and that of my staff is to ensure that the U.S. Merchant Marine continues to move forward that our story is told forcefully and truthfully. I can also promise that we'll continue to work shoulder-to-shoulder with all of you for the benefit of our mariners, because it's our mariners who often are taken for granted and are the key to our nation's sealift," Buzby said.

He pointed out that the industry "did pretty well" in the recent appropriations bill, which included full funding for the Maritime Security Program and a boost for the RRF, among other positive outcomes.

"I attribute our success this year to the great working relationships we have with labor and with all the facets of the maritime industry, and certainly key members of Congress who understand the importance of a strong maritime sector," Buzby said, adding that the industry enjoys bipartisan backing.

Specifically discussing the ages of various U.S.-flag military support ships, Buzby described the RRF as "a key part of TRANSCOM's (U.S. Transportation Command) ability to execute its wartime mission of deploying and sustaining our nation's combat forces. The Navy's plan to recapitalize that force of 46 ships plus 15 sealift ships that MSC runs is gaining some headway. Congress gets it; they're pushing hard. They want it to happen faster. We've had several members of Congress down on the ships to talk to our mariners and hear firsthand the challenges they have with maintaining these 44-and-a-half-year-old average-age ships. These are the ships we are going to depend on to move our armed forces overseas in a

crisis or national emergency, and we have to be able to depend on them."

He also said RRF ships in the last three years have been activated and used more than during any other peacetime stretch.

Buzby has spent lots of time visiting vessels in the past year. Reflecting on those trips and interactions, he said. "A real bright spot in all this work that's being done to maintain these ships is our mariners. They are doing a tremendous job. They totally understand the role they play in national security. They know that when they go out there and tear a pump apart or chip rust on deck to make sure that ship is ready to go, they are actually making a vital contribution to our nation's security, should the call come – and it will come at some point. ... They work their butts off. Their spirit is good, and there are smiles on their faces, and to a man they understand the importance of what it is they do, and are happy to be doing it. I don't think that's something that's unique to the RRF crews. Talk to our MSP mariners, talk to our Jones Act mariners, they get it, too. They understand how it's all part of the web that is our maritime industry that is so vital both to our national and economic security."

The Maritime Administrator also said that the industry must continue defending the Jones Act, which faces a "recent heightened level of organized attacks We're fighting at MarAd, and Secretary Chao has been tenacious in defending the Jones Act. There is no wavering in her at all. ... The Jones Act is a bedrock, foundational piece of legislation for our industry."

"I think Congress, by and large, is behind us. Everyone that I've spoken with is for it and understands it.

There are a few voices out there that are crying in the wilderness, but we really can't take that for granted. Clearly, we have to continue to drive home the criticality of the Jones Act, because the Jones Act is jobs. The Jones Act and national security go hand in hand," Buzby said.

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Eduardo Zepeda took the oath of obligation before the membership assembled at the March 11 SUP Headquarters meeting.

New effort to repeal the Jones Act

Senator Mike Lee (R-Utah) has introduced the Open America's Water Act of 2019 (S.694), legislation that would repeal the Jones Act and allow unlimited and unrestricted access to foreign-flag, foreign-owned, foreign-built and foreign-crewed vessels along our coasts, and on our rivers and Great Lakes. According to Senator Lee, "Restricting trade between U.S. ports is a huge loss for American consumers and producers. It is long past time to repeal the Jones Act entirely so that Alaskans, Hawaiians and Puerto Ricans aren't forced to pay higher prices for imported goods and so they rapidly receive the help they need in the wake of natural disasters."

The SUP and MIRAID will be working closely with our colleagues in the maritime industry and with our friends in Congress to defeat this short-sighted, misguided legislative proposal.

America second? Waiving the Jones Act

By Matthew Paxton

"America first." This is the phrase we hear repeated by President Trump more than any other—the simple yet powerful promise that our government will "buy American and hire American."

It is therefore as shocking as it is disheartening to learn that the Trump Administration is considering a policy that would undermine the most quintessentially American industry: our nation's shipbuilders.

The administration is contemplating ignoring U.S. law by allowing foreign ships to move liquefied natural gas (LNG) from U.S. city to U.S. city along our coastlines, where the law—known as "the Jones Act"—explicitly requires movement of any cargo between U.S. cities to be transported on American built, owned, and crewed vessels.

Why would the administration do this? The simple answer is that special interests are prevailing over national interests, as deep-pocketed supporter—oil and gas industry—those who epitomize the very "swamp" that he vowed to drain, are swaying the debate.

These special interests claim there are no ships in the world authorized to carry LNG from the U.S. to Puerto Rico. This is patently wrong. Legislation passed in 1996 allows for LNG carriers built anywhere before that year to transport American LNG to Puerto Rico by being brought under U.S. flag. There are more than 50 of these ships in service throughout the world today, and a number of them are not on long-term contracts. They are not serving in the Jones Act trade because there is not yet a firm market.

If the President goes through with waiving the Jones Act for 10 years for the purposes of transporting LNG along our nation's coasts and to Puerto Rico, then his will be the administration that undermines this long-standing American law and does irreparable damage to the all-American industry it supports.

Waiving the Jones Act as planned will wipe out an emerging American LNG transportation market while signaling to all that the law will not be

reliably enforced under this administration. This will have a devastating ripple effect that indubitably will serve to dry up U.S. investment in shipbuilding. Our situation will resemble that of Australia, Canada, and the United Kingdom—all struggling to revive their once-robust shipbuilding industries.

As a result, the U.S. will soon be forced to outsource shipbuilding to China and Korea. This will mean the shuttering of American shipyards and the elimination of hundreds of thousands of American jobs. It also will mean an end to our ability to respond with a domestic shipbuilding capacity in times of major war.

China is already a world leader in global shipbuilding. The Chinese crave the opportunity to take over our small but vital commercial market, which they know will hasten the end of American shipbuilding. Then we will become dependent on ocean transportation from a nation the Pentagon recently labeled "certainly an adversary of the United States."

In other words, after a century of the Jones Act making America strong, waiving it will make China even stronger while bolstering their ability to threaten our economic and national security.

Because the Jones Act was instituted as a national security measure, any waiver requires a national defense emergency to be declared by the Department of Defense or the Department of Homeland Security. But no such thing is currently established in the administration's justification. This would be a gross and blatant violation of the law.

Since before our Constitution was even written, the U.S. has been a maritime nation. To this day, shipyards across our country produce the vessels that underwrite our economic prosperity and provide livelihoods for more than 650,000 hardworking Americans. They not only make us prosperous but thanks to the fleets they produce for our military, they also help keep us safe.

[Editor's note: Matthew Paxton is the President of the Shipbuilders Council of America.]

Key maritime programs receive funding

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and other laws needed to safeguard both industry and the environment, and protect U.S. sovereign interests in the High North. Icebreakers also provide logistical support to facilitate the movement of goods and personnel necessary to support scientific research, commerce, national security activities and maritime safety," said DeFazio.

"This is about national security—we need to protect our territorial sovereignty against Russians and Chinese encroachment and safeguard our access to commerce," said Maloney. "We hav-

en't commissioned a new Polar Security Cutter in over 40 years, but that's going to change thanks to the funding bill—it's long overdue."

The funding includes \$655 million for construction of the first Coast Guard Polar Security Cutter (PSC). In addition, the bill provides \$20 million for long lead-time materials for the second PSC. This funding should allow the PSC program to remain on schedule to replace the Nation's only current heavy icebreaker, the Coast Guard Cutter *Polar Star*.



SUP deck gang in the Cape Orlando in Alameda last month. From the left: Bosun James Linderman, SUP delegate Jose Ysern, O.S. Mike Siri, A.B. Dan Ternura, A.B. George Babbini, O.S. Rudy Martinez, A.B. Limneo Bation, O.S. Larry Price, and in front A.B. Octavio Ortega. The Cape Orlando is a Ready Reserve Force vessel operated by SUP-contracted Patriot Contract Services. Photo: Matt Henning

Congress hears from maritime labor

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ing active duty service members. I feel very strongly about the Jones Act."

Chair of the Subcommittee on Coast Guard and Maritime Transportation Sean Patrick Maloney (D-New York) began by recognizing the importance of the Jones Act, stating, "We cannot become complacent in our defense of the Jones Act, which remains a critical component of U.S. maritime strategy." He also highlighted the importance of the Jones Act for providing the vessels and manpower in times of need, stating, "The U.S. Merchant Marine acts as a naval auxiliary to deliver troops and war material to military operations abroad. Throughout our history, the Army has relied on U.S. flagged commercial vessels to carry weapons and supplies and ferry troops to the battlefield. During Operations Enduring Freedom and Iraqi Freedom, U.S. flagged commercial vessels transported 90% of sustainment cargoes moved to Afghanistan and Iraq."

Also expressing support for the Jones Act was Congressman Chris Pappas (D-New Hampshire), asking, "What would the maritime industry look like without the Jones Act?" to which Rear Admiral Mark H. Buzby, USN Retired, Administrator of MarAd responded, "We would not have a maritime industry without the Jones Act. Quite plain and simple." Pappas concluded by saying, "The Jones Act seems to be working. I'm a big supporter."

The commercial industry's "Military to Maritime" program, designed to connect military veterans with the jobs, training and resources they need in order to begin a career in the domestic maritime industry, continues to perform a valuable role in recruiting the 650,000 strong American workforce for today's domestic Jones Act fleet.

During the Senate Committee on Commerce, Science, and Transportation hearing, Chairman Roger F. Wicker (R-Mississippi) noted the 41,000 Jones Act-qualified vessels operating in the domestic trades, adding that, "properly enforcing the Jones Act is important for economic and national security."

Ranking Member Maria Cantwell (D-Washington) addressed the importance of a strong American domestic fleet to maintain a robust shipbuilding industry and industrial base, and urged the committee that, "in addition to the strong support of the Jones Act, this committee should consider supporting investments in vessel recapitalization programs."

Building on the significance of the Executive Order on Supporting the Transition of Active Duty Service Members and Military Veterans into the Merchant Marine, Senator Brian Schatz (D-Hawai'i) highlighted the national security aspect of the Jones Act, noting the importance of "having the merchant mariners ready in case they are in need."

Senator Deb Fischer (R-New England) likewise acknowledged the significance of the Jones Act for military readiness of the country, adding that the Jones Act is "vital to the security and safety of the United States."

Reminding witnesses that a number of committee members sent a letter to the White House emphasizing the importance of the Jones Act, Senator Dan Sullivan (R-Alaska) highlighted the importance of the Jones Act for national security and noted that Korea, China, and Japan all have laws that are like the "Jones Act on steroids" which are in place to protect domestic economies, jobs, and national security.

Under the President's Executive Order, the National Maritime Center (NMC) is required to review waiver of application fees for active duty service members. The services are also ordered to provide certification of departing service members' sea time within one month of discharge or release.

"It makes it easier for sea service veterans to get high-paying, high-skilled jobs as mariners by waiving government-issued licensing fees and by crediting military training in the National Maritime Center credentialing system," said Peter Navarro, the head of the White House's Office of Trade and Manufacturing Policy. "In these ways, it incentivizes our nation's most experienced seamen to enter the U.S. Merchant Marine, which is sometimes called the nation's Fourth Arm of Defense. Currently, we face a shortfall of Merchant Mariners that may have serious national security implications."

