

SUP PRESIDENT'S REPORT – JUNE 2021

JONES ACT ATTACK

A cyber-attack in May shut down a key pipeline creating some East Coast fuel shortages, panic buying, and a targeted waiver of the Jones Act. The Biden Administration contacted the SUP, along with other maritime unions, before implementing the waiver. We made the cautionary point that the waiver should first be avoided, only used for a true emergency, and only then specifically related to a shortage of U.S. ships available to meet the need. We asserted the “last resort” nature of waivers in the past, that it should be temporary and targeted, and not an open ended invitation to a flag-of-convenience free-for-all. Though there were some Jones Act qualified tankers that were in lay-up and not called out, (and labor called for a Congressional investigation on that), the waiver focused on specific charters in target markets. As only rarely in the past, maritime labor may have had some influence on this decision, and without doubt it could have been worse. It is ironic that pipelines, the historic competition to coastwise tankers, now represent a concentration of cyber-risk in a single target, a shore-based vulnerability that when exploited here by foreign criminals resulted in second diminishment of the U.S.-flag Jones Act fleet. A strategic U.S. maritime policy might recognize the resilience that is built into a relatively wider risk dispersion that is the nature of shipping. In any case, together with the problems caused by the pandemic, American supply chains have been exposed as shockingly fragile without the backups and redundancy that were stripped out by the long race to the lowest cost.

As online security continues to degrade members should understand that we are a nation at cyber-war. The largest U.S. beef producer was just shut down by ransomware, and mass transit and major utilities have been targeted. Maritime targets such as Maersk, APL, Matson, and now the Massachusetts Steamship Authority have taken hits. Dozens of other attacks didn't make the news, and security experts say every 8 seconds of every day there is an attempted breach of U.S. computers. Our vulnerability is not arcane, not general, and not hypothetical as the Colonial pipeline case shows: it doesn't need to get much closer to see that the work of the Union –internal and external – is threatened. Accordingly, we will continue to take basic steps to protect itself and its members from malicious cyber-activity. I urge all hands to back up their data, update or replace old operating systems, load system patches, change passwords, run scans, update malware definitions, don't click on email links and in all internet behavior, both at sea and ashore, exercise extreme caution. For more information check out www.cisa.gov/ransomware.

BIDEN ADMINISTRATION ON MARITIME LABOR PRIORITIES

Budget Request for Fiscal Year 2021: On June 11, the Biden Administration hosted a call with maritime labor on the President's Budget Request to Congress for the Fiscal Year 2022 on the Maritime Security Program, the Tanker Security Program, and the Ready Reserve Force. The request is a victory for labor in the sense that there are no cuts and no program eliminations. The Maritime Security Program, and the fledgling Tanker Security Program, have full funding. The Ready Reserve Force has seven vessel acquisitions included in the budget, and the Maritime

Administration has its historic roles funded at or above past levels. It remains for Congress to move on the budget, but this is a very good start.

Made In America Office: At the very outset of new Administration, President Biden signed Executive Order 14005, *Ensuring the Future is Made in All of America by All of America's Workers*. As a firmly positive statement of a sitting U.S. President in support of the laws that make the U.S. merchant marine possible, the Order was without precedent. But now that good intention is being backed up by action. The Office of Management and Budget issued its first guidance on the implementation of the Order that establishes the Made in America Office (MIAO) with greater and direct oversight and reductions+ of waivers from Made in America Laws. It is also intended to reduce the need for waivers. Especially encouraging is the enforcement support for the U.S. cargo preference system, which is the often forgotten and most abused of element of cabotage system that underpins our work. "Ship American," the improved name for cargo preference, is specifically included within the "Buy American" framework.

SUP ELECTION

Committee on Constitution: As was noticed in the President's report for May, and in the *West Coast Sailors*, the SUP Committee on Constitution is to be elected at today's meeting. In accordance with Article XXVIII of the SUP Constitution, all resolutions to amend the Constitution and Shipping Rules, must be submitted IN WRITING at today's Headquarters' meeting or at the Branch Meetings on June 21. The resolutions will be referred to a Committee on Constitution, comprised of three members elected at today's Headquarters' meeting and one member elected at the Seattle, Wilmington, and Honolulu Branch meetings next week. Mr. Chairman, I recommend that you open the nominations to the 2021 SUP Committee on Constitution.

