

# **PRESIDENT'S REPORT JULY 2020**

## **CORONAVIRUS UPDATE**

After the lockdowns and closures, limitations and restrictions, after an economic dislocation bordering on depression and the uneven mitigations of an entire nation, the virus persists on, unimpressed. Like others, the state of California opened and then rolled back its plans to re-open. The public health as measured by the graphic curve of infection increase was bent but not crushed. So now we make an uncomfortable adjustment to a familiarity not simply with the risks of exposure but also the hard, daily realities of workplace infection. Every ship copes day after day with one impact or another, and the pandemic informs every action of the Union. In this new phase, vigilance and discipline are not empty militaristic abstractions; they are watchwords for the daily life-sustaining habits that hardly need repeating at this point: symptom awareness, temperature screening, hand and respiratory hygiene, limited interactions, social distancing, exposure responsibility, frequent sanitization, isolation, sequestration, immediate medical care for the sick, among other things.

We note successes and setbacks including both improved testing and testing problems, for example, or a half-dozen of “near-miss” cases and at least three positive tests of members aboard ships. Collective and individual sacrifice is keeping us ready and capable. Members step up to the counter with their shipping cards and seaman’s papers and fearlessly go to work. Or, in the case of AB and delegate Gabriel Sipin and AB Octaviano Ortega in the *President Truman*, where both remained onboard when their reliefs ran into trouble so the ship would not sail short. But we also struggle with doses of regrettably avoidable exposure risk or unrelated health issues that trigger COVID-type responses overseas.

Now is the time for sailors to protect their work with the elusive professional skill of readiness and endurance. The Union press for humane treatment, for strict adherence to CDC guidelines and beyond, and the true safety of all continues unabated. Our safety-first goals and demands have achieved results but there is much more to do. Testing and ship access of contractors and vendors needs a formal and consistent standard and policy even applied, for example. To remind the government and employers of our safety resolve as well as to safeguard mariner rights, the nation’s maritime unions collaborated in a rare joint statement on the issue. [see attachment “Message from Maritime Labor” letter.]

The most obvious difference of this new period is the surge in pre-employment COVID-19 testing. This is testing that we fought for, and is a welcome key to safety, but it also adds a new layer of complexity to the dispatch process. It adds a step to dispatching and reduces the time cushion for error and problem workaround. To be effective our jobs must be called earlier to handle the testing logistics, the waiting period for results, and for an alternative plan to form when the first plan fails. SUP dispatchers have taken all this into account, each according to the peculiarities of the port, and consistent with actions taken by the membership at the outset of the crisis, done the impossible with routine flair. Members are advised to take into consideration testing compliance as a regular part of shipping out, as basic and required as a drug screen. For more on the specific types of testing procedures, including own testing, and separated by Company policies, see below.

## **MATSON NAVIGATION COMPANY**

Restriction-to-Ship Grievance: On June 18, at SUP Headquarters, the members of the Seafarer's International Union- Pacific District (SUP, MFOW and SIU) met with Matson management on our unified and jointly files restriction to ship claim under Section 10 of the collective bargaining agreement, especially Sections 5 d (1) and 10 a (3) providing for a Joint Labor Relations Committee step to resolve grievances.

Matson had in attendance Capt. Jack Sullivan, Senior Vice-President in charge of Engineering and Labor, and Danny Defanti, Director of the Offshore Labor Relations. For the Unions it was West Coast Vice-President Nick Marrone for the SIU, President Anthony Poplawski and Vice President Deyne Umphress for the MFOW, and SUP Vice President Matt Henning and myself for the SUP.

The Union position is that mariners should have been allowed to go ashore in California and Washington ports during the period from April 5 through May 21, 2020, as long as they abided by the same restrictive guidelines as applied to the general public in each specific port at that time.

The Company position is that the restriction -to ship claims were not payable under Section 18(c) of the General Rules because the ports of Seattle, Tacoma, Oakland, Los Angeles and Long Beach were not "safe ports" due to the COVID-19 outbreak and the outbreak was considered an "emergency."

The Unions objected to the Company characterization of the dispute, and the Company rejected the Unions' previously filed claim proposals aimed at resolution. After discussion, the Joint Labor Relations Committee reached no agreement and adjourned deadlocked on the matter. Both sides agreed to continue to communicate after evaluating the options and before proceeding to the next step. [See Attachment: Minutes of Joint Labor Relations Committee meeting on June 18, 2020.]