Sealift is key to sustainment operations

By James L. Henry, President, Transportation Institute

Albert Einstein famously said, “Nothing happens until something moves.” In the U.S. Army, a requisition order may start the movement process, but it does not move anything. That happens through the Department of Defense’s (DOD) robust transportation and logistics support systems, which enable the U.S. to project its forces around the globe. For the Army, these complex logistics and transportation systems are mission-critical.

The Army’s mission is “to deploy, fight and win our Nation’s wars by providing ready, prompt and sustained land dominance by Army forces across the full spectrum of conflict as part of the Joint Force.” But the Army cannot win without sustained supplies of goods and materiel, which is why sealift is essential to the Army’s ability to fulfill its mission.

We can be lulled into thinking the Army can quickly go anywhere at any time; however, goods and materiel do not magically appear. They must be moved. Today’s airlift provides fast and flexible deployment, but its capacity is limited and its costs can be high. Sealift is therefore the workhorse for the Army, providing sustainment cargoes for any enduring effort.

The Navy provides important surge sealift capability to support DOD through assets maintained by its Military Sealift Command. The command is responsible for 127 ships crewed by approximately 8,000 civilian mariners supporting military operations around the world, including those that pre-position combat cargo at sea and move military equipment and supplies to deployed forces. Military Sealift Command also has access to 46 Ready Reserve Fleet ships maintained by the Department of Transportation’s U.S. Maritime Administration in a reduced operating status, which are crewed by civilian mariners, and charters commercial ships to meet DOD sealift requirements.

While those assets are a vital component of America’s sealift capability, the Navy does not have, nor does it need, enough organic ships to support a large-scale sustainment mission. It relies, as it has throughout history, on commercial U.S.-flagged ships, which some call the U.S. Merchant Marine, to support sealift domestically and internationally and DOD’s military missions around the globe. The commercial merchant marine fleet provides a vital day-to-day sea bridge for the U.S. Army overseas, carrying critical cargoes that ensure America’s warfighters have the goods and materiel to win a war anywhere. That fleet also supports a pool of commercial mariners available for Navy sealift missions, including full crewing of the Ready Reserve Fleet in times of activation.

The core of the U.S.-flagged fleet supporting military operations worldwide is comprised of the 60 ships operating in the Maritime Security Program fleet administered by the Maritime Administration

and utilized by DOD’s U.S. Transportation Command. U.S.-flagged ships operating in domestic commerce—the so-called Jones Act fleet—also support DOD through participation in the Voluntary Intermodal Sealift Agreement, and by sustaining a defense shipbuilding, maintenance and repair industrial base.

The ships in the Merchant Marine are an important auxiliary of DOD, which annually ships more than one million metric tons of cargo overseas. But it is not only the ships and logistics network provided by the Merchant Marine that are critical DOD assets. According to a Maritime Administration study, 11,678 civilian mariners are needed for military and commercial U.S.-flagged vessel operations to support defense sealift. More than half the mariners come from commercial U.S.-flagged ships. The Maritime Security Program fleet employs 2,386 mariners capable of supporting DOD, and the Jones Act fleet employs 3,380 mariners. These 5,766 commercial mariners serving in the Merchant Marine are an essential adjunct to DOD’s sealift capabilities, for without crews, U.S. ships sit idle.

The Army has extraordinary capabilities to fulfill its missions around the world, and those capabilities are supported by crucial sealift provided by the Merchant Marine and the Navy ships, logistics networks, mariners, etc. These assets help sustain the Army so it can win wars and defend U.S. interests anywhere in the world.

But even the best strategy can fall victim to poor planning and logistics. General Dwight D. Eisenhower said, “You will not find it difficult to prove that battles, campaigns, and even wars have been won or lost primarily because of logistics.” Therefore, America must maintain and enhance its sealift capabilities by fully funding Military Sealift Command and the Maritime Security Program, supporting peacetime cargo preference and protecting the Jones Act. The ability to project forces overseas to defend America’s interests depends on the ability to plan for long-range transportation on a sustained basis. Navy assets are crucial to that planning process, but so too are the assets and capabilities of the Merchant Marine.

Einstein was right when he said, “Nothing happens until something moves.” And the things that move on U.S.-flagged ships with American crews sustain Army forces around the globe. That’s the reason former Defense Secretary Jim Mattis called the Merchant Marine “the fourth arm of defense.”

James L. Henry is president of the Transportation Institute, a nonprofit organization dedicated to maritime research education and promotion, and is chairman of the National Defense Transportation Association’s Military Sealift Committee.

This article was first published in Army magazine.

U.S. Navy to return to flying the union jack

U.S. Navy ships and craft will return to flying the union jack rather than the first Navy jack from June 4, 2019. The move comes around 17 years after the change



was made in the wake of the September 11 terrorist attacks.

On May 31, 2002, then Navy Secretary Gordon England directed all warships and auxiliaries of the U.S. Navy to fly the first Naval jack as a temporary substitution for the Jack of the United States during the Global War on Terrorism. Most vessels made the switch on September 11, 2002, the first anniversary of the terrorist attacks.

The date for reintroduction of the union jack, not to be confused with the union jack of Britain, commemorates the Battle of Midway, which began June 4, 1942.

“Make no mistake: we have entered a new era of competi-

tion. We must recommit to the core attributes that made us successful at Midway: integrity, accountability, initiative and toughness,” said Chief of Naval Operations Admiral John Richardson. “For more than 240 years, the union jack, flying proudly from jackstaffs aboard U.S. Navy warships, has symbolized these strengths.”

The union jack is a flag consisting of 50 white stars, representing each of the 50 states, on a blue background. A version of this jack first flew in 1777 and was updated as new states joined the union. The first Navy jack, features red and white stripes with a rattlesnake and the words “Don’t Tread On Me.”

“The union jack is deeply connected to our heritage and our rise as a global nation with a global Navy,” said Richardson. “The Navy is a symbol that projects American values to the world. Just as the Navy embodies the values and principles that we hold dear, our very appearance in port and at anchor communicates important messages.”

The Navy will re-establish the custom in which the commissioned ship in active status having the longest total period in active status, other than *USS Constitution*, will display the first Navy jack until the ship is decommissioned or transferred to inactive status. As of June 4, 2019, the only warship authorized to fly the first Navy jack is *USS Blue Ridge* (LCC 19).

Grounded bulk carrier suffers hull breach off Solomon Islands

The Hong Kong-flag *Solomon Trader*, a bauxite carrier that recently went aground in the Solomon Islands, has suffered a hull breach and may have begun to leak oil, according to local officials.

On February 5, the *Trader* went onto a reef off the western side of Rennell Island, the southernmost island in the Solomons. Rennell is located about 100 nautical miles due south of Guadalcanal, and its eastern half is a protected UNESCO World Heritage Site. The *Solomon Trader* is loaded with bauxite ore, and the main pollution hazard stems from her bunker fuel. However, the National Disaster Management Office Director Loti Yates said that no spill has yet been observed. Yates confirmed that the hull of the *Trader* has been breached and that her engine room is flooded.

Tropical Cyclone Oma recently finished a slow passage through the Solomon Islands, and while it caused no casualties, the extent of the damage is reportedly serious in several islands in the archipelago’s central and eastern areas. The cyclone’s winds and rough seas are believed to have been a contributing factor in the *Solomon Trader*’s grounding, and have reportedly delayed the damage assessment process and salvage response.

Suez Canal has record-setting 2018

Egypt’s Suez Canal set records in 2018 for both freight traffic and the number of ships transiting the passage, according to a study by SRM, a study and research center for Southern Italy and the Intesa Paolo group, in collaboration with AlexBank.

The study, which was presented at a conference in Naples, Italy, last month, said the canal transported 983.4 million tons of cargo last year, which was an 8.2% year-over-year increase over 2017’s then-record amount. The amount of goods on ships traveling north to south totaled 524.6 million tons, a 9.8% increase, and south to north increased 6.6% to 458.8 million tons. More than 18,000 ships used the waterway last year, a 3.6% increase from 2017. The average size of vessels

transiting the canal in 2018 grew by 12% compared to 2014, which was the final year before the expansion opened in August 2015.

Containerships were the most common vessel on the canal as 5,706—a 2.5% increase—used the waterway in 2018. Containers accounted for half of all goods transited in the canal, and combined with oil represented 74% of its goods, the report said. Overall, more than 9% of international trade passes through the canal, according to the study.

Traffic from Southeast Asia to the Mediterranean has jumped 37% in the last 11 years, the report said, with growth to and from the Gulf of Suez up 77%, where China is the final destination for much of the commercial interchange.

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Matson posts improved consolidated revenue for 4th quarter 2018

Matson, Inc. last month reported net income of \$20.6 million for the quarter ending December 31, 2018, a sharp decline from the \$166.9 million net profit the company reported for the same a quarter a year ago. The company attributed the decline in net income to a one-time, non-cash tax adjustment of \$155 million from the enactment of the Tax Cuts and Jobs Act of 2017 (Tax Act) that the company posted during the fourth quarter of 2017.

Matson reported that consolidated revenue for the fourth quarter of 2018 was \$564.9 million, ahead of the \$516.1 million reported for the fourth quarter of 2017.

For the full 2018 calendar year, Matson reported net income of \$109 million, compared with \$232 million in 2017, with the difference being attributed to the one time Tax Act adjustment. Consolidated revenue for the full year 2018 was \$2,222.8 million, compared with \$2,046.9 million during the previous calendar year.

“Our operating performance in the fourth quarter was in-line with expectations, with strong demand in our China service and strong execution across all service lines in Logistics. For the year, we performed well with exceptional performance in our China service and significant contributions from Logistics and SSAT, all of which helped propel the company’s annual cash flow from operations to a new high,” said Matt Cox, Matson Chairman and CEO.

“For the full year 2019, we expect steady financial performance with Logistics to approximate the level achieved in 2018 and a higher contribution from Alaska, offset by lower contributions from our China service and at SSAT, both of which are coming off exceptionally strong years,” Cox continued. “While we expect net income in 2019 to decline year-over-year, we expect EBITDA (earnings before interest, tax, depreciation and amortization) in 2019 to approximate the level achieved in 2018 after taking into account a full year impact in 2018 of the vessel sale and leaseback transaction.”

Matson said that the company’s container volume for its Hawai’i service during the fourth quarter 2018 was flat on a year-over-year basis, despite modest growth in the Hawai’i economy supported primarily by healthy tourism activity and low unemployment. The company expects volume in 2019 to approximate the level achieved in 2018, reflecting modest economic growth in Hawai’i and stable market share.

In China, the company’s container volume during the fourth quarter of 2018 was 3.8% higher on a year-over-

year basis, as it experienced elevated demand for its service late in the quarter during a period that is traditionally not as strong. Matson said that it continued to realize a sizable rate premium during the fourth quarter 2018, and achieved average freight rates higher than the fourth quarter 2017.

For 2019, the company expects a lower contribution from its China trade lane following an exceptionally strong performance in 2018 with lower average freight rates and modestly lower volume than the levels achieved in 2018.