The Committee will convene at headquarters on Tuesday July 6, at 9:00 A.M., to review the resolutions submitted and report back to the membership at the July coastwise meetings. If a proposed Constitution or Shipping Rule amendment or a substitution thereof is endorsed by a majority vote of the membership at the July coastwise meetings, it shall be placed on the 2021-2022 referendum ballot also in accordance with Article XXVIII of the SUP Constitution.

APL MARITIME

RTS renewal: As it was set to expire management requested another extension of the APL Restriction to Ship Agreement. Coordination with the other signatory Unions showed a lack of interest at best, given the vast improvement of COVID related problems attributable mainly to the vaccine, and given the state of California's impending re-opening date of June 15. Accordingly, we declined to extend. Management questioned the commitment of the Unions to vaccinations, noted unique nature of the workplace, as well ship detention possibilities, suggested it would press ahead certain vaccine conditions. We rejected those proposals, while management signaled it would refuse to make all payments related to COVID, including those in the separate quarantine agreement. Management international ships and crews in mind and the

global situation on COVID. After extended collaboration with the Unions, we agreed to a limited two-week extension until June 15th, at the same rate of \$160.50 and conditions, including the resolve to settle any outstanding restriction grievances, subject to ratification. Mr. Chairman, with the understanding that this period is coming to an end, but to facilitate the termination of the stipend payment and other benefits as well as to confirm the rules and protocols of shore leave, I recommend approval of the extension.

PATRIOT CONTRACT SERVICES

Watson-class update: Patriot President Lance Bardo informed the Union that in late May the venue for the Watson-class award protest had moved from the General Accounting Office (GAO) to the U.S. Federal Claims court. Bardo said the move was related to the vigorous defense of the award raised by Patriot. He said that the development may have accelerated the determination of the award but did not provide a framework for the new timeline, possibly because a decision may be appealed. In the meantime, we continue to train and dispatch crew to operate the ships.

T/S General Rudder: Last month Patriot Contract Services recognized the SUP as the collective bargaining agent for the activation of the training ship USTS *General Rudder*, the training ship of the Texas A & M Maritime Academy, homeported in Galveston TX. A tentative Letter of Agreement to crew certain positions in activations of the *General Rudder* was negotiated and then ratified by the membership in the May meetings. Although the job orders are expected to be infrequent and temporary, the underlying terms are the same as the SUP/Patriot Ready Reserve Force agreement including all wages and benefits. In the event the SUP is unable to fill those positions and to enable the ship to sail, a Letter of Understanding was then proposed by Patriot for attachment to the LOA to provide a basis for a “pass-through” of benefits – applicable only in the limited circumstances unique to the *General Rudder*. This allows SUP to maintain jurisdiction for the long run despite the near-term lack of a specific qualifying dispatch. The LOU continues to recognize the SUP as the collective bargaining agent but the benefits, set by the SUP Agreement, (including supplemental benefits) “pass through” the SUP benefit plans to the plans of the Union that dispatches the job. Due mainly to late job orders as well as slow rejection of SUP dispatches by Patriot due to medical or other requirements, a recent activation necessitated both the LOA and LOU. Mr. Chairman, to provide jobs to members and maintain our jurisdiction in the training ship *General Rudder*, I recommend ratification of the terms of the *General Rudder* Letter of Understanding.

CHEVRON SHIPPING CO.

Management sent to the SUP and the MEBA a draft policy on vaccinations shortly before internal implementation on May 24, 2021. Participating with MEBA Executive Vice President Claudia Cimini representing Chevron’s licensed represented personnel, the Union raised points on the implementation of the policy, definitions of terms and authorizations, as well as the consequences that the policy would have on shore leave, non-discrimination, compensation for vaccinations on time off, sick leave for side effects, and opening up of the ship visitor policy, among other things. After several telephone and virtual meeting discussion with management,

successive drafts of a Memorandum of Understanding were exchanged and a tentative agreement, subject to ratification, was reached along the following lines.

