

PRESIDENT’S REPORT – JULY 2022

MATSON WAGES

Wage Increase: In accordance with the General Rules of the “Offshore Agreement,” between Matson Navigation Company and the SIU Pacific District, in Section 36, there shall be at least a three (3%) percent increase on all rates of pay and wage-related items (overtime, supplemental benefits, etc.) effective July 1, 2022. Also applicable is a cost-of-living increase based on the comparison of the May Consumer Price Index for all Urban Consumers (CPI-U), as published by the Bureau of Labor Statistics of the U.S. Department of Labor, to the previous May CPI. An increase in this index above four (4%) not to exceed five (5%) shall be added to the base wage effective July 1, 2002. Therefore, the five (5%) percent increase was applied to base wages and the three (3%) percent increase as applied to all other wage related items.

Maintenance Agreement: Under Section 4 of the “Maintenance Agreement between Matson Navigation Company and the Sailors’ Union of the Pacific,” as separate Agreement, the same conditions apply except that since the overtime rates and supplemental rates are directly derived from the base wages, the five (5%) increase was applied to all wage and wage-related items.

CV 700 MOU: The *Kamokuiki*, which is covered by the “CV700 Memorandum of Understanding between Matson and SIU Pacific District,” a three (3%) percent increase is due on July 1, 2022 on all rates of pay and wage-related items and was applied to the unlicensed ratings working in *Kamokuiki*.

All rates will be published in the July issue of the *West Coast Sailors*.

APL

The Union’s collective bargaining agreement with APL Marine Services, Ltd, in the Offshore Trades, as well as its Maintenance Agreements, expire on September 30, 2022. A Negotiating Committee will be elected in advance at the September meeting, and we expect to reach an Agreement before expiration. As noted earlier this year, the Union is accepting and collecting all written proposals for referral to the Committee.

PENSION UPDATE

The Trustees of the SIU-PD Pension Plan held their regular meeting on June 20th to discuss regular plan business including the actuarial valuation report as of August 1, 2021 but not completed and delivered to the Trustees until May 2022. The Union Trustees in attendance were MFOW President Anthony Poplawski, SIU Vice-President Nick Marrone, as well as myself and alternate SUP Vice President Matt Henning.

The Plan actuary, Greg Pastino of Foster and Foster, certified the Plan in the Green Zone based on the funded status of 106.1% and a positive credit balance through the next seven years. The Plan also experienced, as of August 1, 2021, an investment gain which produced a total

actuarial gain of \$3,074,098. The trustees discussed possible benefit increases related to that gain and available under Section 30 (e) of the General Rules but did not come to an agreement and although the parties remain in bargaining, arbitration appears likely. Will advise again as necessary.

TRIP OFF

In the last thirty days a commercial ship crewed up in a domestic yard, three military ships activated for missions or shipyards, and nearly an entire commercial crew quit at once after a hellish yard period in China. Regular relief dispatching kept up its frenetic pace at the same time and many jobs were dispatched twice or more as we hit unfit for duty snags, positive COVID tests, not to mention shipboard outbreaks, sudden emergencies ashore, last minute quits, all compounded by trip off requests. Once again, SUP dispatchers and members fought against the odds and got the jobs filled and our hiring hall system shows resilience.

We resisted and prevailed over the attempts of employers to suspend the trip off throughout the pandemic. They continue to chafe at it: increased COVID exposure, testing windows, etc., combined with a short supply of qualified sailors, were part of the reasons, but we held the line then and do so now to maintain the rules. The intent of the rule, passed at a time of tight shipping (in other words too many sailors for too few billets) was to spread the work around, especially to given newer members a chance. When there are adequate reserves of qualified sailors the trip off rule functions well. Conversely, the system is further strained by it without an adequate reserve. To our benefit, the language presciently takes into account short-handedness with the proviso that: “Regular crew member shall remain on the job until properly relieved by the temporary relief member.” Proper relief is there in Shipping Rule 55G as an essential component and required condition of the trip off, made even more explicit in H where it says: “A mandatory trip off shall be granted where qualified replacements are available...”

Regular trips off will continue to the extent that qualified replacements are available and proper relief compliance is maintained. The same goes for the emergency trip off, which also requires “presentation of proof of such emergency.” Typically, this assessment is left to the Branch Agent or SUP dispatcher to determine. No change in the rule is proposed or required because the rule is clear: if you are not properly relieved for a trip off, it is not a trip off – it’s a quit, and like any quit the right to return is forfeited.

GOVERNMENT MATTERS

NDAA: While we welcomed the full funding of MSP and the TSP in the early version of the National Defense Authorization Act, it is now clear that the cargo preference fight will be fought here too. Recently, SUP allies helped defeat the inclusion of three House and Senate resolutions that would have waived the Ship American requirements related to food shipments built into the Ukrainian funding bill. This effort would do the same from another angle and so with the TDD and the USA Maritime group we are rising again in opposition.

DOT Drug Testing: In coordination with the TTD, the SUP continues its historic and recent opposition of expanded drug testing. While some recent efforts included the hair follicle test

(beaten back but likely to return), now comes indication that the DOT (via a Request for Information notice) is seeking not a new method but to make publicly available the results of all tests, separated by job title or category, such as pilots, flight attendants, licensed officers, ratings, etc. although specific categories are not yet listed or proposed. Presently a FOIA request for drug testing results is necessary for access. The contemplated change would give employers, investigators, and anyone else access to the numbers of tests, the positive tests, refusals and cancelled tests, and by whatever category system is ultimately agreed to. Besides data security concerns, such a change could easily unfairly focus enforcement activities on one group over another. Comments raising these questions and noting our opposition will be filed to the docket.