Matson Shore Leave: On June 24, the Union received notice that the State of Washington's "Stay Home, Stay Healthy" order had expired. King County and Pierce County have moved to Phase 2 of their Safe Start reopening plan, which eases travel restrictions and allows more businesses to open. As previously established in California, Matson crew members are granted short leave in the ports of Seattle and Tacoma. Crews that go ashore in Washington should remember that starting on June 25 they are required to wear face masks while inside public spaces, and when six-foot social distancing cannot be maintained outside. Crews should also be aware that all pandemic orders may change suddenly based on the government's response to rapidly changing infection rate data.

Matson COVID-19 Testing: On June 28, 2020 Matson management initiated a new COVID-19 testing regime in Honolulu at Queen's Medical Urgent Care and in Seattle at Discover Health MD. On July 10, Matson released a revised policy on testing procedures for all ports where new-hire rotary and returning crew (including from a trip off) join. Matson crewing

department (email at [lcrewinggroup@matson.com](mailto:lcrewinggroup@matson.com)) will work with SUP hiring halls and directly with dispatched members to get the testing done.

In-person testing in Honolulu should be done at Queen's Island Urgent Care. Call (808) 735-0007 for an appointment, or just walk-in at 449 Kapahulu St. Suite 104, Honolulu. In-person testing in Long Beach should be done at the Make You Well Center in Torrance. Call (424) 292-4060 to make an appointment, or walk-in at 23365 Hawthorne Blvd., Suite 104, Torrance. In-person testing in Oakland should be arranged through OML or at one of the publicly available sites. Email Matson's Vessel Crewing Department at [lcrewinggroup@matson.com](mailto:lcrewinggroup@matson.com) for Oakland assistance. In-person testing in Seattle and Tacoma should be arranged with Discovery Health Services (DHS) through Matson Vessel Crewing Department. Testing at the in-person locations listed above will be paid for by Matson.

If a new-hire or returning crewmember is unable or unwilling to complete the testing from one of the providers listed below, they can get their own test as long as it is approved by the U. S. Food and Drug Administration (FDA), is administered within five (5) days of joining the ship, and the results, which must be negative, are provided to Matson prior to joining the ship. Matson's single point of contact on testing is Sr. Manager, Safety & Security, Jon Lane at (206) 484-5087. [See Matson COVID-19 Testing Policy for Oakland and Revision 1 attachment]

## **APL MARINE SERVICES**

APL COVID-19 Testing: the contractor used by APL for pre-joining testing known as FutureCare has been mostly reliable but not without problems. Over the July 4<sup>th</sup> weekend there were serious delays and impediments, possibly caused by the volume of tests. Just as with Matson, it is a negative COVID-19 test results are required. Also, APL is understood to accept own testing results along the same lines as Matson. As mentioned above, in this new reality of COVID testing members are advised to stay attuned to the scheduling, communication, travel, and other practical tasks associated with successful clearance. [See APL testing attachment]

APL Shore Leave: On July 7, 2020 APL management issued two "letters of expectation" with regard to shore leave. The letters acknowledged that local restrictions allow for certain kinds of shore leave while also drawing attention to the risks of exposure. Neither policy canceled the right to go ashore but did put into place the following protections on all crew members returning to the ship in both shuttle ships and liner ships on the EX 1 string:

1. Face masks outside of own quarters for ten days following shore leave.
2. Self-isolation to a specific area of messroom during meals and coffee.
3. Self-isolation to own quarters when not on watch or working on deck or during meals and coffee time. Avoidance of common spaces.

[See APL Shore Leave "Letters of Exception" memos APL Pre-Boarding Self-Quarantine Policy from May 19]

APL Saipan: On July 1, news broke in the industry press that a decision favorable to Matson and its long-running fight against the participation of APL shuttle ships in the Maritime

Security Program, was handed down from a judge. District Judge Randolph Moss overturned a 2016 decision by the US Maritime Administration (MarAd) to allow the 1,638-teu APL Saipan to participate in the Program, which provides US-flagged ships working internationally a \$5m subsidy in exchange for government use in the case of war or national emergency.

It appears that Matson's case rests on a technical consideration of the definition of international trade, and that mixed domestic and international trade, a mix allowed by calls in Guam, but not by calls in the North Mariana Islands, especially Saipan, despite its status as another US territory. According to the Judge Moss, MarAd had not properly explained the exception. In his initial prior ruling, Moss had declined to vacate the *APL Saipan's* admission into the program, citing military readiness concerns. That is not the case here and the decision invalidates the 2016 decision.