1. **Implementation:** Company-approved vaccinations may take place onboard ship or as otherwise arranged ashore, and subject to individual conditions, exemptions, accommodations, and extensions, as determined by management, and as outlined below, towards fully vaccinated status by the target date of August 1, 2021.
2. **Compensation During Time Off:** To the extent that vaccinations interfere with scheduled vacation or other time off, prospectively or retroactively, employees shall be compensated one day of base wage for each dose of vaccine required. Except as provided herein, vaccinations on board are neither compulsory nor eligible for additional compensation.
3. **Sick leave for Side Effects:** Employees that experience side-effects related to the vaccine neutral time (in this case defined as paid sick leave without using vacation days), subject to the agreement of the Company's Health and Medical department. Shipboard operational accommodations of side-effects shall be subject to the discretion of the Master. Any injury or sickness resulting from vaccine policy during the Emergency Use Authorization period shall be subject to applicable law and regulation.
4. **Continuing Safeguards for Unvaccinated:** Employees electing not to vaccinate shall provide documentation of medical or religious or other reasons for exemption permitted by law or regulation before August 1, 2021, or as soon as practical thereafter. Unvaccinated persons shall be subject to existing COVID safeguards including self-quarantine period after joining and face covering rules.
5. **Shore Leave and Restriction to Ship:** Based on the implementation of the program, all restrictions to ship for the fully vaccinated employees shall be lifted upon verification of fully vaccinated status and shore leave for such employees shall be restored where permitted by local government port authorities. Self-quarantine periods for fully vaccinated persons will also be terminated. Compliance with existing COVID safeguards, including restriction to ship, shall continue for those not fully vaccinated, unless cleared by local government port authorities and management. The parties agree to meet and confer about the basis for any ongoing restriction.
6. **Ship Visits by Union Agents:** Union agents shall be permitted aboard based on prior clearance and on presentation of fully vaccinated status and subject to any addition Company rules around COVID-19 operations.

The terms and conditions of this agreement shall always remain in accordance with all applicable U.S. government law and regulation, including any responsibilities applicable during Emergency Use Authorization period (as defined by the FDA). This MOU shall be subject to ratification and remain in full force and effect through December 31, 2021 unless extended by mutual agreement.

Mr. Chairman, since the outset of the pandemic our Chevron members have endured some of the toughest restrictions of any fleet. This is an opportunity to secure certainty on terms that will improve their conditions, including some pay for vaccinations while on time off, shore leave

while on board, visits from Union agents, and other relief. Accordingly I recommend ratification of the terms and conditions of policy as represented by the Memorandum of Understanding.

MATSON NAVIGATION CO.

China-California Express (CCX): Management announced on June 7, 2020 that it was starting a new trans-pacific container service with a first call in Oakland. The CCX service will begin with the deployment of the *Mokihana* on July 27 sailing from Ningbo. Chief Financial Officer Joel Wine disclosed in Company documents that the *Kanaloa*-class ships *Lurline* and *Matsonia* will be joined by *Mahimahi* in the new service which will offer three sailings from China every five weeks. In addition, Company documents indicate that *Mokihana* will deploy in the Hawaii trade to provide weekly westbound service and eastbound service two of every five weeks during this period. Although the Company clearly sees an advantage in the turmoil caused by record import volumes and West Coast congestion, the creation of the new service is also testament to the reliability and professionalism of SUP seagoing and shoreside crews.

RTS update: Matson on May 26 issued notice of that its crew who are residents of Oahu (as determined by Company address on file) on domestic runs are release to go ashore in Honolulu for the limited purpose of self-quarantining at their residence during port calls and subject to a set of conditions. Under a new State of Hawaii order, effective May 22, crew to travel from their ship to their residence (subject the entire time to self-quarantine) is permissible. The state order does not allow travel to other locations while enroute to their residence or to the ship during the residential quarantine leave. Also built into the order (from Hawaii Department of Transportation and Hawaii State Department of Health) is that crew members are prohibited from having visitors (non-household members) at their places of residence during the quarantine leave. In addition, the Hawaii Emergency Management Agency sets the following crew conditions on the leave:

- 1) Temperature screening aboard ship prior to disembarkation
- 2) Completion of the state's Order to Self-Quarantine form before disembarkation
- 3) Comply with all applicable Honolulu and Hawaii rules, directives, and orders, including any mask mandates.

