



Maritime Trades set agenda in Atlanta

Members of Congress, military and government officials and union leaders addressed the Executive Board of the Maritime Trades Department, AFL-CIO (MTD) during the Board's annual meeting on February 19 and 20. The sessions took place in the Savannah Ballroom at the Westin Peachtree Plaza in Atlanta, Georgia. The focus of concern

Sealift Command Executive Director John Thackrah, and Labor Department Deputy Assistant Secretary Teresa Gerton.

The Maritime Trades Department, AFL-CIO is composed of 21 international unions and 21 port maritime councils in the United States and Canada, representing nearly five million working men and women. The following is a synopsis of resolutions passed by the MTD Executive Board:

Support the Troops and Hire Veterans —

The MTD has a rich tradition of supporting our men and women in uniform, both active duty and retired, and calls upon its affiliates and Port Maritime Councils to continue with this campaign to ensure that every veteran in search of employment finds it in short order.

Maritime Security Program — The MTD thanks all affiliates and Port Maritime Councils for remaining ever vigilant, ready to defend the undeniable merits and unquestionable value of programs such as the Maritime Security Program.

Right to Work — For Less — The MTD believes that workers everywhere should be free to decide whether to join a union and calls upon all affiliates and Port Maritime Councils to continue the ongoing fight to turn back harmful "right

to work" laws.

Export LNG on U.S.-flag Vessels — Any strengthening of the U.S. Merchant Marine means a boost to America's national and economic security. With that in mind, the MTD calls for U.S. LNG exports to be carried aboard U.S.-flag ships with American crews.

Justice for FairPoint Workers — The MTD calls on all affiliates and Port Maritime Councils to stand with our brothers and sisters from the IBEW and CWA in their fight with FairPoint Communications.

America's Shipyards — America's shipbuilding capability is an indispensable component of our national and economic security — one we cannot afford to lose.

Maritime Labor Convention, 2006 — The MTD is working with the international maritime labor community to continue improving conditions for mariners everywhere and is continuing the fight for U.S. ratification of the Maritime Labor Convention, 2006.

Trade Agreements — The MTD calls upon affiliates and Port Maritime Councils to force policymakers to forge policies that focus on creating good-paying jobs, encourage collective bargaining, implement a strategic manufacturing policy, and reinvest in our infrastructure and our people.

Port Infrastructure and Dredging — The MTD, affiliates and Port Maritime Councils pledge ongoing support for port modernization, dredging, and a more efficient process for securing adequate funding for all of the above.

U.S. Export-Import Bank — The MTD urgently calls for a long-term reauthorization of the Export-Import Bank charter, as called for by the Obama Administration.

State of the Economy — The MTD fully supports the AFL-CIO's Raising Wages Campaign and remains fully committed to succeeding so that America's working families truly regain access to the American Dream.

Jobs — The MTD, affiliates and Port Maritime Councils will continue to work with anyone — business, government, investors — who wants



Department of Labor Deputy Assistant Secretary Teresa Gerton and MFOW President Anthony Poplawski in Atlanta, Georgia.

to create more good jobs and help restore the American middle class.

National Maritime Policy — The MTD fully supports ongoing efforts by the U.S. Maritime Administration to develop a national maritime policy.

Support for the Jones Act — The MTD remains resolutely committed to doing everything in its power to ensure that the integrity of the Jones Act remains firmly and fully intact.

Title XI Shipbuilding Loan Guarantee Program — The program promotes the growth and modernization of U.S. shipyards and the U.S. Merchant Marine. The MTD applauds the increase in Title XI utilization, as well as the changes made to the process for the sake of efficiency.

Cargo Preference — The MTD, affiliates and Port Maritime Councils will continue to promote cargo preference laws, and to educate lawmakers and the general public on their importance to America's economy.

Food Aid Reform That Works for All — The MTD, affiliates and Port Maritime Councils support recent legislative efforts to meet the changing needs for both humanitarian aid and our nation's sealift.

Support for Refinery Workers — The MTD, affiliates and Port Maritime Councils stand in solidarity with 5,200 Steelworkers now on strike, as well as the many thousands still working and negotiating, for safer working conditions as a vital part of their new national agreement with the petroleum industry.



2015 EXECUTIVE BOARD MEETING
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ranged from making the U.S.-flag fleet stronger to improving the economy by creating more jobs and hiring of veterans.

The Board and audience — which included labor officials and maritime business representatives — heard from 10 speakers: AFL-CIO President Richard Trumka, Georgia AFL-CIO President Charlie Fleming, AFL-CIO Investment Trust Corporation President and Managing Director Michael Stotz, Seafarers International Union of Canada President Jim Given, U.S. Representative James Clyburn (D-South Carolina), U.S. Representative Bobby Scott (D-Virginia), U.S. Transportation Command commander General Paul Selva, Maritime Administrator Paul "Chip" Jaenichen, Military

APLMS fleet reduction

On March 4, APL Marine Services (APLMS) informed all contracted unions that the company will be reducing their fleet from a 10-ship fleet to a nine-ship fleet. In a March 6 letter to the crew of the *MV APL Belgium*, the company stated that the *MV APL Pearl* will flag out on or about April 20, 2015 in the port of Cagliari, Italy. The *MV APL Belgium* will transfer into the *APL Pearl's* Maritime Security Program (MSP) slot the following day.

The only difference the officers and crewmembers of the *MV APL Belgium* will experience during the affected voyage is an increase in wages and benefits that will be effective on or about April 21, 2015. The wage and benefit increase will be administered in the same manner as a mid-voyage contract wage increase.

Unions to make trade pacts an issue in 2016

Unions plan to make lawmakers' support for trade deals and legislation to streamline the passage of trade agreements through Congress an issue in next year's U.S. elections, the head of the country's largest labor federation said on Tuesday.

AFL-CIO President Richard Trumka said unions would keep a tally of how lawmakers voted on upcoming legislation allowing Congress to set negotiating objectives for trade deals in exchange for a yes-or-no vote, without amendments. The labor federation is also keeping an eye on voting on the 12-nation Trans-Pacific Partnership (TPP) trade pact.

All House of Representatives seats and one-third of the Senate are up for grabs in 2016, when Americans will also elect a new president. Trumka said the AFL-CIO would include a question on trade in a questionnaire to be sent to presidential candidates. The Trans-Pacific Partnership would only pass muster with unions if it contained rules against

currency manipulation, did not have special protections for foreign investors and went further than the current norms in safeguarding workers' rights, he said.

Union pressure to vote against trade bills is at odds with lobbying from the administration in support of the trade agenda, which officials say will boost opportunities for U.S. producers and workers and lead to stronger worker protections among trading partners.

Nineteen former lawmakers from both parties recently wrote to Congress urging support for the fast-track bill, including former Senate Majority Leaders Tom Daschle, a Democrat, and Trent Lott, a Republican. Senate Committee on Finance Chairman Orrin Hatch, a Utah Republican, and the panel's top Democrat, Ron Wyden, said they were still working on details of the fast-track bill. Hatch has said he expects the measure to be introduced in April.

Holidays observed

Harry Bridges' Memorial Day in Honolulu — The MFOW Honolulu hall will be closed on Monday, March 30, 2015 in observance of Harry Bridges' Memorial Day. This is an ILWU Local 142 holiday and is therefore a holiday for vessels in Hawaii ports on that day and for members working in Hawaii under the MFOW-Matson Maintenance Agreement. It is not a holiday in West Coast ports.

Cesar Chavez' Birthday — The MFOW hiring halls on the West Coast will be closed on Tuesday, March 31, 2015, in observance of Cesar Chavez' Birthday. It is a longshore holiday under the ILWU Master Agreement and therefore a recognized MFOW holiday aboard APLMS and Matson vessels in West Coast ports. It is not a holiday at sea.

For members working under the MFOW Maintenance Agreements, this holiday shall be observed in accordance with local custom and practice.

Good Friday — The MFOW hiring halls on the West Coast will close at noon on Good Friday, April 3, 2015. The Honolulu Branch will be closed all day, as it is an ILWU Local 142 holiday. Therefore, it is a holiday for Matson ships in Hawaiian ports and for those working under the Matson-MFOW Maintenance Agreement

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Army Corps of Engineers releases fiscal year 2015 work plan

The U.S. Army Corps of Engineers last month delivered to Congress its fiscal year 2015 (FY15) work plans for the Army Civil Works program. On December 16, 2014, President Obama signed into law the Energy and Water Development Appropriations Act, 2014, Division D of Public Law 113-235, the Consolidated and Further Continuing Appropriations Act, 2015, providing \$5.483 billion in FY15 appropriations for the Army Civil Works program, which is offset in part by a \$28 million cancellation of unobligated carryover funding appropriated prior to fiscal year 2015.