An APL spokesperson said that the Company would work with MarAd to reinstate the vessel as quickly as possible. Matson's attack against the Maritime Security Program on highly technical grounds seeking additional competitive advantage beyond its Jones Act protections appears driven only by short term profit motivation. It is damaging to U.S. military readiness, to the essential component of U.S. maritime policy that the Maritime Security Program represents and threatens to put SUP members out of work. Will keep a weather eye on this developing situation.

## **CARGO PREFERENCE**

In maritime cabotage law, cargo preference gets little attention and could be the least understood of the laws designed to support and protect the U.S. merchant marine. That could be because it is the only law that deals directly with cargo compliance alone. There are no direct subsidies: the law merely says that 50% of all U.S. government impelled commercial cargoes (100% of all military and Ex-Im Bank cargoes) must be carried in U.S.-flag ships. It was intended as a bulwark against flag-of-convenience shipping, as economic security for the U.S. maritime industry, and strongly supported by labor, especially the SUP. Steadily ignored for many years, non-compliance is euphemistically known as "cargo leakage," and the practice is well-known if not fully quantified. One of the few areas cargo preference compliance left standing is the 50% requirement on the U.S. government's global food aid program, a program that is administered by the U.S. Agency for International Development or USAID. In this round of fighting, begun on June 4, USAID not only specifically violated the law by not using U.S. flag ships for food aid cargo destined for Yemen, but also by rejecting MarAd's authority in making cargo non-availability (with regard to U.S. flag vessels) determinations. In effect, USAID claims that it alone has discretion to evade or adhere to cargo preference requirements and answering to no authority. In coordination with like-minded industry and labor observers, as well as independently, I sent a letter to Maritime Administrator Adm. Mark Buzby urging intervention and enforcement of USAID's non-compliance with nation's cargo preference laws. [see SUP Letter to Maritime Administrator attachment.]

## **TRUST FUNDS**

The trustees of the Union's various benefit plans held their regular quarterly meetings in the Library at SUP Headquarters on June 17<sup>th</sup> and 18<sup>th</sup>.

SIU-PD Pension Plan: After receiving the plan actuary's report for the Plan year covering August 1, 2018 through July 31, 2019 the trustees of the Pacific District Unions and companies asked questions and engaged in debate over the meaning and implications of the report. Eventually the regular business of the meeting was suspended and the trustees reconvened as collective bargaining parties to negotiate benefit increases as provided for under Section 30 (e) of the General Rules. After an exchange of proposals, an agreement was reached as follows:

1. Effective July 1, 2020, there will be a **\$90 increase in the maximum benefit** for active members who retire at age 60 or later with 25 years of qualifying time and pro-rata increases for those retiring with less than 25 years of qualifying time. The maximum monthly pension benefit will increase from \$2,375 to **\$2,465**.

2. Effective July 1, 2020, there will be a **two percent (2%) cost-of-living increase for retirees** with 20 or more years of qualifying time at retirement and who retired at age 55 or later. Current eligible retirees will first see the two percent increase in their September monthly benefit payments, inclusive of retroactive payments to July 1, 2020.

SUP Welfare Plan: The trustees of the SUP Welfare Plan met on June 17<sup>th</sup> to review Plan operations, benefits and finances during the COVID period. As part of a COVID relief initiative to improve pensioner's ability to deal with the difficult circumstances of the pandemic, the Union trustees (SUP VP Matt Henning and myself) proposed two improvements. First, we argued for an extension of the claims reimbursement eligibility window from the present 90 days from charge to 180 days. We also proposed to raise the maximum allowable reimbursement amount by \$500.00 from an annual total \$6500 to \$7000 and applied to the helpfully all-encompassing "miscellaneous" category within the Special Pensioners' Medical Benefit. Both proposals are still pending and will advise on developments.

[See SIU-PD Pension Benefit Plan Improvements Schedule attachment]

## **CALIFORNIA LABOR FEDERATION**

Originally scheduled for San Francisco, the California Labor Federation's first ever remote Biennial Convention is set for August 4 and 5<sup>th</sup>. The Convention will vote on policy recommendations from the Executive Board and take up the final endorsement recommendations from the pre-Primary Convention and from labor councils for the general election. In accordance with past practice, Mr. Chairman I nominate the following members as delegates to the Convention: Roy Tufono, Mike Koller, Gunnar Lundeborg, Matt Henning and myself.

