



# THE MARINE FIREMAN

Official Organ of the Pacific Coast Marine Firemen, Oilers, Watertenders and Wipers Association



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No. 5

## Matson announces first quarter earnings, updates 2016 outlook

On May 4, Matson, Inc. reported net income of \$18.1 million for the quarter ended March 31, 2016. Net income for the quarter ended March 31, 2015 was \$25.0 million. Consolidated revenue for the first quarter 2016 was \$454.2 million compared with \$398.2 million reported for the first quarter 2015.

Matt Cox, Matson's president and chief executive officer, commented, "Our core businesses performed largely as expected in the first quarter, with operating results declining year-over-year in the absence of last year's extraordinarily strong demand for our China service. Market conditions in the China trade have deteriorated further in 2016 as international ocean carriers have continued to lower rates in an attempt to attract cargo in this heavily over-supplied trade lane. This dynamic has spilled over into the annual contracting cycle with freight rates being offered at historically low levels. Despite this downward pressure on Matson's freight rates, we expect to continue to earn a substantial rate premium, and given our dual-headhaul route structure, we expect our China service to remain solidly profitable."

Mr. Cox added, "While these challenging dynamics in China will weigh on our 2016 results, we continue to see solid fundamentals and performance in our other core trade lanes, and also SSAT and Logistics. In Hawaii, where we recently deployed an 11th ship, we expect to benefit from continued market growth and a stronger market position. Our integration activities in Alaska are progressing well, and are on track to be complete by the end of the third quarter. Overall, we remain confident that our businesses will continue to generate strong cash flows to fund our fleet renewal program, invest in equipment, and pursue growth investments, while continuing to return capital to shareholders."

**Ocean Transportation** - In the first quarter 2016, the company's Hawaii service achieved 8.4 percent container volume growth compared to the first quarter 2015, the result of competitive gains and modest market growth. The company believes that the Hawaii economy is healthy and expects construction activity to be a primary driver of mar-

ket growth. For the full year 2016, the company continues to expect its Hawaii container volume to be moderately higher than 2015 with substantially all of the relative increase occurring in the first half of 2016.

In China, the company's container volume in the first quarter 2016 was 18.1 percent lower year-over-year due to the absence of the exceptionally high demand experienced in the first quarter 2015 during the U.S. West Coast labor disruptions and continued market softness amid a slower than normal post-lunar new year recovery. The company continued to realize a sizeable rate premium for its expedited service in the first quarter 2016, but as expected, average freight rates were significantly lower than the first quarter 2015. For the remainder of 2016, the company expects increasingly challenging market conditions in the transpacific trade with underlying market rates at historic lows amid chronic over-capacity. As a result, the company expects its China rates to trend lower than the declines factored into its previous outlook.

In Guam, a new competitor launched its bi-weekly U.S.-flag containership service at the beginning of the first quarter 2016, resulting in modest competitive volume losses for the company compared to the first quarter 2015. For the full year 2016, the company expects to experience continued modest competitive volume losses to this new service.

In Alaska, the company's container volume for the first quarter 2016 approximated the level carried by Horizon Lines in the first quarter 2015, primarily due to muted economic activity. For the full year 2016, the company expects Alaska volume to be modestly lower than the total 67,300 containers carried by Horizon and Matson in 2015.

For the full year 2016, the company's terminal joint venture, SSAT, is expected to contribute modestly lower profits than the \$16.5 million contributed in 2015, primarily due to the absence of factors related to the clearing of international cargo backlog in the first half of 2015 that resulted from the U.S. West Coast labor disruptions.

As a result, the company expects full year 2016 ocean transportation operating income to be approximately 15 to

20 percent lower than the \$187.8 million achieved in 2015. In the second quarter 2016, the company expects operating income to approximate the second quarter 2015 level of \$31.4 million, which was negatively impacted by \$13.5 million of additional selling, general and administrative expenses related to the company's acquisition of Horizon Lines in excess of the company's incremental run-rate target and by \$11.4 million of costs related to the company's settlement with the State of Hawaii.

**Logistics** — The company expects 2016 operating income to modestly exceed the 2015 level of \$8.5 million, driven by volume growth and continued expense control.

**Interest Expense** — The company

expects its interest expense in 2016 to be approximately \$19.0 million.

**Income Tax Expense** — The company expects its effective tax rate for the full year 2016 to be approximately 39.0 percent.

**Capital Spending and Vessel Dredging** — In the first quarter 2016, the company made maintenance capital expenditures of \$30.6 million and dry-docking payments of \$13.2 million. For the full year 2016, the company expects to make maintenance capital expenditures of approximately \$65 million, scheduled new vessel construction progress payments of \$67.2 million, and dry-docking payments of approximately \$60 million. For the full year 2016,

*Continued on page 2*

## Commission approves merger between CMA CGM and NOL

The European Commission has cleared under the EU merger regulation the proposed acquisition of Neptune Oriental Lines (NOL) of Singapore by rival CMA CGM, a French shipping company with worldwide activities. The clearance is conditional upon NOL leaving the G6 liner shipping alliance.

The transaction leads to the combination of two competitors in the container liner shipping business. Like many other carriers, CMA CGM and NOL offer their services on many trade routes mainly through cooperation agreements with other shipping companies known as consortia. Consortia with the same members operating across several trade routes are often grouped into alliances. CMA CGM is a founding member of the Ocean Three Alliance (O3), whereas NOL is currently a member of the G6 Alliance.

The commission examined the effects of the merger on competition for container liner shipping services on 17 trade routes connecting Europe with the Americas, the Middle East, the Indian Subcontinent, the Far East, as well as Australasia & Oceania.

Consortia members decide on capacity setting, scheduling and the list of ports of call, which are all important parameters of competition. The commission found that the merger, as initially notified, would have created new links between previously unconnected consortia in the O3 and G6 alliances. The commission had concerns that these potential new links would have resulted in anti-competitive effects on two trade routes between Northern Europe and North America, and between Northern Europe and the Middle East. On these routes, competition from liner shippers who have no connection with the merged entity or its alliance partners would have been insufficient. As a result, the transaction could have enabled the merged entity, through the consortia that the two companies belong to, to influence capacity and therefore prices to the detriment of shippers and consumers for a very large part of those markets.

The transaction would also create limited vertical links, arising from CGM CMA's activity in container terminal

services, which may be required by container liner shipping companies. However, the commission found no competition concerns in this area because of the companies' limited market share in most upstream markets and the small increment brought about by the transaction on the downstream markets.

In order to address these concerns, the companies offered to make the transaction contingent upon the removal of the link that would have been created between CMA CGM's O3 Alliance and NOL's G6 Alliance. Although CMA CGM had previously stated publicly that it intended to remove NOL from the G6 alliance, the formal commitment to do so was necessary to remove the risk of anti-competitive effects on the two trade routes described above.

Although NOL will continue to operate for G6 until March 31, 2017, to guarantee an orderly exit, the commitments foresee that a trustee will ensure that no anti-competitive information is shared between the alliance and the merged entity during that remaining period. This will eliminate the potential additional links between previously unrelated consortia that the merger would have created on the two routes.

In view of the remedies proposed, the commission concluded that the proposed transaction, as modified, would no longer raise competition concerns. The decision is conditional upon full compliance with the commitments.

## SF students learn about maritime careers



On April 14, San Francisco Unified School District teacher Virginia Marshall and students from two San Francisco high schools, Flex Academy and CARE/YMCA Bayview, visited MFOW Headquarters to learn about careers as merchant mariners. Rank-and-file members Vincent Marshall, JM-5081; Chris James, JM-5065; and San Francisco Business Agent Bobby Baca gave the presentation and answered questions.

### Halls to close

**Memorial Day** — All MFOW hiring halls will be closed on Monday, May 30, 2016, in observance of Memorial Day, which is a contract holiday.

**Kamehameha Day** — The halls will also be closed on Monday, June 13, 2016, in observance of Kamehameha Day (June 11), which is a contract holiday aboard all Matson intercoastal and offshore vessels and under the Matson Maintenance Agreement.