In Guam, the company’s container volume in the fourth quarter 2018 was 10.6% higher on a year-over-year basis, primarily due to typhoon relief volume. For 2019, the Company expects modestly lower volume as the highly competitive environment remains.

In Alaska, the company’s container volume for the fourth quarter of 2018 was 4.2% higher on a year-over-year basis due to higher northbound volume. For 2019, the company expects volume to be modestly higher than the level achieved in 2018 with higher northbound volume supported by improving economic conditions in Alaska and higher southbound volume due to stronger seafood harvest levels than in 2018.

The contribution from the company’s SSAT terminal joint venture investment during the fourth quarter 2018 was \$900,000 lower than the fourth quarter of 2017, due primarily to higher operating costs, partially offset by higher revenue resulting from higher lift volume. For 2019, the company expects the contribution from SSAT to be lower as a result of lower lift volume coming off an exceptionally strong lift volume level in 2018.

As a result of the company’s business outlook, Matson said that it expects full year 2019 Ocean Transportation operating income to approximate the \$131.1 million achieved in 2018 after taking into account a full year net operating expense impact of \$7.2 million associated with the sale and leaseback of *MV Maunalei*.

For the first quarter of 2019, the company expects Ocean Transportation operating income will be approximately \$10 million, which is lower than the level achieved during the first quarter 2018, primarily due to the unfavorable comparisons from the absence of positive one-time items at SSAT in the year ago period and Alaska northbound volume associated with the dry-docking of a competitor’s vessel in the first quarter last year, as well as the effect of the aforementioned vessel sale and leaseback.

Lunar New Year causes drop in West Coast volume

An anticipated lull in shipping connected to the Lunar New Year caused cargo volumes to decline during the month of February cargo on a year-over-year basis at California’s three largest ports. The Port of Los Angeles reported that it moved 705,306 TEUs during February, a 2.7% decline compared to the same month a year ago. Despite the decline, this February represented the third busiest February at the port. The story was similar at the neighboring Port of Long Beach, where the port experienced its second busiest February in history, only behind the record setting volumes of February 2018. And at the Port of Oakland, total cargo volume was down 1.3% during the month of February on a year-over-year basis. The port reported the import cargo fell 5% compared to February 2018, the first year-over-year decline since July 2018.

Exports leaving the port fell 8.2% for the month and the number of empty containers to be refilled overseas dropped 7%. The port attributed decreased volume mostly to a pause by shippers following a 2018 global trade frenzy.



Congresswoman Tulsi Gabbard of Hawai’i christens Matson’s Kaimana Hila, March 11, with Matson Chairman and CEO Matt Cox and Philly Shipyard President and CEO Steinar Nerbovik. The Kaimana Hila is one of the largest container ships ever built in the United States and will run between Hawai’i and the West Coast.

Congresswoman Tulsi Gabbard christens Matson’s Kaimana Hila

Congresswoman Tulsi Gabbard was in Philadelphia on March 9, at the Philly Shipyard where she served as the sponsor for the christening of Matson, Inc.’s newest container ship, *Kaimana Hila*.

Kaimana Hila and her sister ship the *Daniel K. Inouye* are the two largest container ships ever built in the United States. *Kaimana Hila* will deliver goods between Hawai’i and the U.S. West Coast. It is named for Lē’ahi—one of Hawai’i’s most iconic geological features, popularly known as Kaimana Hila or Diamond Head. *Kaimana Hila* was also known to be a favorite song of the late Senator Daniel Inouye.

Gabbard joined Philly Shipyard CEO Steinar Nerbovik and Matson Chairman & CEO Matt Cox aboard *Kaimana Hila* for the christening ceremony. Matson has been serving Hawai’i for over 130 years, proudly sailing American-built ships with American crews. The company has invested nearly \$1 billion to build four ships entering service soon, including *Kaimana Hila* and her sister ship the *Daniel K. Inouye* which are part of the Aloha Class of ships and covered by SUP collective bargaining agreement.

World court says U.K. should cede control of islands surrounding Diego Garcia

The International Court of Justice (ICJ) says the United Kingdom should hand back to Mauritius control of an Indian Ocean archipelago where a key U.S. naval base is located.

“The United Kingdom’s continued administration of the Chagos archipelago is an unlawful act of a continuing character,” Court President Abdulqawi Ahmed Yusuf said in The Hague. “Accordingly the U.K. is under an obligation to bring an end to its administration of the Chagos archipelago as rapidly as possible,” Yusuf said.

The United Nations in 2017 sought an advisory opinion from the ICJ, its principal judicial organ, on the legal status of the archipelago.

Chagos is part of the British Indian Ocean Territory, which has been administered by the U.K. since 1965, when it paid the then self-governing colony of Mauritius three million pounds (\$3.9 million) for control of the islands. Between 1967 and 1973, hundreds of inhabitants were removed to make way for the Diego Garcia U.S. military base.

Mauritian Prime Minister Pravind Jugnauth in August obtained the backing of the African Union and about 30 other countries in his bid to have control of the archipelago returned to Mauritius. The request to the ICJ excludes Diego Garcia, he said.

Oakland’s new cranes could be West Coast’s tallest

SSA Terminals, the operator of Oakland International Container Terminal, submitted a \$30 million order for three 300-foot-tall gantry cranes, which are expected to be delivered in 18 months, the Port of Oakland announced last month.

The new cranes, which were ordered from Shanghai-based ZPMC, will have a lift height of 174 feet above the dock and will be able to reach 225 feet across a ship’s deck, SSA said. The cranes will be able to load and unload the world’s largest containerhips, according to the port.

“Big ships are the future,” said Ed DeNike, President of SSA Containers. “They’re coming to Oakland and we’re going to be ready for them.”

The port said the cranes, which could be 440 feet tall with booms upraised, would be the tallest on the West Coast.

SSA currently operates 10 cranes at Oakland International Container Terminal, which handles more than 60% of the Port of Oakland’s total cargo volume. The port said it will remove three older cranes from the line when the new ones are installed.

Democrats push plan to increase Social Security benefits and solvency

After years of Republican-led debate over how to pare back Social Security's rising costs, Democrats are flipping the script with an ambitious plan to expand the New Deal-era social insurance program while making gradual changes to keep it solvent for the rest of the century.

The Social Security 2100 Act, which was introduced last month in the House and the Senate, represents a sea change after decades dominated by concern that aging baby boomers would bankrupt the government as they begin drawing benefits from Social Security and other entitlement programs. It would be the first major expansion of Social Security since 1972 and the most significant change in the program since 1983, when Congress stepped in to avert a financial crisis by raising taxes and the eligibility age for Social Security.

The bill would provide an across-the-board benefit increase equivalent to about 2% of the average Social Security benefit. It would raise the annual cost-of-living adjustment to reflect the fact that older Americans tend to use more of some services like health care. And it would increase the minimum benefit to ensure that workers with many years of old earnings do not retire into poverty.

The bill would cut federal income taxes on Social Security benefits for about 12 million middle-income people while raising taxes elsewhere. The payroll tax rate would rise to 14.8% over the next 24 years, from 12.4%, and the payroll tax would be imposed on earnings of more than \$400,000 a year.

The measure embodies Democrats' vision of social insurance at a time when many people have no private pension and meager savings. "Our bill, supported by more than 200 members of the House of Representatives, would enhance and expand the nation's most successful insurance program, which touches the lives of every American," said Congressman John Larson, (D-Connecticut), the principal author of the legislation.

Larson, Chairman of the Ways and Means Subcommittee on Social Security, said he would hold hearings and forums around the country on the legislation.

Among the strongest supporters is Congressman Richard Neal (D-Massachusetts), chairman of the full committee, who called a hearing on ways to improve retirement security for American workers.

And Andrew G. Biggs, a Republican who was the principal deputy commissioner of Social Security under President George W. Bush, praised some

features of Larson's bill. "It doesn't just fix Social Security for 75 years," Biggs said. "It would keep the system permanently solvent. That's a real plus."

About 63 million people received a total of \$1 trillion in Social Security benefits in 2018, and the number of recipients is expected to surge to 80 million in 10 years. Social Security was meant to be part of a package providing income to retirees along with company pensions and personal savings.

But, Congressman David Cicilline (D-Rhode Island), said, "The reality today for more and more Americans is that they've used up their savings, they've helped a child go to school, they've dealt with a family illness. And many companies have taken away pensions."

Nonpartisan actuaries at the Social Security Administration say that the program will soon be spending more than it takes in and that the trust funds for retirement and disability benefits will be depleted by 2034 if Congress makes no changes.

By contrast, under Larson's bill, Social Security would be solvent – "able to pay all scheduled benefits in full on a timely basis" – for 75 years, and after that its financial condition would be improving, according to projections by Stephen Goss, the Chief Actuary of Social Security.

Of all the money raised by the bill, about one-fourth would be used to increase benefits, and the rest would cover projected deficits in the Social Security trust during the next 75 years.

Republicans say that entitlement programs, not tax cuts, are the main reason for growing deficits. They have in recent years suggested unpopular changes in Social Security, including an increase in the retirement age and a new formula for computing cost-of-living adjustments that could reduce future benefits.

The Congressional Budget Office injected a note of fiscal reality into the debates this past week. Assuming no change in existing law, it estimated that the budget deficit, \$779 billion in 2018, would exceed \$1 trillion every year from 2022 to 2029.

It forecast remarkable growth in federal spending dedicated to people 65 or older. By 2029, it said, such spending, which includes Social Security, Medicare, and Medicaid, will account for 50% of all federal spending aside from interest payments on federal debt. That represents a substantial increase from 35% in 2005 and 40% in 2018.

Eat processed foods, live a shorter life

Eating highly processed foods could shorten your life, a new study suggests. The study, in *JAMA Internal Medicine*, tracked diet and health over eight years in more than 44,000 French men and women. Their average age was 58 at the start. About 29% of their energy intake was ultra-processed foods. Such foods include instant noodles and soups, breakfast cereals, energy bars and drinks, chicken nuggets and many other ready-made meals and packaged snacks containing numerous ingredients and manufactured using industrial processes.

There were 602 deaths over the course of the study, mostly from cancer and cardiovascular disease. Even after adjusting for many health, socioeconomic and behavioral characteristics, including scores on a scale of compliance with a healthy diet, the study found that for every 10% increase in ultra-processed food consumption, there was a 14% increase in the risk of death.

The authors suggest that high-temperature processing may form contaminants, that additives may be carcinogenic, and that the packaging of prepared foods can lead to contamination.



SUP crew in the President Kennedy in Oakland on March 14. From the left: O.S. James Pierce, A.B. Scott Hudson, Bosun David Ibarra, A.B. and Delegate Jennifer Corner and A.B. David Fadoul, A.B. Erling Eastmark is missing from the photo. Photo: Matt Henning

French carrier say CEVA acquisition will create \$30 billion company offering door-to-door logistics

CMA CGM Group said it had revenue of \$23.5 billion in 2018, 11.2% more than the \$21.1 billion it had in 2017. The Marseilles, France-headquartered container shipping giant had a net profit of \$34 million in 2018 compared to \$697 million in 2017, excluding exceptional items on non-consolidated subsidiaries including the Swiss logistics company CEVA and the containership leasing company Global Ship Lease.

