

# PRESIDENT'S REPORT – JANUARY 2021

## THE YEAR AHEAD

In danger and uncertainty, in fatigue and frustration, this year comes into focus in the same dim light that ended 2020. The coronavirus waves surge higher from the holidays, yet despite the grim numbers there are glimmers of hope. A vaccine is at hand, and the very recent levelling off of new cases may suggest an end at least to the holiday spikes. Keeping in mind however the more infectious variants of the virus now in circulation, it is far too soon to relax, as members and agents can readily attest. In fact, everyone is part of a daily triumph to simply carry on the normal day-to-day work of the Union. We make a continuous COVID assessment of dispatching, of hiring hall safety, of government orders, of travel restrictions, of training, of company problems and policies, and personal tragedies. We deal with delayed crew reliefs, the whole testing regimen, and all the myriad accommodations and workarounds. Now we are confronted by confusing and changing vaccine access and inoculation procedures, while the normal work goes on as required. This year there are more government contracts to bid and train for, new commercial contracts to negotiate, other bargaining, and continuously transparent and efficient Union administration that stands up to scrutiny and always meets the requirements. In the third quarter we will negotiate with Matson, and I urge all members to begin to consider, draft and submit proposals for that Committee as well as for the Committee on Constitution in June towards an election beginning in December. Everything is different in the COVID era, but if something is familiar it is the hard work of tough watch on a cold run. Hold fast.

## MEETING CANCELLATIONS

In accordance with state and local orders that prohibit the gathering of people in most venues under most conditions, and to protect the health and safety of both members and staff, the regular membership meetings throughout the Union were cancelled for the months of December and January. This action was consistent with prior action approved by the emergency committees before cancellations in April and May of last year, during what was then a peak infection rate. Those cancellations were also authorized by collective membership action subsequently throughout the pandemic and such is also the case here. We expect to resume regular meetings in accordance with the SUP Constitution as soon as possible. See [www.sailors.org](http://www.sailors.org) for continuous updates. Normal meeting materials are available for review by members at the hiring halls and this report is available in full online and in the monthly publication of the *West Coast Sailors*.

## APL

APL's Director of Labor Relation John Dragone contacted the Union to renew the Restriction to Ship Settlement Agreement that dates to October of 2020. The original Agreement settled a restriction to ship claim brought in the President Roosevelt, taken up by the SIU-PD Unions as an omnibus grievance covering all ships. Ultimately, it was agreed on that on a month-to-month basis where sailors were restricted to ship and not prevented from shore leave by local government orders crew compensation would result, first at \$100.00 per qualifying day and then raised in bargaining to \$150.00 per day. The Agreement also included improved internet speeds and access, as well as a weekly slop chest allowance of \$40.00 per week.

To address the ongoing restriction, the SUP, MFOW and SIU along with the licensed Unions proposed an increase of an additional \$50.00 per day as partial alleviation of pressure. The Company countered with a \$25.00 contingent upon Union recognition of the vaccine as a condition of employment and mandatory vaccination within 30 days of availability and applied until pandemic end. Because the

terms were both restrictive, vague, and without immediate need, authoritative support, or clear legal requirements, the Unions rejected same and proposed another 1-month renewal of existing terms. The Company countered with an extension until the end of February and agreed to the minor improvement of rolling over unused slop chest allowance amounts to the ship's fund for crew use. Mr. Chairman, mainly because it ensures continued \$150.00 per day payment under the terms, and because the unused slop chest donation is minor benefit, I recommend ratification of the amended agreement extension until February 28, 2021.

## **FOSS MARITIME COMPANY**

After roughly twenty-four years of successful operations as Foss Maritime, the successor to Chevron's Inland Fleet covering ship refueling jurisdiction that goes back to the 1940's, Foss sold the business to an outside company, delivering a cold message to employees in the midst of the holiday season and a fearsome pandemic. The news arrived like a knife in the back.