The Act's accompanying Statement of Managers report designates \$4.473 billion of that total for specified programs, projects and activities (PPA). The Corps is responsible for allocating the remaining \$1.009 billion, designated as additional funding, to individual PPAs, consistent with the categories and criteria provided in the Statement of Managers.

The Army Civil Works budget funds the planning, design, construction, operation and maintenance of water resources projects and focuses on the highest performing work within three main Civil Works mission areas: commercial navigation, flood and storm damage reduction, and aquatic ecosystem restoration. It also funds programs that contribute to the protection of the nation's waters and wetlands; the generation of low-cost renewable hydropower; the restoration of certain sites contaminated as a result of the nation's early atomic weapons development program; and emergency preparedness and training to respond to natural disasters.

The \$1 billion in additional funding not allocated to specific projects in the Statement of Managers is subdivided into numerous categories within these broad areas: navigation - \$523 million, flood risk management - \$330 million, and other autho-

rized project purposes - \$156 million. Work eligible for consideration for the additional funding generally included projects, programs and activities funded in the three previous fiscal years, and other ongoing projects, programs and activities that can attain a significant milestone or produce significant outputs in FY 2015.

The work plans detail the projects that will receive all of the civil works funding provided in FY15 to the Corps, including funding received previously this fiscal year under a continuing appropriations act. With the total funding for this fiscal year the work plan funds four reconnaissance studies, 27 feasibility studies, five projects in the preconstruction engineering and design phase, and 11 construction projects or elements of projects to completion.

Reconnaissance studies funded for completion in FY15

- Chesapeake Bay Comprehensive Plan, MD, PA and VA
- Lower Santa Cruise River, AZ
- Satilla River Basin Watershed, GA
- Houston Ship Channel, TX

Feasibility studies funded for completion in FY15

- Alaska Regional Ports (Arctic Deep Draft), AK
- Aliso Creek, CA
- Anacostia Watershed Restoration, Montgomery County, MD
- Anacostia Watershed Restoration, Prince Georges County, MD
- Arroyo Seco, CA
- California Coastal Sediment Master Plan, CA
- Charleston Harbor, SC
- Espanola Valley, Rio Grande and Tributaries, NM
- Fremont, NE
- Hilo Harbor Modifications, HI
- Hudson-Raritan Estuary, NY and NJ
- Hudson-Raritan Estuary, Lower Passaic River, NJ
- Missouri River Degradation, MO

requested the FMC to expand existing working agreements in an effort to find long-term solutions to the congestion that had slowed the movement of cargo shipped through Long Beach and Los Angeles in recent months. While major ports around the globe are grappling with the same problems, the difficulties have been magnified at the United States' busiest harbor complex, which handles nearly 40 percent of the nation's container cargo. Since the tentative contract agreement reached by long-shore labor and management, the ports are working through the backlog of containers.

The newly expanded agreement specifies the two ports can exchange information on projects and programs in addition to rates, charges, operating costs, practices and regulations related to marine terminal, trucking, rail and vessel operations.

- Norfolk Harbor and Channels, Southern Branch, VA (Deepening)
- Northwest El Paso, TX
- Pine Knot, DE
- Puyallup River, WA
- Redwood City Harbor, CA
- Rio Grande Basin, NM, CO and TX
- Skagit River, WA / Skagit County, WA
- Skokomish River Basin, WA
- Upper Turkey Creek, KS
- Waiakea-Palai, HI
- Westminster (East Garden Grove) Watershed, CA
- White River Comprehensive (Lower Cache River), AR
- Wilmington Harbor Improvements, NC
- Yellowstone River Corridor, MT

Preconstruction engineering and design funded for completion in FY15

- Coyote and Berryessa Creeks, CA
- GIWW, High Island to Brazos River, TX
- Jacksonville Harbor, FL
- Lynnhaven River Basin, VA
- Port Lions Harbor, AK

Construction projects funded for completion in FY15

- City of Santa Clarita, CA
- Dover Dam, Muskingum River, OH (Dam Safety)
- Hamilton Airfield Wetlands Restoration, CA
- Lower Savannah River Basin, GA
- Muddy River, MA
- Petaluma River, CA
- Roanoke River Upper Basin, Headwaters Area, VA
- Texas City Channel (50-Foot Project), TX

Elements of projects funded for completion

- Alamogordo, NM (General Reevaluation Report)
- Rio Grande Floodway, San Acacia to Bosque del Apache, NM (Phase III)

Public Law 113-235 also authorized the Corps to fund up to 10 previously unfunded studies and up to four previously unfunded construction projects. The Corps selected 10 previously unfunded studies and four previously unfunded construction projects for funding based on performance and on considerations provided in the Statement of Managers. Previously unfunded studies funded in the FY15 investigations account were selected because they are SMART (specific, measurable, achievable, realistic and timely) compliant and are supported by prospective cost-sharing partners.

Selected studies

- Des Moines Levee System, Des Moines and Raccoon Rivers, IA
- Du Page River, IL
- Dungeness River, WA
- Fairfield and New Haven Counties, CT
- Manatee Harbor, FL
- Proctor Creek, GA
- Kaskaskia River Basin, IL
- San Juan Harbor Channel Improvement, PR
- Three Rivers, AR

Construction new starts in FY15

- Greens Bayou, TX
- Louisiana Coastal Area Ecosystem Restoration, LA
- Topeka, KS
- Grays Harbor (38-Foot Deepening), WA

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So Cal ports get OK to cooperate on congestion relief

The ports of Long Beach and Los Angeles received federal approval to cooperate more vigorously on finding new ways to prevent congestion and cargo delays, improve the transportation network and enhance air quality. The Federal Maritime Commission's decision to grant the expanded agreement allows the ports to pursue joint projects that will strengthen the port complex's ability to remove bottlenecks and move cargo faster and more efficiently.

Harbor commissions overseeing the neighboring ports in December

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Matson announces fourth quarter earnings

Matson, Inc. reported on February 24 net income of \$27.8 million for the quarter ended December 31, 2014 compared with \$7.3 million in 2013. The fourth quarter 2013 was negatively impacted by a litigation charge of \$0.14 per share. Consolidated revenue for the fourth quarter 2014 was \$443.5 million compared with \$410.9 million reported for the fourth quarter 2013.

For the full year 2014, Matson reported net income of \$70.8 million compared with \$53.7 million in 2013. Full year 2013 results were negatively impacted by the litigation charge of \$0.14 per share. Consolidated revenue for the full year 2014 was \$1,714.2 million, compared with \$1,637.2 million in 2013.

Matt Cox, Matson's President and Chief Executive Officer commented, "2014 was a good year for Matson, punctuated by a strong fourth quarter. Performance improved in all of our business lines, buoyed by demand for our expedited China service, modest market growth in Hawaii and Guam, and continued improvements in Logistics operations and SSAT. The sharp decline in bunker fuel prices also had a positive timing impact on our re-

sults, as fuel surcharge collections outpaced fuel expenditures late in the third quarter and continued into the fourth quarter. For the full year, we generated \$165.7 million of cash flow from operations of which \$27.9 million was used for capital expenditures and the remainder of \$137.8 million provided free cash flow per share of \$3.18."

Cox continued, "Looking to 2015, we see a year of opportunity and challenge. We are excited to enter the Alaska trade, once we close our pending transaction with Horizon Lines, and also expect our Logistics group to improve on a good 2014 result. However, new vessel capacity is expected to enter our core Hawaii market in the first half of the year and ongoing port congestion on the U.S. West Coast is testing our cargo handling capabilities. Overall, we expect to deliver 2015 operating results that are modestly higher than the solid results posted in 2014. Further, we expect our core business platforms to continue to generate significant cash flow to comfortably sustain our dividend. Our balance sheet remains in good shape, which will provide the foundation for our pending Alaska acquisition and the

funding of the construction of our new Aloha-class vessels. We are encouraged by our prospects and ready for the year ahead."

Ocean Transportation — Market growth continued in Hawaii during the fourth quarter 2014; however, the company experienced modest competitive losses in eastbound backhaul freight. The company believes that the Hawaii economy is in a multi-year recovery and is anticipating modest market growth in the trade in 2015. However, container capacity is projected to increase in the first half of 2015, as a competitor is expected to launch an additional new vessel into the trade. As a result, the company expects its 2015 Hawaii container volume to approximate the 2014 level.

During the fourth quarter 2014, the company realized significantly higher freight rates in its China trade, reflecting the high demand for its expedited trans-Pacific service, which was amplified by cargo availability delays experienced by other ocean carriers associated with port congestion on the U.S. West Coast. International vessel overcapacity is expected to continue in 2015 with vessel deliveries outpacing demand growth. The company expects strong demand for its expedited service to continue in 2015 resulting in high vessel utilization levels and premium freight rates.

In Guam, container volume increased modestly in the fourth quarter due to general market growth. In 2015, the company expects market growth in Guam to result in flat to modestly higher container volume compared to 2014, assuming no new competitors enter the market.

