



## NOL/APL is reportedly up for sale

Singapore's Neptune Orient Lines (NOL) is up for sale, according to *The Wall Street Journal*. Singapore's sovereign wealth fund, Temasek Holdings, has put the line up for sale for around \$1.7 billion, the newspaper claimed. Temasek has a 65 percent stake in the line, which is listed in Singapore. Neither NOL or Temasek have confirmed the deal.

NOL offloaded its logistics division, APL Logistics, for \$1.2 billion to Japan's Kinetsu World Express in May. Last year NOL sold its headquarters building in Singapore. The sale of the logistics arm made NOL

a pure play container line with APL's box shipping its sole business.

According to the report, NOL had been shopped to prospective buyers in recent months, and had talks with one, but the two sides could not agree on the price. NOL has long been linked as a potential merger partner with Hapag-Lloyd, but the latter merged with the container line activities of Chile's CSAV earlier this year. Hong Kong's family-owned Orient Overseas Container Line has been linked to a merger as well.

The latest report shed no light on the name of a po-

tential buyer.

NOL's container shipping division, APL, has been one of the poorest performers among the larger box lines in recent years. It has reported losses in every financial year since 2009, with the exception of 2010.

APL, formerly known as American President Lines, is the 12th largest container line in the world with 569,792 slots. NOL is one of the most famous names in Singapore commerce. Former Singapore Prime Minister Goh Chok Tong headed the line in the 1970s.

## Jones Act falsely blamed for Puerto Rico's problems

In a June 29 speech outlining Puerto Rico's \$72 billion debt burden, Governor Garcia Padilla called for the island to be exempted from the Jones Act, which requires ships carrying goods from one U.S. port to another to be U.S.-built, U.S.-owned and mostly U.S.-crewed. The governor's claim that the Jones Act contributed to the island's dire fiscal situation was met with fierce resistance from the U.S. shipping industry.

Because it is an island, Puerto Rico relies heavily on ships to bring goods from the U.S. mainland to its ports. What part the Jones Act has played in leading to Puerto Rico's current fiscal crisis is hotly debated. Shipping companies say the island has benefited from years of reliable service. Critics say it has unfairly raised prices to the detriment of Puerto Rican businesses and people.

The American Maritime Partnership (AMP), the lobby group for the U.S. shipping industry, attacked a separate report released by economists, which found that the Jones Act was hurting Puerto Rico's econo-

my. The report said that the price of imports from U.S. states was at least double that in neighboring islands like the U.S. Virgin Islands, which is not covered by the act, and that a cut in transportation costs through a Jones Act waiver are needed to restore competitiveness and help Puerto Rico out of its financial pit.

U.S. shipping interests disagree, saying that the statements about the Jones Act in the report are overly simplistic, completely one-sided, and wrong. A 2013 report by the Government Accountability Office (GAO) said there are too many factors at play to estimate the economic impact of the Jones Act on prices in Puerto Rico. While shippers doing business in Puerto Rico reported that freight rates are often, but not always, lower for foreign carriers, the GAO said it was unclear what impact modifying the Jones Act would have on the economy.

Puerto Rico is unlikely to win an exemption, which are usually only granted by the Department of Homeland Security during national emergencies. An exemp-

tion could have a substantial impact on the U.S. territory, which in 2013 imported \$45 billion and exported \$62 billion in goods, according to the Government Development Bank of Puerto Rico.

Opponents of the act have some powerful allies, including oil companies, which argue that there aren't enough U.S.-built ships available, leading to expensive bottlenecks.

AMP still touts the act as critical to national security and says that without it, the United States would be dependent on foreign-owned and flagged vessels, leaving it shorthanded in the event of a crisis. U.S. presidents from Ronald Reagan to Barack Obama have endorsed it as important to national security. Jones Act supporters say it promotes jobs in domestic shipbuilding. It has wide support in Congress because workers in all 50 U.S. states make components for the vessels. Congress reaffirmed its support for the Jones Act last year when it passed overwhelmingly as part of the Defense Authorization Act.

**Domestic Maritime Industry** — By definition, the movement of cargo between two points in the United States is governed by Section 27 of the Merchant Marine Act of 1920 (46 U.S.C. § 55102). The law is generally referred to as the Jones Act in honor of its author, Senator Wesley Jones (R-Washington). The Jones Act is the continuation of laws that encourage U.S.-flag fleet and allied industries that dates back to our nation's founding. The other major cabotage laws and statutes include:

- Jones Act — 46 U.S.C. § 55102
- Passenger Vessel Services Act — 46 U.S.C. § 55103
- Salvage — 46 U.S.C. § 80104
- Towing — 46 U.S.C. § 55111
- Dredging — 46 U.S.C. § 55109

The U.S. Merchant Marine is a vital part of the domestic maritime industry and is recognized as "The Fourth Arm of National Defense." A strong domestic fleet ensures the United States will always have:

- World-class vessels to meet sealift needs;
- Expert and experienced seafarers to man the U.S. government's organic surge sealift ships in times of national emergency;
- A modern shipyard industrial base that is critical to the nation's economic, national, and homeland security; and
- Intermodal transportation systems available for defense use through the Voluntary Intermodal Sealift Agreement (VISA).

During Operations Enduring Freedom and Iraqi Freedom, U.S.-flag commercial vessels, including ships drawn from the domestic trades, transported 63% of all military cargos moved to Afghanistan and Iraq. Equally important, the domestic fleet also provided half of the mariners needed to crew U.S. government-owned sealift vessels activated from reserve status. Those vessels carried an additional 35 percent of the total cargos delivered to the war zone.

**The U.S. Navy's position is clear — repeal of the Jones Act would "hamper America's ability to meet strategic sealift requirements and maintain and modernize our naval forces."**

Of the domestic maritime industry's vessels, 70 percent are available for use in supporting the U.S. military. Despite the utility of large airplanes, 95 percent

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## Labor jumps in to thwart GOP port bills

The AFL-CIO's Transportation Trades Department (TTD) said that two Republican measures to reduce the potential for strikes at U.S. ports are unnecessary interventions into labor relations at the nation's docks. The measures, from Senators Cory Gardiner (R-Colorado) and John Thune (R-South Dakota), would expand the ability of governors to intervene in port labor disputes and require greater port tracking by the Department of Transportation, respectively.

The TTD, which represents more than 30 transportation-related unions, said that the measures are overreaches by Republicans in reaction to a standoff at West Coast ports earlier this year that resulted in a temporary shutdown of nearly 30 ports in February.

"Gardner and his allies claim that this bill is needed to prevent labor-management disputes from interfering with port operations," the group wrote in a blog post of Colorado senator's Protecting Orderly and Responsible Transit of Shipments (PORTS) Act.

"But the fact is that virtually every port contract is settled at the negotiating table without a work stoppage, making it clear that this bill is nothing more than a desire by the corporate lobby to circumvent the collective bargaining process and limit the rights of port employees," the TTD continued.

Gardner has cast his measure as a reasonable effort to protect the flow of cargo packages throughout the U.S. "This year's slowdown at West Coast ports demon-

strated the disastrous consequences that labor disputes at our ports can have on businesses, consumers, and the entire economy," Gardner said in a statement when the measure was released last month.

"Labor union bosses should not be allowed to hold the economy hostage, nor should they be allowed to use the livelihoods and jobs of millions of Americans as bargaining chips," he continued. "This act would empower local leaders, who are most affected by these port disruptions, to apply pressure to their state governments to bring these damaging disputes to an end."

Thune has made similar arguments about his measure, which would require greater tracking by the Department of Transportation through its Bureau of Transportation Statistics.

"Every day, our nation's businesses large and small depend on the efficient operation of U.S. ports," the Senate Commerce, Science and Transportation Committee Chairman said in a statement in May, when his measure was introduced.

"The recent labor dispute at West Coast ports underscored how a lack of data and transparency to quantify on-going problems at our ports can affect businesses from coast to coast," Thune continued. "At present, statistics for air cargo and even forms of ground transportation are more developed and accessible than those for maritime transport. This legislation adds needed sunshine to maritime shipping through our ports to help head off future economically destructive impediments to commerce."

The TTD said that Thune's is also an unwarranted attack on dockworker unions.

"The bill's aim is to link all problems related to U.S. seaport productivity to collective bargaining and blame workers for any reduction in port productivity," the TTD wrote.

"It does not take into consideration other external factors that could lead to losses in efficiency, including the rapid increase in the size of vessels transporting goods, outmoded landside infrastructure, the state of the economy or — God forbid — unsavory conduct by employers," the blog post continued.