On December 28, 2020, Foss Regional Manager Henry Palmer notified the Union that the Foss Maritime's parent company, known as Saltchuk, was selling the Foss California bunkering business and its six bunkering barges to Centerline Logistics Company, formerly called Harley Marine Services. The transaction includes the Saltchuk purchase of eight ship assist tugs currently under the Millennium and Starlight brands and will be consolidated under the new Starlight brand of joining the other Saltchuk subsidiaries of Foss, AmNav, Cook Inlet and Young Brothers.

The long success of the operation is mainly due to the dedication of the professional SUP workforce, and the work of the Union to attract and retain them via maintenance of the best wages and conditions for tankerman in the industry. Then it was dozens of full-blown negotiation sessions covering vast changes in the industry that did that, an ambitious and unprecedented jurisdictional sharing arrangement that did that, and countless improvements via the collective bargaining process helped make it a good place to work for the long term. In the classic fashion of corporate indifference, there was no courtesy of notice or an offer to negotiate before Foss signed away the business on December 23 and informed the Union only minutes before informing employees on December 28. On behalf of the Union, I registered with management our objections and promised to defend and protect our historical work. I called members individually and collectively to discuss what we knew. And in addition to retaining the legal counsel from labor lawyers Sheila Sexton and Peder Thoreen, with Beeson, Tayer and Bodine, of Oakland, I lodged a reservation of all rights, a request for information, and a demand to bargain.

The Company responded in part to some questions, but much is unanswered. Management acknowledged a responsibility to bargain, however, and on January 12, a preliminary fact-finding discussion was held. Over SUP objections management mostly repeated its unwillingness to continue a collective bargaining relationship with the Union but expressed continued willingness to talk and some responsibility for the outcome. That discussion is ongoing and with all options under evaluation will continue keep the membership informed.

## **GOVERNMENT SHIPS**

The Union's work in maintaining and building our government ship contracts and work opportunities continues at a steady pace. In addition to an increase in the Ready Reserve due this month, there are several contract bids that are pending.

**MSC bid for Watson-class ships.** In May of 2019, the Military Sealift Command publish solicitation N32205-19-R3009, which was the initial successor contract for the operation and maintenance

of the eight Watson-class LMSR (Large Medium Speed Roll on/Roll off) ships. Those ships are the *USNS Charlton*, *USNS Dahl*, *USNS Pomeroy*, *USNS Red Cloud*, *USNS Sisler*, *USNS Soderman*, *USNS Watkins* and the *USNS Watson*. The ships are expected to be prepositioned in Full Operating Status in the Indian Ocean (Diego Garcia) and western Pacific (Guam, Saipan and South Korea). One ship is likely to remain in Reduced Operating Status and homeported in the United States. The contract was awarded to Patriot Contract Services in 2013 and the SUP has been aboard these ships since early 2014 with an excellent track record of performance.

**RRF VAM.** In February 2020, the U.S. Maritime Administration (MarAd) issued solicitation RFP 693 JF719R000034 to acquire ships for service in the Ready Reserve Force. The Vessel Acquisition Manager (VAM) will identify, purchase, re-flag to the US flag (if necessary), and repair/modify vessels that will eventually be added to the RRF fleet. It is part of the process to “recapitalize” the RRF. It is being bid as a four-year contract with a two-year option, for a total of possibly six years, beginning this as early as this summer. The VAM concept is new for the MarAd – a contractor to acquire needed ships – foreign or domestically built – using government defense sealift funds and specifically to replace aging Ready Reserve vessels. The VAM’s role would extend beyond the financial acquisition, however, to include some level of operations and maintenance prior to the contract bidding process. There are no predetermined manning levels set by the RFP and instead will be determined by the status of the ship. Patriot is bidding for the work as the prime contractor.

**NS Savannah Decommissioning.** In March of 2020, MarAd issued Solicitation RFP 693JF720R000010 to support the decommissioning of the historic ship NS Savannah which included safeguarding and other custodial care. The contractor was offered to provide nuclear decommission services including some specialized technical engineering expertise in such operations such as labor, equipment, and supplies appropriated for radiological protection monitoring, surveillance, planning and supervision to carry out the industrial decommissioning. Patriot is bidding as a subcontractor for the ship husbandry and maintenance portion of the work related to the larger decommissioning. The ship is located in Baltimore Harbor and is intended to become a museum ship when the work is complete.