The company plans to maintain its core nine-ship fleet deployment throughout 2015 for the trade lanes referenced above.

The company's terminal joint venture, SSAT, showed slight year-over-year improvement in operating results during the fourth quarter. Notwithstanding the productivity challenges resulting from the ongoing port congestion on the U.S. West Coast, Matson expects modest profit at SSAT for 2015.

Additionally, Matson incurred \$4.6 million in legal fees, penalties, and other expenses in 2014 related to the molasses released into Honolulu Harbor in September 2013. At this stage in the proceedings, the

company is not able to estimate the future costs, penalties, damages or expenses that it may incur related to the incident.

For the full year 2015, ocean transportation operating income is expected to be modestly higher than 2014. The company expects operating income for the first quarter 2015 to approach levels achieved in the fourth quarter 2014 due to higher freight rates in the China trade, the timing of fuel surcharge collections, and modest volume growth in our core trade lanes.

The company's outlook for 2015 excludes any future effects from the September 2013 molasses incident and the pending transaction with Horizon Lines, Inc., pursuant to which Matson will acquire the stock of Horizon, which will include Horizon's Alaska operations and the assumption of all of Horizon's non-Hawaii business assets and liabilities.

Logistics — Volume growth in logistics' highway businesses extended into the fourth quarter 2014 and, combined with highway yield improvements, drove an increase in operating income margin to 2.8 percent. The company expects 2015 operating income to exceed the 2014 level of \$8.9 million, driven by continued volume growth, expense control and improvements in warehouse operations.

Interest Expense — Matson expects its interest expense in 2015 to decrease slightly from the 2014 amount of \$17.3 million.

Income Tax Expense — The effective tax rate for the fourth quarter 2014 was 38.4 percent as compared to 49.3 percent in the fourth quarter 2013. The rate for the fourth quarter 2013 was higher primarily due to the impact of the litigation charge, and a change in timing of Capital Construction Fund (CCF) deposits that led to a corresponding increase in tax expense. Matson expects its 2015 effective tax rate to be approximately 38.5 percent.

Other — The company expects maintenance capital expenditures for 2015 to be approximately \$40 million and, in addition, has scheduled contract payments of \$33.4 million in 2015 relating to its two vessels under construction. Matson also expects to make additional contributions to its CCF in 2015, which may exceed the \$65.5 million net contribution made in 2014.

NOL sells APL Logistics

Neptune Orient Lines Limited (NOL) and Kintetsu World Express, Inc. (KWE), jointly announced last month that they have entered into a sale and purchase agreement for NOL's logistics business, APL Logistics, for \$1.2 billion. NOL, parent company of APL Ltd., said that the divestment of APL Logistics follows a robust and highly competitive process, and that the net proceeds of the sale will be applied to strengthen its financial position including repaying its borrowings. It further said

that the divestment will allow APL Logistics to realize its full potential.

The proposed transaction with KWE is expected to provide APL Logistics with the opportunity to expand its business with the backing of a company with strong fundamentals and a commitment to grow in the logistics space. This transaction is subject to NOL shareholder and relevant regulatory approvals. Citi and HSBC acted as financial advisors to NOL during the transaction. KWE's financial advisor is Nomura Securities.

NOL narrows fourth quarter loss

NOL Group reported a fourth quarter 2014 Core EBIT (Earnings Before Interest, Taxes and non-recurring items) loss of \$17 million, a year-on-year reduction of 79%. On a full year basis, the firm posted a Core EBIT loss of \$76 million and a net loss of \$260 million. The group also improved its Core EBITDA in the quarter, bringing it to \$92 million compared to \$7 million in the same period last year. Singapore-based NOL attributed this to its continuous focus on operational efficiency and rigorous cost management. The company recorded \$430 million worth of cost savings in 2014.

APL, NOL's container shipping business, narrowed its year-on-year Core EBIT loss by 64% to \$37 million in the fourth quarter, attributing it to its efforts to manage costs and increase operational efficiencies. APL cut back its fleet capacity and enhanced cargo selection to improve its operating performance. Volume fell eight percent in the quarter over the prior year as a result of capacity management and fewer sailings in the trans-Pacific services calling Southern California as U.S. port congestion continued. Fourth quarter revenue dropped seven percent to \$1.8 billion compared to the same period last year.

"Southern California port congestion arising from trucker shortage and chassis issues, among others, negatively impacted both our cost and service levels in the second and third quarters of 2014. Congestion on the U.S. West Coast due to ongoing labor negotiation hampered our operational ability in the fourth quarter," said APL President

Kenneth Glenn. "Despite the difficulties, APL performed better year-on-year due to stringent cost management and operational efficiency. We will maintain our focus on reducing costs, leveraging network efficiencies, and concentrating on yield management in key trade routes. In addition, we have 19 chartered ships scheduled for expiry in 2015 — this will further enhance our cost structure."

In 2014, APL's head-haul utilization went up to 94% from 91% in 2013. APL expanded its cooperation with G6 Alliance partners into the North America West Coast and trans-Atlantic trade lanes to reap economies of scale.

NOL's supply chain management business, APL Logistics, recorded 5% growth in fourth quarter revenue to \$458 million and a Core EBIT of \$20 million. APL Logistics continued to deliver innovative supply chain solutions through its joint venture company in India. APL Logistics VASCOR Automotive started operations of AutoLinx, a rail-based solution for finished vehicle distribution across India. Further development in India was made through the acquisition of the remaining 24% shareholding in India Infrastructure & Logistics Private Limited, which operates freight rail train services in India.

During the year, APL Logistics through its joint venture company VASCOR Ltd. also acquired Commonwealth Express Ltd, a U.S.-based specialist in asset-based transportation and brokerage services. The acquisition enhances VASCOR's capabilities and service portfolio to serve a diverse customer group in the US.

Oahu neighbor island cargo volumes flat in 2014

Young Brothers, Limited announced that its 2014 intra-state cargo volumes between Honolulu and six neighbor island ports were basically flat, increasing by just 0.5 percent when compared to 2013 shipments. Similarly, cargo volume was flat during the fourth quarter of 2014, decreasing by 0.2 percent compared to the fourth quarter of 2013. The fourth quarter slowdown was likely driven by severe weather activity — particularly on the Big Island — during those months.

2014 cargo volumes were only about 2 percent higher than they were in 2011 and still down approximately 20 percent from the volumes of the peak-cargo years experienced in 2006 and 2007. In the first quarter of 2014, Young Brothers had an overall increase in cargo volumes of four percent, followed by a marginal increase of 0.3 percent in the second quarter. The third quarter slipped into negative territory with a 2.1 percent drop in volume, and volume

remained on the minus side in the fourth quarter.

For the 12-month period ending December 31, 2014, three neighbor island ports experienced an increase in cargo shipments: Hilo, up 3.3 percent; Kawaihae, up 0.5 percent; and Lanai, up 28.6 percent. Three ports experienced a decline in cargo volume for the year: Maui, down 1.8 percent; Kauai, also down 1.8 percent; and Molokai, down 5.3 percent.

During the fourth quarter of 2014, volume increased at just two of the ports: Kawaihae, four percent, and Kauai, 3.7 percent. Cargo shipments fell at the remaining ports: Maui, down 4.6 percent; Hilo, 0.7 percent; Molokai, 7.6 percent; and Lanai, 1.4 percent.

During 2014, cargo volume by industry groups varied. Autos and renewable energy experienced solid gains, while construction industry cargo was relatively flat for the year. Food and beverage, and recycling cargo volumes declined.

MFOW PRESIDENT'S REPORT



BY ANTHONY POPLAWSKI

MEETINGS

On top of the usual administrative, representational and property management duties, in February I participated in several conferences and meetings.

General Accounting Office — On February 3, representatives from maritime labor met with representatives from the U. S. General Accounting Office (GAO) at AFL-CIO Headquarters in Washington, D.C. I participated in the discussion via conference call. The meeting was triggered by a request in 2014 — from Congressman Ed Royce (R-California), Chairman of the House Committee on Foreign Affairs; Senator Robert Corker (R-Tennessee), then-Ranking and now Chairman of the Senate Committee on Foreign Relations; and Senator Chris Coons (D-Delaware), then Chairman of the Africa Subcommittee — for a GAO study on “Cargo Preference for Food Aid”.

A statement was submitted by maritime labor in writing to the GAO at the conclusion of the meeting in support of U.S.-flag cargo preference shipping requirements and an appropriately funded Maritime Security Program. The GAO report should be completed in July.

Maritime Administration (MARAD) — Also on February 3, I joined in a teleconference with other maritime labor officials and U.S. Maritime Administrator Chip Jaenichen, to discuss President Obama’s budget request for fiscal year 2016, particularly as it applies to the Maritime Security Program and Ready Reserve Force/National Defense Reserve Fleet. Details of the President’s maritime budget were printed in the February issue of *The Marine Fireman*.