## **PATRIOT CONTRACT SERVICES**

Reliefs: The U.S. military relaxed its "stop movement" order in June and moved to a "conditions based, phased in" approach to travel related to relief rotations. SUP dispatchers have been working overtime to fulfill job orders, made doubly difficult by COVID testing, pre-flight quarantines, and ongoing travel delays. Even in the best of times, it is tedious and problematic

work; today it requires an intense and relentless focus on seemingly endless details. The resilience of SUP crews during the turmoil is greatly appreciated. SUP VP Matt Henning has ably coordinated the complex relief cycle with the help of all agents – Roy Tufono, Mike Dirksen, Leon Gandy, Brendan Bohannon – and the continuous training support of Berit Eriksson. The success of the entire Union depends keeping rotations timely and effective; these agents make it happen and they deserve our ongoing thanks and appreciation.

N/S Savannah Revised: Back in March, Patriot asked the Union to prepare a contract bid for work associated with the decommissioning of the historic ship N/S Savannah. Working with the MFOW the Union submitted numbers that were presented to and approved by the membership in April. Since then, in connection with certain RFP amendments, Patriot asked for a restatement and update to our bid. Because the ship is being decommissioned to become a museum ship and is not a ship in Reduced Operating Status (ROS), there is no berthing or galley services onboard. The bid is accordingly designed for day workers who live in the Baltimore area. Due to the overall scope of the contract economics, and consistent with the DOL Wage Determination, we increased the weekly wage and overtime rates from the previous bid as follows below.

**Patriot Contract Services - SUP Wage & Benefit Rates - Solicitation 693JF720R000010  
NS Savannah Decommissioning and License Termination (DECON-LT) - Effective Start of Contract**

<u>Rating</u>	<u>Weekly Wage</u>	<u>Daily Wage</u>	<u>Hourly Overtime</u>	<u>MPP</u>	<u>Welfare</u>
Bosun	1,825.31	260.76	45.63	15.00	69.49
AB - Day Worker	1,825.31	260.76	45.63	15.00	69.49
Ordinary Seaman/GUDE/GVA	1,266.30	180.90	38.44	15.00	45.93

Weekly wages shall be divided by seven when determining daily wages for unlicensed crew who work less than a full week, provided however, that no unlicensed crewmember shall be paid less than the weekly wage listed above when employed Monday through Friday.

The overtime rates specified above shall apply to all work performed in excess of eight (8) hours, Monday through Friday and for all hours worked on Saturday, Sundays, and holidays.

All ratings shall earn two (1.5) days of vacation leave for each thirty (30) days employed. There shall be no supplemental wages.

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

**SAILORS.ORG**

To improve member services and access to the Union information during the limitations imposed by the pandemic, the official SUP website at [www.sailors.org](http://www.sailors.org) has recently been improved. There are new and expanded pages with links and guidance on important shipping documentation, COVID-19 protocols, Coast Guard updates, hiring hall status and safety precautions, as well as many other informational and interactive items including archived access to the West Coast Sailors and this report. Members are urged to check it out and sign up for email updates towards improved communications using the webforms available on the site.

## **QUARTERLY FINANCE COMMITTEE**

In accordance with Article XVII, Section 2 of the SUP Constitution, a Quarterly Finance Committee shall be elected at today's Headquarters meeting to review the finances of the Union for the second quarter of 2020, and report back to the membership at the August coastwise meetings. In the event the Committee cannot be filled today, recommend that when the quarterly audit is completed, in about three weeks, necessary Committee members be filled off the hiring hall deck as per past practice. The Quarterly Finance Committee will turn to at 0830 on Monday, August 10, 2019.

## **HOLIDAYS**

SUP Halls will be closed on Tuesday July 28 in observance of an ILWU holiday. In accordance with our collective bargaining agreements with APL and Matson it is a holiday for all company vessels, except Ready Reserve vessels, in West Coast ports, and for sailors employed under the APL and Matson Maintenance Agreements in West Coast ports. It is also a holiday for run boat operators employed by the San Francisco Bar Pilots. It is not a holiday at sea or in port in Hawaii.

## **ACTION TAKEN**

M/S to elect California Labor Federation delegate nominees (Reed, Johnson). Carried.  
M/S to elect Quarterly Finance Committee nominees Paul Fuentes, Noel Isumaru, Izzy Idris, Dave Frizzi, and James Linderman. (Lane, several). Carried.  
M/S to concur in the balance of the President's Report. (Frizzi, several). Carried.