In Hawaiian ports only, for those members aboard the *ITB Moku Pahu*, Kamehameha Day will be observed in accordance with the ILWU Local 142 holiday observance. It is not a holiday at sea or in non-Hawaiian ports.

# The Marine Fireman

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## Port of Oakland exports rebounding

An export rebound continues at the Port of Oakland. The port said that containerized export volume increased seven percent last in April from a year ago. It was the fourth consecutive month of increases in Oakland.

The port reported that 2016 export volume is up 16.3 percent through April. This follows a 2015 decline that saw Oakland exports drop 11.5 percent. The port attributed export gains to a weaker dollar that makes U.S. goods more affordable overseas.

The port said it has shipped the equivalent of 300,000 20-foot equivalent unit (TEU) export containers so far this year. By comparison, it reported receiving the equivalent of 277,000 TEU. Most American ports handle more imports than exports.

Total cargo volume in Oakland — imports, exports and empty containers — declined 6.3 percent in April. That was due primarily to a near 30 percent drop in empty container shipments. For the year, Oakland's total cargo volume is up 11.3 percent.

### Port of Oakland's Top 10 Trading Partners by Tonnage — Imports (2015)

Country	Metric Tons	Percent Share
China	2,304,625	34.0
Taiwan	302,321	4.5
Thailand	297,497	4.4
Australia	268,966	4.0
Hong Kong	233,558	3.4
Italy	225,852	3.3
India	222,912	3.3
Vietnam	221,485	3.3
South Korea	189,989	2.8
Chile	178,541	2.6
Top 10 Total	4,445,746	65.6
All Others	2,331,938	34.4
Total	6,777,684	100.0

### Port of Oakland's Top 10 Trading Partners by Tonnage — Exports (2015)

Country	Metric Tons	Percent Share
China	2,566,240	32.4
Japan	849,702	12.5
South Korea	836,325	12.3
Hong Kong	591,249	8.7

Taiwan	568,961	8.4
Italy	169,146	2.5
United Kingdom	145,704	2.1
Thailand	122,507	1.8
Belgium	108,512	1.6
Germany	107,132	1.6
Top 10 Total	5,692,506	84.0
All Others	1,083,555	16.0
Total	6,776,061	100.0

### Port of Oakland's Top 10 Commodities by Tonnage — Containerized Imports — 2015

Commodity	Metric Tons	Percent Share
Beverages and Spirits	626,523	9.2
Miscellaneous	528,557	7.8
Furniture	477,171	7.0
Glass and Glassware	403,382	6.0
Plastics	247,902	3.7
Wood and Articles of Wood	235,636	3.5
Electrical Machinery	225,906	3.3
Preparations of Vegetables	222,470	3.3
Articles of Iron and Steel	222,406	3.3
Coffee, Tea and Spices	206,990	3.1
Top 10 Total	3,403,314	50.2
All Others	3,374,370	49.8
Total	6,777,684	100.0

### Port of Oakland's Top 10 Commodities by Tonnage — Containerized Exports — 2015

Commodity	Metric Tons	Percent Share
Wood Pulp	1,453,081	21.4
Edible Fruits and Nuts	799,296	11.8
Beverages and Spirits	438,357	6.5
Meats	369,978	5.5
Cereals	349,222	5.2
Oil Seeds and Oleaginous Fruits	301,290	4.4
Iron and Steel	286,943	4.2
Wood	281,973	4.2
Miscellaneous	258,661	3.8
Preparations of Vegetables	252,521	3.7
Top 10 Total	4,791,321	70.7
All Others	1,984,740	29.3
Total	6,776,061	100.0

## Matson announces first quarter earnings, updates 2016 outlook

Continued from page one

the company expects depreciation and amortization to total approximately \$133 million compared to \$105.8 million in 2015, inclusive of dry-docking amortization of approximately \$35.0 million expected in 2016 and \$23.1 million in 2015.

**Results** — Ocean transportation revenue increased \$60.6 million, or 19.8 percent, during the first quarter 2016 compared with the first quarter 2015. This increase was primarily due to the inclusion of revenue from the company's acquired Alaska service, higher container volume and yield in Hawaii, partially offset by lower container volume and freight rates in the company's China service and lower fuel surcharge revenue.

Alaska volume included in the company's first quarter results reflects the third full quarter of operations post-closing of the acquisition on May 29, 2015. On a year-over-year basis, Hawaii container volume increased by 8.4 percent due to competitive gains and mod-

est market growth; China volume was 18.1 percent lower due to the absence of the extraordinarily high demand experienced in the first quarter 2015 during the U.S. West Coast labor disruptions and continued market softness; and Guam volume decreased by 3.5 percent due primarily to competitive losses associated with the launch of a competitor's bi-weekly U.S. flagged container-ship service in January 2016.

Ocean transportation operating income decreased \$10.9 million, or 24.8 percent, during the first quarter 2016 compared with the first quarter 2015. The decrease was primarily due to lower freight rates and volume in the China service, increased depreciation and amortization expense, higher vessel operating expenses related to the deployment of an additional vessel in the Hawaii service, additional selling, general and administrative expenses related to the Alaska acquisition, and higher terminal handling expenses.

Partially offsetting these unfavorable items were higher container vol-

ume and yield improvements in Hawaii, and the inclusion of operating results from the company's acquired Alaska service.

The company's SSAT terminal joint venture investment contributed \$2.6 million during the first quarter 2016, compared to a \$3.4 million contribution in the first quarter 2015. The decrease was primarily attributable to modestly lower lift volume.

Logistics revenue decreased \$4.6 million, or 5.0 percent during the first quarter 2016 compared with the first quarter 2015. This decrease was primarily the result of lower fuel surcharge revenue, partially offset by higher intermodal volume.

Logistics operating income increased \$0.6 million, during the first quarter 2016 compared with the first quarter 2015, primarily due to higher intermodal volume, warehouse operating improvements and highway yield improvements, partially offset by higher G&A and lower intermodal yield.

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# MFOW PRESIDENT'S REPORT



By Anthony Poplawski

## MATSON NAVIGATOR

Early last month, Matson published a schedule which showed the *Matson Navigator* departing Oakland for Long Beach during the last week of April, then proceeding westbound to Honolulu with an arrival date of May 5. The schedule also indicated the vessel would be on the Long Beach-Honolulu route for several voyages.

On April 7, the MFOW and SUP sent a joint information request to the company for all information concerning the deployment of the ship in the Hawaii trade. Captain Jack Sullivan, the company's Vice President of Vessel Operations and Engineering, replied that they needed to expand capacity in the Hawaii trade from 10 to 11 ships, and the *Matson Navigator* would be deployed as the 11th ship.

On April 14, Sullivan stated to the unions that the *Matson Navigator* is a Horizon Lines LLC vessel and that the unlicensed engine and deck billets would be filled by an alternate workforce and not the MFOW and SUP.

On April 18, the unions met with legal counsel at MFOW Headquarters.

On April 19, the unions filed a grievance with the company "...in response to Matson's assignment of work in the Hawaii trade to non-bargaining-unit personnel in violation of Matson's collective bargaining agreement with the MFOW and SUP." The unions pointed out that the company's actions, if carried out, "...violate sections 1, 3(a), (b), (d), 5(a), (b), 33 and other applicable provisions of the General Rules of the collective bargaining agreement and are contrary to the parties' century-old practice of assigning work in the Hawaii trade to workers represented by the MFOW and SUP."

The unions demanded that the work be assigned to MFOW and SUP-represented workers without delay, and if the company refused to provide the requested relief, that the matter proceed to immediate grievance resolution under Section 10 of the General Rules. That same day, Sullivan requested that the unions' attorney contact the company's attorney to begin the arbitrator selection process for the arbitration demand in the grievance.

On April 22, the unions' attorney forwarded the names of two arbitrators to legal counsel for the company.

On April 25, the unions' legal counsel said that the company wanted to have the dispute heard without delay, and that they were considering the proposed arbitrators, but asked that the unions' legal counsel request an arbitrator panel from the Federal Mediation and Conciliation Service (FMCS). The FMCS request was made the same day.