On February 6, I participated in a study conducted by a private research firm for MARAD. The purpose of the study was to gather insights and views to strategically position and focus MARAD communications with their maritime partners, community and the public.

Port Maritime Council — On February 11, I attended the San Francisco and Bay Area Vicinity Port Maritime Council meeting aboard the *SS Jeremiah O’Brien* at Pier 45. The guest speaker was Dan Bernal, Chief of Staff for House Minority Leader Nancy Pelosi (D-California). Bernal gave an update on current legislative issues and reaffirmed Pelosi’s support for the U.S.-flag maritime industry and U.S. maritime labor.

Matson Navigation Company — On February 17, along with SUP President Gunnar Lundeberg and Vice President Dave Connolly, I met with Dale MacGillivray, Matson Manager - Offshore Labor Relations, to discuss key provisions of the ongoing MARAD request-for-proposal for the operation and maintenance of up to 48 Ready Reserve Force (RRF) and National Defense Reserve Fleet (NDRF) ships. As you are aware, Matson has been out of the government vessel ship manager business since the layup of the *SS Cape Jacob* in 2011, but has decided to bid on the current lot of RRF/NDRF ship manager contracts.

Patriot Contract Services — I have also communicated with representatives from Patriot Contract Services throughout the month of February to assist in formulating a bid for the operation and maintenance of up to 48 RRF and NDRF ships.

Maritime Trades Department — On February 19-20, at the invitation of Maritime Trades Department, AFL-CIO (MTD) President Michael Sacco and Executive Secretary-Treasurer Daniel Duncan, I attended the 2015 MTD Executive Board Meeting held at the Westin Peachtree Plaza in Atlanta, Georgia. As usual, this was a well-organized event focused on strengthening the U.S.-flag fleet, improving the economy by creating more jobs and the hiring of veterans.

Gray chassis fleet launched at LA/LB

Three companies that own the vast majority of chassis serving the San Pedro Bay ports recently activated a “gray chassis fleet” of truck-trailers, a move that should improve the flow of goods through the nation’s busiest harbor complex. Dubbed the “pool of pools,” the landmark agreement between Direct ChassisLink Inc. (DCLI), Flexi-Van Leasing Inc. and TRAC Intermodal clears the way for more efficient cargo operations by giving terminal operators and trucking companies at the ports of Long Beach and Los Angeles much more flexibility in obtaining chassis — the wheeled trailers used by trucks to haul cargo containers.

Eleven of the 13 container terminals at the San Pedro Bay ports, as well as the off-dock rail yards, are expected to participate. The two remaining marine container terminals use their own equipment, but could opt to participate in the future.

Marine terminals have experienced a “chassis imbalance,” created by non-interoperable chassis pools, which has led to delays. The new pact allows more than 80 percent of chassis in service at the ports of Long Beach and Los Angeles to be used interchangeably, which will

greatly improve the ease and efficiency of obtaining chassis.

The agreement creates a new chassis supply model with a team of representatives from each of the three pool operators overseeing day-to-day logistics and repositioning of more than 81,500 chassis. The pools will remain commercially independent, with each chassis provider competing for business and setting its own leasing terms and rates. A separate third-party service provider will manage billing and other proprietary information.

Both ports were actively involved in facilitating a chassis solution for several months and continue to work closely with all stakeholders to promote short-term and permanent solutions to eliminate the backlog of cargo stemming from overall cargo growth and shifting dynamics in the shipping industry. The ports are working with container terminals, shipping lines and the trucking community to provide additional space, sort cargo more efficiently, reduce wait times for truckers and improve real-time data throughout the port complex. Port officials are also working with their railroad partners to enhance rail efficiency.

The Executive Board passed several maritime and general labor resolutions. These are outlined on page one.

Department of Labor — Also in Atlanta, on February 20, I attended a luncheon meeting with Deputy Assistant Secretary Teresa Gerton from the Labor Department’s Veterans’ Employment and Training Service (VETS). The VETS program is designed to provide resources and expertise to assist and prepare veterans to obtain meaningful careers, maximize their employment opportunities, and protect their employment rights. Much of the round table discussion centered on the roadblocks that many qualified veterans encounter when attempting to obtain merchant mariner licenses and credentials.

MATSON — HORIZON DEAL

Last month it was widely reported that three lawsuits challenging the planned sale of ocean cargo transportation firm Horizon Lines to competitors Matson Inc. and The Pasha Group have led to a settlement agreement that will not affect the deal’s purchase price. The deal, announced in November, involves Pasha acquiring Horizon’s Hawaii business for \$141 million while Matson would acquire Horizon’s operations in Alaska for \$456 million. Horizon announced the tentative settlement on February 13, and said it is subject to court approval.

The three class-action lawsuits filed in Delaware sought to block the sale, alleging that the purchase price was insufficient, that there was misleading or missing information about the deal. Horizon said its board regarded the lawsuits, which were consolidated into one case, as having no merit. A settlement, the company said, eliminates risks, costs and other burdens of litigation.

2015 MARITIME CONGRESSIONAL SAIL-IN

The Marine Firemen’s Union has been invited to participate in the 2015 Maritime Congressional Sail-in, which will take place in Washington D.C on March 24. Over the years, the event has raised awareness of the critical need to maintain a vibrant U.S. Merchant Marine.

While the maritime industry continues to maintain great friendships in Washington, D.C., the 114th Congress includes 58 new Representatives and 13 new Senators. Most of these new elected officials know very little about the maritime industry. Additionally, many of the Committees that have jurisdiction over maritime issues have changed membership. The top priority of the Sail-In will be to educate new Members of Congress on the top issues facing the maritime industry.

As in past practice, I recommended the Union sponsor the event with the requested General Treasury contribution. This was approved at the March membership meetings. The sponsorship helps the Steering Committee rent facilities, provide refreshments, print materials, and incur other costs associated with the event.

2015 CONVENTION

The collective bargaining agreement with APL Marine Services expires on September 30, 2015. Article II, Section XIII of the MFOW Constitution, states that it is “the policy of the Union to hold, in the year in which the principal collective bargaining agreement or agreements are to be renegotiated and prior to such negotiations...a Convention comprised of the President, Vice President, Treasurer, Branch Port Agents, three elected delegates from Headquarters and one elected delegate from each other Branch.” The purpose of the Convention is to consider ways and means of bettering the collective bargaining agreements of the Union, make reports pertaining to the good and welfare of the Union and take up matters referred to it by the membership for consideration.

The Convention will be held at Headquarters on Monday, March 30 through Wednesday, April 1. All members in good standing are permitted to attend the Convention and be entitled to a voice, but no vote. Only the President/Secretary-Treasurer, Vice President, Port Agents and elected Delegates shall be entitled to vote. Any member wishing to present recommendations to the Convention may also do so via email or regular mail.

On Wednesday morning, April 1, the annual meeting of the MFOW Board of Trustees will be held in the Conference Room at Headquarters.

Port of L.A. launches “peel off” program

A new program designed to expedite cargo by streamlining container moves has been launched at the Port of Los Angeles. The “Peel Off” program has added a new operational model to the Port to clear the current backlog of containers and improve the flow of cargo going forward. The Port teamed with stevedoring company The Pasha Group, harbor trucking firm Total Transportation Services Inc. (TTSI), several marine container terminal operators and a core group of major retailers to create the program, which involves “peeling off” containers of high-volume customers to a near-dock yard where they are sorted for destination to inland distribution centers.

Under the program, import containers loaded with goods belonging to high-volume shippers are stacked together in a block upon arrival at the port. The terminals expedite TTSI trucks through their gates to retrieve the containers and deliver them to the near-dock yard less than a mile away where they are sorted. The same trucks loop back to the terminals for the next inbound container. The trucks keep boxes moving by delivering outbound containers on the return leg.

The yard is located at Navy Way and Reeves Avenue on port property and is open six days a week from 7 a.m. to 3 a.m. Currently, 17 acres are available for staging up to 500 containers. As demand grows, the facility can operate 24/7 and accommodate up to 650 containers.

International Longshore and Warehouse Union workers handle all gate and terminal operations at the yard, including on-site chassis inspection, maintenance and repair. Cargo owners can move their containers through the yard in less than 48 hours and make those trips at night during off-peak traffic hours. TTSI has leased 250 chassis to ensure containers are on wheels and ready to roll. The parties are also coordinating their efforts with the new interchangeable chassis pool launched March 1 in the harbor complex.

The program offers clean air benefits by reducing truck trips, gate waits and idling. All trucks calling at the near-dock yard remain subject to the port’s “clean truck program” requirements.

The program is open to all container terminals and may be expanded to other locations in the Port of Los Angeles.

VICE PRESIDENT'S REPORT

Last month I attended the monthly meetings of the Alameda Labor Council and the San Francisco Bay Area Maritime Trades Department Port Council.