### Halls to close

**Harry Bridges' Birthday** — The MFOW hiring halls on the West Coast will be closed on Tuesday, July 28, 2015, in observance of Harry Bridges' Birthday, which is a longshore holiday under the ILWU Master Agreement. It is, therefore, a recognized 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.

# The Marine Fireman

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## Port of Long Beach's power plan

At his inaugural State of the Port address in January, Port of Long Beach Chief Executive Officer Jon Slangerup unveiled the Energy Island Initiative — a comprehensive strategy for transitioning the port to renewable power sources and self-generation systems. Along with creating the ability to “island” the port to operate independently from the grid in times of emergency or other need, the initiative’s main objectives are stabilizing power costs for terminal operations, further reducing the port’s carbon footprint, and increasing the competitive advantages of doing business at Long Beach.

Under the initiative, the port has established five goals aimed at ensuring an ample supply of electricity, alternative fuels and other energy sources as the Port moves toward a zero-emissions operation.

**Advance green power** — The port will pursue solar, wind, geothermal and the viability of tidal energy to generate its own electricity. Solar panels that provide a clean source of electricity are already a key feature of the Middle Harbor Terminal Redevelopment project and the port’s new maintenance facility.

**Use self-generated, distributed power with micro-grid connectivity** — The ability to generate power independently of the grid is crucial to business continuity in the event of an emergency. Micro-grid controls that are connected to the grid also allow the

port to contribute to the regional power supply, help lower the city’s emissions, and supply power to vital services in an emergency.

**Provide cost-effective alternative fueling options** — The port will explore options that include liquefied natural gas (LNG) as fuel for ships and locomotives, hydrogen generation, fuel cell technology and related infrastructure. This goal builds on existing progress the port has made under its Clean Trucks Program and Technology Advancement Program to support drayage trucks that run on LNG, compressed natural gas, and hydrogen fuel cell technology.

**Improve energy-related operational efficiencies** - The port will explore strategies for maximizing available energy resources, including upgrading equipment and consumption controls, offering energy-efficiency guidance and leveraging available incentives for operational efficiencies.

**Attract new businesses, create jobs, increase revenue and reduce costs** — By advancing new technology and innovation that support the maritime, transportation and energy sectors, stimulating the economy is part and parcel of the Energy Island Initiative. In the area of innovation and job creation, the effort will build on the port’s existing Technology Advancement Program for demonstrating promising new clean air technology, to accelerate the

commercial availability of relevant and promising energy technologies.

A major driver of the Energy Island Initiative is the growing demand for electricity, which is projected to quadruple by 2030. Lease and regulatory clean air requirements — including state shore power rules that require ships to plug in at berth to cut emissions — are fueling demand.

A key example of port efforts to reduce costs is a 15 percent discount on electricity rates for container, stevedoring and shipping entities within the port’s 3,200-acre district. Negotiated with Southern California Edison, the agreement is expected to save maritime users more than \$350 million over 24 years.

Transforming the port into an “island” of renewable energy technologies and self-generation systems is expected to be implemented in multiple phases over about 10 years. The Middle Harbor Terminal, which will operate almost entirely on electricity, is on track to become the world’s greenest marine container terminal and a model for cleaner seaport operations throughout the world.

The first step is extensive planning, including development of a Strategic Energy Plan — a new port planning document to serve as a single framework for its energy programs. Other planning efforts include researching available technologies and incorporating the findings into the port’s comprehensive land use study, as well as an update of the San Pedro Bay Ports Clean Air Action Plan. Work has begun on both.

To support the process, the port is expanding its partnerships and establishing committees and technical working groups. All phases will involve collaboration with and outreach to numerous stakeholders and agencies: customers and tenants; utilities and energy companies; regulatory and permitting government agencies; the U.S. Navy, the Department of Defense, and the Department of Energy; city officials and departments; labor unions; environmental and community groups; vendors and alternative power providers; and colleges and universities.

Port staff has already conducted preliminary research on LNG as a ship fuel and is currently evaluating micro-grids, renewal energy technologies and funding opportunities. The latter includes grant funding and financial and technical partnerships for energy planning, pilot projects and facilities construction. Additionally, staff is studying state and federal regulatory and permitting requirements that govern independent energy generation and control technologies.

A major planning tool will be the port’s power demand assessment. Due to be completed this summer, the study is evaluating baseline annual energy use and peak demand of port operators. The findings are expected to inform every facet of the initiative.

## First LNG-powered ferry in North America commissioned

The official commissioning of the *NM F.A.-Gauthier*, the first ferry to run on LNG in North America, took place on July 13. It is also the first ship of any kind to run on LNG in Canada. By choosing natural gas as the fuel for its new admiral ship, the Société des traversiers du Québec is reaching an important milestone in the Quebec maritime transport sector and paving the way for local shipowners to use a proven, high performance and cleaner technology.

The use of LNG makes it possible to reduce greenhouse gas emissions by up

to 25%, compared with marine diesel, in addition to almost completely eliminating fine particle emissions and other air pollutants. LNG motors are also quieter and produce less vibration, which is more respectful of marine life. LNG motors are a proven technology, widely used for many years in road and maritime transport worldwide, particularly in Europe.

The ship is replacing the *NM Camille-Marcoux* for the Matane-Baie-Comeau-Godbout ferry service. Two other ships will be assigned to the Tadoussac-Baie-Sainte-Catherine crossing.

## L.A. County examines wage theft enforcement

Los Angeles County Board of Supervisors Hilda Solis and Mark Ridley-Thomas have asked for the board’s support in requesting a report back from the Los Angeles County Counsel on the county’s authority in wage theft enforcement. They also requested a report within 90 days on an effective model to enforce wage theft provisions.

“In Los Angeles alone, \$26.2 million is stolen from the pockets of workers every week. We thank the Board of Supervisors for their leadership in examining wage enforcement and look forward to working with them in ensuring there are strong wage enforcement provisions that make sure workers are getting paid

the hours they work, and nothing less,” said Los Angeles County Federation of Labor Executive Secretary-Treasurer Rusty Hicks and President of SEIU-ULTCW and SEIU California Laphonza Butler, co-conveners of the Raise the Wage campaign.

This is a stepping stone for all workers in Los Angeles County suffering from wage theft by their employer. Raise the Wage is a coalition of business, labor and community leaders working to raise the minimum wage to \$15.25, with enforcement provisions and earned sick leave, to bring thousands of Angelenos out of poverty.

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## Top U.S. container ports in 2014

Rank	Port	TEU	Cumulative % of U.S. total
1	Los Angeles	5,881,556	18.6%
2	Long Beach	4,927,219	34.2%
3	New York/New Jersey	4,276,081	47.7%
4	Savannah	2,592,825	55.9%
5	Norfolk	1,931,479	62.0%
6	Houston	1,629,083	67.1%
7	Oakland	1,612,261	72.2%
8	Charleston	1,428,416	76.8%
9	Tacoma	1,371,178	81.1%
10	Port Everglades	755,843	83.5%
11	Seattle	751,779	85.9%
<b>All U.S. ports combined</b>		<b>31,632,000</b>	<b>100.0%</b>

Source: PIERs Interactive, Federal Maritime Commission

The top three U.S. container ports in 2014 (Los Angeles, Long Beach and NY/NJ) accounted for almost 50 percent of the nation's containerized international trade, and the top eleven container ports accounted for over 85 percent. About one quarter by value of the trade in goods through U.S. seaports via vessels flows through the two main West Coast container ports (Los Angeles and Long Beach).

## Port of Oakland adopts \$470 million budget for 2016

The Oakland Board of Port Commissioners has approved a \$470 million fiscal year 2016 budget for the Port of Oakland. It took effect on July 1. The port budget includes \$167 million for capital improvements. Most of the capital spending will be concentrated in two areas:

- \$73 million for Oakland International Airport runway safety improvements and Terminal 1 renovations. Oakland International is the second-largest San Francisco Bay Area airport.
- \$32 million for continuing development of port property at the former Oakland Army Base. The port is constructing a major West Coast trans-

port and logistics center on land adjacent to its marine terminals, designed to significantly increase Oakland containerized cargo volume.

The port's 2016 budget is 6.7 percent lower than the budget adopted for fiscal year 2015. It anticipates a 4.9 percent operating revenue increase to \$330.7 million. Operating expense is expected to rise 3.7 percent to \$193 million.

