



Matson announces second quarter 2020 results

On August 5, Matson, Inc. reported net income of \$32.8 million for the quarter ended June 30, 2020. Net income for the quarter ended June 30, 2019 was \$18.4 million. Consolidated revenue for the second quarter 2020 was \$524.1 million compared with \$557.9 million for the second quarter 2019. For the six months ended June 30, 2020, Matson reported net income of \$36.6 million compared with \$30.9 million in 2019. Consolidated revenue for the six month period ended June 30, 2020 was \$1,038.0 million, compared with \$1,090.3 million in 2019.

Matt Cox, Matson's chairman and chief executive officer, commented, "Matson's businesses performed well in the second quarter despite challenges from the COVID-19 pandemic and related economic effects. The operational and financial actions we have taken in the last few months have helped Matson through this difficult period and have led to opportunities. One such opportunity, the introduction of the additional CLX vessel charter sailings, principally drove the increase in consolidated operating income year-over-year. We will continue to offer this supplemental CLX+ service through the peak season and potentially longer as

our customers' needs dictate."

He added, "Overall, our performance in the second quarter was led primarily by the strength in our China service, including chartered voyages in addition to our normal weekly vessels that sailed at capacity. Compared with our expectations in early May at the time of our last earnings call, we also had better-than-expected volume in our Hawaii trade lane as we carried a portion of Pasha's volume due in part to the dry-docking of one of its vessels, and we had better-than-expected volume in our Alaska trade lane as the local economy gradually reopened, leading to improved freight demand. We also made good progress on our previously-announced operational and cost management initiatives and now expect to exceed the high end of the \$40 to \$50 million range in operating results improvement announced on the May 5th earnings call. For the third quarter of 2020, we expect consolidated operating income, net income, diluted earnings per share and EBITDA to exceed the results achieved in the third quarter last year."

Container volume in the Hawaii service in the second quarter 2020 was four percent lower year-over-year primarily due to lower volume as a result

of the state's COVID-19 mitigation efforts including restrictions on tourism, partially offset by volume associated with the dry-docking of one of Pasha's vessels. The westbound container market in the second quarter 2020 declined approximately 15 percent year-over-year. Since March, the State of Hawaii implemented several orders to address the spread of COVID-19 on the islands. As a result, tourism to Hawaii has been near-zero and is expected to have a meaningfully negative impact on Hawaii's economy in the near-term.

In China, container volume in the second quarter 2020 was 68.1 percent higher year-over-year primarily due to volume from a supplemental CLX+ service with vessel charter sailings added during the quarter in addition to higher volume on the CLX service. Matson continued to realize a rate premium in the second quarter 2020 and achieved average freight rates that were higher than in the year ago period. The company expects the disruption and loss of capacity in the trans-Pacific air cargo and ocean freight markets to provide opportunities for its differentiated, expedited CLX service as well as its supplemental CLX+ chartered vessel service. Matson will continue to offer the

CLX+ service through the peak season (end of October) and potentially longer as customers' needs dictate.

In Guam, container volume in the second quarter 2020 was 12.5 percent lower due to lower demand for retail-related goods as COVID-19 mitigation measures remained in effect. In the near-term, the retail environment is expected to modestly improve with businesses reopening, but the loss of tourism is expected to have a negative impact on the Guam economy.

In Alaska, container volume for the second quarter 2020 decreased nine percent year-over-year with lower northbound volume primarily due to lower demand for retail-related goods, as an effect of the state's COVID-19 mitigation efforts, and one less sailing compared to the prior year period, and moderately lower southbound volume. Despite improved economic activity in the state during the latter half of the second quarter resulting from the gradual reopening of the local economy, the residual negative economic effects from the COVID-19 pandemic coupled with a low oil price environment is expected to have a meaningfully negative impact on Alaska's economy in the near-term.

Comprehensive Jones Act study finds no effect on cost of living in Hawaii

Economists from Boston based Reeve & Associates and Hawaii-based TZ Economics have released a joint report, "The Impact of the Jones Act on Hawaii," that concluded the Jones Act has no significant impact on the cost of living in Hawaii. In addition, the report found that freight rates in the U.S. Mainland-Hawaii trade lane have declined in real terms over the last ten years, while the Jones Act has delivered positive and substantial economic contributions, including job creation, new infrastructure investments, and a reliable pipeline for critical consumer and industrial goods moving to and from the Islands.

In this comprehensive report, the authors analyzed the economic impact of the Jones Act — a critical economic and national security law that ensures goods transported from U.S. point to U.S. point be transported on vessels that are American crewed, built, and owned — and conducted a thorough market based study to consider the impact of the law to the cost of goods. Moreover, the report analyzed the impact on consumers by evaluating the competitiveness of freight rates in the United States/Hawaii market, the quality of service provided by the Jones Act carriers, and the impact of the carriers' freight rates, relative to the prices of goods shipped between the U.S. Mainland and Hawaii.

"There has been a lot of contention regarding whether the Jones Act negatively affects Hawaii's cost of living," said John Reeve, the principal in Reeve & Associates and the lead economist on the study. "The findings of our study indicate that the Jones Act has no appreciable impact on Hawaii's cost of living, and that Jones Act carriers provide immense benefits to consumers and business owners, while delivering reliable, high frequency and fast transit services at healthy and competitive rates."

"Our findings based on various indicators show that higher living costs — partly the premium assigned to the desirability of living in Hawaii — reflect housing costs, not the cost of consumer products relative to the U.S. Mainland," said Paul Brewbaker, the principal of TZ Economics.

"The findings of this exhaustive study regarding the economic impact of Jones Act-related transportation costs in Hawaii are clear — the Jones Act does not drive up the cost of living in Hawaii. American shipping companies operating under the Jones Act provide an efficient and reliable pipeline for consumer and industrial goods moving to and from the Islands," said Mike Roberts, president of the American Maritime Partnership. "Waiving the Jones Act would replace American Mariners and ships with foreign ships and mariners, threaten Hawaii's supply chain, and degrade Hawaii's and our nation's security — yet produce no cost of living benefit to Hawaii residents."

The report follows a series of studies being conducted by Reeve and Associates and its partners analyzing the comparative cost of goods in non-contiguous territories of the United States and the U.S. Mainland, and the impact, if any, of the Jones Act. In summary, the findings include:

- The Jones Act does not impact

the cost of living in Hawaii — A market basket study of 200 consumer goods purchased from major retailers such as Costco, Home Depot, Target and Walmart found no significant difference in the price of consumer goods. 142 out of 200 items (71 percent) were precisely the same in stores in Hawaii as they were in California. In some cases, retail prices of goods were cheaper in Hawaii. The study found that while Hawaii does have a high cost of living, that cost is primarily driven by housing expenses and other factors, not the type of consumer goods carried to Hawaii by Jones Act carriers.

- **Over a ten year period, Jones Act carriers' rates have declined in real terms for essential ocean shipping** — The study shows that freight rates in the Mainland-Hawaii trade have declined in real terms when considering the cost of inflation, while benchmarks such as overall U.S. inflation and intercity truckload prices have increased substantially (28 percent). This freight rate decline is despite a 50 percent increase in wharfage charges for port/terminal improvements.

- **The large majority of the expenses of moving cargo between the U.S. Mainland and Hawaii are completely unaffected by the Jones Act** — If foreign-flag carriers were allowed to operate in the domestic trades, the costs of any foreign-flag vessel would rise substantially due to required compliance with other U.S. laws, including tax and labor laws. The study found that only a third of the total costs of a Jones Act carrier moving freight between the Mainland and Hawaii are affected by the Jones Act (crew and vessel capital costs). If the Jones Act was to be waived for Hawaii, the costs of any foreign-flag vessel operated in that

U.S. domestic trade would rise substantially as it would have to comply with U.S. tax, labor, and employee protection laws apart from the Jones Act that would virtually negate any cost advantage provided by foreign registry.