APL — APL's East Coast vessels are slowly returning to their projected schedules. In February, we flew out one Day Jr./Utility and one Wiper (180-day minimum) to New Jersey to join the *APL Pearl*.

We shipped one rotary Wiper to the *APL Coral*. The *APL Belgium* will have a holiday in Savannah on March 17 (Teddy Gleason's Birthday, an ILA holiday in East Coast ports only) if she stays on schedule.

APL's West Coast vessels are attempting to adjust their schedules following ratification of the new ILWU contract. We shipped one ERJ to the *APL Singapore*, which came out of the shipyard in mid-January. The *APL Philippines* came out of the shipyard on February 18; flew one Day Jr./Utility to the vessel. The *APL Thailand* entered the shipyard around February 21, keeping the crew aboard. The *APL Korea* arrived the first weekend of March and will be the next to enter the shipyard. The *APL China* will be the last West Coast vessel to go into the shipyard.

We hadn't had an APL contracted vessel in port since the first weekend in February due to the West Coast contract talks; but, on Sunday, March 8, the *APL Korea* showed up @ OAK. She requested two standby Wipers for day work the next Monday.

Matson — The *ITB Moku Pahu* entered drydock in early February, and the crew was repatriated. The QMED is registered to return, but the Wiper's time was up. There will be a Wiper job available when she crews up again.

The *Kauai* is still in the shipyard. The crew was repatriated in early January. Steam jobs will be avail-

able when she calls for a crew about March 22. Crew members must have Chinese business visas. **You must submit your passport and one passport photo to Matson IN PERSON and complete the visa application at their office.** Your passport will be returned to you @ sign-on. (Get that photo.)

The *Manoa*, *Mokihana* and *Mahimahi* all arrived late and left early to get back on schedule. The *Mahimahi* Wiper quit; shipped a 180-day Wiper replacement.

The *Maui* is doing her best to stay on schedule. We are working closely with the company to address Appendix C items.

The *Maunawili* suffered several holes in the ship's starboard bow compartment in early February. She is laid up in Long Beach undergoing repairs and inspections. The crew was laid off temporarily and should return on or about March 16.

On February 13 Matson called for a breakout crew to prepare the *Matsonia* as a relief vessel. The shoreside mechanic and two standby Wipers turned to, and the crew started arriving on the Presidents' Day holiday. She sailed for LAX-HON on the 20th and returned to OAK on March 5. The company requested two standby Wipers to work until sailing day. There is always lots of work after a long layup. A hearty MFOW "well done" to our members for their quick response in manning the old girl. It looks like she will keep running until the end of May. She is projected to sail on or about March 13.

I again urge all active members to check and recheck your documents. You will not be able to work if any one of the required documents expires by September 2015.

Fraternally,
Cajun Callais, Vice President

BUSINESS AGENT'S REPORT

In February, we dispatched the following jobs relating to Patriot Contract Services' vessels:

USNS Dahl — one QMED Oiler flown out to Newport News, VA. *USNS Soderman* — one QMED Oiler flown out to Saipan. *USNS Martin* — broken out for sea trials, then sailed to Bayonne, New Jersey shipyards. Flew out two QMED Oilers and one Wiper

to Jacksonville, Florida on February 22; and they were released on March 4. The vessel is now in ROS status.

I will be heading to Seattle to chair a special membership meeting to elect a delegate to the MFOW Convention, which will be held at Headquarters from March 30-April 1, 2015.

Fraternally,
Bobby Baca, SF Business Agent

U.S. job openings reach a 14-year high

U.S. employers advertised the most jobs in 14 years in January, and more workers quit — both signs of a steadily strengthening job market. Job openings rose 2.5 percent to nearly 5 million, the most since January 2001, according to the Labor Department. The number of people who quit their jobs increased 3 percent to 2.8 million, the most in more than six years. More quits are generally a sign of confidence in the economy, because people typically leave their jobs when they either have another one lined up, often at higher pay, or are optimistic

that they can find a new position.

Increased openings are usually followed by stronger job gains. Steady economic growth, powered largely by consumer spending, has boosted businesses' confidence in the economy and made them more willing to hire.

The figures follow another strong monthly jobs report. Employers added 295,000 jobs in February, extending a streak of hiring that began last year. The number of Americans earning paychecks has jumped nearly 3.3 million in the past year, the best 12-month gain since March 2000.

leases, hire-purchase arrangement, and loans used to inject equity into wholly owned special purpose vehicles (SPVs) or intercompany loans to SPVs for the purchase or construction of vessels, containers, and intermodal equipment.

Existing companies that already qualify for the MSI will now be allowed to renew their award for a further five years subject to qualifying conditions and commitments.

Wisconsin turns into right-to-work (for less) state

Wisconsin Governor Scott Walker signed a right-to-work measure on March 9 that makes his state the 25th in the nation with such a law. That effectively means that mandatory union membership and dues are banned at privately owned businesses — a move strongly opposed by unions, which say it restricts collective bargaining. Walker signed the bill at an invitation-only ceremony at Badger Meter, north of Milwaukee. He was surrounded by company officials and others who supported the divisive proposal. Before the signing, Walker, a likely Republican presidential candidate for 2016, said the law "sends a powerful message across the country and around the world."

Walker had previously said right-to-work legislation wasn't on his agenda. "I have no interest in

a right-to-work law in this state," Walker said in 2012. "We're not going to pursue that in the remainder of our term, and we're not going to pursue it in the future. The reason is private-sector unions are my partner in economic development." But Walker has been more receptive since the state's Republican lawmakers announced they would send the measure, which passed the Legislature in less than two weeks, to the governor.

Supporters of the measure say it will bring businesses to the state and keep them there; opponents say it will lower wages. The move comes four years after the governor signed a bill that all but ended collective-bargaining rights for most public sector unions. The right-to-work law went into effect immediately.

Bills targeting unions multiply

Republican lawmakers in statehouses nationwide are working to weaken organized labor, sometimes with efforts that directly shrink union membership, according to an *Associated Press* article. Governor Walker's signing of right-to-work legislation in Wisconsin puts his defiance of organized labor even more at the center of his nascent presidential campaign. And the inability of unions to exact a price for the first round of legislation targeting them in 2011 is encouraging even more proposals to limit their power.

The Republican wave in the November elections left many unions nationwide looking exceptionally vulnerable. In West Virginia, a union PAC spent \$1.4 million trying to keep the statehouse in Democratic hands but couldn't reverse the cultural trends turning the state red. Exit polls found that even union members were almost evenly split between the Republican and the Democrat in the major statewide race for U.S. Senate. Republicans, in control of the state legislature for the first time since 1931, are taking advantage of their opportunity, pushing measures to expand non-union charter schools and scale back requirements that public projects pay higher, union-scale wages.

In Wisconsin, Walker beat back attempts to recall him after he signed a law limiting collective bargaining by public sector workers in 2011. His signature on the right-to-work law now makes Wisconsin the 25th state to ban contracts that force all workers to pay union dues. Both he and Michigan Gov. Rick Snyder, who signed a right-to-work law in 2012 and was also opposed by unions, won re-election in November.

With many legislative sessions just beginning, nearly 800 union-related bills have been proposed in statehouses, according to the National Conference of State Legislatures. President Barack Obama expressed his concern about the latest Wisconsin move and the general assault on unions.

"It's inexcusable that, over the past several years, just when middle-class families and workers need that kind of security the most, there's been a sustained, coordinated assault on unions, led by powerful interests and their allies in government," Obama said in a statement. "I'm deeply disappointed that a new anti-worker law in Wisconsin will weaken, rather than strengthen workers in the new economy."

A right-to-work bill passed the lower house of the Missouri Legislature, though it's likely to be vetoed by the state's Democratic governor.

Indiana is also moving to eliminate requiring union-level wages on public projects. Nevada is considering a wide range of proposals, including legislation that would let local governments dissolve collective bargaining agreements in times of economic hardship. Illinois' new Republican governor, Bruce Rauner, signed an order prohibiting government unions from automatically collecting dues from members.

Even local governments are getting in on the action — several Kentucky counties are implementing right-to-work measures even though the state, with its House still controlled by Democrats, does not have such a law.

The proposals' sponsors say they want to save taxpayers money and create jobs. There is also a political consequence. Labor provides Democrats with crucial cash and volunteers in campaigns, but its political value to the party extends even farther. Belonging to a union increases the odds of a voter supporting Democrats, and labor increases the participation of lower-income voters who tend to back Democrats.

Much of the impact of new laws has come in the vote-rich rust belt, where Republicans hope states with whiter and older populations, such as Wisconsin and Michigan, will eventually side with them in presidential elections to counter the loss of states in the South and West with younger and more diverse populations. In Wisconsin, public-sector union membership shrank after Walker's 2010 law and the proportion of workers in unions shrank from 14 percent to 11 percent. Hundreds of union members protested against the right-to-work legislation in the state capitol recently but admitted most were demoralized.