The Port of Oakland operates three business lines: maritime, aviation and commercial real estate, which includes Jack London Square. The port collects no local tax revenue, funding operations from its own revenue sources. Revenue is used to pay operating and capital expenses and for debt service.

## First American female cruise ship captain

Kate McCue, a California Maritime Academy graduate, will become the master of the *Celebrity Summit* in August 2015. Captain McCue has more than 15 years of experience in the maritime industry and managed ship logistics while sailing on various itineraries throughout Europe, Asia, Australia, the Caribbean, the Pacific Northwest and Alaska, as well as the Panama Canal. Her experience included working on the ship revitalization in Singapore, and she did several transat-

lantic repositioning cruises.

After graduating from California State University's California Maritime Academy, McCue served as a cadet and deck officer, as well as successive responsible positions, until becoming a master mariner at Royal Caribbean International.

"Becoming the first female American captain of a cruise ship has been a goal of mine for as long as I can remember," says McCue.

## APL named most reliable carrier

APL was the most reliable carrier with a global on-time performance of 85.5 percent in May 2015, according to the latest Global Liner Performance Report by SeaIntel Maritime Analysis. The report, which ranks the performance of the top 20 carriers, says that there was a global improvement in container lines' schedule reliability from April to May 2015. It noted that schedule reliability increased considerably in May to a global performance of 78.3 percent, compared to 72.8 percent in the previous month.

"APL has been working hard to improve the reliability of our product. Our performance improvement is a gratifying result for APL's dedicated team of onshore and seafaring professionals who work tirelessly each day to earn the trust of our customers," said Nathaniel Seeds, chief operations officer of APL.

Based on the figures published in June, APL's schedule reliability in its key trade lanes has shown an improving trend over the first five months of the

year. For example, APL's on-time performance in the head-haul Asia-North Europe trade recorded an improvement from 62 percent in January to 94 percent in May 2015. A similar trend is also visible in the head-haul Transatlantic Westbound trade, as APL increased its service reliability from 55 percent in January to 64 percent in May.

Likewise, APL's on-time performance in the head-haul Asia-U.S. West Coast and Asia-U.S. East Coast trades rose to 65 percent and 74 percent respectively in May. The results are 41 percent and 15 percent higher than its performance in the respective trades in January when port congestion, particularly in the U.S. West Coast, impacted global schedule reliability.

"APL is committed to delivering better service reliability. Schedule reliability is of paramount importance for shippers and will remain a top priority for APL to keep improving our service delivery," assured Seeds.

## Long Beach named top North American port

The Port of Long Beach was named the best seaport in North America at the recent Asian Freight, Logistics and Supply Chain Awards in Hong Kong, hosted by the shipping trade publication Asia Cargo News. The award recognizes the best ports as judged by importers, exporters, and logistics and supply chain professionals.

In the past, the program was organized by another publication, Cargo News Asia. If viewed as a continuation of those awards, this is the Port of Long

Beach's 17th time in the last 20 years winning the Best North American Seaport honors. Last year, Long Beach won the award for being the world's Best Green Seaport, based on its environmental record.

The more than 15,000 industry professionals who read Asia Cargo News participated in the nomination and selection of winners. Awards also are given in many categories, including best shipping lines, container terminals, air cargo terminals, airports and rail haulers.

## 400 new dockers to help handle Port of Oakland cargo

Four hundred new dockworkers will be phased into the Port of Oakland's workforce through September to handle a buildup of ships and cargo. The port's goal is accelerate cargo operations and clear out a backlog of vessels anchored in San Francisco Bay. Waterfront employers and the International Longshore and Warehouse Union agreed last month to beef up the labor pool by adding new workers, as well as training and promoting 100 current workers. That will expand the work force available to fill positions requiring greater skill and experience.

Containerized cargo volume in Oakland has increased from the previous year's total for three straight months. The number of vessels arriving in Oak-

land has grown, too, with the port often berthing 10 ships a day. Some ships are anchored in the bay two days waiting for short-staffed terminals to clear vessels from berths. More auto carrier vessels and cruise ships are calling at Bay Area ports, putting further strain on the longshore labor pool.

The labor shortage has lengthened the time ships spend loading and unloading by as much as a day. It has also added time to the delivery of cargo at final destination. The port stated cargo and vessel delays should ease by the end of July. It added that it is in discussions with waterfront labor and management on further measures to accelerate cargo operations.

## Port of Redwood City dredging continues

Phase two of the \$12.8 million maintenance dredging at the Port of Redwood City's Redwood Creek channel by the U.S. Army Corps of Engineers' (USACE) contractors is underway. By the time phase three is completed this winter, the navigation channel will be dredged to its authorized depth of 30 feet for the first time since December 2009. The first phase dredged the channel to 28 feet and was completed last December. The depth is crucial for port channel users. Port officials have been working with the USACE to perform the dredging to increase allowable draft for ships.

When phase one started in September 2014, the safe navigation depth of 22 feet caused extra costs and logistics problems for cargo shippers at the port. Increasing the depth of the channel by six feet meant that the cargo carrying capacity of ships calling at the port increased by 10,000 to 12,000 tons per ship.

Phase two of the dredging project, which should be completed by early August, will bring most of the channel depths down to the project authorized depth of minus 30 feet. Due to limited funding and limits on how much

dredged material can be placed in San Francisco Bay, phase three will address any remaining high spots in the channel and place the material at an approved deep ocean site.

Funding for the project was secured last year, thanks to the support of the port's Congressional delegation, including Congresswoman Jackie Speier and U.S. Senator Dianne Feinstein, the City of Redwood City and port businesses.

The Panamax size ships calling at the port with construction material from British Columbia have fully loaded drafts of greater than 40 feet. The USACE in a recent study concluded that every ocean going ship that calls at the port has a loaded design draft greater than 30 feet. The shippers have to light load and have told the port that every foot of increased channel depth helps them to be more efficient and carry more cargo.

The port's tonnage has been steadily increasing since 2009 and last year reached 1.8 million metric tons. The majority of the cargo is construction materials to supply the many major construction projects in the Redwood City area and Silicon Valley.

### Attention: MFOW Members and Pensioners

Are your MFOW Welfare Fund records up to date? The following information should be on file:

1. Insurance Enrollment Card.
2. Current beneficiary information.
3. Medical Coverage selection.

Contact: MFOW Welfare Fund, 240 Second St., San Francisco, CA 94105  
(415) 986-1028/(415) 986-5720 Email: welfare@mfow.org

# MFOW PRESIDENT'S REPORT



By ANTHONY POPLAWSKI

## HEADQUARTERS PROPERTY

**YBCBD** — The Yerba Buena Community Benefit District (YBCBD) was formed in 2008 with an initial term of seven years. The goals of the YBCBD are to improve safety and security, increase cleanliness and perform streetscape and public realm improvements, continue to define and brand the neighborhood, increase economic viability and create an ideal place to live, work, study and visit.

The Marine Firemen's Union Headquarters property sits within the boundaries of the district. Earlier this year, the Union was issued a petition to accept or reject renewal and expansion of the YBCBD for a period of 15 additional years. On behalf of the Union, I voted against the renewal and the proposed assessments. On June 2, the San Francisco Board of Supervisors, after receiving a sufficient number of petitions in support of the renewal, voted in favor of a resolution of intent to renew and expand the YBCBD.

Upon detailed review of the YBCBD Engineer's Report, I discovered a mistake in the assessment formula for our Headquarters property. In the report, our property had been given a land use classification of *Non-Residential: Hotel, Retail, Office*. The Marine Firemen's Union — the owner of the property — is actually a non-profit entity approved under section 501 (c) (5) of the Internal Revenue Service code. This is significant, because in the assessment formula, a land use multiplier of 4.0 is applicable to a *Non-Residential: Hotel, Retail, Office* property, as opposed to a land use multiplier of 0.9 for a *Non-Profit/Public Property*.

The result is that we would be incorrectly assessed \$11,332.65 as opposed to \$2,549.85 in 2015-2016. Over the course of 15 years, not including cost-of-living increases, we would be assessed \$169,989.75 as opposed to \$38,247.75, a difference of \$131,742. Whether the incorrect land use designation was an honest mistake or a calculated shakedown, \$131,742 is a significant amount of General Treasury money.