- **Jones Act carriers are dedicated to Hawaii's specific needs for high frequency and fast transit to deliver consumer goods to the Hawaiian Islands. Eliminating the Jones Act could undermine priority, frequency, and speed** — Three U.S.-flagged carriers with a fleet of 20 combined vessels, specifically designed to accommodate the needs of Hawaii transportation commerce, currently provide regular scheduled shipping services between the U.S. Mainland and Hawaii. Due to intense and healthy competition, freight rates have declined in real terms while carriers have increased capacity with modern, custom-designed vessels. Jones Act carriers have introduced five new U.S. vessels, as well as three more on the way in the fourth quarter of 2020. According to the study, with these most recent additions, there is more than ample capacity to meet the needs of Hawaii families and businesses. In fact, Jones Act carriers have increased capacity by 22 percent since 2015 with the addition of new vessels. The level of available capacity in the market naturally drives healthy price competition.

- **American shipping companies are invested in Hawaii, providing over \$2 billion in transportation technology customized for the Hawaii market, such as new ships, terminals, and equipment** — These new vessels are highly fuel-efficient, environmentally friendly and contribute to reduced

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PATRIOT CONTRACT SERVICES WAGE RATES Shallow Draft Tanker (MT SLNC Pax)

Effective August 3, 2020

Full Operating Status

Rating	Base Wage Monthly	Base Wage Daily	Suppl. Wage Base Monthly	Suppl. Wage Monthly	Suppl. Wage Daily	Overtime Hourly	Money Purchase Daily
QMED-Electrician	\$5,568.39	\$185.61	\$5,568.39	\$2,598.58	\$86.62	\$27.08	\$30.00
QMED-Pumpman	\$5,078.04	\$169.27	\$5,078.04	\$2,369.75	\$78.99	\$24.90	\$30.00
QMED-Oiler	\$4,651.67	\$155.06	\$4,651.67	\$2,170.78	\$72.36	\$22.84	\$30.00

Unlicensed personnel shall earn fourteen (14) days of supplemental wages for each thirty (30) days employed in FOS, or pro rata.

Reduced Operating Status

Rating	Base Wage Weekly	Base Wage Daily	Overtime Hourly	Money Purchase Daily
QMED-Electrician	\$1,714.15	\$244.88	\$27.08	\$30.00
QMED-Pumpman	\$1,575.50	\$225.07	\$24.90	\$30.00
QMED-Oiler	\$1,443.21	\$206.17	\$22.84	\$30.00

Unlicensed personnel shall earn one and one half (1.5) days of supplemental wages for each thirty (30) days employed in ROS, or pro rata and paid by the Company.

The Hourly Overtime Rates above shall be paid for all work performed in excess of eight (8) hours on any day Monday through Friday and for all work performed on Saturdays, Sundays and holidays, in FOS and ROS.

Machinists win jurisdiction at Seattle's Terminal 5

The National Labor Relations Board (NLRB) has awarded jurisdiction for maintenance and repair work at Seattle's Terminal 5 (T-5) to the International Association of Machinists (IAM) instead of the International Longshore and Warehouse Union (ILWU). The NLRB, however, said both unions presented a strong case for jurisdiction, and cautioned that the decision does not set a precedent for other disputes between the unions.

The NLRB's July 16 decision highlights the competition that exists, and is expected to continue, between the IAM

and the ILWU for maintenance and repair work whenever openings occur at new or renovated terminals on the West Coast. The ILWU has collective bargaining agreements in place giving it jurisdiction over cargo-handling at all West Coast ports, as well as with some terminals for maintenance and repair work. The IAM also has collective bargaining agreements with some terminals for maintenance and repair work.

Seattle's T-5 facility has been in a state of flux as it transitions from the former tenant, APL, to the new owners, SSA Marine and Terminal Inter-

national Ltd., which signed a long-term lease with the Northwest Seaport Alliance (NWSA) last year. APL, which employed IAM mechanics, left in 2014. The facility has been largely vacant since then, with Matson Navigation's Hawaii service temporarily calling at the south end of the terminal. ILWU mechanics have been performing the maintenance and repair work at the terminal and will retain that work when Matson consolidates its Hawaii and Alaska services in Tacoma later this year.

The dispute over future maintenance and repair work at T-5 began in March 2019, when SSA filed an unfair labor practice claim against the IAM, alleging that the machinists union threatened to take job action to force the employer to assign the work to the IAM.

Under terms of the SSA-TIL lease with the NWSA, the terminal operators will invest \$300 million in the renovation and modernization of the 172-acre terminal. When phase one is completed next year, the terminal will handle mega-ships engaged in the trans-Pacific trades for a yet-to-be determined shipping line or alliance.

The ILWU and IAM have competed for jurisdiction over maintenance and repair work involving chassis, cranes, and cargo-handling equipment in the ports of Los Angeles, Long Beach, Oakland, Seattle, and Tacoma for decades, with the NLRB often called upon to decide which union will have jurisdiction. The NLRB said the IAM and ILWU both have a legitimate claim for jurisdiction in the Terminal 5 dispute based on their existing collective bargaining agreements with SSA. In its decision, the board said it considered factors such as employer preference, skills and training of the workers, and efficiency of operations, adding the determination "is limited to the controversy that gave rise to this proceeding."

Oakland A's sue California agency at Port of Oakland

The Oakland A's sued California's Department of Toxic Substances Control on August 5 over alleged pollution at Schnitzer Steel's metal shredding facility in West Oakland. The Schnitzer recycling center is next to Howard Terminal, where the A's have proposed a new ballpark, along with housing and offices that Schnitzer Steel and other shipping and trucking groups oppose.

The A's allege that the state has failed to regulate the shredding facility's pollution, which includes 200,000 tons of metal residues per year that contaminates the soil, water and air, according to the complaint. The lawsuit in Alameda County Superior Court names Schnitzer Steel as a real party in interest. The A's are seeking the company's compliance with the hazardous waste control law and the cost of legal fees. The A's said there have been at least five fires at the facility since 2018, including one in June.

A Schnitzer Steel spokesman said in a statement that the A's lawsuit is an "at-

tack" that was part of "efforts to dismantle the Port of Oakland to make room for their waterfront stadium and luxury housing development." The men and women that work at the port have been clear that the A's plan is incompatible with their work and will put at risk many of the last high-paying, blue collar jobs held by local black residents in Oakland.

The A's and Schnitzer Steel are involved in another legal dispute over the proposed 35,000-seat stadium at Howard Terminal. In March, Schnitzer Steel, the Pacific Merchant Shipping Association, the Harbor Trucking Association and the California Trucking Association sued the city of Oakland and Governor Gavin Newsom to block a streamlined environmental review of the A's ballpark. Mike Jacob, vice president and general counsel of the Pacific Merchant Shipping Association, which advocates for marine terminal operators and shipping companies, said the A's new lawsuit threatens the livelihood of industrial jobs at the Port of Oakland.

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Port of San Diego establishes foreign trade zone

The Port of San Diego was recently approved by U.S. Customs and Border Protection and the city of San Diego to activate a Foreign Trade Zone (FTZ) at the Tenth Avenue Marine Terminal. As a FTZ, the terminal is a secured, designated location where foreign and domestic merchandise is generally considered to be in international commerce and outside of United States customs territory.

With the FTZ, the port offers numerous benefits to businesses including duty reduction and deferral, logistical benefits, and cost savings. Shippers and businesses will have a secure area with reduced or eliminated duties on imported and exported cargo in the form of duty deferral, which allows for cash flow savings until cargo is imported and exported to and from the United States.

Companies will receive reductions in merchandise processing fees due to single customs entry per week (pay one fee) rather than making multiple entries throughout the week. In addition, original equipment manufacturers will have the option to assemble various components of a project, creating United States products, and can obtain additional cost savings as a duty drawback.

Currently, the San Diego region has 19 FTZ sites with most of them operating out of warehouses. The Port of San Diego is the only cargo terminal location in San Diego County that offers a waterborne component with access to ships. The 96-acre Tenth Avenue Marine Terminal is particularly popular for project cargo, wind power, and break-bulk commodities.

Retail imports trending to lowest annual total in four years

Imports at major U.S. retail container ports during 2020 are expected to see their lowest total in four years as the impact of the coronavirus pandemic on the U.S. economy continues, according to the monthly Global Port Tracker report from National Retail Federation and Hackett Associates. U.S. ports covered by Global Port Tracker handled 1.61 million twenty-foot-equivalent units (TEU) in June, the latest month for which after-the-fact numbers are available. That was up 4.9 percent from May but down 10.5 percent year-over-year.