## VICE PRESIDENT'S REPORT

There was a lot of activity here at Headquarters over the past month. Construction at 75 Hawthorne (behind the Headquarters parking lot) began in March, which impacted several parking spaces to the left rear of our Union hall and resulted in ongoing parking lot aggravations throughout the month of April.

Our annual port agent and trustees meetings were held on April 25 and 26. The meetings were very constructive; all officials had valuable input. A tip of the hat to brothers Joey Canlas, JM-5136; Richard Daspit, JM-4694; and Frank Selvidge, #3746 for covering the branch operations during that time.

Here is a vessel rundown:

**APLMS:** All vessels (*APL Philippines*, *APL China*, *APL Belgium*, *APL Korea* and *APL Singapore*) calling Oakland called for two Standby Wipers. We shipped one Day Junior to the *APL Belgium* after a one-trip quit. The ERJ's time was up on the *APL Korea*; job went

to Seattle. *APL Guam* – Shipped a non-seniority Day Junior for a quit; shipped an ERJ for a discharged with cause.

**Matson:** The *Maui*, which had been laid up since March 31, was reactivated on April 16 and headed to Seattle for sea trials on April 21. The schedule showed her laying up on May 8. We dispatched a Chief Electrician (time was up) to the *Matsonia*. The *Manoa* and *Mahimahi* were both in twice and are in the process of going on the northern triangle run. The *Kauai* has been running steady Oakland-Honolulu-Oakland since her breakout on March 22. The *Maunalei* was reactivated at Shandong drydock on April 29, and the *RJ Pfeiffer* was scheduled to enter dry dock on approximately May 10. The MFOW shall ship our two special project Electricians to again perform their "magic."

Respectfully,  
"Cajun" Callais  
Vice President

## BUSINESS AGENT'S REPORT

I performed routine property management and dispatch and registration duties at the hall. For the month of April, we dispatched the following jobs to Patriot Contract Services' (PCS) vessels: *USNS Soderman* – one Oiler to fly out to Saipan. *USNS Watson* – one Wiper fly out to Norfolk, Virginia.

*USNS Shughart* – crew released after 18 days; vessel in dry dock in Bayonne, New Jersey. Remember to check your documents and make sure everything is in order.

Fraternally,  
Bobby Baca  
San Francisco Business Agent

On April 26, the FMCS submitted a roster of nine arbitrators for consideration by the parties.

On April 29, the MFOW and SUP were informed by legal counsel that the company planned to give the unions a response regarding arbitrator selection on May 2.

## APL GUAM

As previously reported, on February 9 an arbitrator ruled that APL violated the contracts of the MFOW, SUP, MM&P and MEBA when the company improperly crewed up the *APL Guam* – a Maritime Security Program (MSP) replacement vessel – with labor from another source. The arbitrator issued a decision upholding the grievance filed by the unions.

Based on the arbitration award, APL removed the alternate officers and crew and replaced them with MFOW, SUP, MM&P and MEBA members.

The second part of the arbitration award involves back pay damages from the company to the unions covering the time period between the *APL Cyprine* crew lay-off to the manning of the *APL Guam*. After several weeks of negotiations, on April 29, the MFOW and SUP received a revised offer of back pay damages from the company.

For the MFOW, the company proposal is based on the contractual manning of the three QMED combination ratings (ERJ, REJ and DJU); the company would not agree to pay back pay damages for the optional Wiper. The revised proposal makes whole the MFOW and trust funds for 89 days' of wages and manday contributions to trust funds.

## PORT AGENTS' CONFERENCE AND BOT MEETING

On April 25, an MFOW Port Agents' conference was held at Headquarters. All elected officials of the union attended the conference, along with Seattle Port Serviced Representative Vince O'Halloran. Several topics were covered including financial assets of the union, hiring hall procedures, Shipping Rules and Constitution.

On April 26, the Annual MFOW Board of Trustees Meeting was held in the conference room at Headquarters. All trustees were present. The minutes of the meeting were posted in all hiring halls.

## MFOW Vessel Report

As of April 21, 2016

Vessel	Operator	Type	Built	Route or Location
<i>MT SLNC Pax</i>	PCS	Tanker	2008	Western Pacific
<i>MV Maunalei</i>	MNC	CV2500	2006	Nantong, China
<i>MV Manulani</i>	MNC	CV2600	2005	China – Long Beach Express
<i>MV Maunawili</i>	MNC	CV2600	2004	China – Long Beach Express
<i>MV Manukai</i>	MNC	CV2600	2003	China – Long Beach Express
<i>MV APL Belgium</i>	APL	Container	2002	Eagle Express Service (EX1)
<i>USNS Soderman</i>	PCS	LMSR	2002	Western Pacific
<i>MV APL Guam</i>	APL	Container	2001	Guam – Saipan Express (GSX)
<i>USNS Pomeroy</i>	PCS	LMSR	2001	Diego Garcia
<i>USNS Watkins</i>	PCS	LMSR	2001	Diego Garcia
<i>USNS Charlton</i>	PCS	LMSR	2000	Western Pacific
<i>USNS Red Cloud</i>	PCS	LMSR	2000	Caribbean Sea
<i>USNS Dahl</i>	PCS	LMSR	1999	Saipan
<i>USNS Sisler</i>	PCS	LMSR	1998	Diego Garcia
<i>USNS Watson</i>	PCS	LMSR	1998	Newport News, Virginia
<i>MV APL Coral</i>	APL	S-12	1998	Asia Subcontinent Express (AS1)
<i>MV APL Agate</i>	APL	S-12	1997	Asia Subcontinent Express (AS1)
<i>MV APL Philippines</i>	APL	C-11	1996	Eagle Express Service (EX1)
<i>MV APL China</i>	APL	C-11	1995	Eagle Express Service (EX1)
<i>MV APL Korea</i>	APL	C-11	1995	Eagle Express Service (EX1)
<i>MV APL Singapore</i>	APL	C-11	1995	Eagle Express Service (EX1)
<i>MV APL Thailand</i>	APL	C-11	1995	Eagle Express Service (EX1)
<i>USNS Waters</i>	PCS	Survey Ship	1993	Port Canaveral, Florida
<i>MV R.J. Pfeiffer</i>	MNC	Hawaii II	1992	China – Long Beach Express
<i>MV Cape Victory</i>	PCS	Ro/Ro	1984	Beaumont, Texas
<i>MV Cape Vincent</i>	PCS	Ro/Ro	1984	Beaumont, Texas
<i>MV Mahimahi</i>	MNC	C-9	1983	Pacific Northwest Triangle
<i>MV Mokihana</i>	MNC	C-9/Ro-Ro	1983	Long Beach – Honolulu
<i>MV Manoa</i>	MNC	C-9	1982	Pacific Northwest Triangle
<i>ITB Moku Pahu</i>	ASM	ITB	1982	Singapore
<i>USNS Shughart</i>	PCS	LMSR	1981	Violet, Louisiana
<i>USNS Yano</i>	PCS	LMSR	1981	Violet, Louisiana
<i>MV Cape Orlando</i>	PCS	Ro/Ro	1981	Alameda, California
<i>SS Kauai</i>	MNC	071 Class	1980	Pacific Northwest Triangle
<i>MV Cape Henry</i>	MNC	Ro/Ro	1979	Alameda, California
<i>MV Cape Horn</i>	MNC	Ro/Ro	1979	San Francisco, California
<i>MV Cape Hudson</i>	MNC	Ro/Ro	1979	San Francisco, California
<i>SS Maui</i>	MNC	071 Class	1978	Pacific Northwest Triangle
<i>SS Lurline</i>	MNC	Ro-Ro	1973	Seattle, Washington
<i>SS Matsonia</i>	MNC	Ro-Ro	1973	Oakland– Honolulu
<i>USNS Gordon</i>	PCS	LMSR	1972	Baltimore, Maryland
<i>USNS Gilliland</i>	PCS	LMSR	1972	Baltimore, Maryland
<i>SS Lihue</i>	MNC	C-8	1971	China – Long Beach Express
<i>GTS Callaghan</i>	PCS	Ro/Ro	1967	Alameda, California

In addition, under a Memorandum of Understanding between Patriot Contract Services and the MFOW, MFOW members may be dispatched to engine department ratings aboard the *USAV Condor*, *USAV Great Bridge*, *USAV Mystic* and *USAV Worthy* as a supplement to the existing Kwajalein Range Services crews.