On June 8, I sent a letter to District Six Supervisor Jane Kim and YBCBD Executive Director Cathy Maupin requesting that the assessment formula be corrected. On June 10, the Union received confirmation of the request from the YBCBD. On June 11, the Union was notified by the YBCBD that they agreed the Headquarters property was misclassified and that it would be reclassified as a *Non-Profit/Public Property* and that the proposed assessment would be reduced to the lower rate.

On June 15, the Union received a ballot for property owner approval of YBCBD renewal and expansion. On behalf of the Union, I voted against the proposal, which was an inconsequential vote, as most of the large property owners in the district will vote in favor of the proposal.

The Board of Supervisors will hold a public hearing on the proposed assessment on July 28 and ballots will be counted sometime after the public hearing. This will be followed by assessments submitted to the County of San Francisco for billing and, finally, commencement of district operations.

**222 Second Street** — On June 9, the Union was given a timeline of upcoming events associated with the construction project located next door at 222 Second Street.

From July through September, deliveries and off-hauls from Tehama Street will continue to occur. From July through August, sidewalk, curb, gutter and street utility work will be performed at Tehama, Second and Howard Streets. Street trees, light poles and signal poles will be installed.

In mid-July, new concrete and asphalt work will be performed on Second Street and the temporary bus stop in front of MFOW Headquarters will be moved back to its original location. From July through September, preliminary interior construction of 222 Second Street will begin.

From mid-July through August, the new building will undergo a series of life-safety tests with city and state building inspectors. From late August through September, street paving and striping operations will be performed on Second, Howard and Tehama Streets.

If all goes well, by October things should be back to normal around Headquarters, after two years of excessive noise, vibration, dust and a generally uncomfortable working environment.

**55 Hawthorne Street** — On June 22, the Union received notification that a permit had been issued for a structural addition to the building located at 55 Hawthorne Street, which is aft of our Headquarters property. I have been working with property management and the construction company to come to an agreement regarding partial use of our parking lot to complete the project. This will involve the use of approximately eight parking spots for a four- to six-week period.

## APLMS

In June, the Union was informed that changes would be made to the company's trans-Atlantic (AZX) service and that the *MV APL Agate*, *MV APL Coral* and *MV APL Cyprine* would be redeployed to another trade route. The company stated that retaining the U.S.-flag on the AZX trade route was of no commercial advantage and that the three S-12 vessels would be redeployed to the new Asia Subcontinent Express (AS1) shuttle service. The tentative dates for each vessel to begin service on the new run are: *MV APL Cyprine* — July 31, *MV APL Agate* — August 14, and *MV APL Coral* — September 11.

The service allows APL to connect to their CC3 service in North Asia and provide an all U.S.-flag service from the U.S. West Coast to Singapore, Colombo and Karachi.

The port rotation of the AS1 service will be Qingdao — Shanghai — Ningbo — Chiwan — Singapore — Port Klang — Karachi — Colombo — Singapore — Hong Kong — Qingdao. MFOW members dispatched to these ships will continue to be dispatched in accordance with shuttle ship rules.

As previously reported, the *MV APL Belgium* was scheduled to be redeployed from the trans-Atlantic AZX service route to the trans-Pacific CC3 service route. On July 1, the Union was provided an update showing the *Belgium* arriving at Laem Chabang, Thailand on July 12 and discharging the last of its G6 Alliance cargo. The vessel is then scheduled to depart Laem Chabang on July 13, phase out of the AZX service route and arrive at Naha, Okinawa, on July 18.

## GOVERNMENT VESSELS

**LMSR Award Fee** — Patriot Contract Services (PCS) has received award fee bonuses from the Military Sealift Command (MSC) for its exceptional performance under the *Watson*-Class LMSR and *USNS Martin* contracts. PCS is sharing the award with mariners and shoreside staff in recognition of their hard work and professionalism on these vessels. Bonus checks were sent out this month to mariners who completed their assignments on the *Watson*-class vessels and the *USNS Martin* during the period of performance covered under the award, and who had met specific performance requirements.

The award fee bonus is not a contractual provision under the collective bargaining agreement with PCS, but strictly an MSC award for performance under the contract that the company chooses to share with mariners and other employees.

**Ready Reserve Force** — The 20th amendment to the ship management services contract issued by the U.S. Maritime Administration (MARAD) in 2014, regarding operation and maintenance of up to 48 National Defense Reserve Fleet (NDRF) and Ready Reserve Force (RRF) vessels, was published on June 19. The amendment touches on several significant issues, such as manning, wages and fringe benefits. I have participated in several discussions with PCS and Matson, as well as the other maritime unions, in order to assist our contracted companies in preparing adequate best-and-final bids.

## TRUST FUNDS

On June 16, the trustees of the various MFOW trust funds met at MFOW Headquarters. On June 17, the trustees of the various SIU Pacific District trust funds met at the SIU Pacific District offices in San Francisco.

**MFOW Money Purchase Pension Plan** — The trustees received an investment report from investment manager Bob Thompson of Dodge & Cox. The report included a fixed income market review and an MFOW Money Purchase Pension Plan overview including the separately managed account and the individual Dodge & Cox mutual funds. The trustees agreed to expand the participant-directed investment selections to include the Dodge & Cox Global Stock Fund and Global Bond Fund. Information on these options will be sent to all participants.

**MFOW Supplementary Pension Plan** — The trustees received the plan actuarial valuation as of August 1, 2014. The actuarial value of assets totaled \$5,363,879, which represented a funded percentage of slightly over 106 percent. The number of participants in the plan, which is closed to those beginning service after September 1, 1985, totaled 255 (nine active members, 240 retirees and six term vested).

**MFOW Welfare Plan** — The trustees received the plan consultant's report which detailed April 30, 2015, account balances of \$5,507,197 in the Guaranteed Account; \$6,399,168 in Special Account #1; and \$1,933,311 in Special Account #2. A new round of health provider premium renewals is forthcoming.

**MFOW Training Plan** — The training coordinator reported that Training Resources, Ltd. has received approval from the Coast Guard to conduct a six-week (240 hour) course for the new combined rating of Electrician/Refrigerating Engineer. Due to the length and expense of the course, prerequisites will include the endorsements of QMED-Junior Engineer and Rating Forming Part of an Engineering Watch (RF-PEW), as well as one year of MFOW sea time, in addition to the regular training eligibility requirements.

The trustees approved a new summary plan description, which will be mailed to all participants in the near future.

**SIU-PD Pension Plan** — The trustees received the actuarial valuation as of August 1, 2014. The actuarial value of assets totaled \$105,886,470, which represented a funded percentage of over 126 percent. The trustees also received an asset/liability study, which examined alternative investment strategies in the context of the plan's funding streams.

The unions proposed a modest increase in benefits based on actuarial gain; the employers were not prepared to agree to the proposal. The item is pending.

# Imperial Pacific gets 'notice to proceed' on Saipan

Imperial Pacific International Holdings Ltd — holder of a casino license for the Pacific island of Saipan — said it had received what it called a "Notice to Proceed" from the Division of Coastal Resources Management of the Commonwealth of the Northern Mariana Islands (CNMI).

The Notice to Proceed, together with other relevant permits obtained, fulfills the regulatory and statutory requirements for the licensee to commence site construction of the town hotel, Grand Mariana Casino and Hotel Resort, in Garapan, Saipan. The integrated resort will have a total of 254 rooms and gaming facilities. The licensee has com-

menced site construction on 15 July 2015 and that construction work would fully complete within 16 months.

Several industry sources stated that a temporary casino — being constructed by Imperial Pacific International ahead of the main project and authorized by the authorities in CNMI — could be open very soon.

Imperial Pacific International has pledged to spend as much as \$7.1 billion on its project in Saipan, starting with the town hotel in 2016, followed by the launch of the integrated resort in 2018.

CNMI is a Commonwealth of the United States with the same legal status as Puerto Rico.

## VICE PRESIDENT'S REPORT

**APLMS:** East Coast Vessels — The *APL Belgium* was in and out of Port Elizabeth; shipped one REJ, then proceeded to the West Coast. The *APL Cyprine* made her last East Coast visit; we gave an “open” REJ relief to Seattle for a fly out to Cagliari, Italy. (If you change your name, do it ashore, not while you are on a vessel.) The *APL Agate* made her last call to the East Coast; gave the “open” Day Jr. relief to Seattle. The *APL Coral's* last East Coast call will be on approximately August 1.

**West Coast Vessels** — The *APL Thailand* was in and out of Oakland and called for four standby Wipers for one day. The *APL Philippines* was in and out of Oakland; shipped one rotary Wiper for a voluntary quit. Had two “bys” last month.