July inbound container flow was estimated at 1.76 million TEU, down 10.2 percent year-over-year. August is forecast at 1.81 million TEU, down 7.3 percent; September at 1.69 million TEU, down 9.5 percent; October also at 1.69 million TEU, down 10.4 percent; No-

vember at 1.59 million TEU, down 5.8 percent, and December at 1.56 million TEU, down 9.6 percent. Those numbers would bring 2020 to a total of 19.6 million TEU, a drop of 9.4 percent from last year and the lowest annual total since 19.1 million TEU in 2016. The first half of 2020 totaled 9.5 million TEU, down 10.1 percent from last year.

August is expected to be the busiest month of the July-October "peak season" when retailers rush to bring in merchandise for the winter holidays. But with retailers ordering less merchandise, the month's total would be the lowest peak for the season since 1.73 million TEU in 2016 and falls far short of the 1.96 million-TEU peak in 2019. Peak season usually includes the busiest month of the entire year, but this year that was likely January's 1.82 million TEU.



The MV Mahimahi, operated by Matson Navigation Company, is a 3,027 TEU, C-9 class containership built in 1983.

Mahimahi crew rescues mariners in distress in Pacific

In July, the crew of the Matson cargo ship MV Mahimahi rescued three mariners from their disabled 50-foot trimaran approximately 825 miles northeast of Oahu. The crew of the Mahimahi brought the mariners back to Honolulu. There were no reports of injuries. A hazard to navigation notice to mariners was issued regarding the derelict trimaran, named Third Try.

At 0800 on July 7, Joint Rescue Coordination Center (JRCC) watchstanders received a report from a friend of the trimaran's master stating the vessel had not made contact in the past 24 hours. The three mariners aboard were attempting a non-stop circumnavigation of the globe and their last known position was between California and Hawaii.

JRCC watchstanders issued a SAFETYNET broadcast notifying merchant vessels in the region of the situation and spoke with the Third Try captain's friend and family to ascertain the vessel's intended route. Watchstanders also reached out to Automated Mutual-Assistance Vessel Rescue System (AMVER) ships in the area for assistance

and the crew of the nearby Matson vessel Mahimahi agreed to divert and travel along the suspected route of the Third Try.

At 1501 that same day, JRCC Watchstanders received an alert from an Emergency Position Indicating Radio Beacon (EPIRB) registered to the Third Try. Watchstanders updated the SAFETYNET broadcast with the new location and launched an Air Station Barbers Point HC-130 Hercules aircrew with a life raft aboard in response. They also notified the Mahimahi crew of the new location.

The Hercules aircrew arrived on scene and located the adrift Third Try. The aircrew reported the vessel had structural damage and had lost its rudder. The mariners were requesting to be removed from the vessel. At 0333 on July 8, the Mahimahi arrived on scene and successfully evacuated the three mariners from the Third Try.

MFOW crew members aboard the Mahimahi during the rescue were ERJ Luke Gomes, #3801; REJ Frank Selvidge, #3742; DJU Russell Felicilda, #3798; and Wiper Duke Bactad, #3605.

The Jones Act and Hawaii

Report finds Jones Act has no impact on the cost of living in Hawaii and provides a substantial positive impact on Hawaii's economy

SUMMARY
A new study performed jointly by Reeve & Associates and TZ Economics concluded that the Jones Act has no impact on the cost of living in Hawaii. In addition, the report found that freight rates in the U.S. Mainland-Hawaii trade have declined in real terms over a ten-year period while the Jones Act has delivered positive economic contributions, including job creation, new infrastructure investments, and a reliable pipeline for critical consumer and industrial goods moving to and from Hawaii and its Islands.

LOS ANGELES HONOLULU

1 gallon of milk	\$3.08	\$3.08
Rice	\$2.59	\$2.59
Toothpaste	\$2.99	\$2.99
Organic Eggs	\$3.89	\$3.60
Toilet Paper	\$12.99	\$12.99

Non-Existent Price Differential of Randomly Selected Consumer Goods

The Jones Act does not impact the cost of living in Hawaii

A market based study of 200 consumer goods purchased from major retailers such as Costco, Home Depot, Target and Walmart found no significant difference in the price of consumer goods with a mere 0.5% price differential between the cost of goods in Los Angeles and Honolulu. 142 out of 200 items (71%) were precisely the same in stores in Hawaii as they were in California. In some cases, retail prices of goods were cheaper in Hawaii. The study found that while Hawaii does have a high cost of living, that cost is primarily driven by housing expenses and other factors, not the type of consumer goods carried to Hawaii by Jones Act carriers.

Over a ten-year period, Jones Act carriers' rates have declined in real terms for essential ocean shipping

The study shows that freight rates in the Mainland-Hawaii trade have declined in real terms, while benchmarks such as overall U.S. inflation and intercity truckload prices have increased substantially (28%). It also should be pointed out that the CONUS/Hawaii ocean freight rates include State of Hawaii Department of Transportation Harbors Division assessments for wharfage charges (revenue passed through the ocean carrier to the port authority) for port/terminal improvements in Honolulu that increased wharfage charges by 50 percent between February 2017 and July 2019.

Historical trend in CONUS/Hawaii Ocean Freight Rates versus U.S. Consumer Price Index and Intercity Truckload Prices

Index

2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019

— Ocean Freight Rate per TEU
— U.S. Consumer Price Index
— US Intercity Truckload Prices

Historical trend in CONUS/Hawaii Ocean Freight Rates versus U.S. Consumer Price Index and Intercity Truckload Prices

The large majority of the expenses of moving cargo between the U.S. Mainland and Hawaii are completely unaffected by the Jones Act

The study found that only a third of the total embedded costs of a Jones Act carrier moving freight between the Mainland and Hawaii are affected by the Jones Act (crew and vessel capital costs). If the Jones Act was to be waived for Hawaii, the costs of any foreign-flag vessel operated in that U.S. domestic trade would rise substantially as it would have to comply with U.S. tax, labor, and employee protection laws apart from the Jones Act that would virtually negate any cost advantage provided by foreign registry.

Cost Structure of a Jones Act Intermodal Liner Shipping Service in 2020

JONES ACT IMPACTED

- Vessel Capital Costs: 19%
- Crew: 16%

NOT IMPACTED

- Cargo: 20%
- Fuel: 16%
- Vessel Maintenance and Repair, Stores, Insurance: 16%
- Equipment: 13%

Sources: U.S. Department of Transportation, Maritime Administration, Comparison of U.S. and Foreign-Flag Operating Costs, September 2011; OOL Annual Report, 2019; Reeve & Associates' analysis of carrier data.

Jones Act carriers are dedicated to Hawaii's specific needs for high frequency and fast transit to deliver consumer goods to Hawaii and neighboring islands. Eliminating the Jones Act could undermine priority, frequency, and speed

- Three U.S. flagged carriers with a fleet of twenty combined vessels, specifically designed to accommodate the needs of Hawaii transportation commerce, currently provide regular scheduled shipping services between the U.S. Mainland and Hawaii.
- According to the study, there is more than ample capacity to meet the needs of Hawaii families and businesses. In fact, Jones Act carriers have increased capacity by 22% since 2015 with the addition of new vessels, while ensuring price competitiveness amidst the carriers.

The Jones Act supports 13,000 jobs for Hawaii families

- The Jones Act supports the creation of nearly 13,000 jobs for residents of Hawaii – delivering \$787 million in annual workforce income and \$3.3 billion economic impact to the local economy.