**MSC bid for BOBO-class ships.** In November 2020 MSC published solicitation N32205-21-R-4117 for the operation and maintenance of six Maritime Prepositioning Force (MPF) ships. The Union was contacted by Patriot to submit wages and fringe benefits covering the terms and conditions of employment for these ships, also known as the *Bobo*-class vessels, and consisting of the USNS BOBO, USNS BUTTON, USNS LOPEZ, USNS LUMMUS, USNS WILLIAMS, and USNS STOCKHAM. Three of the ships are expected to be prepositioned in the Indian Ocean and the other three in the western Pacific, all in support of the U.S. Marine Corps. The normal operation tempo of each vessel in Full Operating Status is estimated to be 92 percent in port and eight percent underway.

**MSC bid for TAGOS-class ships.** Also in November the MSC published solicitation N-32205-21-R-3100 for the operation and maintenance of seven T-AGOS and T-AGM ships also known as “Ocean Surveillance Ships.” They are the *USNS Able*, *USNS Effective*, *USNS Impeccable*, *USNS Invincible*, *USNS Lorenzen*, *USNS Loyal* and *USNS Victorious*. In the past the wage determinations were set at levels that the Union considered a disincentive; now however, we expect to construct a competitive bid that will both attract members to the work and retain them for the long run. All ships are anticipated to be in Full Operating Status for the duration of the contract.

**Ready Reserve Force Increase.** In accordance with the MOU between Patriot and the SIU-PD regarding the terms and conditions of employment related to the operation and maintenance of the MarAd Ready Reserve ships, effective January 27, 2021 there shall be a two and one-half (2.5) percent total labor cost increase in wages and wage related items as well as fringe benefit contributions. The ships operated

by Patriot are the *GTS Admiral Callaghan, MV Cape Orlando, MV Cape Taylor, MV Cape Texas, MV Cape Trinity, MV Cape Victory* and *MV Cape Vincent*.

In accordance with the MOU between Matson Navigation Company and the SIU-PD regarding the same terms and condition of employment for the *MV Cape Henry, MV Cape Horn* and *MV Cape Hudson* there is also a two and one-half (2.5) increase to wages and wage related items as well as fringe benefit contributions.

Mr. Chairman, for the increases due in the Union's Ready Reserve Force contracts for both Patriot and Matson I recommend the allocation of the entire increase be made to wages and wage related items, and fringe benefit increases allocated as needed.

## **UFCW LOCAL 5 NEGOTIATIONS**

As mentioned in prior versions of this report, over the past six weeks the Union has been engaged in discussions with members employed by UFCW Local 5 including gathering and vetting proposals. In another focused period of bargaining beginning in mid-December and carrying through the holidays into January, each proposal was raised with the employer, Local 5 President John Nunes in the full context of conditions, wages and premiums, financial considerations, retirement benefits, among many other things. After continuous communication with various members, and older proposals were revised and repropose, newer ones drafted and proposed, refined, and proposed again. Not everything was agreed to, but a tentative deal was reached. With the assistance of rank-and-file Representatives Maggie Federer, Efrain Aguilera, Alfredo Delgado, Hector Moreno among others, as well as SUP Vice-President Matt Henning and SUP records administrator Martha Vizcarra, all of the various moving parts of a pandemic negotiation process were ably addressed. The specifics of the concession-free agreement are as follows:

1. Term and increase: 1 year "extension" expiring December 31, 2021 with a
2. Three percent (3%) increase on wages retroactive to January 1, 2021.
3. Vacations: unused vacation due to a necessary assignment by Local 5 will not be subject to existing caps.
4. Sick Leave: out for medical leave or funeral leave on a holiday will not be deducted from employee's sick leave account.
5. Funeral leave: added son-in-law and daughter-in-law eligibility and leave valid for six months.
6. Out of area assignments premium: set at \$100 per week or prorated for less than a week.
7. Car Allowance: increase of \$50 per category (i.e., \$900 to \$950, \$950 to \$1000, \$1000 to \$1050) and a new excess mileage premium of \$300 per month if over 4k miles per quarter.