**Matson:** The *Mahimahi* was in and out twice with no beefs. We are having payroll issues with the standbys aboard the *Manoa*. The vessel Ship Management Team mistakenly believes that standbys are subject to STCW rest periods. The *Mokihana* was in and out twice; now on direct LAX-HON run.

The *Matsonia* came back to Oakland for the HON-OAK direct run; called for two standby Wipers for a five-day layup at Howard Terminal for boiler repairs. Deadtowed to MHT for load out. She finished both evolutions and sailed on Friday, July 3. Replaced the CE, RE and two Watch Jrs. The *Kauai* is still on the

northern triangle run. She made two calls at OAK; shipped one Watch Jr. and one rotary Wiper. It takes a lot of hard work by the entire crew to keep these two “old girls” sailing.

The *ITB Moku Pahu* came back to Crockett on June 9 to unload molasses, was moved to Howard Terminal and laid off the crew on June 18. She called for a crew on the 27th and went on the hook to make room for the *Matsonia*. Sailed for Kahului on the 28th. We shipped one rotary Wiper to replace voluntary quit. The vessel is transferring to ASM operations pending MOU.

**Advancements:** Members desiring to advance in seniority should read the Shipping Rules for the requirements and should apply well in advance of monthly membership meetings.

I attended the Alameda Labor Council and San Francisco Bay Area MTD Port Council meetings, as well as the MFOW and SIU Pacific District Trust Fund meetings. All are in good order. The Alameda Labor Council will have a Labor Day Picnic on Saturday, September 7, from 11:30 a.m. to 4:30 p.m. at Alameda Point, next to the *USS Hornet* museum.

I was informed that former SUP official Bill Berger passed away last week at the age of 94. Smooth sailing, brother.

Fraternally,  
Cajun Callais, Vice President

## BUSINESS AGENT'S REPORT

For the month of June, we dispatched the following jobs relating to Patriot Contract Services' vessels: *SLNC Pax* — one Oiler, fly out was scheduled for July 4; initial flyout was cancelled due to bad weather. *USNS Watkins* — one Oiler, fly out on or about July 5. *USNS*

*Dahl* — one Oiler and one Wiper, waiting on orders. *USNS Soderman* — one Oiler, waiting on orders on June 4. The *USNS Martin* crew was released back to the West Coast in Bayonne, New Jersey.

Fraternally,  
Bobby Baca, SF Business Agent

## IMO backs fair treatment training

The International Maritime Organization's (IMO) Technical Cooperation Committee (TCC) has approved the development of training material that aims to better implement seafarer fair treatment guidelines. The decision comes in response to a request from Seafarers' Rights International (SRI) last month for the IMO to provide technical support and assistance to implement the International Labor Organization's (ILO) 2006 guidelines on fair treatment of seafarers in the event of a maritime accident. SRI's request was supported by recent data acquired by the charity on seafarer criminalization, which it has said often amounted to “trial by media”.

The issue was subsequently taken up by the IMO's Legal Committee and put on the organization's technical work program. The primary objective of the IMO's Integrated Technical Cooperation Program is to ensure uniform and effective implementation of the various international multilateral treaties that have been adopted within the IMO's regulatory framework. The fair treatment guidelines' implementation is monitored by the IMO Legal Committee.

The expanded training would be used for delivering technical assistance activities on safety investigations in marine accidents and marine incidents and the

abridged version would be used to foster awareness, for example among senior officials of maritime administrations, about the III Code or flag, port and coastal state obligations and responsibilities. Notes of the IMO session in June said that the industry was willing to financially contribute to this initiative.

Other conclusions of the Legal Committee in June included the need to progressively remove legislation that targets seafarers and imposes criminal sanctions on them, and that member states should consider guidance on the implementation of the guidelines, in particular for developing countries.

States already giving effect to the guidelines should provide translated copies of their laws to assist other states with their own implementation, the committee said. Some states told the committee that they were ready to share their national legislation that put the guidelines into effect, and other member states that had not yet implemented the guidelines were being encouraged to do so.

Recommendations were also made such that states should provide their embassies with the names of persons whom seafarers could contact to report violations of the guidelines and that seafarers should be given greater training and awareness of their rights.

The *Marine Fireman* welcomes photo submissions from members in the fleet or ashore.

Please send high resolution digital images to [mfw\\_president@yahoo.com](mailto:mfw_president@yahoo.com) or [sserrano@mfo.org](mailto:sserrano@mfo.org). Include a brief description such as names and ratings of members, and name and location of ship.

## National Maritime Center: Chat Services Update

On June 3, 2015, the National Maritime Center (NMC) published a bulletin introducing its plan to test online chat services in two phases. Phase One, the use of a ticketing system, has progressed well with a somewhat limited customer volume but very good reviews. Therefore, the NMC will move forward to Phase Two of the test. Beginning July 1, 2015, the live online chat functionality will be available for use.

Customers will know when agents are available based on the button located on the upper right section of every NMC webpage. If the button reads Live Chat, you will know that agents are online and available to take your request. If the button reads Get Help, it indicates that there are no agents online and that the ticketing system is active. For additional information on chat services, visit the NMC Live Chat System webpage. The NMC Live Chat System page can be accessed by clicking the red Live Chat button located under Important Links on the NMC homepage.

While the chat system software is hosted by a third-party vendor, the

agents responding to your queries remain the same.

One unique feature of the live chat that we think customers will appreciate is the ability to upload files to the NMC during the chat. As we evaluate the system, we encourage customers to initially limit live chat requests to more routine questions such as mariner application status checks. The NMC will publish additional bulletins during the test to update you regarding our progress. We will evaluate the success of the chat system on or around October 1, 2015, to determine whether or not to continue its use.

Use of the chat system is strictly voluntary. Our e-mail address and toll-free number remain the same. We are pleased to offer this tool as an option for our customers. Additional information regarding the chat system can be found on the NMC Live Chat System webpage. We look forward to your feedback.

Sincerely,  
Captain Jeffrey P. Novotny  
U.S. Coast Guard  
Commanding Officer

## Gdansk is fastest-growing Asia-Europe market

The G6 alliance's decision to call at Gdansk on its Asia-Europe service reflects Poland's status as the fastest growing market on the trade, according to Drewry Maritime Research. The G6 Loop 7 service, which is scheduled to make its first call on August 10, will be the second weekly service between the Baltic port and Asia following the initial link established by the 2M partners, Maersk and Mediterranean Shipping Co.

At present the G6 carriers — APL, Hapag-Lloyd, Hyundai Merchant Marine, MOL, NYK and OOCL — route Polish-bound cargo via Rotterdam, Hamburg or Bremerhaven.

Adding Gdansk to Loop 7 will require an additional ship to join the current fleet of 11 ships averaging 13,500 twenty-foot-equivalent units (TEU) and will extend the round voyage transit time to 84 days from 77 days at present. Finding space for an extra ship is useful for carriers in the current oversupplied market of ultra large vessels “but the G6's Gdansk call is more than about carriers trying to waste capacity,” according to London-based Drewry.

Poland is the only European Union country that avoided recession during the global financial crisis and despite a slight cooling in 2012-13 is continuing to grow, with the IMF forecasting GDP growth of 3.5 percent in 2015 compared with 1.5 percent for the eurozone.

As a result, Polish container imports from Asia have significantly outpaced shipments to the rest of Northern Europe with a compound annual growth rate of 12 percent between 2009 and 2014, more than double the rate across

the rest of the region.

Polish traffic rose marginally in the first four months of 2015, while shipments across the Asia-Europe trade contracted by three percent. Poland's container traffic is still only around 20 percent of shipments to Germany, northern Europe's biggest market for Asian products. But its rapid growth has seen Poland's share of the market rise from around 3.2 percent in 2009 to 4.4 percent in the first five months of 2015.

The surge in container traffic is linked to the growing calls at the DCT Gdansk terminal, launched in mid-2007, initially for feeder services. The terminal's growth took off at the beginning of 2010 after it was added to Maersk's AE10 Asia-Europe loop which employed 8,000 TEU ships. Growth quickened when the service upgraded to 15,500 TEU vessels in mid-2011 and accelerated when the Danish carrier deployed its 18,270 TEU Triple-E ships in August 2013.

Gdansk overtook Gdynia as Poland's largest container port at the end of 2010, and the DCT Terminal passed the one million TEUs milestone in 2013. Work began on a second terminal — 2T — which will raise annual capacity to three million TEU when the first phase is completed in the second half of 2016.