13,000 Jobs supported

\$787 million annual workforce income

\$3.3 billion economic impact to the local economy

americanmaritimepartnership.com/Hawaii-economy

MFOW PRESIDENT'S REPORT



By Anthony Poplawski

PANDEMIC

General — During the month of July, I continued to participate in COVID-related teleconferences sponsored by the U.S. Maritime Administration and the U.S. Coast Guard. Topics included in the discussions were:

- The overall status of the maritime industry regarding health conditions and availability of mariners stateside and overseas.
- Disruptions in vessel movements, upcoming crew rotations, services, orders, delivery of parts, challenges with vessel technician support, intermodal transport, and cargo operations.
- The impact on cargo markets.
- Progress and status of testing of crew members, resumption of carriage of maritime academy cadets, challenges with sick crew members leaving ship for medical care.
- New developments in procedures for preventing or dealing with an outbreak aboard ship or facilities.
- Widely accepted industry best management practices and specific PPE requirements and availability.
- The overall state of national defense readiness and resilience.
- Further extension of mariner credentials, renewal of Merchant Mariner Credentials, maritime training approvals and proctoring of exams.

Chinese fishing fleet threatens Galapagos wildlife

Hundreds of Chinese vessels have been fishing for weeks in the exclusive economic zone of the Galapagos Islands, an archipelago off the Pacific coast of Ecuador. This has authorities, scientists, and conservationists alarmed over the effects they would have on some of the local wildlife. The Galapagos Islands, a World Heritage site whose wildlife helped Charles Darwin come up with the theory of evolution, are known for their abundance of indigenous species such as Darwin's finches, a group of passerine birds, and the massive Galapagos tortoise.

The Chinese ships, which are also accompanied by ships from other countries such as Liberia or Panama, are in a corridor of international waters that separates the two areas of Ecuadorian jurisdiction: 200 miles that surround the Galapagos Islands and another 200 miles stretching from the mainland. The surface area monitored and controlled by Ecuador totals a million kilometers but it is split in half and it is right in that corridor of the high seas where the fishing fleet that threatens marine species has settled. This situation is repeated every year. Last year, Ecuador detected the presence of 245 Chinese fishing vessels.

South Carolina Ports' new terminal slated to open in March 2021

The first phase of a new terminal at the South Carolina Ports is on schedule to open in March, officials said. Port officials said in a statement that concrete has been poured for the wharf, and buildings and booths for trucks are being finished. Helicopters are currently helping run power lines to the new site.

The new terminal is the first phase of a six-year \$2 billion project for South Carolina's busiest port that should double the amount of cargo the facility can handle. Crews are deepening the channel in Charleston Harbor to 52 feet to

The presence of the Chinese fleet was detected in mid-July but in the last few weeks, the matter has escalated to the diplomatic plane. Ecuador sent warnings to China through local embassies and also started talks with neighboring countries such as Chile and Colombia, also recently affected by the fishing fleet.

The United States also recently weighed into the dispute, siding with Ecuador. "It is time for China to stop its unsustainable fishing practices, rule-breaking, and willful environmental degradation of the oceans," U.S. Secretary of State Michael Pompeo said on Twitter.

The main objective of the Chinese fleet is to catch giant squid. While this is not illegal as it takes place in international waters, environmental activists in Ecuador say it allows fleets to take advantage of the abundant marine species that spillover from the islands and cross into the unprotected waters. There are more than 30 species of sharks living in Galapagos, some of which are threatened with extinction, such as the endangered whale shark or the critically endangered hammerhead. Many of them constantly move between the islands and the mainland.

handle the world's largest ships. The new terminal will have a direct connection for truckers to Interstate 26. It also will have six-story-tall refrigerated container racks. The terminal is being built on the site of Charleston's old Navy base.

"With great creativity and coordination, they are transforming the former Navy Base site into a state-of-the-art container terminal. I am so proud of the work they are doing for South Carolina," said a South Carolina Ports spokesperson.

Unfortunately, there has not been a meaningful response from the federal government regarding standards on shipboard health and safe operations. Individual ship operators have been addressing these matters on their own, resulting in a varied response to an international problem.

APL Marine Services — In July, one of the U.S.-flag international operators, not under SIU Pacific District contract, came to an agreement on restriction-to-ship matters with its labor unions. This was driven by ship sequestrations and a COVID-related death of a crew member.

Taking that cue, APL Marine Services decided to implement a restriction-to-ship policy on its U.S.-flag fleet. Because there is no end in sight to the pandemic and to further reduce the risks to our collective membership, all of the affected offshore unions entered into a cooperative dialogue with the company to negotiate temporary agreements governing restriction-to-ship.

As of the MFOW August Headquarters Branch meeting, a final draft of the agreement has not been negotiated. However, the initial agreements will be for one month, from August 1, 2020 through August 31, 2020. They are intended to increase safety aboard ship, establish a clear policy about restriction in port and settle potential restriction-to-ship claims that may arise during the month of August. The important points are as follows:

1. A flat rate of \$100 per day shall be paid for restriction-to-ship in U.S. and foreign ports where federal or local authorities permit shore leave, but the company does not.

2. In foreign ports, there is no restriction-to-ship payment of any kind if the company denies shore leave in a port where bona fide national or local COVID-19 health care warnings are in place and documentation is provided by the company.

3. Refusals to comply with these policies will be deemed as a "quit" and if a mariner so chooses to quit, they should ensure they do so with proper notification, as per the contract.

4. Internet bandwidth will be enhanced and a free weekly allowance for the slop chest is in play. This weekly allowance amount has not been determined.

The temporary agreement governing restriction-to-ship is being negotiated to enhance the health and safety of crew members and to establish a clear, uniform policy aboard APLMS ships. Crew members may be subject to grave illness if exposed to COVID-19 and ships may be sequestered in domestic or overseas ports if an onboard case occurs. Once a final agreement has been completed, I will recommend membership approval, as long as the agreement contains no terms or conditions less favorable than with the licensed unions.

APL GULF EXPRESS

On July 10, the Union was notified by APL Marine Services that they had sent letters of recognition to three MFOW crew members who had served aboard the *MV APL Gulf Express* and were finally relieved in Bahrain, after periods of 8-9 months aboard the vessel. The company stated that the crew "performed professionally under very difficult circumstances and felt they should be recognized for their actions." Copies of the recognition letters have been placed in their personnel files. The three MFOW crew members recognized were REJ Delvin Warren, JM-5274; DJU Octino Cabrito, JM-5107 and Wiper Joshua Halterman, JM-5372.

HEADQUARTERS OFFICE HOURS

As previously reported, Headquarters' office staff is working a reduced hours schedule as long as local shelter-in-place orders exist. The MFOW Welfare Fund is open for business on Monday through Thursday from 0800 to 1200 and 1300 to 1400; and on Friday from 0800 to 1200. Pension, Money Purchase, and Training are open for business on Monday through Thursday only from 0700 to 1200 and 1300 to 1400.

Container volumes drop over 11 percent in Mexican ports in first half 2020

Mexican ports moved 3.13 million TEU from January-June this year, a drop of 11.1 percent compared to 3.52 million TEU for the same period in 2019, said the Mexican Secretariat of Communications and Transport (SCT). In its monthly statistical report of cargo, vessels and passengers, the agency reported that 2.15 million TEU were handled through the Pacific ports, down 9.8 percent compared to 2.38 million TEU in the first half of 2019.

In the first half of 2020 the Port of Manzanillo handled 1.4 million TEU, down 7.1 percent compared to 1.51 million TEU previously; while the Port of Lazaro Cardenas moved 523,589 TEU,

down 20.9 percent from 662,060 TEU in January-June 2019.

Based on the report prepared by the SCT General Coordination of Ports and Merchant Marine, the ports of the Gulf of Mexico handled a total of 981,384 TEU in January-June 2020, down 13.6 percent from 1.14 million TEU in the first half of 2019. The Port of Veracruz handled 494,202 TEU, down 13.1 percent if compared with 568,906 TEU in 2019; the Port of Altamira reached 374,330 TEU, down 15.7 percent from 444,258 TEU the previous year.

Mexico's cargo imports fell 10.9 percent and exports also fell 11.2 percent during the first half of 2020.

Jones Act study finds no effect on Hawaii

Continued from page 1

sulfur emissions. Hawaii residents also benefit from improvements to terminals, including the addition of new infrastructure such as gantry cranes.