In addition, reviving a repeatedly rejected retirement proposal, the Union asked, and President Nunes ultimately agreed to bring a proposed increase in the self-contribution rate to the pension from 4 to 5% to the International Union's review for clearance. On the evening of January 13, SUP VP Matt Henning conducted and recorded the anonymous vote of the membership employed by Local 5 and reported the tentative Agreement was approved. Meanwhile, President Nunes later advised that the International had approved our pension increase proposal. Since a majority of the members working under new terms and conditions approve, Mr. Chairman, I recommend ratification.

## **COAST GUARD CREDENTIAL EXTENSION UPDATE**

Responding to industry concern, particularly from the maritime labor Unions, the Coast Guard agreed to extend again the expiration of certain credentials due to the impact of the pandemic. In this light, the Coast Guard issued its fifth change to MSIB 08-20, titled COVID-19 – Mariner Credentials, which updates information on extensions to merchant mariner credentials and medical certificates.

The following significant changes are provided in Change 5 to MSIB 08-20:

- Merchant mariner credentials, both national and STCW, and medical certificates that expire between March 1, 2020 and June 30, 2021 are extended. The credentials are extended to the EARLIER of October 31, 2021 or one year from the expiration date of the credential.
- In light of the recent closures of Regional Examination Centers to the public, approval to test letters and course approval certificates that expire between March 1, 2020 and June 30, 2021 are extended to October 31, 2021.

While the Coast Guard has provided the extensions noted in the MSIB, mariners are strongly encouraged to fulfill the requirements and submit applications as early as possible in order to avoid a lapse in their credentials. If you have questions, please contact the National Maritime Center by using the NMC's online chat system available at <https://www.uscg.mil/nmc>, by emailing [IASKNMC@uscg.mil](mailto:IASKNMC@uscg.mil), or by calling 1-888-IASKNMC (472-5662). Please see additional information in this month's issue of the *West Coast Sailors*.

## **SUP WELFARE PLAN**

Benefit increase: A COVID related matter came before the Board of Trustees of the SUP Welfare Plan at its regular meeting in December that resulted in a small benefit improvement. Specifically, members who are forced to pay for newly required Personal Protective Equipment (PPE) due to COVID concern will be reimbursed on a per visit basis. After investigation and debate the Trustees agreed to cover charges for medically necessary dental procedures for eligible participants. The claim period is retroactive to June 1, 2020 through June 30, 2021 of up \$10.00 per visit. The benefit is available to eligible active and pensioner participants subject to the annual maximum pensioner benefit allowance. The Plan Office needs a copy of the receipt and the itemized bill. Questions can be answered at 800-796-8003 and more information is available in the Welfare Notes section of this month's *West Coast Sailors*.

## **2020 LEGISLATIVE UPDATE**

National Defense Authorization Act of 2021: With the Congressional override of President Trump's veto of the NDAA, (see article in the January issue of the *West Coast Sailors*) the critically important Maritime Security Program got a much-needed boost. For months, despite bi-partisan support the fate of the legislation wavered and faltered, and then even after Congress passed it there were fresh uncertainties around the veto and the votes needed for override. In the end its passage authorized an expenditure slightly less than appropriated, but nevertheless brought stability to the nine MSP ships operated by APL, and to U.S.-flag ship operations in the international trade.

Second CARES Act (Stimulus/COVID Relief): On December 28, 2020, President Trump signed into law the second massive COVID stimulus bill which came in at about \$900 billion. It gives much needed relief to many Americans and sectors of the economy. For workers, the relief plan includes direct relief payments of \$600 to most adults making up to \$75,000 per year and \$1200 for couples making \$150,000 per year plus \$600 per child. It also adds a \$300 federal unemployment supplement for a period of at least 10 weeks through March 14. There is a special eligibility provision that makes unemployment

benefits available to with exhausted state benefits, and the unemployment amounts are retroactively applied based on the rules of the individual states. As in the larger relief bill, if in doubt members should simply apply for benefits and the states have the responsibility to determine eligibility and amounts.