CMA CGM had core earnings before interest and tax (EBIT) of \$610 million in 2018, less than half the \$1.58 billion core EBIT it reported in 2017. The company moved 20.7 million TEUs of containers in 2018, 9.3% more than in 2017.

Revenue was up even more sharply in the fourth quarter of 2018 to \$6.3 billion, 14.9% more than the \$5.48 billion CMA CGM reported in the fourth quarter of 2017. CMA CGM had core earnings before interest and tax (EBIT) of \$195 million in the fourth quarter of 2018, compared to \$282 million in the fourth quarter of 2017. The company moved 5.32 million TEUs in the fourth quarter of 2018, 7.9% more than in the same 2017 period.

CMA CGM launched a tender offer for CEVA stock last month. Through the CEVA stock it owns and derivative contacts, CMA CGM said it already had "economic exposure" to more than half of CMA CGM's equity. It said together with CEVA the two companies have created a new strategic plan that will "make the CMA CGM Group a world leader in both transport and logistics, with 100,000 employees and more than \$30 billion in revenue."

Under the plan, CMA CGM will be able to provide CEVA solutions for its customers and vice versa.

"The Group will henceforth be able to offer a complete range of logistics services covering the entire logistics chain, from production logistics to last-mile delivery, and including air, sea and land transport services as well as warehousing services," said CMA CGM.

It said integration of CMA CGM's freight forwarding activity into CEVA will increase CEVA's footprint in ocean freight forwarding and allow economies of scale and cost reductions through pooled operations and cost synergies.

"In 2018, in a difficult environment, the group posted a sharp rise in volumes and a record revenue," said Rodolphe Saadé, chairman and chief executive officer of CMA CGM. "Despite an increase in oil prices, our recurring EBIT margin remains considerably above the industry average." CMA CGM said its core EBIT margin (EBIT divided by revenue) was 2.7% in 2018 compared with 7.5% in 2017.

He said, "In 2019, despite persisting geopolitical tensions, trade perspectives are positive" and said the company was "pursuing our strategy of innovation and digital transformation in order to continue to offer excellent service to our customers and strengthen our performance."

Saadé said CMA CGM "will continue our development with the objective of improving profitability. That is why we are launching a new \$1.2 billion cost reduction plan." The company said the plan includes both optimizing lines and brands as well as a streamlining processes. The company already has agreed to unite its containerships and McAndrews brands next month under the containerships name. Another CMA CGM brand is APL with nine ships operating under the U.S.-flag and enrolled in the Maritime Security Program crewed on deck by the SUP.

He said CMA CGM's current public tender offer for the logistics company CEVA is friendly and part of CMA CGM's "ambition is to become a world leader in both transport and logistics, thereby providing a complete and efficient service offer to our customers."

Seattle Port Commission approves \$4 million for Terminal 91 project

The Port of Seattle Commission has approved \$4 million for the Terminal 91 (T-91) Uplands Development Phase 1 in support of the port's development of the T-91 area located north of the Magnolia Bridge. "With this approval, we can move forward with providing our local fishing and maritime clusters with much-needed industrial property," said Port of Seattle Commissioner Peter Steinbrueck. "We know that the key to expanding family-wage jobs in this region is developing industrial lands such as Terminal 91, an asset that can deliver jobs and growth for decades to come."

The port's Real Estate Development Department is proposing to construct two 50,000 square foot light industrial buildings to support maritime manufacturers and fishing industry suppliers in the Ballard Interbay Manufacturing Industrial Center (BINMIC).

The new light industrial facility development would unfold over the next 10-15 years in two phases. The buildings proposed in Phase I will initially target current T-91 tenants and other maritime customers who have expressed interest in expanding their current operations on the property.

South Korean tanker *Stellar Daisy* found off Cape Town

The exploration company Ocean Infinity has located the wreck of the lost South Korean tanker, *Stellar Daisy*, at a depth of 11,258 feet in the South Atlantic Ocean, approximately 1,800 nautical miles due west of Cape Town. The vessel's voyage data recorder has also been retrieved.

Stellar Daisy sank on March 31, 2017, transporting iron ore from Brazil to China; 22 of her 24 crew were lost.

Working from the *Seabed Constructor*, the search operation involved the deployment of four Autonomous Underwater Vehicles (AUVs), which, over 72 search hours, explored approximately 321,237 acres of seabed. The vessel departed Cape Town for the mission on February 8.

Representatives of both the government of South Korea, who awarded Ocean Infinity the contract to conduct the search, and the families of *Stellar Daisy's* crew, were present throughout the operation.

The *Stellar Daisy* crew's final message reported that she was taking on water and listing, and the two survivors of the casualty reported that her hull cracked before she went down. The families of the missing seafarers petitioned the South Korean government to undertake the search for the vessel, and their campaign gathered over 100,000 signatures. Korea's Ministry of Foreign Affairs subsequently contracted Ocean Infinity and said that the search should be completed by March.

The 1993-built *Stellar Daisy* started life as the single-hulled crude tanker *Sunrise III*. In the late 2000s, single-hulled tankers were being phased out in favor of double-hull designs, and a Korean bulker firm bought the *Sunrise* and several other VLCCs for conversion to dry bulk ore carriers. About two dozen vessels with similar conversions are still in operation today.

Port of Long Beach powers one in five local jobs

The Port of Long Beach is connected to 20% of the jobs in Long Beach, according to a new Economic Impact Study prepared for the Port. As America's second-busiest container seaport, activity at the port supports 51,090 jobs in Long Beach alone, according to the Economic Impact Study completed by EDR Group Inc. In the five-county region—Los Angeles, Orange, San Bernardino, Riverside, Ventura—more than 575,000 jobs result from port trade, construction and tourism, and the number grows to 2.6 million nationwide.

The study found across Southern California, the port supports 576,350 jobs, providing \$30.8 billion in income; statewide, 705,430 jobs are supported by the port, providing \$38.7 billion in income; the Port supports about 2.6 million jobs in the United States, providing \$126.8 billion in income.

Port-related jobs across the city have increased by 70% since the previous economic impact study, completed in 2004, mainly due to increased cargo volume. The earlier study showed that the port was connected to 30,000 jobs—about one in eight—in Long Beach. On a wider scale, the previous report stated that the Port supported more than 300,000 jobs in the five-county region and 1.4 million jobs in the United States.

For the first time in its 108-year history, the Port of Long Beach surpassed eight million TEUs in 2018, as cargo grew more than 7% to set a record for a second consecutive year. The Port finished 2018 with 8,091,023 TEUs. Imports grew 6.1% to 4,097,377 TEUs. Exports totaled 1,523,008 TEUs, up 3.6%; empties increased 11.8% to 2,470,638 TEUs. December, at 741,647 TEUs (a 6.4% increase compared to December 2017), was the second-busiest month ever for the Port of Long Beach, behind June 2018. Imports rose 7.9% to 373,098 TEUs. Outbound TEUs dropped 17.5% to 113,329, while empties jumped 19.4% to 255,220 TEUs.

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SUP gang in the *President Eisenhower* in at Oakland February 24. From the left: A.B. Steve Meyers, A.B. Quintin Brown, Bosun Julian Torre and A.B. Ceferiano Lalap. The *Eisenhower* is operated by SUP-contracted APL as one of the ships in the Maritime Security Program. Photo: Roy Tufono

Keel laid for Foss Maritime's first new Tier IV tractor tug

The keel of the lead vessel in Foss Maritime's new class of EPA Tier 4-compliant ASD 90 tractor tugs has been laid by the Nichols Brothers Boat Builders in Freeland, Washington. The tugboat is the first in series of four 90-short ton bollard pull tugs designed for Foss by Seattle-based Jensen Maritime.

"The new tugs are designed to upgrade our fleet and improve the company's ability to provide timely harbor and port services to a variety of customers," said John Parrott, President and CEO of Foss Maritime, following the keel laying ceremony on February 25. "By offering lower maintenance down time, greater operating efficiencies and lower emissions, these new tugs help expand our nearshore and offshore capabilities."

The design of the tugboats is based on Jensen's Valor design meeting Tier IV emission standards, meaning they utilize high-efficiency catalytic after-treatment technology to reduce emissions. In addition, the Z-Drive Tractor tugs will be built to United States Coast Guard Subchapter "M" regulatory standards, with ABS loadline certification, and UWILD (Underwater Inspection in Lieu of Dry Docking) notation.

The vessels will be equipped with two MTU series 4000 main engines, Rolls-Royce US255 azimuth thrusters and Markey winches. The vessels will also include condition-based monitoring for the Z-drives and main engines.

The 100 x 40-foot tugs are multi-functional to include ship assist and escort capabilities as well as towing. Additionally, Jensen designed the tugs with some of the most advanced safety features in the industry, including a single 900 GPM (gallons per minute) fire pump and monitor, which will be powered from an on-board generator.

Foss plans to operate the tugs on the West Coast, performing ship-handling duties within ports and harbors. Delivery of the first four vessels will begin in winter 2020.

Australia's largest cargo ship christened

Australia's newest and biggest cargo ship was christened *Tasmanian Achiever II* in Burnie, Tasmania, last month.

The 700 TEU *Tasmanian Achiever II* is the largest general cargo ship to fly the Australian flag and entered service on March 1, carrying goods between the Melbourne and Burnie, Tasmania.

The 690-foot vessel is the first of two new ships commissioned by Toll to carry freight between the Australian mainland and Tasmania, increasing Toll's Bass Strait cargo capacity by more than 40% on each voyage.

The vessel is part of Toll's \$222 million investment in improving the Bass Strait trade link, including a \$25 million to upgrade wharf facilities at the Port of Burnie.

Tasmanian Achiever II will replace *Tasmanian Achiever I* when the 20-year-old ship is retired from the route it has plied successfully for the last two decades. The new ship will make the 246-mile Bass Strait crossing between Melbourne and Burnie in 13 hours, an hour faster than its predecessor and has capacity to

carry 40% more cargo, both in trucks or in containers.

The time saved will be used in port to enable the simultaneous loading and unloading of additional cargo which is possible via fixed ramps—meaning trailers will be able to be loaded right up to the time of sailing. The vessel also features additional power points to accommodate growth in reefers, a car tween deck to carry cars away from containerized freight and better protection from wind and weather.

The ship has been installed with a scrubber to meet the requirements of the IMO 2020 sulfur cap. In port, the new ship will connect to the local power grid. A new wharf management system and customer booking software will be used to improve terminal traffic congestion and enable better freight tracking and monitoring of refrigerated cargo.

The Bass Strait trade is vital for Tasmanian exports which grew in value to \$2.5 billion in the year to April 2018— an increase of 35% compared to the previous year.

HMB Endeavour replica to circumnavigate Australia

The replica ship *HMB Endeavour* (his majesty's bark) will circumnavigate Australia from March 2020 to May 2021, to mark 250 years since Captain James Cook reached the east coast of Australia in 1770. Led by the Australian National Maritime Museum, the circumnavigation will provide an opportunity to reflect on the significance of the voyage in Australia's history, including the impact on Aboriginal and Torres Strait Islander peoples.