APL	=	APL Marine Services – Rockville, Maryland
ASM	=	American Ship Management – Concord, California
MNC	=	Matson Navigation Company – Honolulu, Hawaii
PCS	=	Patriot Contract Services – Concord, California

# Marine Firemen's Union

## Regular Annual Board of Trustees Meeting

### April 26, 2016

Trustees Present: Anthony Poplawski, President/Secretary-Treasurer  
Ivy "Cajun" Callais, Vice President  
Harold "Sonny" Gage, Wilmington Port Agent  
Mario Higa, Honolulu Port Agent  
Scanlon Henneberry

President Poplawski called the meeting to order at 9 a.m. on Tuesday, April 26, 2016, in the Conference Room of the administrative offices at Headquarters. He pointed out that the annual Board of Trustees meeting is required under Article III, Section VIII of the Constitution to formulate policies for the good and welfare of the Union.

Folders were distributed to each trustee containing the meeting agenda, written report of the President/Secretary-Treasurer, and various financial statements of the Union, health and welfare fund, pension funds and training fund, and resolutions proposed by the rank-and-file membership.

The Trustees received a State of the Union report prepared by President Poplawski, including various financial reports, which showed in detail income and expenses for all funds over the last five years, as well as the income and expenses for 2015 related to the Headquarters property. The total combined assets of the Union as of December 31, 2015 amounted to \$2,536,309.

Poplawski stated that the Union's primary sources of income were work assessments, hiring hall contributions, rental income and union dues. He also reported that the general treasury balance as of December 31, 2015 was \$965,059 compared to a general treasury balance of \$897,810 at the end of 2014, which represent an increase in general treasury assets of seven and one-half percent.

According to the Treasurer's office records, as of December 31, 2015, the Union had a total of 417 active members (158 full book members and 259 junior members), 25 dues-paying pensioners and 167 non-dues paying regular pensioners.

Poplawski reported that the Union dispatched a total 1,768 jobs in 2015 under the master offshore, shore maintenance and government vessel agreements. The total included 528 seagoing billets, 49 shore maintenance jobs and 1,191 standby assignments.

The Trustees reviewed all recommendations submitted by Headquarters and branch agents. After extensive discussion, votes were taken by the Trustees and minutes of the meeting were posted in all hiring halls.

The 2016 Annual Board of Trustees meeting was adjourned with a recommendation that the full report of the Trustees be submitted at the May Headquarters and Branch meetings for membership approval.

Respectfully submitted,  
MFOW BOARD OF TRUSTEES

## State of the Union Report

By Anthony Poplawski, President/Secretary-Treasurer

In this State of the Union report, I will discuss all phases of the financial structure of the Union, jobs under contract and membership totals. In your folder you will find an agenda for these meetings, a copy of my written report, financial statements of the Union and documents regarding the pension, welfare and training funds. All of this information will relate to our discussion on ways and means of bettering the Union and general recommendations.

### FINANCIAL STRUCTURE

In your folder are the treasurer's Financial Reports for 2015, which show in detail income and expenses for all funds over the last five years, as well as the income and expenses for 2015 related to the Headquarters property. The total combined financial assets of the Union, as of December 31, 2015, amounted to \$2,536,309.

Our primary sources of income are work assessments, hiring hall contributions, rental income and union dues. Our largest expenses are union official and staff salaries, followed by union official and staff fringe benefit costs, ports serviced costs, and Headquarters property maintenance and repair.

#### General Treasury

The general treasury balance as of December 31, 2015 was \$965,059.

#### Strike Fund

By action of the membership, the strike fund is maintained at the level of \$1,500,000. Dodge & Cox continues to manage investment monies of the strike fund and general treasury in a prudent and conservative manner. U.S. Bank has been the custodian of the strike fund and general treasury monies since 2012.

#### Headquarters Property

In your folder is an annual income and expense report for the operation of the Headquarters property. For 2015, total income was \$166,938 and total expense was \$131,780.

Our tenants include the Communication Workers of America (CWA) Local 9410, the International Alliance of Theatrical Stage Employees (IATSE) Local 16, the MFOW Welfare Fund and the National Association of Broadcast Employees and Technicians (NABET) Local 59051. The last rental rate increase took place in 2002. Our tenants pay an additional monthly fee for janitorial expenses.

Exterior construction of the 222 Second Street skyscraper, directly northwest of the Headquarters property, is complete and the building tenant — LinkedIn — has moved into several floors. Interior outfitting of the building is ongoing.

The San Francisco Transit Center project — one block away from Headquarters — is still under construction. The Second Street Improvement Project has started. This will eventually reduce two lanes of motor vehicle traffic in each direction to one lane in order to create bicycle lanes from Market Street to the San Francisco Giants baseball stadium.

Major renovation of the 75 Hawthorne Street building — behind Headquarters — is ongoing. Also in the planning stages is a project to connect the Caltrain terminal at Fourth and King Streets to the new Transit Center via an underground rail beneath Second Street. However, this project may never happen due to funding problems.

Pensioner Antone Varize is our part-time morning custodian.

#### Annual Audit

Due to the retirement of our previous auditor, this year we engaged the audit firm of Miller Kaplan Arase LLP to perform the annual audit of the Union. The Union audit for the year ending December 31, 2015, has not been completed.

### TRUST FUNDS

#### SIU Pacific District Pension Plan

The SIU Pacific District Pension Plan statement of net assets available for benefits shows a total of \$100,919,857 at market value as of December 31, 2015. In 2015, the SIU Pacific District Unions negotiated a pension increase that raised the maximum long-term pension to \$2,075 per month for active participants who retired on or after

July 1, 2015. This increase was accompanied by a two percent cost-of-living increase for existing retirees at or beyond age 55 with at least 20 years of qualifying time. On January 1, 2016, as a result of contract negotiations, employers began making a \$10 per manday contribution to the plan.

#### MFOW Money Purchase Pension Plan

The MFOW Money Purchase Pension Plan (MPPP) statement of net assets available for benefits shows a total of \$36,770,607 as of December 31, 2015.

Ms. Peggy Artau is responsible for processing MPPP participant applications and forwarding them to the data processing office. Plan administration services have been performed by Benesys, Inc. since April 1, 2009.

#### MFOW Supplementary Pension Plan

The MFOW Supplementary Pension Plan statement of net assets available for benefits shows a balance of \$4,341,255 as of December 31, 2015. The maximum monthly benefit under the MFOW Supplementary Pension Plan is \$560, which became effective August 1, 2006.

Wright Investors Services manages the plan investment portfolio. Zenith Administrators has been performing the administrative and accounting duties of the plan since November 2001 in coordination with Ms. Peggy Artau, our vacation and pension analyst here at Headquarters.

#### MFOW Health and Welfare Fund

The MFOW Welfare Fund statement of assets available for plan benefits as of January 31, 2016, shows a total of \$6,004,598 in the Guaranteed Account; \$5,902,960 in Special Account #1; and \$1,917,167 in Special Account #2; for a grand total of \$13,824,725.

Our controller, Ms. Karen Mohr, continues to perform the accounting and administrative duties required to properly administer the plan under a reimbursement arrangement between the Welfare Fund and the Union. Ms. Kirsten Shaffer of Rael & Letson is the consultant for the MFOW Welfare Fund and reports quarterly on the status of our Welfare Fund contracts.

#### MFU Training Plan

The financial statement for the MFU Training Plan shows a fund balance of \$508,481 as of December 31, 2015. Our training coordinator, Ms. Sandra Serrano, processes member applications, enrolls members in the various training courses and arranges for tuition payments, transportation, lodging and subsistence reimbursements.

Our training provider, TRL Limited, has received course approval to conduct Rating Forming Part of an Engineering Watch (RFPEW) training and assessments at their facility in San Diego. In 2015, TRL also combined the Electrician and Refrigerating Engineer courses into a six-week Electrician/Reefer course to align with the new Coast Guard credentialing scheme.