Maritime Administration: Along with SIU Executive Vice-President Augie Tellez and MFOW President Tony Poplawski, I met with incoming Maritime Administrator Rear Admiral (Ret.) Ann Phillips. Discussion centered on mariner recruitment and retention in the Ready Reserve and elsewhere. Headwinds faced from persistent pandemic-related attrition including illness, positive testing, restrictions-to-ship, delayed ramp up of the Coast Guard credentialing staffing and systems, was part of the discussion. We also dealt with long-term challenges ahead, including Jones Act protection against unnecessary waivers and support for critical programs such as the Maritime Security and Tanker Security Programs and especially cargo preference, which is now drawing heavy fire from agricultural interests. Administrator Phillips was a careful listener and open to common sense solutions. Given her extensive naval experience and by her questions and comments, it was clear that she understood some of our issues.

MTD CONVENTION

As delegate from the Seafarers International Union of North America and as President of the San Francisco Maritime Trades Port Council, I attended the Quadrennial Convention of Maritime Trades Dept of the AFL-CIO in June in Philadelphia. Keynote speaker was Liz Shuler, Executive Secretary-Treasurer of the AFL-CIO. Shuler urged Unionists to meet the moment by organizing and praised the members of the MTD as the most patriotic of all the unions.

Also on the agenda was Steve Cotton, General Secretary of the International Transport Workers Federation (ITF), who noted the work of the ITF to support Ukrainian mariners and their families, but who also noted that worldwide labor is envious of the Jones Act. He urged delegates to remain in defense of the Jones Act as a model for other countries to build on.

The Executive Director of the Maryland Maritime Port Administration, William Doyle, an M.E.B.A member and former official gave a presentation on the re-floating of the *Ever Forward* containership that went hard aground in Chesapeake Bay in March. Doyle explained the special and intense Jones Act coordination necessary to get the complex job done.

Carl Bentzel, Federal Maritime Commissioner, and veteran of many U.S. maritime policy battles, appealed to maritime labor to take aggressive stands in support of the Jones Act and all it entails. He expressed his disappointment that we even have to argue to maintain the Jones Act, and disbelief in the American led efforts to undo an American law that benefits Americans. He said his research says that 75% of all present inflation is due to ports congestion, a problem that

the Jones Act helps alleviate. This is in part due to the price hikes of international carriers, he noted that many international rates have gone up by 300 to 500%, where Jones Act rates been far less volatile. On the MSP, he remembered that before MSP the end of U.S.-flag ships on the high seas was imminent, and in today's context the cycle of maritime neglect that historically comes with peacetime cannot force U.S. into reliance on untrustworthy adversaries (China) for our supply-chain integrity.

Several key resolutions were passed to help set the official positions of labor on maritime issues including support for the MSP and the Jones Act. Finally, SIU President Mike Sacco was nominated and elected to a new term as President of the Maritime Trades Department.

AFL-CIO CONVENTION

As a Vice-President of the SIU of North America, I attended the 29th Constitution Convention of the AFL-CIO. President Liz Shuler was elected to serve as the first woman president and Secretary-Treasurer Fred Redmond was elected as the highest ranking African-American officer in the history of the labor federation. Together they launched an historic organizing drive to grow the movement by 1 million members in ten years. Featured speakers were United States President Joe Biden, U.S. Labor Secretary Marty Walsh, and candidate for Georgia governor Stacy Abrams. President Biden repeated for Convention delegates what he has often said before: "Wall St didn't build this country. The middle class built this country. And UNIONS BUILT THE MIDDLE CLASS!" He called on Unions to support his economic and Ukraine policies and promised more pro-labor legislative and executive action.

Several important policy resolutions were agreed to and set the official labor policy on many issues. To name only a few there was focus on fixing America's broken labor laws, on guaranteed health care, on wind energy, and most importantly to us, on the Jones Act.

The Jones Act resolution, developed by the MTD, was submitted to the Convention delegates by Dave Heindel, Secretary-Treasurer of the SIU and all the maritime Unions including the SUP weighed in to carry the vote. For more than 100 years the Jones Act has been the international gold standard of maritime fairness, preventing the exploitation of American merchant mariners, and protecting our Unions. There are some critics, however, even within labor, that attempt a false historical connection between the Jones Act and colonialism. It was gratifying to see maritime labor rise up in defense, but it came with weight of a nearly solitary responsibility as the globalized shipping capital markets hold allegiance to nothing but profit. See the *West Coast Sailors* for the full text of the resolution.

SIUNA CONVENTION

By notice from Seafarers International Union of North America (SIUNA) President Michael Sacco, the SIUNA AFL-CIO Quinquennial Convention is scheduled for September 14th and 15th at Piney Pt., Maryland. The Union was first notified that, in accordance with Article VII, Section 4 of the International Constitution, we were entitled to 1 delegate and 1 vote based on the average monthly per capita tax paid for the period October 1, 2017, through November 30, 2021. After research and investigation, however, SIUNA sent a correction notification restoring the

expected three SUP delegates elected in the Union 2019-2020 election: San Francisco Business Agent Roy Tufono, SUP Vice-President Matt Henning, and myself are planning on attending.

HOLIDAYS

Independence Day – SUP hiring halls on the West Coast will be closed on July 4, 2022, for the national and contract holiday.

Harry Bridges' Birthday — SUP hiring halls on the West Coast will be closed on Thursday, July 28, 2022, in observance of Harry Bridges' Birthday, which is a longshore holiday under the ILWU Master Agreement. It is therefore a recognized SUP holiday aboard APLMS and Matson vessels (except RRF vessels) in West Coast ports. It is not a holiday at sea. For members working under the SUP Maintenance Agreements, this holiday shall be observed in accordance with local custom and practice.