The Museum will consult with Aboriginal and Torres Strait Islander communities to ensure that the voyage is sensitive to any significant cultural and local issues and provides a perspective of Cook's arrival in Australia from both the shore and the ship.

The Australian Government is providing \$6.7 million to the Australian National Maritime Museum for the voyage. Prime Minister Scott Morrison said: "As the 250th anniversary nears we want to help Australians better understand Captain Cook's historic voyage and its legacy for exploration, science and reconciliation. That voyage is the reason Australia is what it is today, and it's important we take the opportunity to reflect on it."

The *HMB Endeavour* replica will set sail from Sydney in March 2020, and head south to Hobart before turning north to commence a full circumnavigation of mainland Australia. She will berth in a variety of ports to connect with as many Australians as possible. The Australian-built replica undertook her maiden voyage in 1994. Since then, she has sailed over 170,000 nautical miles twice around the world, visited 29 countries and many Pacific islands, and opened as a museum in 116 ports. Hundreds of thousands of visitors have come on board to see how Cook and his men lived.

Study finds new IMO fuel standards to cost \$10 billion

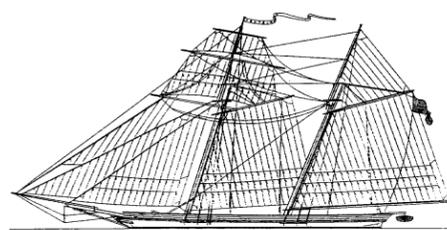
The new International Maritime Organization's (IMO) 0.5% sulfur cap on fuel content for the global maritime industry, which is set to become effective on January 1, 2020, will force the container shipping industry to offset up to \$10 billion in incremental costs, according to a study by global consulting firm AlixPartners.

The report also stated that the new fuel rule could expose carriers on just eastbound Asia-Americas routes plus Asia-Europe routes, which together account for about 20% of container shipping volume globally, to up to \$3 billion in additional costs alone.

"This year, to say the least, is going to be a turbulent year for the container-shipping industry as it braces itself for the implementation of ISO 2020 next year," said Esben Christensen, global co-leader of the Transportation and Infrastructure practice at AlixPartners and a managing director at the firm. "This new challenge, on top of the industry's steady expansion of fleet capacity and its dramatically increasing financial leverage, will likely

further constrain carriers' room to maneuver," Christensen added.

On the leverage front, the AlixPartners 2019 Global Container Shipping Outlook found that among listed companies globally the industry's debt to earnings before interest, taxes, depreciation and amortization (EBITDA) ratio has skyrocketed to 10.1 for the 12-month period ending September 30, 2018, up from 7.5 in 2017. This increase, according to the report, is the result of declining profit margins coupled with increased debt to finance acquisitions and fleet expansion, a global fleet that has increased today to almost 23 million TEUs.



Membership and Ratings Committee

The Committee met on March 7, and found the following members eligible for advancement in seniority and rating stamps in the various departments:

Name and Membership Number	Seatime	Rating	Seniority
Marcellus Elder #19608	1 Year	O.S.	B
Andrew Roberge #19609	1 Year	O.S.	B
Brent Wells, II #19610	1 Year	A.B.	B
Chase Boeger #C2775	30 Days	O.S.	C
Ian Serra #C2776	30 Days	O.S.	C
Greg Simmons #C2777	30 Days	A.B.	C
Adam White #C2778	30 Days	O.S.	C
Johnny Rivera #C2779	30 Days	O.S.	C
Josh Stanton #C2780	30 Days	O.S.	C
Lagisa Voa #C2781	30 Days	O.S.	C

Membership and Ratings Committee's Report: M/S to concur in the Committee's report. Carried unanimously. Membership and Ratings Committee: Robert Reed #3203, Arsenio Purganan #3877 and Robert Tomas #19350.

Welfare Notes

March 2019

Initial Active Eligibility & Coverage

Active members become eligible for coverage in the month after they work 120 mandays within a 12-month period. Once a member becomes eligible, the member must enroll in a plan for coverage. The medical and dental plan choices are dependent upon your residence or the port from which you ship.

Continuing Eligibility & Coverage for Active Participants

After the initial eligibility requirements have been met, continuing eligibility requires the participant to work at least 60 eligible mandays within the eligibility period. The time worked for continuing eligibility may change the beginning and ending months for the new eligibility period because continuing eligibility is a rolling eligibility period. The new eligibility period starts in the month following the 60th manday worked. Please contact the SUP Welfare Plan office for Eligibility questions, especially if you will not be shipping for an extended period of time.

As an example, if a member with a Group One Eligibility period January 1, 2019 through December 31, 2019 ships 60 Group One Days in June and July 2019, the new Group One Eligibility period will be August 1, 2019 through July 31, 2020. A new rolling eligibility period begins in the month following the 60th Group One Day worked. The time worked does not add 12-months onto his previous eligibility.

If a member with a Group Two Eligibility period January 1, 2019 through June 30, 2019 works 60 Group Two Days in March and April 2019, the new Group Two Eligibility period will be May 1, 2019 through October 31, 2019. A new rolling eligibility period begins in the month following the 60th Group Two Day worked. The time worked does not add 6-months onto his previous eligibility.

Group One Mandays can count for Group One, Group Two, or Group Three eligibility. Group Two Mandays can count for Group Two, or Group Three eligibility.

Group Three Mandays can count only for Group Three eligibility.

Group One eligibility is good for 12-months of member and dependent coverage. Group Two eligibility is good for 6-months of member and dependent coverage. Group Three eligibility is good for 6-months of member only coverage.

Michelle Chang, Administrator mcsupsiupd@sbcglobal.net

Patty Martin, MPP & 401(k) Plans, Death Benefits

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SUP Welfare Plan 730 Harrison Street, #415, San Francisco, CA 94107

Phone Numbers: 415-778-5490 or 1-800-796-8003 Fax: 415-778-5495

SIU-PD Pension 415-764-4987 SIU-PD Supplemental Benefits 415-764-4991

Seafarers Medical Center 415-392-3611

Largest drug shipment in 25 years seized at Newark

The authorities were conducting a routine inspection aboard the *MSC Carlotta* last month when a worn, teal shipping container caught their eye: The pins that held the containers' doors in place appeared to have been doctored.

The *Carlotta*, a container ship, had just arrived in Newark from Buenaventura, Colombia, and the container was supposed to contain dried fruit. Instead, officers opened the doors to find something that stunned even the most experienced customs agents: 60 tightly wrapped bundles of white powder, each the size of a small trunk.

The bundles turned out to be 3,200 pounds of cocaine, the largest drug shipment to be intercepted at Port Newark in a quarter-century, a bounty worth \$77 million on the street, the authorities said.

The discovery of the shipment underscored the reality that legal ports of entry remain the main channel through which illicit drugs flow, even though President Trump has contended that drugs are pouring over the unsecured sections of the southern border to justify building a barrier there.

The seizure on February 28, also suggested the city's market for cocaine was resurging, officials said, after several years during which heroin and fentanyl, a powerful synthetic opioid, had dominated New York's illicit drug scene.

Ray Donovan, the head of the Drug Enforcement Administration office in New York City, said dealers have begun combining fentanyl with cocaine, creating a new and deadly product. He said the giant cocaine shipment was a sign that traffickers were pushing "to build an emerging customer base of users mixing cocaine and fentanyl. This record-breaking seizure draws attention to this new threat and shows law enforcement's collaborative efforts in seizing illicit drugs before it gets to the streets and into users' hands," he said.

Investigators from the Department of Homeland Security were trying to determine where the drugs came from, and how they ended up in Newark.

Shipper group opposes ballpark at Port of Oakland

The Agriculture Transportation Coalition (AgTC), a national organization that represents agriculture and forest product producers, farmers, processors and exporters, is raising concerns about the possible use of the Charles P. Howard Terminal in the Port of Oakland as the site for a new baseball stadium for the Oakland Athletics.

In a letter to Ces Butner, the President of the Port of Oakland's Board of Port Commissioners, AgTC Executive Director Peter Friedmann said his group has "deep concern regarding proposals to permanently remove a viable marine terminal at the Port of Oakland from the international supply chain infrastructure upon which we depend."

"Prior to taking action on the Howard Terminal development project, we strongly urge the mayor and the Oakland Port Commission to meet with all segments of the international trade community, including farmers, manufacturing, trucking, logistics services, warehousing, labor, maritime and others who depend on the port as a trade gateway," Friedmann said.

In February a coalition of maritime and environmental groups asked state legislators not to relax environmental rules to allow the ballpark to be built at the Howard Terminal in the Port of Oakland's inner harbor.

AgTC said, "The Port of Oakland is a critical gateway to our largest international markets – Asia Pacific and South Asia. All around the United States, ports are expanding their terminals and export capacity. It is almost inconceivable that one state, city and port would now be reducing capacity by shuttering a maritime terminal, converting it to non-maritime uses such as a hotel, retail, residential housing and a ballpark."

The San Francisco Bay Conservation and Development Commission (BCDC) voted 15-4 on January 17, to study possibly removing Howard terminal as a "port priority use area" from its San Francisco Bay Plan and Seaport Plan. While the terminal is not currently being used to unload ships, Mike Jacob, Vice President and General Counsel for the Pacific Merchant Shipping Association, told the BCDC that "just because you are not using the ship-to-shore cranes at present does not mean it is not being used."

"Between late 2016 and 2017 there were over 300,000 gate moves at Howard Terminal for intermodal trucking support. That's a critical component of what we do and a critical component why you designate this property to be part of the seaport plan," Jacob said.

New Zealand detains foreign bulker due to unpaid wages to crew

Maritime authorities in New Zealand have detained the bulk carrier *Daiwan Justice* after learning that the crews' wages had not been paid for almost four months.

Responding to a tip from the International Transport Workers' Federation, the Panama-flagged vessel was detained by officers with the Maritime NZ on March 2. The detention was lifted later in the day after the ship's operator, the Taiwanese company Wisdom Marine International Limited, paid the crew, according to Maritime NZ Southern Regional Compliance Manager Michael Vredenburg.

Last year, *Daiwan Fortune*, another Wisdom Marine International ship, was also detained for similar reasons. Vredenburg said Maritime NZ is now considering what actions could be taken against the company.

Maritime NZ detained the ship under the Maritime Labor Convention (MLC 2006), which sets out minimum standards for the health, safety and welfare of seafarers, including conditions of employment. "We acted on information provided to us by the International Transport Workers' Federation," said Vredenburg.

According to Maritime NZ, a Maritime Officer went on board the vessel to investigate, conducting interviews with the ship's master and crew, inspecting documents, and gathering other evidence that the crew had not been paid. When confronted with the evidence, the ship's master admitted the wages had not been paid and the vessel was detained immediately.

"Maritime NZ applies maritime law irrespective of the 'flag' of the ship and the nationality of the crew," Vredenburg said.

Foreign-flag vessels must at all times comply with international conventions that New Zealand is party to, and in New Zealand waters within 12 nautical miles (22 km) of the coast, must also comply with the Maritime Transport Act.