Michigan experienced the sharpest loss of union members in the nation in the last two years, when its right-to-work law went into effect, according to federal data. But union officials also trace the loss to another 2012 measure, which received less attention: a law declaring that 42,000 in-home health care workers were no longer eligible to be represented by a union. Unions were unable to overturn the measure at the ballot box.

In Ohio, where unions reversed an effort to eliminate collective bargaining by government workers, GOP Gov. John Kasich still cruised to re-election last year.

Union membership has been steadily declining since the 1980s, when it measured at 20 percent of all workers. In 2014, only 11.1 percent nationally belonged to a union.

How East African piracy ended

Indications are that Somali piracy in the Gulf of Aden and Indian Ocean is all but ended. A report from maritime security advocacy group Oceans Beyond Piracy indicates that in 2013, not a single merchant vessel was successfully hijacked by pirates, with 23 unsuccessful attempts recorded. This is a significant decline from the peak year of 2010, when 47 merchant vessels were hijacked and more than 200 attempts recorded.

Compared with 2012, the overall cost of Somali piracy is down by almost 50% in 2013, from \$6 billion to \$3 billion. This cost downturn is mainly driven by reduced costs for ship transit patterns across the high risk area, such as reduced speeds and less re-routing by merchant vessels crossing the high risk area.

Other significantly lower costs include smaller teams of armed guards, lower insurance costs and

reduced costs for prosecutions and imprisonment.

However, reports last year, citing 2013 data, indicated that piracy had decisively migrated from East Africa to West Africa. In the Gulf of Guinea, pirates attacked ships 51 times in 2013, around 19% of the attacks worldwide, up from only 7% just over five years ago, according to International Maritime Bureau (IMB)'s annual piracy report. Nigerian pirates accounted for 31 of the region's attacks, overtaking Somalia, which had only 15 episodes of piracy that same year.

The East and West African pirates also have different motivations — with deadly consequences. Somali pirates targeted ship crews for ransom and because they could get millions of dollars, they were more vested in the survival of their hostages. West African pirates have their eyes on a much larger and lucrative tar-

get: the ship's actual cargo. West African pirates target oil tankers, whose valuable cargo they can siphon off and sell to either illegal refineries in Nigeria and elsewhere. And often they rob the crews of their possessions, which in part makes West Africa home to the world's most violent pirates.

Here's how piracy came to such a screeching halt in East Africa, and some lessons West Africa could pick up:

Military operations — The lack of the authority of a central government in Somalia allowed for the pirates to rise, but also, ironically, made it easier to defeat them. With Somalia unable to police its waters, piracy became a problem that powerful governments saw as theirs to solve — especially because the narrow Gulf of Aden is crucial in the shipments of crude oil from the Persian Gulf to Europe and America. It led to perhaps the largest assembly of navies for a single military operation, 24 in all. For the first time since World War II, all five permanent members of the Security Council — typically split ideologically down the middle — deployed forces against the same foe.

Three main coalitions of naval forces have been fighting piracy in the Indian Ocean. There's the EU's NAVFOR Operation Atalanta, comprising navies from Spain, Germany, Belgium, France, Netherlands, Norway, Portugal, Sweden, Italy and Estonia. NATO's Operation Ocean Shield brings together Italy, Turkey, Denmark, Netherlands, Norway, Ukraine and USA; and the Combined Task Force 151, comprises Australia, Japan, Pakistan, South Korea, Turkey, UK and USA. There are also the "independents", navies working to deter piracy but are not part of any official coalition — China, India, Iran, Japan, Malaysia and Russia.

One of the more iron-fisted tactics used by military patrols was watching suspected pirate vessels using drones, and waiting until they were in international waters. The international navies would then board and search any suspected pirate vessel, and if weapons and boarding equipment was found, the pirates were fingerprinted, taken back to Somalia and left on a beach. Their boat was sunk at sea, along with their weapons and tools; documents found on the boat were passed on to intelligence specialists. This degree of scrutiny was more than the pirates could handle.

World's biggest pirate prison — As a statement of serious intent to deal with piracy in East Africa, in April 2014 the president of Puntland officially opened the biggest pirate prison ever built in the Horn of Africa — and possibly in the world. Garowe, the region's capital, was chosen as the location for the 500-inmate prison, a project funded by the United Nation's Office for Project Services.

Armed guards — Estimates from the Maritime Security Centre Horn of Africa indicate that approximately 80% of vessels transiting the piracy high-risk area used armed guards at the height of the attacks. In 2013, with the lower incidence of piracy, 35-40% of ships still used armed guards in transit. The cost of a 3-4 man team is between \$28,500 and \$38,000, but the hefty bill is well worth it — seeing arms on board is a big deterrent, as pirates are playing it safe by first scouting for guards, whereas previously they indiscriminately opened fire to intim-

idate crews into submission.

Security installations on ships — If the pirates can't board the ship, then they can't hijack it; so piracy spurred a buzz of security innovations which made it all but impossible for pirates to board the ships. It started with razor wire and electric fencing, but the inventions quickly became more interesting:

1. Water cannons — A system of high-powered streams of water that can be aimed at pirates trying to board a ship, or aimed at their boats, flooding and destabilizing them. In one version trademarked the 'Anti-Piracy Curtain', water hoses are dangled off the sides of the vessel, and when water is sprayed through the high-pressure nozzle, the hoses jerk wildly back and forth, packing enough force to seriously injure anyone in the way. Some inventors were even mulling the idea to mix chili oil into the water hoses for an added punch.

2. Long Range Acoustic Device (LRAD) — Shaped like a big, round loudspeaker, the LRAD can emit painfully loud sound frequencies that are enough to disorientate any approaching pirates. But the real ingenuity is in the fact that the LRAD concentrates the sound waves into a narrow beam, making it easy to direct the sound at a specific target, much like using a spotlight. It means that the ship crew can direct the offensive sound at the pirates, and spare their own ears.

3. Lasers — Another deterrent in use is a laser beam capable of providing a visual warning to pirates at distance of over two kilometers, and at shorter distances the glare is intense enough to temporarily blind attackers so that they are unable to target their weapons effectively.

4. Boat trap — Because most pirates approach a ship on motor-propelled boats, floating a net just under the water surface on the sides of the ship traps and disables the motorboat propeller.

5. Lubricant foam — Slippery foam or anti-traction material is a non-lethal substance which can be used to make the deck or sides of a ship slippery to avoid pirates from climbing it. The highly viscous substance substantially reduces traction of anything that comes in contact with it, making it difficult to walk or stand.

6. The 'Pain Ray' — its official name is Active Denial System, a non-lethal weapon which transmits a narrow beam of electromagnetic energy to heat the skin without causing permanent damage. The wave penetrates beneath the skin which causes unbearable burning sensation, forcing pirates to run away or jump overboard.

7. Guardian Anti-Piracy Barriers — Perhaps the simplest and most ingenious invention is Guardian Anti-Piracy Barriers, a smooth, P-shaped casing of hard plastic that fits over the rail of any ship and prevents ladders and grappling hooks from getting a hold on the sides of the vessel.

It solves the fundamental problem of barbed or razor wire, which is its inherent danger to the crew itself — clothes get trapped in it and it's easy to get nicked, and it's cumbersome because has to be removed when the ship is entering port. The inventors of barriers called in the Royal Marines to test the design and after two hours of trying to latch on, the Marines gave up, and the design was declared a success.

Port investments to keep Britain and Ireland in good shape

A wave of investment is hitting U.K. and Irish ports, with fresh produce facilities in particular being upgraded to offer importers, exporters and their customers the optimal climate for their cargo. Not only has Dover declared an investment program, but also Liverpool and now Solent Stevedores has revealed its plans for the firm's Southampton facilities, too.

A manager at Solent Stevedores in Southampton explained that the Canary Isles Fresh Produce Federation has used the 14,000 square meter temperature-controlled warehouse in the port's Western Docks since 1990, primarily for the import of tomatoes. However, the company believes that with an enhancement of the clear span quayside facility, it could handle a much more varied range of produce. He added that Solent Stevedores, in conjunction with port owners, plans to provide the necessary infrastructure upgrades. Already, there has been interest from a number of potential customers who recognize the geographical advantages of routing fresh produce through Southampton.

In the northwest of England, Peel Ports has already started work on its \$450 million new container terminal, Liverpool2, in response to a clear shift of logistics and distribution patterns towards Liverpool as the nearest port to market. The new Liverpool2 terminal will offer 600 reefer points with an additional 300 available at the existing container port.

The Port of Dover is also in the midst of a \$1.5 million roll out of improvements, including the upgrading of cargo handling facilities to include ambient, frozen and chilled storage.