#### MFU Joint Employment Committee

Ms. Sandra Serrano has performed the routine administrative and accounting duties for the Joint Employment Committee (JEC) since 2001. Similar to the reimbursement arrangement for the welfare and training plans, the Union is reimbursed \$55 a month from the JEC.

### UNION MEMBERSHIP

According to the Treasurer's office records, as of December 31, 2015, we had a total of 417 active members (158 full book members and 259 junior members), 25 dues-paying pensioners and 167 non-dues paying regular pensioners.

### SHIPS UNDER CONTRACT

In your folder is a Vessel Report, which lists existing vessels under contract. We currently have a total of 22 ships and 108 master contract billets under the offshore and shore maintenance agreements with APL Marine Services (APLMS) and Matson Navigation Company. The Union is also a signatory to several government vessel operating contracts with Patriot Contract Services and Matson Navigation Company.

*Continued on page 5*

Continued from page 4

**APLMS** — APLMS employs 27 MFOW members aboard 9 vessels, an additional 22 shore mechanics at the port of San Pedro, and standby shore support in Oakland and San Pedro. The APLMS Maritime Security Program (MSP) fleet consists of nine U.S.-flag container vessels. The nine MSP ships are the motor vessels *APL Agate*, *APL China*, *APL Coral*, *APL Guam*, *APL Korea*, *APL Pearl*, *APL Philippines*, *APL Singapore* and *APL Thailand*.

The duration for the master collective bargaining agreement with APLMS is October 1, 2015, through September 30, 2018. These agreements include the Offshore MSP Agreement and the Maintenance Agreement.

**American Ship Management** — ASM manages one vessel — the *ITB Moku Pahu*. The Special Bulk Agreement covering the *ITB Moku Pahu* was transferred from Matson to ASM in 2015. The agreement expires on June 30, 2017.

**Matson Navigation Company** — Matson potentially employs 54 MFOW members aboard 13 vessels, an additional five shore mechanics at the ports of Oakland and Honolulu, and standby shore support in Honolulu, Long Beach, Oakland and Seattle. The duration of agreement for the master collective bargaining agreement with Matson Navigation Company is July 1, 2013, through June 30, 2017. This includes the Offshore Agreement and the Maintenance Agreement.

Matson also operates three Ready Reserve Force (RRF) vessels — the *MV Cape Henry*, *MV Cape Horn* and *MV Cape Hudson* — which employ three MFOW members in reduced operating status (ROS) and 15 members in full operating status (FOS).

**Patriot Contract Services** — Patriot Contract Services (PCS) operates four Ready Reserve Force (RRF) vessels — the *GTS Admiral W.M. Callaghan*, *MV Cape Orlando*, *MV Cape Victory* and *MV Cape Vincent* — which employ four MFOW members in reduced operating status (ROS) and 20 members in full operating status (FOS). If all options are exercised, the RRF contract will run into January 2024.

The company operates one Military Sealift Command shallow draft tanker — the *MT SLNC Pax*. This ship provides three MFOW billets in FOS. If all options are exercised, the ship manager contract will extend through September 30, 2018.

The company operates one Military Sealift Command (MSC) Special Mission Ship: the *USNS Waters*. This vessel provides a total of five jobs in FOS and one job in repair availability status (RAV). The *Waters* is set to be included in a new MSC operation and maintenance solicitation as part of a seven-ship bid.

PCS operates a total of four Large, Medium Speed, Roll-On/Roll-Off (LMSR) vessels—*USNS Gilliland*, *USNS Gordon*, *USNS Shughart* and *USNS Yano*. The homeport of the *Gilliland* and *Gordon* is Baltimore, Maryland. The homeport of the *Shughart* and *Yano* is Violet, Louisiana. The LMSR vessels provide a total of four jobs in ROS and 24 jobs in FOS. If all options are exercised, the ship manager contract will extend through September 30, 2017.

PCS operates eight *Watson*-class LMSR vessels, which require a total of 40 FOS and eight ROS billets in the unlicensed engine department. If all options are exercised, the ship manager contract will extend through September 30, 2018.

The MFOW is signatory to a crewing services agreement with PCS to provide engine department personnel to the *USAV Double Eagle*, *USAV Great Bridge*, *USAV Mystic* and *USAV Worthy*, all operated by Kwajalein Range Services (KRS). This agreement resulted in 370 man days of employment for MFOW members in 2015.

If all options are exercised, the crewing services contract will extend through February 28, 2018.

**TOTAL JOBS DISPATCHED IN 2015**

According to Headquarters and Branch shipping reports, the Union dispatched a total of 1,768 jobs in 2015. This total includes 528 seagoing billets, 49 shore mechanic jobs and 1,191 standby assignments. The following is a breakdown of jobs dispatched:

Rating	Seagoing	Shore	Standby	Total
Chief Electrician	42			42
Electrician/Reefer/Junior	63			63
Reefer/Electrician	17			17
Reefer/Electrician/Junior	59			59
Junior Engineer (Day)	66			66
Junior Engineer (Watch)	53			53
Pumpman	2			2
Oiler	113			113
Wiper	113			113
Shore Mechanic	49	49		49
Standby Electrician/Reefer	442		442	442
Standby Junior Engineer	4		4	4
Standby Wiper	745		745	745
<b>Total</b>	<b>528</b>	<b>49</b>	<b>1191</b>	<b>1768</b>

**MEMBER TO JOB RATIOS**

As previously noted, the Union has 22 ships and 108 billets under the master offshore and shore maintenance agreements. The result is a ratio of 3.86 active members per master agreement job and 1.46 full book members per master agreement job.

417 divided by 108 = 3.86 active members per master agreement job

158 divided by 108 = 1.46 full book members per master agreement job

Under normal circumstances, the Union dispatches mariners to the following commercial vessel, government vessel and shore mechanic jobs:

10-ship Matson fleet with Wipers on each ship	=	44 billets
<i>ITB Moku Pahu</i>	=	2 billets
Nine-ship APLMS fleet with Wipers on each ship	=	36 billets
APLMS shore mechanics	=	39 billets
Matson shore mechanics	=	5 billets
Ready Reserve Force vessels	=	7 billets

Military Sealift Command vessels	=	47 billets
<b>Total</b>	=	<b>180 billets</b>

The result is a ratio of 2.32 active members per job and 0.88 full book members per job.

417 divided by 180 = 2.32 active members per job

158 divided by 180 = 0.88 full book members per job

A scenario involving a full-scale breakout of all government vessels under contract would appear as follows:

10-ship Matson fleet with Wipers on each ship	=	44 billets
<i>ITB Moku Pahu</i>	=	2 billets
Nine-ship APLMS fleet with Wipers on each ship	=	36 billets
APLMS shore mechanics	=	39 billets
Matson shore mechanics	=	5 billets
Ready Reserve Force vessels	=	35 billets
Military Sealift Command vessels	=	72 billets
<b>Total</b>	=	<b>233 billets</b>

The result is a ratio of 1.79 active members per job and 0.68 full book members per job.

417 divided by 233 = 1.79 active members per job

158 divided by 233 = 0.68 full book members per job

**LOOKING AHEAD**

There are several items in progress that will require close attention:

**Matson Navigation Company** — Earlier this month, the MFOW and SUP were made aware of Matson’s plan to operate the *Matson Navigator* in the Hawaii trade route, utilizing an alternate workforce in the unlicensed engine and deck departments. This plan was verified on April 14 by Captain Jack Sullivan, Matson’s Vice President of Vessel Operations & Engineering. On April 19, the MFOW and SUP filed a grievance demanding that the billets be filled by the MFOW and SUP, and, if not, that the parties proceed to expedited arbitration. On April 22, legal counsel for the Unions submitted the names of potential arbitrators to the Company.

Matson continues to operate three vessels in the Alaska trade with an alternate workforce in the unlicensed engine and deck departments, in violation of the SIU Pacific District — Matson General Rules. In November 2015, the MFOW and SUP filed unfair labor practice charges and unit clarification petitions with the National Labor Relations Board. In January 2016, the Unions withdrew the unit clarification petitions, as it appeared the NLRB was prepared to rule against the Unions. The matter is still under legal review.