Water Resources Development Act: built into the CARES Act, this legislation provided authority to spend the full annual receipts of the Harbor Maintenance Trust Fund (HTMF) and takes the allocation of that funding off-budget. It has long been a goal of maritime interests, including labor, to use such receipts for actual U.S. maritime improvements rather than see the funds held indefinitely or diverted to other budgetary issues.

## **QUARTERLY FINANCE COMMITTEE**

In accordance with Article XVII, Section 2 of the SUP Constitution, a Quarterly Finance Committee is normally elected at the January meeting review the finances after the quarterly audit of Union funds is complete, and then report back to the membership. By local government orders against indoor gatherings however, and in accordance with previous steps taken by the Union emergency committees to protect the members and staff, the meeting was regrettably cancelled. The Committee will convene after election at the next regular scheduled meeting and take up the pending business. The monthly and quarterly financials will be included in the meeting information package and available to the membership for inspection at SUP HQ and the Branches. Final membership review of these financial documents will come as per the SUP Constitution in a regularly scheduled meeting.

## **COVID 19 VACCINE IMPLEMENTATION**

Throughout the country, the vaccine rollout has been slow and chaotic. An over-prioritization of the inoculation hierarchy is partially responsible, but the changing rules in a low information environment makes for yet another complex COVID problem. Vaccine ready for distribution awaits the pending phases, and still many willing participants do not yet have access. It is expected that mass vaccination sites will come to bear in the parking lots major sports arenas, but those venues are not yet authorized for general use.

On a national, state, and local level, the Union has objected to that confusion and demanded access to the vaccine since the U.S. merchant marine is widely acknowledged as a critical component of the vast American supply chain. Despite the commercial criticality, the role of merchant mariners in the national defense may prove to be the first and most efficient method of gaining access, probably on military bases maybe only for those directly employed by MSC as directly contracted mariners (CONMARS), but that procedure too, is still pending. On a call with government agencies, the MSC indicated that extending defense related vaccine to mariners in the Maritime Security Program was not likely.

The Trustees of the Seafarer's Medical Center discussed the matter in detail in December and pledged to share information and on possible vaccination programs. Maritime labor, unwilling to stand idly by while the vaccine is rolled out, joined again in a unified message to advocate for an orderly vaccination program that prioritizes deep-sea merchant mariners as essential front-line workers, critical to the national security and the safety and continuity of supply chain. Although mariners ranked high in the essential worker hierarchy as initially promulgated by the Center of Disease Control, the CDC then amended the list to include education workers in the same group (known as "1b") directly after health workers and the elderly. This effectively created a new tier, which depending on the interpretation of the states, may be called "1c" where mariners are still listed, but likely toward the bottom of that essential worker group given the widespread misunderstandings about maritime employment. A main problem is

that although federal authorities make important recommendations, states and localities retain a great deal of authority over the implementation of public health measures in their jurisdictions. This helps explain some of the disconnect which comes on top of other vaccine rollout problems widely reported in the press.

The Union letter attempted to address maritime misunderstandings in the government public health system as well as offer practical solutions such as the possible use of Union clinics to facilitate inoculation if necessary. It went out to the National Governors Association and the Advisory Committee on Immunization Practices at the CDC and later became the template for a similar position from industry employers.

## **HOLIDAYS**

**Martin Luther King, Jr.'s Birthday** – Monday, January 18, 2021. SUP hiring halls will be closed on Monday January 18 in observance of Martin Luther King Day, a holiday in most SUP contracts. Due to the holiday, the Branch meetings if held will be on Tuesday January 19, 2021.

**Lincoln's Birthday** – Friday, February 12, 2021. SUP hiring halls will be closed on Friday February 14 in observance of Abraham Lincoln's Birthday an ILWU holiday.

**President's Day** – Monday, February 15, 2021. SUP hiring halls will be closed on Monday February 15 in observance of President's Day, and SUP contract holiday.

**Washington's Birthday** – Monday, February 22, 2021. This holiday is observed under the Chevron Agreement, and for all Marine Employees and Dispatchers employed by the San Francisco Bar Pilots.

## **ACTION TAKEN**

All formal membership action was comprehensively deferred until the next meeting.