• **Jones Act carriers play a critical role in support of U.S. national security, while meeting the needs of military personnel and their families who comprise nearly 10 percent of Hawaii's population** - Jones Act carriers provide a reserve force of well-trained seafarers who in times of national emergency can crew reserve sealift vessels,

while ensuring the U.S. does not need to rely on foreign carriers to move people and military assets. Around 9.6 percent of Hawaii's population is U.S. military personnel and their families. Jones Act carriers ship a high proportion of personal effects (vehicles and household goods) that are needed for those families.

• **The Jones Act industry supports 13,000 jobs for Hawaii families** - The Jones Act delivers \$787 million in annual workforce income and \$3.3 billion economic impact to the local economy.

VICE PRESIDENT'S REPORT

It has been another challenging month, but work has been steady for the MFOW. I'd like to thank the membership who have been stepping up and covering the jobs. We know this is a very strange time with incredibly unusual circumstances, especially when the COVID-19 goalpost gets moved every week or so. I urge all membership to practice patience and curb your frustrations to the best of your ability. The landscape will continue to change as this situation progresses; be ready.

PCS has begun pre-flight testing for all reliefs going to Saipan on *Watson*-class vessels. This comes in the form of a home test kit that is mailed overnight to the address on file, provided to Anderson-Kelly, and sent back. This has been somewhat of an issue, as merchant mariners are historically transient in nature and may not have a fixed address. I say this from experience as I've spent a decent amount of time chasing down W-2s and other miscellaneous items throughout my seagoing career. P.O. Boxes are also excluded for added difficulty. Make sure your information is up to date when dispatched to a PCS vessel. If there will be an issue receiving this kit, notify your port agent right away to prevent any issues with the new dispatch process. We have tight windows to operate in and not much room for error, so please co-

operate to the best of your ability.

APL has been...fun as well. There were a few letters and policy changes over the course of the month, the latest of which is a restriction to ship in U.S. ports for all vessels. We are currently in discussions with the company regarding compensation for the newly imposed restrictions. Shortly after this policy went into effect, a member was discharged for leaving the vessel to go to the parking lot and back. Despite what our individual philosophies are regarding this pandemic and the severity of the aforementioned, the company is taking it very seriously. Keep in mind that a positive test from a crew member puts a vessel out of service as well as the entire crew. That is a no-win situation; everyone loses money, work, revenue, etc. Please think of the big picture and long term here. Patience is always rewarded as they say.

Please note that all jobs are now being called much earlier than usual due to uncertain turnaround times for COVID testing, especially here in the Bay Area. Keep in touch with your port agent for the latest and greatest. As always, take good care of yourselves, work safely, and don't touch your face.

Fraternally,
Deyne Umphress

Maritime Union of Australia warns against shipping regulations

The Maritime Union of Australia (MUA) said that the country should re-vamp its security and licensing provisions for high-risk and hazardous goods shipments. The warning comes in the wake of two very large explosions in the Beirut, Lebanon port area on August 4. The explosions at the port killed 154 and injured more than 5,000 people. The number of casualties is expected to increase as the rescue mission is underway.

Lebanese officials said that the explosions were caused by 2,750 tons of ammonium nitrate that was stored in a warehouse for six years. Officials have detained 16 Beirut port officials amid the investigation regarding the explosion.

MUA has warned the Government of Australia against the dependence on foreign-flagged ships that are poorly regulated such as the Russian-owned, Moldovan-flagged *Rhosus* ship, which transported the explosives to Beirut. It added that these ships pose a serious safety threat to the transport of dangerous goods along the coast. The MUA said that the government continues to issue temporary permits to ships that carry dangerous goods such as ammonium nitrate without checking if they adhere to the safety standards of Australia

and without carrying out crew safety inspections. The crews on board flag-of-convenience vessels do not undergo security checks and are given Maritime Crew Visa without background checks.

MUA national secretary Paddy Crumlin said that imperfect shipping regulations and security checks have led to the creation of a 'ticking time bomb' off the Australian coast.

Crumlin said: "Last year, 85,000 tons of ammonium nitrate moved through the Port of Newcastle alone – 30 times the amount that devastated Beirut – posing a significant threat to safety."

"The Australian Government must urgently tighten shipping regulations to ensure dangerous goods are carried on vessels that are registered in Australia and crewed by Australian seafarers who have undergone appropriate training and security checks. Using Australian owned, operated and crewed ships for the transport of dangerous goods is a simple way to ensure safety standards are met, significantly reducing the danger posed by shipping. This would also ensure that all seafarers, moving this cargo, have undergone the strict background checks and ongoing compliance that is required to be issued with a Maritime Security Identification Card."

BUSINESS AGENT'S REPORT

Here is the vessel rundown for July 2020:

MATSON NAVIGATION COMPANY

On the Pacific Northwest triangle run: *MV Maunawili* — delegate DJR Kenneth Paddack, #3847...no beefs. *MV RJ Pfeiffer* — delegate REJ David Ebanks, #3842...the crew is working plenty of overtime, no beefs.

On the Pacific Southwest triangle run: *MV Lurline* — delegate Bruce Chow, #3812...ship arrived one day late, no beefs. *MV Mahimahi* — delegate REJ Frank Selvidge, #3742...no beefs. We dispatched a one-year shoreside mechanic job for time up.

APL MARINE SERVICES

On the EX1 run: *MV President Truman* — no beefs. *MV President Wilson* — delegate REJ Kevin Hamer, JM-5272...no beefs. *MV President Cleveland* — no beefs. *MV President Kennedy* — delegate Wiper Helaman Taaga, JM-5185...no beefs; shipped an REJ for time up.

Shuttle vessels on the GSX run: *APL Guam* — no beefs.

PATRIOT CONTRACT SERVICES

We shipped one Electrician and two Oilers to the *USNS Watkins*, one Wiper to the *USNS Dahl*, and one Wiper to the *USNS Red Cloud*.

Fraternally,
Bobby Baca

National Maritime Center

Serving Our Nation's Mariners



QMED Surveys

The Coast Guard is seeking input from mariners who hold Qualified Member of the Engine Department (QMED) endorsements to validate information gathered as part of a Job Task Analysis (JTA).

Since 2016, the Coast Guard has been working on several initiatives to improve the quality of the content of credentialing examinations. One initiative is to validate the real-world occupational tasks carried out by mariners in today's merchant fleet by conducting JTAs. The Coast Guard is currently working on a JTA of QMED ratings. We worked with members of industry who have QMED experience to identify the tasks that QMEDs are responsible for while signed on a vessel. The Coast Guard is inviting you to be a part of this exciting and worthwhile effort by:

- Validating the QMED tasks.
- Telling us how frequently you complete the tasks.

This is a unique opportunity for you to provide insight into your job as a QMED or as a supervisor of QMEDs and contribute to Coast Guard examination improvements. The Coast Guard will use the results of the JTA in consultation with industry to evaluate and update examination content for QMED endorsements.

Mariners who hold QMED endorsements will receive an e-mail from JobTaskAnalysis@uscg.mil containing a link to the survey and the dates the survey is open. Your link to the survey will have a unique identifier to record your responses. It is not linked to you personally and the information you provide will remain anonymous. Your participation is encouraged for the benefit of the maritime community and safety of the Marine Transportation System.

If you have questions regarding the survey, please contact us at JobTaskAnalysis@uscg.mil.

Your participation in the survey is greatly appreciated. We look forward to your input.

Sincerely,

/K. R. Martin/

Kirsten R. Martin
Captain, U.S. Coast Guard
Commanding Officer

8/6/2020

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Active MFOW members

Retain your

Welfare Fund eligibility.

MAIL or TURN IN all your Unfit for Duty slips to:

MFOW Welfare Fund,

240 Second Street

San Francisco, CA 94105

Like us on facebook



<https://www.facebook.com/>

[Marine-Firemens-Union-121622254577986/](https://www.facebook.com/Marine-Firemens-Union-121622254577986/)

MARINE FIREMEN'S UNION TRAINING PROGRAM — 2020

Interested members who meet the Training Program eligibility requirements and prerequisites outlined for each course may obtain an application online at mfoww.org or at Headquarters and branch offices. All applications must be accompanied by a copy of the member's Merchant Mariner Credential, including current endorsements and RFPEW certification.