Poland is set to increase its share of the Asia-Europe container trade and attract more deep-sea services as its economy outpaces other European nations, Drewry forecasts. New infrastructure improvements such as DCT Gdansk's T2 terminal will help the country to become a major rival to German, Dutch and Belgian ports as a transshipment hub for Central Europe and beyond.

## Coral bleaching threat increasing in western Atlantic and Pacific oceans

As unusually warm ocean temperatures cover the north Pacific, equatorial Pacific and western Atlantic oceans, National Oceanic and Atmospheric Administration (NOAA) scientists expect greater bleaching of corals on Northern Hemisphere reefs through October, potentially leading to the death of corals over a wide area and affecting the long-term supply of fish and shellfish. While corals can recover from mild bleaching, severe or long-term bleaching kills corals. Even if corals recover, they are more susceptible to disease.

Once corals die, it usually takes decades for the reef to recover — but recovery is only possible if the reefs are undisturbed. After corals die, reefs degrade and the structures corals build are eroded away, providing less shoreline protection and fewer habitats for fish and shellfish.

Earlier this year, NOAA's Coral Reef Watch four-month Coral Bleaching Outlook accurately predicted coral bleaching in the South Pacific, including the Solomon Islands, Papua New Guinea, Nauru, Fiji and American Samoa. It also recently predicted the coral bleaching in the Indian Ocean, including the British Indian

Ocean Territory and the Maldives.

Coral bleaching occurs when corals are stressed by changes in environmental conditions such as temperature, light or nutrients. The coral expels the symbiotic algae living in its tissue, causing the tissue to turn white or pale. Without the algae, the coral loses its major source of food and is more susceptible to disease. Scientists note, however, that only high temperatures can cause bleaching over wide areas like those seen since 2014.

In fall 2014, Hawaii saw widespread coral bleaching for the first time since 1996. If corals in Hawaii bleach again this year, it would be the first time it happened in consecutive years in the archipelago.

Warmer ocean temperatures in 2014 also dealt a blow to coral nurseries in the Florida Keys, where scientists are growing threatened coral species to transplant onto local reefs. Coral reefs in Florida and the Caribbean have weathered repeated and worsening coral bleaching events for the past thirty years. The NOAA Coral Reef Watch monitoring team says that more bleaching so soon could spell disaster for corals that have yet to recover from last year's stress.

## Sea level likely to rise by 20 feet around the globe

Researchers have revealed through a new study that chances are high for sea levels to rise by 20 feet around the globe, regardless of human actions to deal with the problem. University of Florida researchers made efforts to look into possible rise in sea level due to global warming and climate change.

The researchers analyzed the past geological history of earth, finding that sea levels rose by around 20 feet when temperatures reached near or went above modern day global averages. The researchers chose a low-lying state area for the study as it was believed to be most affected by rising sea levels.

The process for sea level rise examined by the researchers took place in climates just 1.8 to 5.4 degrees Fahrenheit warmer than our modern age. Melting ice reservoirs in Greenland and on Antarctica contributed the most to this rise

in sea level, said the researchers.

The researchers expressed worries over likelihood of the same effect in our modern age. "As the planet warms, the poles warm even faster, raising important questions about how ice sheets in Greenland and Antarctica will respond. While this amount of sea-level rise will not happen overnight, it is sobering to realize how sensitive the polar ice sheets are to temperatures that we are on path to reach within decades", said Andrea Dutton, a geochemist with the University of Florida.

A meeting will be hosted at the end of 2015 in Paris, where nations world over will collectively decide actions required to limit the rise of global temperatures by the end of the century. Further studies will help determine how melting of ice sheets near the poles happened during historic periods of warming.

## FMC staff report on U.S. port congestion released

At its June meeting, the Federal Maritime Commission voted to release a staff report entitled U.S. Container Port Congestion & Related International Supply Chain Issues: Causes, Consequences & Challenges. The report organizes and further develops stakeholder discussion around six major themes that emerged at the 2014 FMC Port Forums held at major gateway ports — investment and planning; chassis availability and related issues; vessel and terminal operations; port drayage and truck turn-time; extended gate hours, PierPASS and congestion pricing; and collaboration and communication.

These forums provided a unique opportunity for industry stakeholders to gather around the country to share their views on the causes, consequences and challenges surrounding congestion at ports and other parts of the intermodal system, as well as share ideas for possible solutions. The report addresses cur-

rent and anticipated future challenges caused by congestion at U.S. port gateways, and comments on the causes and effects of congestion with the objective of facilitating further discussion on potential solutions.

Chairman Cordero stated: "International trade relies on our nation's ports, therefore port congestion is a paramount question at the international supply chain level, and is not a solely domestic concern. In July 2014, President Obama moved the Build America Investment initiative forward. Inclusive in the initiative was the need for investment in our ports. In line with the Administration, the Commission is committed to addressing the question of congestion at our vital port gateways. Infrastructure investment is at the core of the discussion, however, other factors must be addressed in the near term to ensure an efficient and reliable international ocean transportation system and the relevant supply chain."

## 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 [mfow.org](http://mfow.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 RPFEW 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 four-day 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.

August 24-27

#### Endorsement Upgrading

##### 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.

August 10-September 4

September 14-October 9

October 19–November 13

##### QMED-Electrician/Refrigerating Engineer

In accordance with the 2010 Manila Amendments and NVIC 02-14, the QMED Electrician and QMED Refrigeration Engineer have been combined into the new QMED Electrician/Refrigerating Engineer endorsement. This six-week (240 hour) course will satisfy the training and examination requirements of 46 CFR 12.15-9 for the General Safety and Electrician modules, provided that all other requirements, including sea service, are also met. **Prerequisites:** Minimum of one year of sea time with the Marine Firemen's Union PLUS the Junior Engineer endorsement and RPFEW.

August 24-October 2

October 5-November 13

#### STCW-Basic Training Refresher

This three-day Refresher course consists of the 4 modules required for the STCW endorsement in Basic Training: Personal Safety and Social Responsibility, Basic Firefighting, Personal Survival, Basic First Aid/CPR/AED. Mariners successfully completing this course will satisfy the requirements of 46 CFR 11-202(b) for the minimum standard of competence for Basic Safety Training, *provided they have been previously certified per Section VI/I of the STCW Code.*

TRL, San Diego, CA: August 11-13, September 1-3

Compass Courses, Edmonds, WA:

August 25-27, September 29-October 1

## 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.

## 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

# Jones Act falsely blamed

*Continued from page one*

of the equipment our military needs is best moved by water. The domestic oceangoing fleet represents 36 percent of all U.S.-flag commercial container-ships, 35 percent of all U.S.-flag roll on/roll off ships, and 90 percent of all U.S.-flag product tankers.

Vessels for domestic waterborne commerce represent 35 percent of all U.S. commercial shipbuilding. This helps maintain the skills and shipyard capacity needed to build and repair military vessels. Nine out of 10 American professional mariners work in the domestic trades.

Our American commercial armada is as diverse as the nation it serves, with more than 40,000 vessels engaged in domestic waterborne commerce. Over \$30 billion has been invested in the domestic fleet and contributes more than \$100 billion to the nation's domestic economy annually.

Enhanced safety and security are two of primary benefits that result from America's long-standing policies on domestic waterborne commerce. U.S.-flag vessels are built and operated to the world's highest safety standards and no other nation sets a higher standard for mariner credentials.

Shipping companies that move cargo between U.S. ports receive no direct subsidies from the government. Compared to foreign companies that receive direct subsidies from their respective governments, U.S. companies in the domestic trades succeed on their merits in the marketplace where competition is fierce. Equal application of U.S. cabotage laws ensures a level playing field, while encouraging both competition and new innovations.

**The Jones Act** — The Jones Act is critical to the military strategy of the United States, which relies on the use of U.S. flag ships and crews and the availability of a shipyard industrial base to support national defense needs. The domestic American maritime industry strengthens U.S. national security at zero cost to the federal government. The domestic maritime fleet provides capacity and manpower that the armed forces can draw upon to support U.S. military operations. American ships, crews to man them, ship construction and repair yards, intermodal equipment, terminals, cargo tracking systems, and other infrastructure are available to the U.S. military at a moment's notice in times of war, national emergency, or even in peacetime.

The Jones Act ensures a strong and vibrant maritime industry, which helps ensure the United States maintains its expertise in shipbuilding and waterborne transportation. Without American maritime, the U.S. would be de-

pendent on foreign owned and flagged vessels for the transport of waterborne commerce in and around the country.