The Matson policy document notes crew responsibility of for meeting the requirements but the captain shall maintain the temperature screen logs and the State of Hawaii Order to Self-Quarantine forms and make these records available if requested by the state or shoreside management. Like the restrictions in place for returning crew in California and Washington, members returning from shore leave in Honolulu must adhere to the following Matson requirements for five (5) days after returning from shore leave:

- 1) Remain in stateroom outside of work hours
- 2) Wear a face mask at all times when outside of stateroom
- 3) Remain at least six feet away from other crew at all times
- 4) Take meals and breaks separately from the rest of the crew
- 5) Wash hands on a frequent basis

- 6) Report any physical signs or symptoms consistent with the COVID-19 infection to his or her supervisor immediately.

Crew members on Matson China trade lane vessels (CLX) who maintain a residence on Oahu are not permitted off the ship while in port in Honolulu. This is due to various Chinese port government regulations and the inherent challenges associated with crew medical care and repatriation from China due to government restrictions, and difficulty re-crewing from these locations, in the case of illness of crew on a CLX vessel become severely ill from COVID-19 after the ship departs Honolulu. All RTS-related matters will be subject of bargaining this month.

Matson Negotiations: Matson Offshore Labor Relations Manager Danny Defanti on May 23 acknowledged and responded to the SIU-Pacific District letter requesting to meet and negotiate a new contract, including the SIU-PD General Rules, the individual work rules of the SUP, the SIU-AGLIWD and the MFOW, as well as Shipping Rules and Maintenance Agreements. Negotiations will begin following the trust meetings on June 16 and 17. Matson is willing to meet in person (with fully vaccinated participants) or a combination of face-to-face and virtual meetings. As was noticed last month in the *West Coast Sailors*, the SUP Negotiating Committee will meet immediately following this meeting for an orientation on schedule, to present and discuss the membership proposals, and to otherwise prepare for negotiations later in the month.

CALIFORNIA LABOR FEDERATION

Vice-Presidents on the Executive Committee of the California Labor Federation voted in late May to oppose the recall of Governor Gavin Newsom. It was anti-worker forces and anti-Union interests that launched this phony recall, the special election that goes with it. It is the latest version of falsely democratic misuse of the plebiscite or statewide referendum to subvert the power of general elections. So objecting first to the process, but also recognizing that (despite many individual grievances Unions have with the governor, including those of this Union), Newsom has either supported or not interfered with decades of hard-won Union progress in California. That includes increased pay, improvements on worker protections like paid sick leave and paid family leave, public education funding, childcare and home care, and the right to form unions. On the vaccine we demanded access from this governor, and we worked with the Federation, which worked with his administration, and we got our way. Not as early as we wanted, but as soon as possible, and SUP members got faster vaccinations. Art Pulaski, the leader of the Federation, summed it up best: "Under Gavin Newsom's leadership, California has the strongest worker protections in the country." I urge a NO vote on the recall. Anyone interested in volunteering for the campaign should contact SUP HQ.

HOLIDAYS

Independence Day: Union hiring halls will be closed on Monday July 5 is the day of observance for Independence Day on July 4, a national holiday, and an SUP contract holiday. Bloody Thursday is also observed on July 5, in commemoration of the "Big Strike" in 1934. Two

SUP brothers were killed in that strike and its aftermath. Olaf Helland was struck by a tear gas bomb in Seattle on July 20, 1934, during the Battle of Pier 41. Bruce Lindberg, only 20 years old, was knifed and killed in Hong Kong by the scab carpenter on the *President Grant* in February of 1935 as part of the continuous battle to rid the Dollar Line of scabs after being exposed in the strike.

Longshore holiday: SUP hiring halls will be closed on July 28 in observance of a longshore holiday. In accordance with our collective bargain agreements with APL and Matson it is holiday for all company vessels, except Ready Reserve vessels, in West Coast ports and for sailors employed under the APL and Matson Maintenance Agreements. 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 approve the extension of the APL RTS Agreement. Carried.

M/S to nominate and elect Sam Worth, Hussein Ali, and Noel Itsumaru to the 2021 Committee on Constitution. Carried.

M/S to approve the “pass-through” with Patriot on *General Rudder*. Carried.

M/S to approve Chevron/SUP MOU on vaccination policy. Carried.

M/S to concur in the balance of the President’s Report. Carried