(a) Eligible participants are MFOW members who:

- (1) Have maintained A, B or C seniority classification.
- (2) Are current with their dues.
- (3) Are eligible for medical coverage through covered employment.
- (4) Have a current Q-card (annual physical) issued by the Seafarers' Medical Center and are fit for duty.

(b) Non-seniority applicants:

(1) Non-seniority applicants may be selected for required government vessels training as required to fulfill manning obligations under the various MFOW government vessel contracts.

(2) Selectees under this provision must meet all other requirements for seagoing employment and shall have demonstrated satisfactory work habits through casual employment.

STCW Able Seafarer-Engine

A member who successfully completes the 40-hour Able Seafarer-Engine (AS-E) course will satisfy the requirements needed for the STCW endorsement as AS-E. *Prerequisites: Endorsements as QMED Electrician/Refrigerating Engineer, QMED Fireman/Watertender, QMED Oiler and RFPEW; PLUS 180 days' or more of MFOW-contracted sea time while qualified as RFPEW.*

September 28-October 2

November 9-13

QMED Junior Engineer

The MFOW Training Plan does not sponsor the QMED Junior Engineer course. A member who has successfully completed the modules for QMED Electrician/Refrigerating Engineer, QMED Fireman/Watertender, and QMED Oiler can be issued the national endorsement as QMED Junior Engineer without testing provided he or she has met all other sea service and training requirements.

QMED Pumpman/Machinist

A member who successfully completes the 240-hour QMED Pumpman/Machinist course will satisfy the requirements needed for the national endorsement as QMED Pumpman/Machinist. *Prerequisites: 360 days or more of MFOW-contracted sea time while holding the endorsements as QMED Electrician/Refrigerating Engineer, QMED Junior Engineer, QMED Fireman-Watertender, QMED Oiler, RFPEW and AS-E.*

October 12-November 20

STCW BASIC TRAINING*

**NOTE: ALL BASIC TRAINING CERTIFICATES HOLD A ONE-YEAR VALIDATION WHEN USED FOR MARINER DOCUMENT (MMD) RENEWAL.*

Basic Training Revalidation (two days)

The BT Revalidation course is designed for personnel who have previously completed a 40-hour Basic Training course and have at least one year of approved Sea Service within the last five years.

TRLMI, San Diego, CA (one day): September 4; September 25; October 9; October 23; November 6

California Maritime Academy, Vallejo, CA: not available

Compass Courses, Edmonds, WA: August 25-26; September 22-23; October 20-21; November 17-18

El Camino College, Hawthorne, CA (one day): not available

MITAGS-PMI, Seattle, WA: September 28-29; October 19-20; November 16-17

Maritime License Center, Honolulu, HI: September 17-18; November 5-6

Basic Training Refresher (three days)

The BT Refresher course (24 hours) is designed for personnel who have previously completed a 40-hour Basic Training course and have NOT completed one year of approved Sea Service within the last five years.

TRLMI, San Diego, CA: September 9-11; October 14-16; November 18-20; December 9-11

California Maritime Academy, Vallejo, CA: not available

Compass Courses, Edmonds, WA: August 25-27; September 22-24; October 20-22; November 17-19

El Camino College, Hawthorne, CA: not available

MITAGS-PMI, Seattle, WA: not available

Maritime License Center, Honolulu, HI: September 16-18; November 4-6

Training Resources Maritime Institute (TRLMI)

Courses are conducted at Training Resources Maritime Institute in San Diego, California, contingent on enrollment levels. Tuition, lodging and transportation are pre-arranged by the MFU Training Plan.

Military Sealift Command (MSC) Government Vessel Course

This five-day course is required for employment aboard various MSC contract-operated ships and includes the following segments: Shipboard Damage Control; Environmental Protection; Chemical, Biological and Radiological Defense; Helo Firefighting; Anti-Terrorism (one-year validation); Survival, Evasion, Resistance and Escape (three-year periodicity).

September 21-25

October 12-16

October 26-30

Military Sealift Command (MSC)

Government Vessel Readiness Refresher (renewals only)

This two-day course renews the following government vessel segments: Helo Firefighting; Environmental Protection; Damage Control; and Chemical, Biological and Radiological Defense. The full versions of these segments must have been completed within 5 years of taking the Readiness Refresher course.

September 10-11

October 1-2

December 3-4

High Voltage Safety

This five-day course is open to members who have electrical equipment background and training. Each student should:

- Have the requisite skills (knowledge and techniques) to distinguish exposed energized electrical conductors and circuit parts from other parts of electrical equipment, capability to determine nominal system voltages;
- Have the ability and be capable of providing first aid, including resuscitation, CPR and AED (where provided);
- Be capable of determining the proper use of personnel protective equipment to protect against shock and arc flash.

Prerequisites: Electrician-Refrigerating Engineer/Junior Engineer/RFPEW and Able Seafarer-Engine endorsements.

October 19-23

November 9-13

Endorsement Upgrading Courses

QMED Fireman/Watertender and Oiler

A member who successfully completes the 160-hour Qualified Member of the Engine Department (QMED) Fireman/Watertender/Oiler course will satisfy the requirements needed for the national endorsements as QMED Fireman/Watertender and QMED Oiler, provided all other requirements, including sea service, are also met. *Prerequisites: 180 days or more of MFOW-contracted sea time as Wiper; PLUS Coast Guard approval letter for endorsement upgrading, which certifies minimum of 180 days' sea time as Wiper.*

September 14-October 9

October 26-November 20

STCW Rating Forming Part of an Engineering Watch

A member who successfully completes the 40-hour Rating Forming Part of an Engineering Watch (RFPEW) course will satisfy the requirements needed for the STCW endorsement as RFPEW. *Prerequisites: See QMED Fireman/Oiler/Watertender course. It is recommended that eligible candidates schedule the QMED Fireman/Oiler/Watertender and RFPEW courses back-to-back for a five-week combined training session.*

October 12-16

November 30-December 4

QMED Electrician/Refrigerating Engineer

A member who successfully completes the 240-hour QMED Electrician/Refrigerating Engineer course will satisfy the requirements needed for the national endorsement as QMED Electrician/Refrigerating Engineer, provided all other requirements, including sea service, are also met. *Prerequisites: Endorsements as QMED Fireman/Watertender, QMED Oiler, and RFPEW; PLUS 180 days' of MFOW-contracted sea time while qualified as RFPEW.*

September 28-November 6



CORONAVIRUS UPDATE

Effective 24 March 2020, TRLMI was designated part of the Critical Infrastructure by the U.S. Navy. We have completed a deep cleaning of the facility. We will continue the steps we had initiated to protect our staff and students, including:

A. Following the guidelines as set forth by The State of California and County of San Diego Health and Human Services Agency and the Order of the Health Officer. We are in regular communication with County of San Diego Health personnel and are implementing all of their recommendations, while continuing to monitor for future guidance.

B. Re-emphasizing common-sense practices used against the spread of all viruses, such as not coming to the facility if you are feeling ill, covering coughs and sneezes, washing hands often, and preventing any person-to-person contact.

C. Older adults and individuals with underlying medical conditions who are at increased risk of serious COVID 19 are encouraged not to attend (this includes all TRLMI team members).

D. Screening of all persons entering TRLMI for coronavirus symptoms and excluding such people from the facility if symptomatic. All visitors will be required to complete a screening questionnaire.

E. Following social distancing recommendations, including providing 6 feet of space between students in classrooms. We are limiting classes to 10 or fewer people.

F. For spaces such as the fire trainer, where social distancing is limited due to physical configuration of the space, TRLMI will provide Personal Protective Equipment (PPE), consisting of face masks and gloves for students and staff.

G. Following the environmental cleaning guidelines as provided by the CDC (e.g., clean and disinfect high touch surfaces at least daily if not more frequently).

We will continue to provide updates as the situation evolves.

3980 Sherman Street, Suite 100. San Diego, CA 92110

(619) 263-1638

www.TRLMI.com

Unions ask MSC to modify *Gangway Up* policy

Three maritime labor unions representing civilian mariners (CIVMARS) aboard Military Sealift Command vessels are imploring the MSC Commander to revisit the *Gangway Up* liberty restriction order that is affecting the well-being of mariners. A letter sent to MSC Commander Admiral Michael A. Wettlaufer by the presidents of the MEBA, MM&P and SIU, took issue with the MSC's restriction-to-ship policy that was implemented on March 21 in an attempt to isolate mariners from COVID-19. The unions previously filed a grievance saying that CIVMARS are being held to severe standards that are not applied to other MSC and Navy employees, including contractors. The association grievance is currently in arbitration.