New Zealand is one of 20 Asia-Pacific countries that participates in the "Tokyo MOU" on Port State Control (PSC). The PSC system, one of several around the world, ensures foreign ships coming to ports can be inspected to ensure they comply with minimum safety, security and environmental protection requirements set down in international conventions, including the MLC.

NYK urges male employees to help with domestic work

NYK held a "Papa-Mama" seminar to encourage its male employees to become more proactive in housework and child care.

"As the number of working mothers has increased, the cooperation of partners is helpful for women to have fulfilling careers," NYK said last month in a press release.

Koji Azuma, a director for the nonprofit Fathering Japan organization, made a presentation at the seminar about the merits for men to participate in domestic work. In the fiscal year 2017, females accounted for 16% of company managers and the ratio of men taking child care leave reached 40%, NYK said.

"The NYK Group will continue to make efforts to strengthen its human resources by recognizing the importance of work-life integration and reviewing work styles to make efficient use of time as the company strives to help employees find a suitable balance between work and personal life," the company said.

Long Beach looks to deepen, widen channels

The Port of Long Beach and U.S. Army Corps of Engineers are proposing deepening and widening the port's shipping channels and selected berths at the port.

"Even though we are 'big ship ready,' there are opportunities that have been identified within the port to improve or make navigation even more efficient so that vessels and goods movement can be more efficient within the Port of Long Beach," said Eric Paulsen, Senior Program Manager at the port.

While big ships can call Long Beach today, as demonstrated by the Benjamin Franklin call, the port's design depth had always been 48 or 50 feet.

But as ships have continued to grow in size, in addition to getting slightly deeper, they also have gotten wider and longer, so the port now thinks a more desirable design depth for the Long Beach channel and berths would be 55 feet to 57 feet.

The port also wants to widen channels, especially where ships turn. Some berths, for example those at the Long Beach Container Harbor at Pier E and some of those at Pier T, are already at 55 feet, but turning longer ships into those terminals could be challenging.

Jay Field, a spokesman for the Los Angeles District officer of the Army Corps of Engineers, said a study of limitations and constraints of port channels "considered the longer lengths of newer containerships and found they would need to widen some of the channels to permit safe turning of the vessels.

"This determination was aided by the ship simulator at our Engineering Research and Development Center in Vicksburg, Mississippi," he said. (The first two-and-a-half minutes of this video describes how the simulator was used in the Port of Long Beach project.) Jacobsen said two pilots from his company traveled to Vicksburg to participate in the study.

The neighboring Port of Los Angeles completed deepening its main channel to 53 feet several years ago. Port of Los Angeles spokesman Phillip Sanfield said the port believes with the main channel depth it will be able to handle ships larger than 18,000 TEUs. Port of Los Angeles currently is seeking bids for a project to deepen the berths at Everport Terminal from 45 feet to 53 feet and 47 feet. The port also finished a separate project at Yusen Terminals last year.

The Long Beach project contemplates deepening and widening secondary channels serving container terminals serving Pier J and Pier T in the Port of Long Beach.

Many analysts are predicting larger ships will "cascade" into the TransPacific trades as even larger ships are deployed on services from Asia to Europe.

As part of the California Environmental Quality Act (CEQA) process, an initial notice of preparation (NOP) was released in 2016 for the project. A revised NOP was released January 29.

The NOP says navigation improvements contemplated by the project for

container vessels include deepening the Pier J approach channel, berths and constructing a turning basin to Pier J up to a depth of minus 57 feet mean lower low water or "MLLW." (MLLW is defined by the National Ocean Service as the average of the lower low water height of each tidal day observed between 1983 and 2001.)

Port of Long Beach spokesman Lee Peterson explained, "The 57 feet is the depth for some of the project alternatives. Based on the feasibility study, the 55 foot depth is the preferred alternative thus far. The NOP still lists 57 in case that option is selected."

It also includes deepening the Pier T/ West Basin and additional berths up to minus 57 feet MLLW.

In addition, the NOP said proposed navigation improvements for tankers include deepening the approach channel, which extends two miles from the Queen's Gate opening of the Long Beach Breakwater up to 80 feet below MLLW and inside the breakwater, constructing an anchorage area for very large tankers adjacent to the Port of Long Beach's main channel to a depth of up to minus 76 feet MLLW and widening the channel in certain areas, which would make it easier for ships moving to and from a petroleum berth at Pier T.

The project is estimated to cost about \$130 million and would involve removing about 8.3 million cubic yards of material. The material being removed would be sand or other soft sediment and could be performed with clamshell, hydraulic or hopper dredge barges.

Port officials noted that the exact depths of dredging will be determined based on an economic analysis of costs and benefits by the port and Army Corps of Engineers but are not expected to exceed the depths given in the NOP.

Money for the project would have to be appropriated by Congress. Deepening projects beyond 45 feet call for half the cost to be paid by the federal government and half by local sponsors such as the Port of Long Beach.

If both the Army Corps of Engineers and the Port of Long Beach Harbor Commission decide to go forward with the project, that decision would probably be made in the fall of 2021 and the U.S. Congress would have to appropriate the funds, with construction beginning sometime after that date, in perhaps 2023.

The port feels dredging its channels and berths to this depth will be sufficient for future containerships since as larger ships have been designed, they are increasing capacity by getting longer and wider, not by increasing their draft.

The deeper main channel will reduce the amount of lightering that tankers have to do and make navigation safer.

The approach channel outside the breakwater needs to be deeper than the main channel inside the breakwater because of ocean swells and because ships experience squat when underway which reduces the distance between the hull and bottom when underway.

**ATTEND YOUR
MONTHLY SUP UNION
MEETINGS!**



SUP PRESIDENT'S REPORT

March 11, 2019

GOVERNMENT SHUTDOWN

On March 1, the U.S. Coast Guard issued its latest shutdown "mitigation update," the fourth of five such notices in roughly two months. The fourth update notice extends the previous waiver period to include expired credentials from the first shutdown back in December all the way through April of this year – making all national endorsements and STCW medical certificates valid to May 31, 2019. Although that date is unchanged, the wider scope from three to five months of applicable extension is a welcome accommodation to mariners. Medical certificates aside, the fact that the extension clearly applies only to national endorsements means that the benefit to offshore mariners, who must also maintain STCW endorsements, is limited. Members with expired or expiring credentials are reminded of potential credential processing backlogs and encouraged begin the renewal process early. Members with expired or soon to expire credentials should also carry both the mitigation update and its accompanying extension authorization letter signed by the Commanding Officer of the National Maritime Center, K. R. Martin, Captain, U.S. Coast Guard. The letter is available in all SUP hiring halls, from the Union on request, and at https://www.dco.uscg.mil/national_maritime_center.

The lasting effect of the government shutdown highlights the importance of maintaining valid credentials as both a condition of employment and feature of Union capability and readiness, especially in an era when the frequency of such an event is more likely than ever. These basic administrative functions of government are not political: we depend on valid federal documentation simply to go to work, and so asking mariners and other workers to bear the risk and uncertainty of political budgetary battles is unacceptable. Accordingly, I sent the following letter to the Commanding Officer of the United States Coast Guard's National Maritime Center:

"Dear Captain Martin:

"Considering the recent government shutdowns, we commend and appreciate the efforts of the Coast Guard and the National Maritime Center to mitigate their effects on mariners. Although many federal workers, including as you know the Coast Guard's own personnel, experienced a much more immediate hardship, merchant mariners have had to cope with their own employment uncertainty, and despite the partial mitigations some considerable risks remain.

"A political process that puts in jeopardy our ability to gain the credentials we need to make a living is unacceptable. There are enough normal disruptions in the credentialing process without this kind of periodic and extended service collapse. Understanding the political process is beyond your scope, we note however, the hazards to national defense readiness and think it is not only appropriate but necessary for the Coast Guard and the National Maritime Center to consider alternative service options to immunize mariner credentialing from future shutdowns. For example, separate and protected fiscal allocations that ensure credentialing funding as a mission critical service deserves study. An annual rainy-day fund set-aside dedicated only to credentialing services in a fiscal crisis could likewise serve an important insurance function. Moreover, the Coast Guard should continue to formulate other contingency plans, beyond extensions, that could offer reasonable protections to both mariners and the national defense against the new vagaries of budget politics.

"Again, mitigation efforts heretofore have been helpful, we encourage the Coast Guard to continue such action, and offer our support and assistance for any long-term legislative, regulatory, or administrative fix."

MARITIME TRADES DEPARTMENT

SUP President Gunnar Lundeberg, along with MFOW President Anthony Poplawski, attended an Executive Board meeting of the Maritime Trades Department,

AFL-CIO, on February 21 and 22, in Orlando, Florida.

The primary focus of the meeting was the Jones Act, given the unrelenting attacks on the nation's cabotage law. The CATO Institute, a conservative "think tank" is leading the charge after receiving a reported \$11 million in funding from the notorious Koch brothers.

The Executive Board passed policy statements in support of the Jones Act as well as the Maritime Security Program, cargo preference and other issues that impact workers nationwide.

Speakers included Rear Admiral (Retired) Mark Buzby, Maritime Administrator; Congressman Bennie Thompson (D-Mississippi), Chairman of the House Homeland Security Committee; Congressman Brian Mast (R-Florida), who serves on the House Transportation and Infrastructure Committee's Sub-Committee on Coast Guard and Maritime Transportation; and Liz Shuler, Secretary-Treasurer of the AFL-CIO.

All SUP members are either covered or affected by the Jones Act, mostly in a direct and immediate way. In light of the relentless attacks on this most American of laws, informed and focused activism is more important than ever. Contributions to the SUP Political Fund is an excellent way to participate. Another new way to help is to send Jones Act support letters via email to our Congressional representatives. An advocacy group based in Washington called the American Maritime Partnership, of which the SUP is a member, has made it easy to send the right message to the right person. The process is quick and direct, a few clicks and fields to fill such as name and zip, and then it goes off to the relevant senators and representatives. Available on the Jones Act page of the AMP site at <https://www.americanmaritimepartnership.com/advocacy>, it contains suggested language but allows fast revisions, or entirely different personal message, and automatic email delivery with confirmation by return email. Here is a sample of the suggested text:

"As your constituent, you should know my livelihood depends on the Jones Act. The Jones Act is the fundamental law of the American maritime industry. This law ensures that cargo transported by water between two points in the United States moves on American vessels crewed by American workers. The Jones Act provides important national, homeland and economic security benefits.

I hope you will support America's Jones Act. I support and depend on it, as do U.S. military and homeland security officials. Importantly, the domestic maritime industry creates more than 650,000 American jobs with an annual economic impact of more than \$150 billion.

I know you have many important responsibilities in Congress but few could be more important than keeping our nation secure. The Jones Act keeps America more secure. Thank you for all you do for our country and for your support for the Jones Act."

This kind of communications work is a basic building block of today's grass roots political action. The simplicity and straightforward feature of this tool does not make it less effective. It is part of how we defend our work and our Union. Urge all hands to take part.

MARITIME INDUSTRY CONGRESSIONAL SAIL IN

At the request of your secretary, former SUP President Gunnar Lundeberg and Berit Eriksson, Director of Workforce Development of the Andrew Furuseth School of Seamanship attended the 10th Annual Sail In for March 6, in Washington, D.C.