The Jones Act is also critical to our country's economic security. The 40,000 Jones Act vessels operating in the domestic trades support nearly 500,000 American jobs and almost \$100 billion in annual economic impact. An impressive five indirect jobs are created for every one direct maritime job, which results in more than \$28 billion in labor compensation. The industry moves close to 888 million tons of cargo every year, which plays an important role in relieving congestion on the nation's crowded roads and railways.

The nation's domestic shipbuilders, which are a key part of America's maritime industry, delivered more than 1,200 vessels in 2012, which represented more than \$20 billion in domestic investments. In 2013, U.S. shipyards entered into contracts for hundreds of new vessels, including the construction of state of the art oil tankers and first in the world LNG powered containerships. U.S. shipyards are also leading the way in innovation with the construction of offshore oil and gas support and dynamic positioning vessels.

Moreover, the Jones Act ensures that the vessels navigating our coastal and inland waterways abide by U.S. laws and operate under the oversight of the U.S. government. As was noted by the Lexington Institute in a 2011 report, "Were the Jones Act not in existence, DHS would be confronted by the difficult and very costly task of monitoring, regulating and overseeing all foreign-controlled, foreign-crewed vessels in internal U.S. waters."

**Economic Security** — From the earliest days of our nation, shipping has been the key to America's economic strength and security. Today, the maritime industry is by and large the most economically sound form of domestic transportation, moving almost 1 billion tons of cargo annually at a fraction of the cost of other modes. Critical U.S. industries depend on the efficiencies and economies of domestic maritime transportation to move raw materials and other critical commodities.

America's domestic maritime industry is responsible for almost 500,000 jobs and nearly \$100 billion in annual economic output, according to a recent study conducted by PricewaterhouseCoopers for the Transportation Institute. Labor compensation associated with the domestic fleet exceeds \$29 billion annually, with those wages spent in virtually every corner of the United States. The American domestic fleet, with more than 40,000 vessels, is truly the envy of the world. For every direct job in in American maritime, the industry is re-

sponsible for nearly five indirect jobs elsewhere in the U.S. economy.

The size and scope of the domestic maritime industry is staggering, yet often overlooked. American maritime:

- Moves almost 1 billion-plus tons of cargo annually, with a market value of \$400 billion;
- Transports more than 100 million passengers annually ride ferries and excursion boats;
- 74,000 jobs on vessels and at shipyards;
- Sustains nearly 500,000 jobs in total;
- Produces nearly \$100 billion in annual economic output;
- \$29 billion in annual wages spent in virtually every community in the United States;
- \$11 billion in taxes per annum; and
- \$46 billion added to the value of U.S. economic output each year.

Major cargos in the domestic trades include:

- Grain, coal, and other dry-bulk cargos and crude and petroleum via inland rivers;
- Iron ore, limestone, and coal across the Great Lakes;
- Refined petroleum products along the East and Gulf coasts;
- Supplies for offshore operations in the Gulf of Mexico; and
- Merchandise and construction materials to and from Alaska, Hawaii, Puerto Rico and Guam.

America's domestic trades have been the birthplace of innovations that transformed waterborne commerce worldwide:

- Containerships;
- Self-unloading vessels;
- Articulated tug-barges;
- Trailer barges;
- Chemical parcel tankers;
- Railroad-on-barge carfloats; and
- River flotilla towing systems.

Members of the domestic maritime industry are also at the forefront of developing the infrastructure necessary to move liquefied natural gas (LNG) as a cargo and to utilize LNG as a source of propulsion.

**Homeland Security** — America's homeland security depends on secure domestic waterways. Our national security is enhanced by requirements that domestic commerce be conducted on American vessels in full compliance with U.S. laws and under the consistent oversight of the U.S. government.

Today, agencies such as Customs, Immigration, Homeland Security and others scrutinize foreign ships entering U.S. harbors. There is considerable uncertainty about what laws would apply if these foreign vessels were allowed into our domestic trades. Monitoring, regulating and overseeing potentially tens of thousands of foreign-controlled and foreign-crewed vessels operating in domestic U.S. commerce would be a daunting task.

It takes a small army of customs agents, immigration services officials,

homeland security staff and other personnel to regulate foreign ships that enter and exit the U.S. in international trade — even within the carefully controlled structure of U.S. ports. However, there is no precedent for allowing foreign-controlled ships operated by foreign crews to move freely throughout the tens of thousands of miles of America's navigational "bloodstream." Our inland lakes, rivers and waterways lead to virtually every corner of the nation. Without American maritime, the U.S. would be completely dependent on foreign-owned and flagged vessels for the transport of all waterborne commerce into and out of the country.

As America works to secure its borders, it must also secure its waterways. National security is enhanced by the requirement for American vessels operated by American crews and owned by American companies. American mariners act as the eyes and ears of our government enforcement agencies and help maintain the security of our inland and coastal waterways. The Jones Act is as effective a homeland security measure as any federal agency could ever implement and enforce. Repeal or modification of this key domestic maritime law would make America more vulnerable and less secure.

**National Security** — A strong and vibrant maritime industry helps ensure the United States maintains its expertise in shipbuilding and waterborne transportation. A cautionary lesson surrounds Great Britain, which has seen its maritime industry outsourced and the global influence of its naval forces drastically reduced. The U.S. Department of Defense recognizes the importance of maintaining a strong domestic shipbuilding industry to keep our nation safe and secure.

*"We believe that the ability of the nation to build and maintain a U.S.-flag fleet is in the national interest, and we also believe it is in the interest of the DoD for U.S. shipbuilders to maintain a construction capability for commercial vessels."*

A study by the U.S. Department of Commerce, Bureau of Export Administration, reached a similar conclusion:

- The U.S. shipbuilding and repair industry is a strategic asset analogous to the aerospace, computer and electronic industries.
- Frontline warships and support vessels are vital for maintaining America's national security and for protecting interests abroad.
- In emergency situations, America's cargo carrying capacity is indispensable for moving troops and supplies to areas of conflict overseas.
- A domestic capability to produce and repair warships, support vessels and commercial vessels is not only a strategic asset but also fundamental to national security.

## Port of Los Angeles expands commitment to zero emissions technologies

The Port of Los Angeles has issued a draft white paper on zero emission technology that details the port's testing of zero emissions technology to date, and its proposed near-term plan for encouraging zero emission technology use in maritime goods movement, particularly as it relates to drayage trucks and yard tractors. By 2020, the port plans to facilitate testing and development of up to 200 zero emission vehicles.

Developed by the port's environmental management team, the draft white paper outlines next steps regarding current and planned zero emission demon-

stration projects. It also includes recommendations for zero emission-related infrastructure planning, as well as strategies for pursuing local, state and federal funding for near-term zero emission equipment testing and for long-term capital investments and operations.

The port is seeking public input and comment before finalizing the document. To gather public input and suggestions, the port will host a public workshop on July 29 at 3 p.m. at Banning's Landing Community Center. The port will be accepting public comment through August 7, 2015.

### Benefits paid during June

#### Death Benefits

Jose A. Vasquez, P-2643 \$1,500.00

#### Burial Benefits

Chang Kim, P-2391 \$1,000.00

Paul Louridas, P-1397 \$1,000.00

Jose A. Vasquez, P-2643 \$1,000.00

\$3,000.00

**Excess Medical** \$4,657.19

**Glasses and Examinations** \$400.00

### Regular membership meeting dates 2015

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)

# HONOLULU NOTES

In June, Honolulu dispatched 37 jobs: three Day Juniors, two Oilers, 14 Standby Electrician/Reefers and 18 Standby Wipers. The steady jobs were filled by four "A" cards and one "C" card. The standby jobs were filled by 12 "A" cards, two "B" cards, 12 "C" cards and six applicants. Honolulu has 22 members registered to work: 13 in Class "A", none in Class "B" and nine in Class "C".

Brother Steve Petritz showed me this article from *The Marine Fireman* paper of 1951 that talks about those members that don't want to pay their way.