The unions' letter to the MSC Com-

mander noted that continued constraints on CIVMARS are ratcheting up the probability for decline of the physical and mental health of these mariners. The letter notes, "there is growing anger, frustration and despair throughout the fleet. People have a breaking point and many of these crewmembers are nearing it."

The letter referenced the death of a civilian mariner onboard an MSC dry cargo ammunition ship last month. "The recent tragedy aboard the *USNS Amelia Earhart* speaks for itself. The actual cause of this mariner's actions may never be known, however, the ongoing and selective *Gangway Up* restrictions may have, in some part, contributed to this unnecessary and senseless act. We are genuinely worried that if restrictions are not eased, the likelihood of shipboard

emotional instability will increase. Further, the stress-related fatigue caused by the *Gangway Up* restrictions could lead to safety and mission degradation and operational mishaps."

Recently, the MEBS's *Telex Times* reported on the release of the quarterly *Seafarers Happiness Index* that gauges seafarer satisfaction with life at sea. The report, culled from survey results taken from April to June 2020, noted that enhanced standards and demands brought on by the COVID-19 crisis have taken its toll on mariners worldwide. It states that, "Seafarers have reported feeling unsupported and stressed, and without respite, which is impacting work stan-

dards as well as the welfare of seafarers. Combined with the challenge of accessing medical services, the risk of an increase in incidents of self-harm and in the number of accidents is very real as stress impacts work, compromising safety at all levels."

Along with a protracted wait for reliefs due to the pandemic, the union presidents said that CIVMARS feel "unsupported and abandoned." They called on the Commander for his immediate intervention. "We are asking you to re-evaluate the *Gangway Up* order and adopt a more appropriate and reasonable leave and liberty policy."

Coast Guard to consider regulations on autonomous vessels

The country's top maritime regulator is asking for the public's view on the economic opportunities and the safety consequences of automated vessel technology as a precursor to potential regulations affecting commercial shipping in the United States. In a Request for Information (RFI), the U.S. Coast Guard has asked for responses to 16 questions on how automated commercial vessels and vessel technologies will affect U.S.-flagged commercial vessels as well as all shipping within U.S. port facilities. The Coast Guard also wants to evaluate potential barriers to developing autonomous vessels.

The Coast Guard acknowledged that "automated and autonomous commercial vessels and vessel technologies" covers a wide range of maritime applications, and that the vessel functions it wants to assess include, but are not limited to, navigation operation, communication, machinery operation, cargo management, emergency response and maintenance. Among the questions on which the Coast Guard is seeking comment and data:

- What are the benefits (direct and indirect) and cost savings of automated and autonomous commercial

vessels and vessel technologies, if any?

- What potential economic factors (such as risks, costs or practical limitations) will a commercial vessel owner or operator have to consider before implementing automated and autonomous commercial vessels and vessel technologies?

- What impacts to the maritime workforce may occur with the introduction of automated and autonomous commercial vessels and vessel technologies?

The Coast Guard says its RFI is aimed at complementing a joint White House – U.S. Department of Transportation (DOT) policy — *Ensuring American Leadership in Automated Vehicle Technologies: Automated Vehicles (AVs) 4.0* — and notes that it plans to coordinate automation activity across agencies. It follows a similar comment request issued last year by the U.S. Maritime Administration that sought information on automation specifically within ports and their immediate surroundings. That information request generated comments from ports and port labor.

South Korean shipyards retake global top spot in July with LNG vessels

South Korean shipbuilders replaced their Chinese rivals to take the top spot in the global order book last month, thanks to their supremacy in building liquefied natural gas (LNG) vessels. According to data provided by global market researcher Clarkson Research Service, Korean shipbuilders' new orders amounted to 500,000 compensated gross tonnage (CGT), or 12 ships, in July, accounting for 74 percent of the global new orders totaling 680,000 CGT, or 24 ships. Chinese shipbuilders came in second, winning new orders of eight ships or 144,000 CGT, followed by Japanese shipyards with one ship or 30,000 CGT.

This marked the first time Korean shipbuilders have taken the top spot in the monthly global order book this year. The stellar performance last month was largely due to the LNG ship order won by the Hyundai Heavy Industries Group. Korea Shipbuilding & Offshore Engineering, a unit of Hyundai Heavy, signed a one trillion won deal to build four LNG carriers for ship owners in Europe and Bermuda. KSOE is expected to sign another contract sometime this month to build two more such vessels. The price tag for an LNG carrier averages 220 billion won (\$186 million), bringing the to-

tal value of the six ships to more than 1.3 trillion won.

For the first seven months of the year, however, Chinese companies still topped the ranking with an accumulated order of 3.74 million CGTs or 164 ships, taking up 57 percent of total global orders. They were followed by Korean shipbuilders at 25 percent and Japan with 10 percent. Due to the COVID-19 pandemic, global orders for new ships between January and July stayed in the doldrums, down nearly 60 percent from the same period a year earlier.

Analysts expect overall demand to improve in the second half as Korean shipyards are awaiting LNG vessel orders, including those from Qatar, Mozambique and Russia. Korea's ailing shipbuilding industry was thrown a lifeline in June when the country's "big three" shipyards signed a \$19 billion order for LNG ships from Qatar Petroleum. Last month, the Qatari state-run LNG producer signed the deal with Hyundai Heavy, Samsung Heavy Industries Co. and Daewoo Shipbuilding & Marine Engineering Co. to build more than 100 ships through 2027, in the largest-ever single LNG vessel order.



July 10, 2020

MESSAGE FROM MARITIME LABOR

It has become increasingly apparent the COVID-19 crisis is not going away anytime soon. Our members aboard ships in distant waters as well as aboard vessels of all types in inland waters remain in grave danger and the global supply chain is at risk.

Despite continuous appeals for meaningful assistance from both maritime labor and U.S. flag vessel operators, the federal government has not mandated enforceable standards of shipboard health and safe operations. Further, our advocacy for a consistent, reliable, and rapid testing regimen for mariners remains without definitive support. As the supply chain and military security of the country are becoming increasingly at risk, we have demanded a more active role of government in support of mariners.

Each shipowner/operator has established its own diverging policies and protocol, and they vary greatly from employer to employer, even from ship to ship depending on shipboard culture. In the absence of uniform and government enforced protocol during vessel in-port time with such critical evolutions as cargo operations, vendor/contractor access and shipyard repairs remain essentially unregulated and haphazard. This is an unacceptable situation that is beyond the control of ship's personnel.

However, as always, the burden on maintaining safety at sea remains in large part with the licensed and unlicensed personnel aboard ship. While every member of a crew recognizes his or her duty to their shipmates, employers and government must share ship safety responsibility through consistent policies and regulations. Health and safety aboard ship is a joint endeavor and should not be placed on the shoulders of mariners alone.

To do our part, we the undersigned urge our Members to take every precaution against the Coronavirus as recommended by company protocol and by such CDC guidelines that are applicable. Masks, social distancing, hand and respiratory hygiene, cleaning and sanitizing must all become routine and strictly maintained, whether aboard ship, in transit to or from a ship, in a hiring hall or at home in preparation for shipping out.

As your representatives, we are working together and using every advantage to both protect your health and safeguard your rights. With infection rates spiking again we must protect our lives and our livelihoods with renewed vigilance and discipline. Employers may intervene with reasonable or ineffective workplace policy; either way we will let them know that our contract rights remain in place. We understand the stress and anxiety of working in persistent and intensified danger and so we support common sense safety practices ashore and at sea. Your dedication, professionalism and perseverance is recognized, and your efforts are best honored by ensuring your own safety and that of others you encounter onboard ship, in your travels, at home or otherwise. Please continue to notify your Union if you have concerns regarding potential or actual COVID-19 exposure or the safety of your vessel.