**APL** — On February 9, 2016, an arbitrator ruled that APL violated the contracts of the MFOW, SUP, Masters, Mates and Pilots (MM&P) and Marine Engineers’ Beneficial Association (MEBA) when the company improperly crewed up a Maritime Security Program (MSP) replacement vessel with labor from another source. The arbitrator issued her decision upholding the grievance filed by the unions.

Because the APL action was a blatant violation of the unions’ collective bargaining agreements, the unions coordinated an expedited arbitration hearing. The arbitration hearing took place in Washington D.C. on December 10 and 11, 2015. In her opinion, the arbitrator acknowledged the strong language contained in the agreements that protected the unions’ work jurisdiction — including contract language that made it clear any MSP vessel operated by or for the benefit of APL must be crewed by the unions.

The arbitration award is a significant victory for the four unions. Based upon the arbitration award, APL removed the alternate officers and crew and replaced them with MFOW, SUP, MM&P and MEBA members. The unions are still in the process of seeking back pay damages from the Company.

**PCS/RRF** — In January 2016, PCS was awarded the contract to operate seven RRF vessels. The award included the three “Cape T” vessels: *MV Cape Taylor*, *MV Cape Texas* and *MV Cape Trinity*. However, a GAO protest of the award was filed by Crowley Technical Management Inc. and an automatic “stay” was issued against the award. Crowley will continue to manage the vessels while the protest is being adjudicated.

In conclusion, I would like all in attendance to study my report with the objective of making reasonable recommendations for the good and welfare of the membership. Our time allocated to these meetings is limited. I encourage everyone to speak up and participate, to raise issues and propose solutions.



**MFOW and SUP members aboard the *MV Cape Victory* in Beaumont, Texas: Bosun Gerry Gianan, Electrician Carlito Episioco #3775, OS Gilbert Bio, and OS Muhammad Mohamad.**

## MARINE FIREMEN'S UNION TRAINING PROGRAM 2016

Interested members who meet the Training Program eligibility requirements and prerequisites outlined for each course may obtain an application online at [mfoww.org](http://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 4½-day course includes the following segments: Shipboard Damage Control; Environmental Programs; Chemical, Biological & Radiological Defense Orientation; Helo Firefighting; Anti-Terrorism (one-year validation); Survival Evasion, Resistance and Escape (three-year periodicity). These segments are required for employment aboard various MSC contract-operated ships.

June 13-17

#### Endorsement Upgrading

##### QMED-Fireman/Watertender & Oiler

Members who successfully complete the 159-hour Qualified Member of the Engine Department (QMED) course will satisfy the requirements needed for the QMED Oiler and Fireman/Watertender endorsements, provided all other requirements, including sea service, are met. *Additional prerequisites: Coast Guard approval letter for endorsement upgrading, which certifies sea time of six months (180 days) as a Wiper, and letter from the vessel(s) certifying sea service of six months.*

May 23-June 17

July 18-August 12

##### STCW Rating Forming Part of an Engineering Watch (RFPEW)

Members who successfully complete the 40-hour RFPEW course will satisfy the requirements needed for the STCW endorsement of Rating Forming Part of an Engineering Watch (RFPEW). *Additional prerequisites: See prerequisites for the QMED Fireman-Watertender/Oiler course.\**

*\*The Plan recommends that eligible candidates schedule the QMED Fireman-Watertender/Oiler and STCW RFPEW courses back-to-back for a five-week combined training session.*

June 20-24

August 15-19

##### QMED-Electrician/Refrigerating Engineer

The QMED Electrician and QMED Refrigerating 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 RFPEW.*

July 11-August 19

August 22-September 30

#### 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/1 of the STCW Code.*

Compass Courses, Edmonds, WA:

May 24-26; June 21-23; July 26-28

Fremont Maritime, Seattle, WA: June 4-6; July 9-11

NPFVOA, Seattle, WA: June 21/22/23; July 19/20/22

Training Resources, Ltd., San Diego, CA: May 24-26; June 14-16

#### STCW-Basic Training (5-day course)

El Camino College, Hawthorne, CA: June 6/9/11

Maritime License Center, Honolulu, HI: July 11-15

## Important Notice to Seafarers: STCW Basic Training and MMCs

When renewing your merchant mariner credential, be sure to check the document beforehand to see if you have Basic Safety Training or Basic Training. On the international page of your MMC, (normally page 4), if you have the Basic Safety Training/Basic Training endorsement there will be Roman numerals. VI/1 means your MMC is endorsed with Basic Training. Some MMCs only contain the Roman numeral while others show VI/1 and the wording Basic Training. (The wording was added beginning in October 2012, initially saying Basic Safety Training and now Basic Training).

**Entry level and engine department mariners are encouraged to be especially vigilant in making sure they hold the BT VI/1 endorsement on their MMC.**

If you do not have BST/BT, you should apply for the endorsement by completing the Coast Guard application (free of charge). This endorsement is still renewable via sea service until the end of 2016.

Beginning in January 2017, in order to renew a merchant mariner credential with an STCW Basic Training endorsement (VI/1), an applicant must show proof of having completed a Coast Guard-approved BT class within the last five years.

This does not mean that all mariners must complete such a course by January 2017. For instance, anyone renewing their MMC this year (provided they're already STCW-compliant) would have until their next renewal (as late as 2021) to complete an approved BT class. It also doesn't mean that the credential itself or the BT-specific component of the credential somehow becomes invalid in January 2017. In fact, until January 2017, STCW Basic Training itself is still renewable via sea service (at least one year of sea time in the last five years).

However, there is some urgency for mariners whose MMC's expire in 2017. When applying to renew those credentials, in order to meet the new BT requirements, individuals will have to show proof of having completed an approved class within the previous five years. Because BT has been renewable via sea service for many years, there may be a large number of mariners who haven't taken the formal class in quite some time.

More information about STCW requirements is available on the Coast Guard's National Maritime Center website: <http://www.uscg.mil/nmc/>

*From the Seafarers Log, March 2016 edition.*

## Port of Guam fires up new generators

The Port Authority of Guam (PAG) recently completed the installation of seven new Prime Power generators in five load centers strategically located throughout its terminal container yard. This milestone project was put to the test last month.

PAG informed the Guam Power Authority (GPA) that it will provide assistance to their interruptible load plan by going offline from the island power grid so additional power can be provided to island consumers. In collaboration with GPA, the port ignited its generators during peak hours between 3:00 p.m. to 10:00 p.m. In addition to providing assistance to GPA with its plan, the port was able to test its newly installed generators' capabilities during the prolonged periods of time.

The port's contractor was in the process of installing the new generators when an explosion occurred at Cabras in August 2015. Since then, in order to keep the port fully operational, GPA kept the port on island power until its generators were installed. Funded by the Port Security Grant Program and the Guam Commercial Port Improvement Project, the generator purchase and installation in five load centers totaled over \$2 million.

Until the recent installation of the generators, the port did not have full back up power capability for over a 13-year period. The port is now able to meet its operational and security requirements in the event island power is interrupted.

## Your Right to Union Representation

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

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

## Marine Firemen's Union Training Plan Tuition Reimbursement Policy

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.