The Free Rider's Creed  
Composer unknown

*The dues-paying union member is my shepherd; I shall not want. He provideth me with paid holidays and vacations. So I may lie down in green pastures beside the still water. He restoreth my back pay; He guideth my welfare without cost to me, even though I stray*

*in the paths of unrighteousness — for my money's sake. Yea, though I alibi and pay no dues from generation to generation, I fear no evil, for he pays my way and protecteth me. The working conditions he provideth, they comfort me. He anointeth my head with the oil of seniority. He solaces my soul with a contract that protecteth my salary and provideth me with merit increases. He fighteth my battles for pay raises and, even more, he speaketh strongly for my rights. Yea, my cup runneth over with gratitude. Surely, his goodness and loving kindness shall follow me all the days of my life — free of cost. And I shall dwell in the union house he hath built forever — and allow him to pay the bill. Amen.*

If you want to be a union member, then be every bit a union member.

Mahalo,  
**Mario Higa,**  
Port Agent

## HOWZ SHIPPING

June 2015

San Francisco		Wilmington	
Chief Electrician.....	1	Chief Electrician.....	1
Reefer/Electrician.....	1	Electrician/Reefer/Jr. Engineer.....	4
Junior Engineer (Day).....	1	Reefer/Electrician/Jr. Engineer.....	1
Junior Engineer (Watch).....	3	Junior Engineer (Day).....	3
Oiler.....	4	Oiler.....	2
Wiper.....	4	Wiper.....	2
Standby Wiper.....	14	Shore Mechanic.....	3
Standby Electrician/Reefer.....	5	Standby Wiper.....	19
<b>TOTAL.....</b>	<b>33</b>	Standby Electrician/Reefer.....	15
		<b>TOTAL.....</b>	<b>50</b>
Seattle		Honolulu	
Electrician/Reefer/Jr. Engineer.....	1	Junior Engineer (Day).....	3
Reefer/Electrician.....	1	Oiler.....	2
Reefer/Electrician/Jr. Engineer.....	1	Standby Wiper.....	18
Junior Engineer (Day).....	1	Standby Electrician/Reefer.....	14
Junior Engineer (Watch).....	1	<b>TOTAL.....</b>	<b>37</b>
Oiler.....	1		
Standby Electrician/Reefer.....	1		
<b>TOTAL.....</b>	<b>7</b>		

## HONOR ROLL

### Voluntary donations to General Treasury — June 2015:

Bonny Coloma, P-2763.....	\$25.00+	Ben O'Donnell, #3642.....	\$20.00
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+dues-paying pensioner

### Dues Paying Pensioners — 2nd Quarter 2015:

Roy Ashe, #3749 (P-2684)	Pensioned 1/1/08	San Francisco
Norval Ayers, #3440 (P-2665)	Pensioned 9/1/04	San Francisco
Solomon W. Ayoob, #1293 (P-2593)	Pensioned 4/1/01	Wilmington
Kinzer Beavers, #3532 (P-2677)	Pensioned 5/1/07	Seattle
Roger Brucks, #3468 (P-2758)	Pensioned 6/1/14	San Francisco
Robert Bugarin, #3505 (P-2756)	Pensioned 4/1/14	Wilmington
Steven Callahan, #3558 (P-2686)	Pensioned 9/1/08	Seattle
Michael Carr, #3550 (P-2718)	Pensioned 5/1/11	Seattle
Bonny Coloma, #3537 (P-2763)	Pensioned 11/1/14	Honolulu
John Daly, #3527 (P-2626)	Pensioned 1/1/99	San Francisco
Anthony De La Rosa, #3496 (P-2753)	Pensioned 1/1/14	San Francisco
Armando De Los Reyes, #2231 (P-2541)	Pensioned 4/1/93	San Francisco
Henry Disley, #2147 (P-2617)	Pensioned 4/1/05	San Francisco
Donald Feehan, #3344 (P-2589)	Pensioned 11/1/95	San Francisco
Daniel Fierro, #3336 (P-2653)	Pensioned 7/1/01	San Francisco
Richard Hammer, #3674 (P-2709)	Pensioned 4/1/10	Seattle
Marvin Honig, #1765 (P-2582)	Pensioned 4/1/95	San Francisco
Robert L. Iwata, #1994 (P-2669)	Pensioned 4/1/05	San Francisco
Joseph Lategano, #3470 (P-2749)	Pensioned 10/1/13	San Francisco
Joel E. McCrum, #1126 (P-2536)	Pensioned 3/1/93	San Francisco
Kenneth F. O'Brien, #1108 (P-2506)	Pensioned 10/1/91	San Francisco
William OBrien, #3552 (P-2755)	Pensioned 4/1/14	San Francisco
Anthony Roberts, #3540 (P-2694)	Pensioned 4/1/09	San Francisco
Joe Rubio, #3697 (P-2757)	Pensioned 4/1/14	San Francisco
Charles Stahl, #3821 (P-2726)	Pensioned 12/1/11	Seattle
James F. Upchurch, #3455 (P-2666)	Pensioned 11/1/04	San Francisco

# WILMINGTON NOTES

We dispatched 50 jobs here total for the month of June. There were three PCS, four APL and six Matson shipboard jobs, and three one-year jobs at the APL shoregang. The rest were standby or relief jobs. Of these, four Standby Wiper jobs and one shipboard job were filled by applicants. All other jobs were filled by MFOW registrants here at Wilmington, with the exception the *MV APL Belgium* Reefer/Electrician/Junior job that went open. We have 17 A-, seven B- and 25 C-seniority members registered.

I made all the ships this month, except the *MV Mahimahi* once. Ship pay-offs and numerous beefs came in. Some were settled on arrival, while grievances were filed for the rest.

Please read and learn your contract, guys. A few guys left their quarters on-board dirty for the new guy. It is not the responsibility of the Master or the Chief Engineer to see if the room is left clean. They are too busy in port for that. Make sure that there is a delegate who is elected by the members onboard, and inform the Department Head who he is.

I attended the local Maritime Trades Department meeting at the SIU hall and

the bi-weekly Labor Day March meetings at our hall.

As published in the June issue, the *SS Lane Victory* was a host for quite a few people for its 70th year service. I wonder if this ship will outlive me. It just might. I really want to get involved in this ship, but I cannot seem to find the time. It is an excellent training ship; a few members and applicants have been spending some time onboard and it will pay off in the long run for them.

For your information, guys, I was never in the Navy. I came up the fo'c's'le and learned most of our job duties on the job, from old timers, family and friends, almost all in a better place now. I encourage all of you to advance a quickly as possible and, if you are not working OT, then use that valuable time to hang out with the higher rating and see if you can pick up a thing or two. Hopefully some of you will advance to a licensed rating.

In closing, I would like to thank all the members who filled the available billets.

Thanks,  
**Sonny Gage,**  
Port Agent

# SEATTLE NOTES

We shipped the following jobs in the month of June: one Electrician/Reefer/Junior, one Reefer/Electrician/Junior, one Reefer/Electrician, one Junior Engineer (Watch), one Junior Engineer (Day), one Oiler and one Standby Reefer. We currently have 13 A-, four B- and 11 C-seniority members registered for shipping.

The Matson vessels *MV Manoa* and *SS Kauai* each called twice in Seattle with little or no problems. The APL vessels *MV APL Philippines*, *MV APL Cyprine* and *MV APL Korea* called for MFOW or SUP crew replacements.

The Patriot Contract Services-operated vessels *USNS Soderman*, *USNS Watkins*, *USNS Shughart* and *USNS Martin* also called for MFOW or SUP crew replacements

I attended the King County Labor Council Executive Board and Delegates meetings, the Washington State Maritime Federation meeting and the Seattle Marine Business Coalition meeting.

Fraternally,  
**Vince O'Halloran,**  
Representative

## MFOW member pensioned

Name	Book No.	Pension Type	Sea Time	Effective
Thomas O'Neal	3546	MFOW/SIU-PD Basic	31.760	7/1/2015

## POLITICAL ACTION FUND

Voluntary donations for June 2015:	
Greg Marshall, JM-5126.....	\$50.00
Marcos Almazan, JM-4933.....	\$100.00
Sol Ayoob, P-2593.....	\$50.00
Vicente Cacacho, #3828.....	\$30.00
Bonny Coloma, P-2763.....	\$25.00
Kevin Mueller, #3698.....	\$50.00
Ahmed Munassar, JM-5209.....	\$30.00
Jerry Pernar, P-2150.....	\$25.00
Kim Varnau, JM-5192.....	\$100.00

## MARINE FIREMAN SUBSCRIPTIONS, H&B 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

Pensioners' Hospital & Burial \$6.00

Voluntary Political Action Fund Donation  \$\_\_\_\_\_

Please make checks payable to: MARINE FIREMEN'S UNION  
Address envelope to: 240 Second Street, San Francisco, CA 94105