Wishing all health, safety, and fraternity,

Marshall Ainley
President
Marine Engineers' Beneficial Association
mainley@mebaunion.org

Dave Connolly
President
Sailor's Union of the Pacific
dave@sailors.org

Paul Doell
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Michael Sacco, President
Augie Tellez, Executive Vice President
Seafarers International Union
bpotter@seafarers.org
atellez@seafarers.org

WILMINGTON NOTES

In July, Wilmington Branch members and applicants were dispatched to 109 jobs. Nine APL, seven Matson, and three Patriot Contract Services shipboard billets were shipped along with 14 Shore Mechanics (12 were reliefs). 15 applicants worked as standbys. We have 27 A-, 20 B- and 17 C-seniority members registered.

Shipping has been steady and job calls are at 1030 and 1400. We had a few clarifications. The ships have been on time with little delays. Shipboard billets at APL and Matson are being dispatched five days ahead to facilitate physical testing, and PCS added a 14-day quarantine after the usual vetting and transportation prior to joining a vessel.

Over at Fenix Marine Services Pier 300, Foreman Ken Justice, #3678; and

Leadermen Mike Robles, #3855; Frank Marinovich, #3663; and George Sims, #3669, direct 17 men, split on three shifts. We had lot of reliefs called here to run the gang this last month and expect the same to maintain operations.

I hate to say this, but we are not going to have a Labor Day march for sure this year. And I am pretty sure that we will not be having a Christmas luncheon this year at the Wilmington hall.

Work on the *SS Lane Victory* is still on hold, but the gang on board is keeping her steady. That's all from the ports of Los Angeles/Long Beach. Take care and work safely.

Aloha,
Sonny Gage
Port Agent

SEATTLE NOTES

During the month of July, Seattle shipped one Navy Second Electrician, one ERJ, one REJ, two Wipers, one Junior Engineer, four Standby Electrician/Reefers and six Standby Wipers.

Seattle currently has seven A-, five B- and four C-seniority members registered for shipping.

Seattle has had many job orders with few members to fill them. The lack of an industry wide, consolidated COVID testing procedure has made for frustrating dispatches for some members. Matson is working on fixing the bugs in their testing registration system, and the Patriot Contract Services vendor is

working out their problems. If you are dispatched to a PCS job, make sure to follow up with Anderson Kelly immediately and preserve any email communication you have had with them.

If you are renewing with the Coast Guard and do not have reliable computer capabilities, please bring in your applications and CG-719K physicals to the hall. I can scan and submit them for you. Remember, all applications must be submitted to the Coast Guard in PDF form.

Fraternally,
Brendan Bohannon
Representative

Great Lakes freighters tied up

At least a dozen Great lakes freighters have been tied up in shipyards, some for the rest of the sailing season. The Great Lakes shipping industry, usually in full swing in the mid-summer months, has been hit by the rocky waters of the economy amid the coronavirus pandemic, causing layoffs and job losses as decreased demand for steel and other products pulls boats out of commission only halfway through their shipping season.

Eleven of the 26 vessels under the oversight of the Lake Carriers Association, which advocates for and provides guidance to Great Lakes freighter companies, were pulled from the water as early as the beginning of April. Those include the *Philip R. Clarke*, *Edgar B. Spear*, and *Roger Blough*, of Key Lakes Inc. — ships that have delivered minerals mined at Carmeuse Lime and Stone in Rogers City, Michigan. One vessel never got underway at all this season because there wasn't enough demand

in March, when ships launched for the spring, according to a Lake Carriers' Association director.

Great Lakes iron ore shipments were down about 30 percent in June, compared to June 2019. American limestone quarries loaded 27 percent less limestone in June, compared to a year ago. Early in the 2020 shipping season, as plants were shut down by the coronavirus, many iron ore mines shut down when the automotive industry stopped needing steel.

As automotive and other steel-based industries ramp back up the need for minerals is increasing, but there's no product to be shipped. Increasing demand, and a resumption of mining, may lead to a rebound for the shipping industry.

Time is of the essence. Even with a reduced fleet on Great Lakes waters, supplies of iron ore have to get to docks before locks close for the winter and ice takes over the Great Lakes.

Your Right to Union Representation

"If this discussion could in any way lead to my being disciplined or terminated, or affect my personal working conditions, I respectfully request that my union representative, officer, or steward be present at the meeting. Without union representation, I choose not to answer questions."

This is your right under the 1975 U.S. Supreme Court Weingarten Decision.

HONOLULU NOTES

There were a total of 58 jobs shipped out of Honolulu hall in July. So, the standby work has returned and the Honolulu boys are enjoying it. We had 22 Standby Elect/Reefer jobs and 28 Standby Wiper jobs.

Also, returning are the relief jobs; we called four of them in July. We only had three steady jobs: a Junior on the *Kaimana Hila*, a Wiper on the *Manoa*, and picked up an open board Oiler job on the *Pax*. Well, the *Pax* Oiler job is still up in the air. The member still needs to pass a Benzene test. You thought I was going to say a COVID test, huh?

Presently the Honolulu registration list has 15 "A" seniority members, 6 "B"

seniority members, and 6 "C" seniority members.

Hawaii's Covid numbers are rising, so the state is starting to shut things down slowly, starting with bars and no more than 10 people in a gathering indoors or out. Some think closing beaches are next. Maybe we should start making MFOW face masks. I have a feeling we'll be wearing these masks for awhile.

Aloha,
Mario Higa
Port Agent

HONOR ROLL

Voluntary donations to General Treasury — July 2020:

Judith Moore, in memory of
Jerry Kimball, P-2543..... \$1,000.00
Lawrence Carranza, #3889 \$10.00
Edward Tokarz, #3770.....\$50.00

Regular membership meeting dates 2020

Sept.	2	S.F. Headquarters
	9	Branches
October	7	S.F. Headquarters
	14	Branches
Nov.	4	S.F. Headquarters
	12*	Branches
Dec.	2	S.F. Headquarters
	9	Branches

(*Thursday meeting, due to a holiday the day before)

Benefits paid during July

Death Benefits
None
Burial Benefits
None
Excess Medical \$2,912.61
Glasses and Examinations \$1,071.00

POLITICAL ACTION FUND

Voluntary donation for July 2020:
Eric White, #3925\$100.00

Halls to close

Labor Day – The MFOW hiring halls will be closed on Monday, September 7, 2020, in observance of Labor Day, which is a contract holiday.

HOWZ SHIPPING?

July 2020

San Francisco

Electrician.....	1
Reefer/Electrician/Jr. Engineer.....	2
Oiler.....	4
Wiper.....	2
Shore Mechanic.....	1
Standby Electrician/Reefer.....	20
Standby Wiper.....	17
TOTAL	47

Wilmington

Electrician.....	1
Electrician/Reefer/Jr. Engineer.....	7
Reefer/Electrician/Jr. Engineer.....	1
Junior Engineer (Day).....	4
Oiler.....	1
Wiper.....	4
Shore Mechanic.....	14
Standby Electrician/Reefer.....	23
Standby Wiper.....	54
TOTAL	109

Seattle

Electrician.....	1
Electrician/Reefer/Jr. Engineer.....	1
Reefer/Electrician/Jr. Engineer.....	1
Junior Engineer (Day).....	1
Wiper.....	2
Standby Electrician/Reefer.....	4
Standby Wiper.....	6
TOTAL	16

Honolulu

Electrician/Reefer/Jr. Engineer.....	1
Junior Engineer (Day).....	3
Oiler.....	1
Wiper.....	1
Shore Mechanic.....	2
Standby Electrician/Reefer.....	22
Standby Wiper.....	28
TOTAL	58

MARINE FIREMAN SUBSCRIPTIONS, AND VOLUNTARY PAF DONATIONS

Please use the following form.

NAME (Print) _____ PENSION or BOOK NO. _____

STREET _____

CITY _____ STATE _____ ZIP _____

Check box: U.S. & POSSESSIONS OVERSEAS

Yearly Subscriptions: First Class \$20.00 Air (AO) Mail \$25.00

Voluntary Political Action Fund Donation \$ _____

Please make checks payable to:

MARINE FIREMEN'S UNION
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