After years of stagnation, the activity comes at a time when the National Farmers' Union (NFU) is predicting that more than half of the U.K.'s food, including fresh produce, will be imported within 25 years due to the nation's rising population and domestic productivity falling.

The NFU president gave this stark warning at the union's February conference in Birmingham. Already some 40% of fresh food, including meat and dairy products, is imported.

Peel Ports also points out that trends in U.K. fruit consumption are also changing, with a taste for more

exotic produce increasing across the U.K., requiring a new approach to import and supply as volumes increase.

60% of all container trade is destined for northern England, meaning it makes far more sense for importers and retailers to make Liverpool a preferred port of entry. Liverpool is only 40 miles from Manchester (the biggest city in the north of England), compared with Felixstowe, which is 250 miles away and London (Gateway) which is 230 miles away. Shipping through Liverpool would offer a road haulage saving of between \$525 and \$600 per container compared to the southern ports.

The U.K. fresh produce supply chain is undergoing a revolution, where once supermarkets and processors bought through brokers, now they were going direct to suppliers, which requires a different approach to distribution. Also the way produce is imported is changing, with some 74% of fresh produce reaching the U.K. last year transported by container, compared to 52% 10 years ago. Also in 2014, trade via refrigerated containers hit 100 million tons, with various shipping lines adding to their refrigerated containers fleets.

Peel Ports says this increase in trade reflects both growing consumption in the U.K. of fresh fruit and vegetables, with figures showing it's up by 17% in the last 15 years, and an increase of imports by 33%, during the same period while domestic production fell.

The shipping industry appears to be supporting the developments at Liverpool, with short-sea operator MacAndrews adding an extra service to its Bilbao-Liverpool journey, taking it to four trips per week. And Metro Shipping has relocated some routes from the Far East into Liverpool, instead of southern U.K. ports. Metro Shipping says the move was in response to increasing costs and delays resulting from traffic congestion and driver demand in the south.

Across the sea, the Irish port of Foynes in County Limerick is full steam ahead to becoming one of the biggest bulk harbors in Europe through a \$53 million investment by Shannon Foynes Port Company. The news will not only benefit overseas exporters, but also U.K. producers as Ireland is still one of Britain's largest trading partners.

MARINE FIREMEN'S UNION TRAINING PROGRAM 2015

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.

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.

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.

TRAINING RESOURCES, LTD. (TRL)

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

Military Sealift Command Training

This course includes the following segments: Shipboard Damage Control; Environmental Programs; Chemical, Biological & Radiological Defense Orientation; Helo Firefighting; Anti-Terrorism (one-year validation). These segments are required for employment aboard various MSC contract-operated ships.

May 11-14, 2015

Endorsement Upgrading Courses

QMED-Refrigeration Engineer

Any applicant who successfully completes this 80-hour QMED-Refrigerating Engineer course will satisfy the requirements of 46 CFR 12.15-9 for the General Safety and Refrigerating Engineer examination modules, if presented WITHIN ONE YEAR of the completion of training, provided that all other requirements, including sea service, are also met. **Additional prerequisites:** Must possess the STCW endorsement of Rating Forming Part of an Engineering Watch and the national endorsements of Oiler and Junior Engineer.

April 13-14

May 11-22

QMED-Electrician

Any applicant whose merchant mariner's document is endorsed as QMED Oiler and /or Fireman/Watertender and successfully completes this 120-hour QMED-Electrician course will satisfy the requirements of 46 CFR 12.15-9 for the Electrician examination modules, if presented WITHIN ONE YEAR of the completion of training, provided that all other requirements, including sea service, are also met. **Additional prerequisites:** Must possess the STCW endorsement of Rating Forming Part of an Engineering Watch and the national endorsements of Oiler and Junior Engineer.

April 6-24

May 4-22

QMED-Fireman/Watertender & Oiler

Any applicant who successfully completes this 159-hour Qualified Member of the Engine Department (QMED) course will satisfy the requirements of 46 CFR 12.15-7 (b)(2) and receive credit for 90 days of the sea service needed for a QMED Oiler and Fireman/Watertender endorsement, provided they also present evidence of at least 90 days engine room service; and if presented WITHIN ONE YEAR of the completion of training, satisfy the requirements of 46 CFR 12.15-9 for the General Safety, Fireman/Watertender, and Oiler examination modules, provided that all other requirements of 46 CFR subpart 12.15, including sea service, are also met. **Additional prerequisites:** Coast Guard approval letter for endorsement upgrading, which certifies sea time of six months (180 days) as a Wiper and completion of Rating Forming Part of an Engineering Watch assessments.

April 20-May 15

May 25-June 19

Marine Firemen's Union Training Plan Notice to All Participants



The Marine Firemen's Union Training Plan reimburses tuition costs (not lodging, subsistence or transportation) for certain types of training taken by a participant on his own.

However, preapproval of the training must be given by the Marine Firemen's Union Training Plan prior to taking the course.

Any request for reimbursement without preapproval from the Marine Firemen's Union Training Plan will be denied.

MARAD predicts more U.S.-flag fleet losses

The *MV APL Pearl* will be flagged out in Italy on April 20. APL, the ship operator, will replace the tonnage with the *MV APL Belgium* in the Maritime Security Program (MSP). MARAD Administrator Chip Jaenichen told the House Subcommittee on Coast Guard and Maritime Committee that the agency expects more ships to exit the program as a consequence in the decline in Defense Department cargoes. Cargo preference for U.S.-flagged ships has dropped by more than 80% recently with the drawdown of U.S. troops from Iraq and Afghanistan.

Jaenichen told members of the subcommittee that since 2009, MSP carriers have moved over 90% of the ocean-borne cargo needed to support U.S. military operations and rebuilding programs in the Middle East. He added MSP provides critical employment for 2,400 U.S. merchant mariners, which allows the government to maintain a pool of professional mariners capable of supporting its sealift ships. MSP currently operates 60 U.S.-flag vessels in program with each ship receiving an annual subsidy to maintain their U.S. registry.

Jaenichen also touched on Administration-proposed changes to the PL 480 Title II food aid program, which plans to pay merchant ship operators \$25 million in 2016 to coun-

ter a reduction in the amount of food aid cargoes transported on U.S.-flag vessels. Jaenichen said an additional \$25 million in the Administration's budget "would mitigate the impact that such reforms could have on mariner jobs," and that the vast majority of food aid would continue to be sourced and shipped from the United States.

Statistics compiled by the U.S. Maritime Administration put the number of U.S.-flagged vessels currently operating internationally at 93, down significantly from the 1072 that operated in 1955. The downward trend of U.S.-flagged vessels has caused ripples through the maritime community as an estimated 2,200 U.S. mariner jobs have been lost since 2012. APL, the world's seventh largest container transportation and shipping company, currently operates 10 U.S.-flag ships, nine of which are under the MSP.

Congressmen Duncan Hunter (R-California) has been a strong opponent to the food aid program changes stating that there would be a "one-time payoff" for U.S. mariner jobs. Hunter and John Garamendi (D-California) have been maintaining efforts to ensure that 50% of U.S. food aid move via cargo preference laws, which require the shipments be made on U.S. vessels.

Mission to Seafarers Hong Kong launches new welfare support vessel

A new sea-going motor launch — named the *Dayspring* — has started providing essential welfare services for seafarers out of the port of Hong Kong thanks to The Mission to Seafarers. The Mission in Hong Kong has been providing a launch to visit ships at anchor since 1891, and it is as essential to supporting seafarers today as it was over 100 years ago. The new *Dayspring* was built to replace the existing vessel, which had been in service for 20 years but had to be scrapped. She will bring help and hope to the hard working crews on board the many thousands of merchant ships that visit the great marine anchorages every year, to bring essential food, medicines, supplies and goods from China and on to ports in Europe.

Seafarers in the port are often away at sea for long contracts and increasingly relying on the Mission's team of chaplains to provide support and friendship to them when far from home. The *Dayspring* has been built thanks to the deep generosity of many of the Mission's local supporters and donors from the cream of the shipping industry in Hong Kong, who have raised significant funds necessary to continue this much needed — and much loved — service.

The *Dayspring* was built by the Cheoy Lee Shipyards in Doumen District Zhuhai, Guangdong Province, China. She has been built to the highest standards available and to Lloyd's Register class. The name of the vessel comes directly from St Luke's Gospel Chapter 1 Verse 78: "Through the tender mercy of our God, the Dayspring will dawn upon us from on high, to give light to those who sit in darkness and in the shadow of death, to guide our feet into the way of peace."

Reverend Stephen Miller, Director for East Asia, The Mission to Seafarers, said: "The sentiment of the 'Dayspring dawning upon us' is as

real to seafarers today as it was all those years ago when the first Mission launch rode the waves of Hong Kong harbor, and so we have honored history and tradition in reinstating that name for our new launch.