Brother Lundeberg submitted the following report:

"More than 150 representatives from America's sea-going maritime Unions, U.S.-flag companies and related maritime organizations converged on Capital Hill in Washington to meet with Members of Congress and their staffs to discuss the importance of the U.S. Merchant Marine to the economic and national security of the United States, and to generate support for the laws, programs and policies that are critical for the survival and growth of work for American merchant mariners.

"As the membership knows, those are the Jones Act, the Maritime Security Program and U.S.-flag cargo

preference which includes Food for Peace (P.L. 480).

"While all these programs were discussed, the primary emphasis for this Sail In focused on funding the Maritime Security Program for Fiscal Year 2020.

"All participants of the Sail In were assigned to one of the 32 groups for Congressional office visits.

"Sister Eriksson's group met with freshman Congressman Anthony Gonzalez (R-Ohio), Congresswoman Vickie Hartzler (R-Missouri), Congressman Chris Pappas (D-New Hampshire), Congressman Ben McAdams (D-Utah) and Congressman Bradley Byrne (R-Alabama).

"My group had meetings with Congressman Cedric Richmond (D-Louisiana), Congresswoman Grace Napolitano (D-California), Congressman Matt Cartwright (D-Pennsylvania), Congressman Brian Higgins (D-New York), Congressman Bill Pascrell (D-New Jersey), Congressman Brian Fitzpatrick (D-Pennsylvania) and Congressman James Clyburn (D-South Carolina).

"All the meetings were productive but repeated education of Members of Congress to our issues is a necessity.

"The SUP cannot afford to let our industry become anonymous in the Hall of Congress. Without congressional support, our livelihoods could be legislated out of existence. Continue involvement of the Union with Members of Congress is imperative as is continue support of pro-maritime, pro-labor lawmakers via the Sailors' Political Fund."

As if to emphasize this point, the enemies of the Jones Act simultaneously launched another attempt to repeal it called the "Open America's Water Act of 2019 (S.694) was introduced by Senator Mike Lee (R-Utah). It would allow unlimited and unrestricted access to foreign flag, foreign owned, foreign built and foreign crewed vessels on our coasts, rivers and Great Lakes. The SUP will be working to defeat it again this detestable anti-American legislation.

EXECUTIVE ORDER 13860

On March 4, President Trump signed Executive Order 13860 to promote the transition of military veterans into the U.S. merchant marine. In the order, the President acknowledges that **"A robust merchant marine is vital to the national and economic security of the United States. Credentialed United States merchant mariners support domestic and international trade, are critical for strategic defensive and offensive military sealift operations, and bring added expertise to Federal vessel operations.** Unfortunately, the United States faces a shortage of qualified merchant mariners. As our strategic competitors expand their global footprint, the United States must retain its ability to project and sustain forces globally. This capability requires a sufficient corps of credentialed merchant mariners available to crew the necessary sealift fleet. Attracting additional trained and credentialed mariners, particularly from active duty service members and military veterans, will support United States national security requirements and provide meaningful, well-paying jobs to United States veterans."

The order goes on to require federal agencies to conduct, consistent with existing law and regulation, a review of military training and experience that may qualify for merchant mariner credentialing, to explore possible waiver of fees, to support the Military to Mariner Initiative, and to produce a yearly status report among other things. The recognition of the Administration of the critical importance of the U.S. merchant marine is both timely and appreciated, and the transformation of veterans to mariners is a time-honored tradition in the SUP. Members in the past and present have used their military experience to become professional commercial mariners and the Union has repeatedly advocated for improvements to the mariner credentialing process for veterans since at least the outset of the STCW era.

Most recently, SUP Training Representative Berit Eriksson has been the driving force to develop practical improvement recommendations as chair of the Military to Mariner sub-Committee of the Merchant Marine Personnel Advisory Committee, or MERPAC. Shortly after the order was signed, Sister Eriksson also gave expert testimony as part of a panel in a hearing

continued on next page

SUP President's Report continued

before the Senate Committee on Commerce, Science and Transportation on exactly this topic. The Presidential Executive Order suitably acknowledges and highlights that work, a worthy goal in itself. But ensuring that there are destination jobs for former members of the armed services is not merely a workforce development issue. It calls for unfailing dedication to a comprehensive maritime policy loaded with the usual components of a "robust merchant marine" – strong support for the Jones Act, for the Maritime Security Program, for expanded ship operator participation in defense contracting, and for the cargo preference system. Still, it is as Maritime Administrator Rear Admiral Mark Buzby said: "a huge step in the right direction."

Admiral Buzby's testimony came over in the House, before the Coast Guard and Maritime Transportation subcommittee chaired for the first time by Sean Maloney (D-New York). Among other things, Buzby noted concern about the aging of the Ready Reserve fleet. Seafarers International Union Executive Vice President Augie Tellez also testified at the House hearing, on behalf of the SIUNA, including SIU, SUP and MFOW, MEBA, AMO, and MM&P. He rightly expressed frustration that the industry must constantly "play defense" against the perpetual assault on the long-standing laws that support U.S.-flag shipping. He implored Congress to make the revitalization of the Merchant Marine a priority. "We need to go on the offense and start trying to find ways to grow the industry," he said. "We can't simply rely on maintaining MSP, stopping attacks on the Jones Act and cargo preference, and hope that things turn around. They won't. Not unless we act. Now is the time for action."

MARAD'S TABLETOP BREAKOUT EXERCISE

On February 26, the U.S. Maritime Administration initiated its annual simulated activation of all the Ready Reserve Force ships as well as other government ships in Reduced Operating Status. Although there were no actual jobs and no pay, the nation's maritime unions were still required to dispatch actual mariners with qualifying credentials to each billet and according to their normal procedures. In a single day, by the determined focus of all SUP agents, the Union had "crewed" all eleven ships that were assigned to it including the *Cape Texas*, *Cape Taylor*, *Cape Trinity*, *Cape Vincent*, *Cape Victory*, *Cape Henry*, *Cape Horn*, *Cape Hudson*, *Cape Orlando*, *USNS Pomeroy* and the *Admiral Callaghan*. Around the same time as the "tabletop" exercise SUP dispatchers also filled the actual billets of genuine jobs including the mission activations of Cape Hudson, Cape Orlando and emergency relief commercial breakouts of *Kauai* and *Lihue*. The commitment of the registered membership was thus tested again and again found ready to meet the defense sealift requirements of the United States. In the days ahead, members dispatched to an exercise billet may receive an email or phone call follow-up from MarAd to confirm readiness.

SHALLOW DRAFT TANKER

Subsequent to the publication of a new Request for Proposals from the Military Sealift Command for the operation of a shallow draft tanker, the Union was contacted by Patriot Contract Services manager Tim Gill. Patriot is the incumbent operator and presently operates the tanker *SNLC Pax* serving the U.S. military in the western Pacific. The *Pax* has been crewed by the SUP and MFOW since 2014 and has an excellent performance record. In coordination with MFOW President Anthony Poplawski, I researched the new RFP, and began drafting a competitive bid. Expect to finalize an offer for membership review next month.

BAY AREA LABOR COUNCIL APPOINTMENTS

The SUP has a strong record of support for, and active participation in, the coalition of Unions known as labor councils. Present delegate vacancies in the Alameda Labor Council and San Francisco Central Labor Council should therefore be filled in accordance with Article XI of the SUP Constitution by members who possess the same qualifications as regular officers, are interested and able to attend meetings, and live or work in those jurisdictions consistent with the AFL-CIO rules governing area labor councils.

Accordingly, I nominate the following additional members for election to the Alameda Labor Council: Robert Reed, Norhaslan Idris, Sam Worth and SUP Vice-President Matt Henning to join the existing delegation consisting of long-time SUP activist Diane Ferrari and myself.

In San Francisco, after many years as a member of the Executive Committee, former President Gunnar Lundeberg is hereby nominated for re-appointment as a delegate to the San Francisco Labor Council, a post he has held since 1982, as well as Matt Henning, Tom Koppel and myself.

MARCH 6, 1885

March is sailors' month. On March 6, 1885, a small crowd of sailors gathered in the rain on San Francisco's Embarcadero to protest a wage cut and to object in general to a insidious but pervasive system of oppression. That meeting spawned the Sailors' Union of the Pacific and we celebrate her one-hundred and thirty third birthday this month.

We celebrate not because the Union is some historical artifact but rather – as its founders hoped – because it is a reliable engine of fairness, opportunity and prosperity. Our hiring halls in the last two weeks shipped more than 100 jobs.

Last week SUP dispatchers crewed up three San Francisco ships from cold lay up to fully operational with little or no advance notice. An additional eleven ships were "crewed up" up and down the Coast in the government exercise noted earlier. This work comes on top of all the normal demand and proves yet again the depth and

adaptability of our venerable hiring hall system. There is perhaps no better measure of our success.

We celebrate the bold Senate testimony of Berit Eriksson, holding Congress to account to strengthen its merchant marine and to respect the unlicensed mariners that get the work done on deck.

And this year we commend the achievements of Gunnar Lundeberg, our leader for nearly three decades. His first ship was 55 years ago, was first elected 37 years ago, and has led the Union through thick and thin since 1990. He stood up for the right to quit a ship, for fair pay and a just workplace, for a decent retirement and good health care. He made at the outset the tough decisions that saved the Union from financial ruin and it was his hand on the wheel during the creation of the Maritime Security Program that retained SUP jobs and the U.S.-flag in the international trades. He defended the Jones Act against countless attacks, replenishing fleets despite the threat of outsourcing, and organizing new work such as the government jobs that made skilled SUP sailors once again a premier asset of the maritime national defense. He settled thousands of beefs, negotiated hundreds of industry-leading agreements; he created the SUP Money Purchase Pension Plan, the 401(k) Plan and the Special Pensioners Medical Benefit and built a fringe benefit system that is second to none. There was trouble and triumph, ordeals and victories too numerous to mention, yet he weathered the storms and turned over the watch with skill and dignity and poise: SUP-style.

We celebrate a Union that can hold such a leader at such a high-level for so long. It is a gift challenge and a legacy treasure to us all. Happy birthday to the SUP.

HOLIDAYS

Harry Bridges Memorial Day: The Honolulu Branch will be closed on Friday, March 29, in observance of an ILWU Local 142 holiday. Under the SUP agreement with Matson, this is a holiday for company vessels in Hawai'i ports on that day, the Paint & Rigging Gang and those employed under the Extra Maintenance Agreement.

This is not a holiday in West Coast ports. Harry Bridges birthday is a holiday in West Coast ports on July 29, this year.

Cesar Chavez Birthday: All SUP halls on the West Coast will be closed on Monday, April 1, in observance of Cesar Chavez' Birthday. As an ILWU holiday, it is therefore a recognized holiday for SUP members working under the APL and Matson Maintenance Agreements and for those in APL and Matson vessels in West Coast ports on that day. The holiday is also observed under the Agreements with the San Francisco Bar Pilots. Cesar Chavez' birthday is not a holiday in Hawai'i.