**HOWZ SHIPPING**

April 2016

San Francisco		Wilmington	
Electrician.....	1	Electrician.....	1
Electrician/Reefer/Jr. Engineer.....	1	Electrician/Reefer/Jr. Engineer.....	3
Reefer/Electrician/Jr. Engineer.....	1	Reefer/Electrician/Jr. Engineer.....	4
Junior Engineer (Day) .....	2	Junior Engineer (Day) .....	2
Oiler .....	3	Oiler .....	2
Wiper .....	2	Wiper .....	4
Standby Electrician/Reefer.....	9	Shore Mechanic.....	6
Standby Wiper .....	16	Standby Electrician/Reefer.....	13
<b>TOTAL .....</b>	<b>35</b>	Standby Wiper .....	29
		<b>TOTAL .....</b>	<b>64</b>
Honolulu		Seattle	
Electrician.....	1	Electrician.....	3
Reefer/Electrician/Jr. Engineer.....	3	Electrician/Reefer/Jr. Engineer.....	1
Junior Engineer (Day) .....	2	Reefer/Electrician.....	1
Wiper .....	2	Junior Engineer (Watch).....	3
Shore Mechanic.....	5	Oiler .....	4
Standby Electrician/Reefer.....	29	Standby Electrician/Reefer.....	3
Standby Wiper .....	17	Standby Wiper .....	6
<b>TOTAL .....</b>	<b>59</b>	<b>TOTAL .....</b>	<b>21</b>

# Tripartite agrees on sea patrols to check piracy

Malaysia, the Philippines and Indonesia have adopted several measures, including conducting patrol in the maritime areas of "common concern," amid a string of kidnappings of foreign citizens by militants. The foreign ministers and chiefs of defense forces, who met in Jogjakarta, Indonesia, agreed that the three countries establish a hotline to facilitate coordination during emergency situations and security threats.

Indonesian Foreign Minister Retno Marsudi, Foreign Minister Datuk Seri Anifah Aman and Philippines Foreign Minister Jose Rene D. Almendras and chiefs of defense forces of Indonesia, Malaysia and the Philippines issued a joint declaration after the meeting. The ministers said they have instructed the relevant agencies of their countries to meet soonest and convene a regular meeting to implement and periodically review and formulate the standard operating procedures.

They expressed concerns that the security challenges also undermine the confidence in trade and commerce, especially the movement of ships, goods and people in these areas. In a separate statement, Anifah said he expressed Malaysia's concern over the kidnapping

incidents.

He conveyed Malaysia's commitment to take all necessary measures to address the issue through cooperation with Indonesia and the Philippines.

The meeting was hosted by Indonesia following a spate of kidnappings involving Indonesian and Malaysian sailors plying the international waters along the Philippines side of the border in three separate incidents between March 26 and April 8. Ten Indonesians were released several days ago after it was widely speculated that ransom was paid. Four more Indonesian and four Malaysian sailors are still being held.

## Summary Annual Report for SIU Pacific District Supplemental Benefits Fund, Inc.

This is a summary of the annual report of the SIU Pacific District Supplemental Benefits Fund, Inc., EIN 94-1431246, for the year ended July 31, 2015. The annual report has been filed with the Department of Labor, as required under the Employee Retirement Income Security Act of 1974 (ERISA).

Benefits under the plan are provided by the SIU Pacific District Supplemental Benefits Fund, Inc., a trust fund.

### Basic Financial Statement

The value of plan assets, after subtracting liabilities of the plan, was \$277,852 as of July 31, 2015, compared to \$36,743 as of August 1, 2014. During the plan year the plan experienced an increase in its net assets of \$241,109. This increase includes unrealized appreciation or depreciation in the value of plan assets; that is, the difference between the value of the plan's assets at the end of the year and the value of the assets at the beginning of the year or the cost of assets acquired during the year. During the plan year, the plan had total income of \$12,771,153, including employer contributions of \$12,767,344, earnings from investments of \$1,572, and other income of \$2,237.

Plan expenses were \$12,530,044. These expenses included \$343,735 in administrative expenses and \$12,186,309 in benefits paid to participants and beneficiaries.

### Your Rights to Additional Information

You have the right to receive a copy of the full annual report, or any part thereof, on request. The items listed below are included in that report:

1. An accountant's report;
2. Financial information and information on payments to service providers;
3. Assets held for investment; and
4. Transactions in excess of 5% of plan assets.

To obtain a copy of the full annual report, or any part thereof, write or call the office of SIU Pacific District Supplemental Benefits Fund, Inc., the plan's administrator at 730 Harrison Street, Suite 400, San Francisco, CA 94107 telephone number (415) 764-4990. The charge to cover copying costs will be \$4.25 for the full annual report, or \$0.25 per page for any part thereof.

You also have the right to receive from the plan administrator, on request and at no charge, a statement of the assets and liabilities of the plan and accompanying notes, or a statement of income and expenses of the plan and accompanying notes, or both. If you request a copy of the full annual report from the plan administrator, these two statements and accompanying notes will be included as part of that report. The charge to cover copying costs given above does not include a charge for the copying of these portions of the report because these portions are furnished without charge.

You also have the legally protected right to examine the annual report at the main office of the plan at 730 Harrison Street Suite 400, San Francisco, California 94107 and at the U.S. Department of Labor in Washington, DC or to obtain a copy from the U.S. Department of Labor upon payment of copying costs. Requests to the Department should be addressed to: Public Disclosure Room, N-1513, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, DC 20210.

**FINISHED WITH ENGINES**



**Daniel P. Hamann, #3851.**  
Born March 27, 1952, Long Beach, CA. Joined MFOW June 7, 2002. Died aboard the *MV Maunawili* on April 29, 2016.

## Summary Annual Report for SIU Pacific District Seafarers' Medical Center Fund

This is a summary of the annual report of the SIU Pacific District Seafarers' Medical Center Fund, EIN 94-2430964, for the year ended June 30, 2015. The annual report has been filed with the Department of Labor, as required under the Employee Retirement Income Security Act of 1974 (ERISA).

Benefits under the plan are provided by the SIU Pacific District Seafarers' Medical Center Fund, a trust fund.

### Basic Financial Statement

The value of plan assets, after subtracting liabilities of the plan, was \$(156,720) as of June 30, 2015, compared to \$(155,407) as of July 1, 2014. During the plan year, the plan experienced a decrease in its net assets of \$1,313. During the plan year, the plan had total income of \$653,439, including employer contributions of \$650,279, earnings from investments of \$35, and other income of \$3,125.

Plan expenses were \$654,752. These expenses included \$196,488 in administrative expenses and \$458,264 in benefits paid to participants and beneficiaries.

### Your Rights to Additional Information

You have the right to receive a copy of the full annual report, or any part thereof, on request. The items listed below are included in that report:

1. An accountant's report;
2. Financial information and information on payments to service providers; and
3. Assets held for investment.

To obtain a copy of the full annual report, or any part thereof, write or call the office of SIU Pacific District Seafarers' Medical Center Fund, the plan's administrator, at 730 Harrison Street, Suite 400, San Francisco, California 94107, telephone (415) 392-3611. The charge to cover copying costs will be \$2.75 for the full annual report, or \$.25 per page for any part thereof.

You also have the right to receive from the plan administrator, on request and at no charge, a statement of the assets and liabilities of the plan and accompanying notes, or a statement of income and expenses of the plan and accompanying notes, or both. If you request a copy of the full annual report from the plan administrator, these two statements and accompanying notes will be included as part of that report. The charge to cover copying costs given above does not include a charge for the copying of these portions of the report because these portions are furnished without charge.

You also have the legally protected right to examine the annual report at the main office of the plan at 730 Harrison Street, Suite 400, San Francisco, California 94107, and at the U.S. Department of Labor in Washington, DC or to obtain a copy from the U.S. Department of Labor upon payment of copying costs. Requests to the Department should be addressed to: Public Disclosure Room, N-1513, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, DC 20210.

## 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**

## WILMINGTON NOTES

Total members dispatched from Wilmington was 64 this past April; details are posted locally at the hall and in *Howz Shipping?* Three PCS, six APL, seven Matson shipboard billets and six shore mechanics were shipped. Members filled 62 jobs, leaving two for applicants. The present members registered here are 14 A-, 13 B-, and 35 C-seniority members.

It was a month of bad news for the hall here — one man had to leave a ship via helicopter, while another member passed while at sea. The first is in rehab now. Brother Dan Hamann, #3851, got in on his last trip with the Marine Firemen's Union on May 8. He was shipped as ERJ out of Wilmington on the *MV Maunawili*, Voyage 140, with Matson Navigation Company. I never sailed with Dan, but he always had a good story to tell me, when he was at the hall picking up a job or getting off a ship. Dan was very well liked aboard ship and at the hall. His brother and father sailed with the SUP and are retired. His remains will be scattered on his property in Washington. May he rest in peace.