"The *Dayspring* has been designed to bring chaplains and other ship-visitors to ships safely, quickly and efficiently; and she will bring comfort to those seamen and women who feel lonely and sad at being so isolated. The Mission provides essential communications services to all seafarers by bringing news and the latest telecommunication data aids available. And for those fortunate crews to be allowed shore leave, she will operate as a regular shuttle service to and from shore. Today, it is just as important as it ever was, to bring fellowship and light to those who feel forgotten or marginalized and nevermore has this been the case than for today's seafarers."

**FINISHED
WITH
ENGINES**



Kenneth R. Braga, #3214.
Born September 3, 1934, Honolulu, HI. Joined MFOW July 19, 1961. Pensioned May 1, 1999. Died February 22, 2015.

Ronald L. Pittman, JM-4505.
Born September 2, 1941, Los Angeles, CA. Joined MFOW on September 4, 1997. Pensioned October 1, 2006. Died February 27, 2015.

Stanley C. Pocekay, #1653.
Born March 3, 1927, El Cerrito, CA. Joined MFOW June 6, 1945. Pensioned December 1, 1979. Died February 26, 2015, Las Vegas, NV.

HONOLULU NOTES

During the month of February, I visited all ships and the shoregang. The *Mau* is still having some major food beefs.

I dispatched one Reefer, two Day Juniors, two Oilers, and two Wipers. For standby jobs, I dispatched eight stby Elect/Rfr jobs and twelve stby Wiper jobs. Our registration list has 11 A-, 4 B- and 6 C-seniority members.

I attended numerous meetings in February. The AFL-CIO sponsored a luncheon for retiring politician Dwight Takamine, who is a long-time friend to labor. He spent 24 years as a member of the Hawaii House of Representatives and then two more years as a member of the Hawaii Senate.

I attended an AFL-CIO sponsored meet-and-greet with Mark Takai, who is a Hawaii Congressman of the U.S. House of Representatives and a member of the House Armed Services Committee. He previously served in the Hawaii state legislature, from 1994 until 2014. The AFL-CIO also sponsored a meet-and-greet with Hawaii's State Legislators.

At the Hawaii Port Council meeting, we had two special guests from the Kanehunamoku Voyaging Academy. Leighton Tseu (Chairman and former Matson Port Engineer) and

Bonnie Kahapea-Tanner (Executive Director) came to introduce their new maritime program for young adults. Kanehunamoku Voyaging Academy is partnered with Marimed Maritime Careers Exploration, which offers a program to help adults find careers in the maritime community.

Your USCG medical certification is only good for two years maximum and will not be required on Matson ships until 2017. However, if you sail on an LMSR ship, you need the certification to be good for the whole time that you will be shipped out. From when the job is called, thru the vetting process, and until your assignment on the ship is up, that certificate needs to be good. So I suggest that, whenever you get an annual physical done, you should get your medical certificate done at the same time. Because you can renew the medical certificate anytime you want, and there is no extra cost to you. This way you will always have at least a year left on your certificate and you will be good to go on any ship that may come your way even beyond 2017.

Mahalo,
Mario Higa
Port Agent

SEATTLE NOTES

During the month of February, we shipped one Electrician/Reefer/Junior, one Reefer/Electrician, one Electrician, one Junior Engineer (Watch), two Oilers, two Wipers, two Standby Reefer/Electricians and two Standby Wipers. We currently have eight A-, six B- and 17 C-seniority members registered for shipping.

The Matson vessels *MV Manoa* and *SS Maui* each called twice in Seattle with little or no problems. The *MV APL Pearl*, *USNS Soderman*, *USNS Sisler*, *USNS Yano*, *USNS Shughart* and *USNS Martin* all called for MFOW and/or SUP reliefs.

I represented the MFOW and SUP at the Martin Luther King Central Labor Council Executive Board and Delegates meetings. The MFOW and SUP put forward a resolution

in support of the Jones Act and condemning Senator John McCain (R-Arizona) for his recent amendments calling for repeal of the Jones Act. I also represented the MFOW and SUP in meetings with Congressmen Jim McDermott and Adam Smith — both of whom are strong supporters of the Jones Act.

We have many members flying to jobs these days. Please keep in mind that when you are traveling and your plane is either cancelled or late, you must call the company and the travel agent on your itinerary regardless of what the airline agents may be offering you. You may be responsible for any additional costs if further arrangements are not approved by the company.

Fraternally,
Vince O'Halloran
Representative

Benefits paid during February

DEATH BENEFITS

John Casey, #3834 \$24,000.00
Jerome Roach, P-2440 \$ 1,500.00

Burial Benefits

Douglas Pak, P-2115 \$1,000.00

Excess Medical \$5,218.45

Glasses and Examinations \$1,000.00

HONOR ROLL

Voluntary donations to General Treasury — February 2015:

Kinzer Beavers, P-2677\$100.00
I "Cajun" Callais, #3592 \$20.00
Katie Chelekis, JM-5155 \$50.00
Bonny Coloma, P-2763 \$25.00
Louis Little, P-2374 \$50.00

MFOW members pensioned

Name	Book No.	Pension Type	Sea Time	Effective
Reynaldo Soledad	JM-4506	SIU PD Def Vested	10.000	2/1/2015
Fred Ziegler	3809	SIU PD Def Vested	13.000	3/1/2015

POLITICAL ACTION FUND

Voluntary donations for February 2015:

I "Cajun" Callais, #3592 \$30.00
Bonny Coloma, P-2763 \$25.00
Aris Delacruz, #3777 \$40.00
Louis Little, P-2374 \$50.00
Joel E. McCrum, P-2536 \$50.00
Enrique Maiden, #3808 \$25.00
Stuart Melendy, #671 \$100.00
William Watters, JM-4936 \$100.00

WILMINGTON NOTES

There were very little beefs this month. Some clarifications of radio operator and electricians' work were reported and are being worked on.

We dispatched 44 jobs here total for the month of February. There were four PCS, two APL and six Matson shipboard jobs and three one-year jobs at the APL shoregang; the rest were standby jobs. Of these, two APWs and one Standby Wiper job were filled by applicants. All other jobs were filled by MFU registrants here at Wilmington.

The present list of members registered is posted. We have 14 As, 10 Bs and 31 Cs here.

The big news here is the possible, successful conclusion of long and hard negotiations between the ILWU and the Pacific Maritime Association. This also brings to mind our own upcoming expiration of our 2005-2015 MFOW-APLMS contract and negotiations that will be scheduled in San Francisco.

As a port agent and trustee, I will be attending the MFOW Convention and Board of Trustees meeting from March 30-April 1 at Headquarters. A Convention delegate from our branch and a temporary port agent were also nominated and elected at our March meeting. The Convention delegate will collect and look over the suggestions that were submitted to the branch over the last couple of months. We also have the USW, UTLA,

Teamsters and LAPD going through labor negotiations here in the South Bay. I would like remind all that we must support our union brothers and sisters. The monthly Labor Day planning meetings are going to be at our hall this year. Interested members are encouraged to attend.

Keep your room clean for your reliefs aboard ship.

In closing, I would like to thank all the members who have covered the jobs and who filled the available billets from the Wilmington hall.

Thanks,
Sonny Gage
Port Agent

HOWZ SHIPPING

February 2015

San Francisco

Chief Electrician.....1
Electrician/Reefer/Jr. Engineer1
Reefer/Electrician.....1
Junior Engineer (Day).....2
Junior Engineer (Watch)4
Oiler.....4
Wiper6
Standby Wiper13
Standby Electrician/Reefer.....8
TOTAL40

Wilmington

Chief Electrician.....2
Electrician/Reefer/Jr. Engineer3
Reefer/Electrician/Jr. Engineer2
Junior Engineer (Day)1
Oiler.....2
Wiper2
Shore Mechanic.....3
Standby Wiper14
Standby Electrician/Reefer.....15
TOTAL44

Seattle

Chief Electrician.....1
Electrician/Reefer/Jr. Engineer1
Reefer/Electrician.....1
Junior Engineer (Watch)1
Oiler.....2
Wiper1
Standby Wiper2
Standby Electrician/Reefer.....2
TOTAL11

Honolulu

Reefer/Electrician/Jr. Engineer1
Junior Engineer (Day)2
Oiler.....2
Wiper2
Standby Wiper12
Standby Electrician/Reefer..... 8
TOTAL27

Regular membership meeting dates 2015

April	6	S.F. Headquarters
	13	Branches
May	4	S.F. Headquarters
	11	Branches
June	1	S.F. Headquarters
	8	Branches
July	7*	S.F. Headquarters
	13	Branches
August	3	S.F. Headquarters
	10	Branches
Sept.	8*	S.F. Headquarters
	14	Branches
October	5	S.F. Headquarters
	13*	Branches
Nov.	2	S.F. Headquarters
	9	Branches
Dec.	7	S.F. Headquarters
	14	Branches

(*Indicates Tuesday meeting following a Monday holiday)

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