Good Friday: All SUP halls on the West Coast will be closed at noon on April 19, in observance of Good Friday. Under the Agreements with APL and Matson, unlicensed personnel shall be granted a three-hour holiday between noon and 3:00 P.M. Overtime shall be paid when required to work during those hours.

The Honolulu Branch will be closed all day on April 19, as it is an ILWU Local 142 holiday. Therefore, it is a holiday for Matson ships in port and for those working under the SUP/Matson Maintenance and Extra Maintenance Agreements.

ACTION TAKEN

M/S to approve the Bay Area Labor Council appointments. Carried unanimously.

M/S to concur with the balance of the President's report in its entirety. Carried unanimously.

Dave Connolly

VICE PRESIDENT'S REPORT

March 2019

APL Gulf Express; Ben Ashton, delegate. Hussein Ali relieving Chris Go of his bosun duties. Bosun Go did an excellent job on one of the toughest ships/runs in the fleet.

APL President Roosevelt; Jessie Williams, delegate. No major beefs with Angel Lopez, bosun.

APL President Cleveland; Manny Roxas, delegate. No major beefs with Greg Schauf, bosun.

APL President Kennedy; Jennifer Corner, delegate. David Ibarra, bosun. In and out of Oakland with no major beefs. Delegate Corner keeping track of crews work/rest log on computer system. Learning and understanding STCW work/rest is an important aspect in today's shipping.

APL President Eisenhower; Aaron Wiebe, delegate. Julian Torre, Bosun. Gang handled tough situation with steward well. When issues arise with steward or other departments, document issue/problems, then take to Union or upstairs to captain.

USNS Dahl; Marc Dulay, delegate. Xerxes Cunanan, bosun. Being relieved by Ed Zepeda. On the hook in Saipan doing top notch work as always.

USNS Sisler; Chris Cupan, bosun. Departed Diego Garcia for offload in Blount Island, Jacksonville, Florida. Shipyard/RAV to follow, dates pending.

USNS Watson; Eduardo Rojas delegate. Majority of crew getting off this month. Nice job by crew and delegate making sure relief requests were made in timely manner to assure company and Union could fill billets on time.

Mississippi Voyager; Ron Gill, bosun. In and out of Richmond Long Wharf every weekend. Clarification on restriction to ship. Ship moving up and down the West Coast on her regular routine. Congrats to our newest member Kevin Thomas.

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SUP BRANCH REPORTS

SEATTLE

February 19, 2019

Shipped the following during the period: 1 Patriot Boatswain filled by a B member. 1 GUDE and 2 GVA RRF billets filled by 1 B and 2 D cards. 1 Relief AB/W to *Manoa* filled by a C member. Matson called for 11 Standby AB's, filled by 7 A, 3 B, and 1 D card.

Registered: 4 A cards for a total of 8; 10 B cards for a total of 18; 1 C cards for a total of 2 and 0 D card for a total of 2

Shipping is still slow in Seattle but looking for *Pomeroy* to crew up. When *Pomeroy* activates, we will need all hands on deck, so check your documents and be sure they will remain valid for the duration of six months past your dispatch.

Brendan Bohannon
Branch Agent

WILMINGTON

February 19, 2019

Shipping: Bosun: 2, AB: 9, AB Maint: 5, STOS: 2, GVA/Gude: 1 and Standby: 62. Total Jobs Shipped: 81

Registrations: A: 22 B: 45 C: 10 D: 3

Ships checked

R.J. Pfeiffer, President Kennedy, Manukai, President Truman, Manulani, Daniel K Inouye, President Roosevelt, Maunawili, Mokihana, President Eisenhower

Leon is on the binnacle list. I will be here for six weeks.

I attended an American Merchant Marine Veterans Memorial meeting. Not only are we preparing for Maritime Day, but we are preparing to upgrade the fountain and pumping system. This Maritime Day will be our 40th Anniversary. More information about this next month.

Mark Hurley, Acting Branch Agent

HONOLULU

February 19, 2019

Shipped the following jobs in the month of February: 1 Bosun, 2 AB Day, 1 AB Day return, 8 AB Watch steady, 1 AB Watch relief, 1AB Maint., and 2 OS Watch. The shipping jobs were filled by 4 A cards, 9 B cards and 3 C cards. Shipped 22 standby jobs filled by 3 A cards, 11 B cards, 3 C cards, and 5 D cards.

Registered in Honolulu: 7 A cards, 15 B cards, 6 C cards and 3 D cards.

Ships checked

I visited the *R.J. Pfeiffer, Manukai, Maunawili, Manulani, Maunalei, Manoa, Mokihana, Mahimahi, Matsonia, Kamokuiki, Daniel K. Inouye*, 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; and *USNS Watson*- no major beefs.

I represented the SUP at the Hawai'i Ports Maritime Council meeting, and the Hawai'i 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. Mahalo,

Michael Dirksen, Branch Agent

SUP members join pension ranks

The following SUP members joined the ranks of pensioners:

Lawrence Gately, 70, Book No. 3033, joined SUP in 2000, 15 years seetime.

Gunnar Lundberg, 71, Book No. 4090, joined SUP in 1964, 37 years seetime.

Knut Rasmussen, 65, Book No. 3175, joined SUP in 1981, 32 years seetime.

BUSINESS AGENT'S REPORT

March 11, 2019

Daniel K. Inouye- In at Oakland#62. Standbys are vital on here on the Southern triangle. We sail for Honolulu by the time we clear decks and washdown there's no time for maintenance work now its time to port prep for Honolulu. Maintenance on the decks in the winter is not the ideal conditions. Lucy Bishop, Delegate and Paul Fuentes, Bosun.

Matsonia- Ships been out of service for then last week laid-up alongside Oakland #61. This is due to damage to the one of the bunker tanks Matson decided to crew up the *Kauai* to fill in. Back into service next week. Allen Gonzalez, Delegate and Teofilo Rojas, Bosun.

Kauai- Called a crew to carry *Matsonia* cargo. Ship was in Alameda on the outboard side of the *Maui*. We had to take stores from the dock to the *Maui* then to the *Kauai* using three sets of cranes to get them aboard from the dock, however, nothing we couldn't handle. We shifted to Oakland#62 took a full load for Honolulu. Sailed with no beefs. Phil Coulter, Delegate and Norhaslan (Haz) Idris, Bosun.

Manoa- In from Honolulu. Bypassed Seattle for San Francisco to get back on the schedule with the *Matsonia* which is laid-up, we needed to pick up the remaining cargo. The latest rumor has her headed to Los Angeles to be put on the Far East run. Duke Maringer, Delegate. Isnin Idris, Bosun.

Mahimahi- In at Oakland#62. Last trip due to the weather and maintenance issues in other ships caused Oakland bypass which made it a long trip. Back on schedule for the Northwest run with Mike Worth, Bosun and Mark Relajo, Delegate.

Florida Voyager- Sailed for the Gulf of Mexico. Received a message from the Bosun, they're through the Panama Canal heading to Houston for a short stay then to New Orleans. Had their SUP meeting to elect a delegate, and any issues or concerns were squared away in the meeting. We don't know how long she will be on this run, always subject to change. Rory Alexander newly elected Delegate and Thor Erikson, Bosun.

Mississippi Voyager- In at Richmond Long Wharf on the El Segundo/L.A. run with Scott Oliphant, Bosun and John McAuliffe, Delegate.

Texas Voyager- Operating out of the Gulf of Mexico. Investigating termination. Brendan Craughwell, Delegate.

President Wilson- Oakland#59. Looking into locking laundry room in port. Clarification on washdown. Mike Weber, Delegate and Rolando Mendoza, Bosun.

President Truman- Oakland#59. The saga continues with the ongoing issues with the potable water system, under investigation. Cosme Bigno, Delegate, Dave Frizzi, Bosun.

President Eisenhower, President Roosevelt- Checked in with ships with little or no beefs.

Admiral Callaghan- Routine with the gang with Robert Leeper, Bosun with GVU Larry Davis, and GUDE Hever Ramirez.

Cape Orlando- Pier#1. Ship was activated earlier this month sailed for Port for Anchorage, Alaska, picked up a load of military cargo for Pearl Harbor, Hawai'i, should run until the end of this month. Jose Ysern, Delegate and Jim Linderman, Bosun.

Cape Horn- Ready Reserve status ready to go in any given time. 96 hours crewed up and running, keeping up the maintenance on these RRF vessels is key to a successful activation. Cody Clark, Bosun, GVA Jamie McKeller, and GUDE Mckevin Dulay.

Cape Hudson- Activated in late December. Sailed for Port Angeles, Washington, for bunkers and cargo then sailed to Honolulu then to Singapore. Received a message from the delegate last week: headed to Thailand then to the Subic Bay P.I. Everyone is in fine spirits. Great gang top to bottom and making money with Jonnell Hodges, Delegate, and Isagani Cruz, Bosun.

San Francisco Bar Pilots- Pier #9. Leo Moore, Dock Bosun, big Mike Koller, delegate. The weather conditions have been brutal.

If your documents are less than six months, it's time to renew. Worked on dispatching and helped out in the front office

Roy Tufono

Vice President's Report continued

Florida Voyager; Rory Alexander, delegate. Leaving Richmond, California and heading back to Houston with Florida to follow. Thor Erikson, bosun.

San Francisco Bar Pilots; Mike Koller, delegate. Met with operators of the *San Francisco* station boat and *Golden Gate* run boat. Went over general issues/concerns with crew.

I represented the SUP at the Alameda Labor Council meeting this month with pensioner Diane Ferrari. Please remember to keep up with all documents and certificates. Had several dispatches this month where people had expired BST, small arms, drug screen and so on. It's your livelihood, keep up with your paperwork. Plenty of people are more than willing to help and assist in the halls, just need to ask.

Matt Henning



SUP Deck Gang in the *Kauai* late February in Oakland. From the left: Bosun Norhaslan "Haz" Idris, A.B. Rolando Gumanas, A.B. and Delegate Phil Coulter, A.B. Dennis Sumague, A.B. Sam Worth and A.B. Spencer Thompson. Photo: Roy Tufono

Dispatcher's Report

Headquarters—Feb. 2019

Timely Reminder

2nd quarter 2019

dues are due

and payable now!

SUP Constitution

ARTICLE VI

DUES AND INITIATION FEE

Section 1. The initiation fee shall be Sixteen Hundred Dollars (\$1600.00) payable in installments with the sum of One Hundred Dollars (\$100.00) being due and owing upon the member's admission into the Union and the balance of Fifty Dollars (\$50.00) per month for each month or part thereof in SUP-contracted vessels.

The initial installment of One Hundred Dollars (\$100.00) shall accompany the application of membership and the dues shall be One Hundred Fifty Dollars (\$150.00) per quarter, payable in advance.

Deck	
Bosun.....	2
Carpenter.....	0
MM.....	5
AB.....	14
OS.....	3
Standby.....	33
Total Deck Jobs Shipped.....	57
Total Deck B, C, D Shipped.....	48
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.....	57
Total B, C, D Shipped-All Depts.....	48
Total Registered "A".....	19
Total Registered "B".....	38
Total Registered "C".....	6
Total Registered "D".....	14