All ships were still on schedule regardless of the crew on board, with one APL and two-to-three Matson vessels calling here weekly. The gang at GGS had a look at the CMA CGM-owned *MV Ben Franklin* as she made her fourth port call on the West Coast and the first call at GGS. Cargo was worked in a timely fashion and the ship sailed early.

The race for the presidency is going to be wrapped up soon, with California voters going to the polls for the primary on June 7. So get out and vote.

Work on the *SS Lane Victory* is still

proceeding slowly. Turn-to is 0800 every Wednesday for maintenance and repair in the engine room, and MFOW members are welcome as always.

The LA/LB Labor Coalition meetings are being held bi-weekly at our hall until Labor Day 2016; the next meeting is on May 19 at 1800.

On National Maritime Day — Sunday, May 22, 2016 — services will be conducted at the Merchant Marine Memorial Wall on Harbor Blvd. in San Pedro. Members are invited to attend the service and luncheon that follows the service.

Congratulations are in order for Ms. Glynndana Shelvin (SEIU) for being nominated and accepting the Delegate of the Year Award for Unite Here Local 11, from the Orange County Federation of Labor. Dana accepted the award at the 16th Annual Solidarity Awards Dinner on May 5, 2016, at the Anaheim Convention Center. Dana was former MFOW member Greg Dodson's common law wife. She attributed her past exposure to the Marine Firemen's Union, as well as the MEBA, for her stance on union representation. Dana presently works at Disneyland (as she has for the last 25 years) and has devoted herself to organizing for the SEIU.

That's about it from Wilmington. Well, guys, keep the rooms clean for your relief. I hope you all have a good day at sea or at home if you are ashore. In closing, I would like to thank all the members who filled the available billets here at the Wilmington Branch.

Thanks,  
**Harold "Sonny" Gage**  
Port Agent

## SEATTLE NOTES

During the month of April, we shipped the following: two Chief Electricians, one Electrician, one ERJ, one REJ, three Watch Junior Engineers, four Oilers, three Standby Reefer/Electricians, and six Standby Wipers. We currently have seven A-, five B-, and eight C-seniority members registered for shipping.

Ships checked: Matson vessels *MV Manoa*, *SS Kauai*, *SS Maui*, and *MV Cape Hudson* either called in Seattle or called Seattle for crew replacements. The *MV APL Agate* and *MV APL Coral* called for MFOW or SUP crew replacements. And the Patriot Contract Services-operated vessels *USNS Pomeroy*, *USNS Soderman* and *USNS Gilliland* also called for MFOW or SUP crew replacements.

I received a call from the SUP delegate on the *SS Kauai* that the Chief Mate told the crew that they would not run the stores crane in Seattle and that only the Mate and the vendors would operate the stores crane because it could be dangerous to operate. The delegate further stated that the Mate said he would pay one sailor overtime when he or the vendors operated the crane. When the ship docked, I met with the gang and stated that if the crane is operated, the Sailors will be the ones to run it. I called Matson Headquarters and this issue was immediately resolved per the collective bargaining agreement.

I represented the MFOW and SUP at the King County Labor Council Executive Board meetings, the King County Labor Council (KCLC) Climate Change meeting, the Washington State Maritime Federation meeting, and the KCLC Committee on Political Education meeting. At this meeting, in solidarity with the Machinists Aerospace Council 751, we took no action on endorsement of Governor Jay Inslee in the Governor's race.

Along with ILWU Local 19 President Rich Austin, Dan McKisson, and ILWU Puget Sound Council President John

Persak, I met with Port of Seattle Council President John Creighton and asked questions regarding our efforts to keep a third sports stadium out of the Seattle Industrial District. We have spent countless hours in front of various City of Seattle elected officials and staff educating them on the economic value of the Port of Seattle. This is a thankless task and we may lose, but we have to keep fighting.

This is an election year. Senators, Members of Congress, many state Governors and a U.S. President will be elected. All of us have our own beliefs and views on how to live our lives and vote for candidates that support those views. The easy litmus test for any of us that go to sea is whether the candidate you are considering voting for has a history of supporting the Jones Act. That is the issue to research when deliberating on whom to cast your ballot for.

In order to elect candidates that both support the Jones Act and our pocket-books, our unions need to be able to participate in the electoral processes. That means campaign contributions. If every member contributed \$100 a year, that amount collectively would go a long way in helping us keep a viable U.S. Merchant Marine. And our jobs!

Fraternally,  
**Vince O'Halloran**  
Representative

### Benefits paid during April

Death Benefits	
Joseph Silva, P-1797	\$1,500.00
Burial Benefits	
Robert Geer, P-1005	\$1,000.00
Kenneth O'Brien, P-2506	\$1,000.00
	\$2,000.00
<b>Excess Medical</b>	\$4,020.91
<b>Glasses and Examinations</b>	\$187.00

## POLITICAL ACTION FUND

### Voluntary donations for April 2016:

I "Cajun" Callais, #3592	\$180.00	Keith Miller, JM-4295	\$20.00
Henry Disley, P-2617	\$100.00	Henry Mynes, P-1284	\$110.00
Charles Finklea, JM-4312	\$10.00	Saxton Pitts, JM-5220	\$20.00
Richard Domanski, #3793	\$50.00	Frank Portanier, N/A	\$25.00
Philip Goudeau, JM-5161	\$50.00	Rogelio Rivera, JM-5171	\$100.00
William Hanson, P-1933	\$25.00	Rodolph Roaque, P-2363	\$20.00
Joseph Holzinger, #3778	\$50.00	Ronny Ting, JM-5139	\$20.00
Louis Little, P-2375	\$50.00	Edward Tokarz, #3770	\$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

## HONOLULU NOTES

In April, we hit 59 total jobs; that's a high for Honolulu. In the beginning of the month, I shipped out Steve Petritz to the *Mahimahi* Reefer job. Guy Kepaa finished up his one year on the shore-gang, and Rodney Masada filled the job. Jacob Macias picked up the *Kauai* Electrician job from Lloyd Kim as he jumped off. Then Joshua Braithwaite and Walter Tangonan shipped out on the *Kauai* as one-trip wipers.

Wayne Dang stepped up and took his first ever Reefer job, as Dave Ebanks jumped off the *Lihue* and onto the *Pfeiffer* as Reefer; what a smooth move. The *Maunalei* called for her crew to come

back after shipyard, and Guy Kepaa filled the Day Junior job. Richard Felimer jumped off the *Pfeiffer*, and Dominic Matthews covered that Day Junior job for Honolulu.

We had four shoreside relief jobs, along with 17 Standby Electrician/Reefer and 29 Standby Wiper jobs. The jobs shipped by seniority go as follows: "A" - 15 jobs, "B" - four jobs, "C" - 27 jobs, and non-seniority filled 13 jobs. We have 12 A-, two B-, and eight C-seniority members listed on the registration list.

I attended our annual Board of Trustees and Port Agents' meetings at Headquarters and can report to you that everything is going well. Our general fund is looking good. Both the expense and the income accounts increased; but the income had the biggest increase, so for last year we came out in the black by \$70,000. The union dispatched about 200 more jobs than last year, and we have about 19 more members added to our membership.

I'd like to give a big Thank You to Headquarters for doing a good job. Also, Thank You to brother Joey Canlas for doing a good job as relief port agent.

Fraternally,  
**Mario Higa**  
Port Agent

## HONOR ROLL

**Voluntary donations to General Treasury — April 2016:**  
Richard Domanski, #3793 .....\$50.00  
Louis Little, P-2375 .....\$50.00

### Regular membership meeting dates 2016

June	6	S.F. Headquarters
	14*	Branches
July	5*	S.F. Headquarters
	11	Branches
August	1	S.F. Headquarters
	8	Branches
Sept.	6*	S.F. Headquarters
	12	Branches
October	3	S.F. Headquarters
	11*	Branches
Nov.	7	S.F. Headquarters
	14	Branches
Dec.	5	S.F. Headquarters
	12	Branches

(\*Indicates Tuesday meeting following a Monday holiday)