



Matson and Philly Shipyard mark Aloha-class construction milestone

On May 5, Philly Shipyard, Inc., the wholly-owned U.S. subsidiary of Philly Shipyard ASA, and Matson, Inc., marked an important milestone in the construction of the first of two new Aloha-class containerships to be delivered to Matson in the third quarter of 2018 and first quarter of 2019, respectively. Designed specifically for Hawaii service, they will be the largest containerships ever built in the U.S.

During the ceremony in the dry dock where the first engine room section, weighing 420 metric tons, was lowered into place, senior executives of Philly Shipyard and Matson placed coins under the section as part of a long-held shipbuilding tradition to bring good fortune and safe travels.

The ceremony was attended by Matson President Ron Forest, along with Matson Vice President, Vessel Operations and Engineering Jack Sullivan; Director, Marine Engineering and Special Projects Scott Hauck and

New Construction Consultant Lee Lampland.

"This first Aloha-class ship, named in honor of Hawaii's former senior senator and longtime champion of the U.S. maritime industry Daniel K. Inouye, will be the biggest containership ever built in the U.S. We are excited that this milestone in its construction means Matson will be able to put this new ship into service a little over a year from now," said Forest.

Attendees from Philly Shipyard were President and CEO Steinar Nerbovik, SVP Operations Jari Anttila, and Project Manager John Bond.

"It's an honor to return to our shipbuilding foundation and build two more containerships that will service the state of Hawaii and its citizens," remarked Nerbovik. In 2001 we stood in this very same location for the dock mounting of Matson's first vessel when we were a brand new shipyard. Sixteen years later, we are pouring the same

pride into another quality build that will safely navigate the Hawaii-Pacific trade for decades to follow."

The 850-foot long, 3,600 TEU Aloha-class vessels will be Matson's largest ships. They will also be faster, designed to operate at speeds in excess of 23 knots, helping ensure timely delivery of goods in Hawaii. Though bigger, the ships are also designed to accommodate future needs by being able

to navigate safely into some of Hawaii's smaller ports.

The new vessels will incorporate a number of green ship technology features that will help protect the environment, including a more fuel efficient hull design, dual fuel engines that can be adapted to use liquefied natural gas, environmentally safe double hull fuel tanks and fresh water ballast systems.

Maritime gets boost in Omnibus bill

On May 5, President Donald Trump signed his first piece of major legislation, a \$1.163 trillion spending bill to fund the government through September 2017. After the bill cleared both houses of Congress, Trump signed it behind closed doors at his home in central New Jersey, well ahead of a midnight deadline for some government functions to begin shutting down.

The House passed the measure two days earlier on a bipartisan vote, though 103 of the chamber's conservative Republicans opposed the bill. A lopsided, 79-18 Senate vote sent the bill to the White House in plenty of time to avert a government shutdown.

The 2017 Consolidated Appropriations Act, a compromise spending bill weighing in at 1,665-pages, includes several maritime appropriations, including funding for the Maritime Security Program (MSP), Food Aid, U.S. Army Corps of Engineers, Maritime Administration's Marine Highway Program, and other critical port and transportation investments. Included in the bill are the following:

MSP — For necessary expenses to maintain and preserve a U.S.-flag merchant fleet to serve the national security needs of the United States, \$300 million will remain available to provide full funding of \$5 million each to 60 militarily-useful U.S.-flag vessels.

Maritime Administration — \$175.6 million for necessary expenses of operations and training activities authorized by law, including:

- \$34 million for necessary expenses related to the disposal of obsolete vessels in the National Defense Re-

serve Fleet of the Maritime Administration, of which \$24,000,000 shall be for the decommissioning of the NS Savannah.

- \$22 million for maintenance and repair of training ships at State Maritime Academies.
- \$14.2 million for facilities maintenance and repair, equipment, and capital improvements at the United States Merchant Marine Academy.
- \$10 million for grant assistance to qualified small shipyards.
- \$6 million for the National Security Multi-Mission Vessel Program for State Maritime Academies and National Security.
- \$5 million for the Short Sea Transportation Program (America's Marine Highways).
- \$3 million through September 30, 2018, for Maritime Environment and Technology Assistance.
- \$3 million for administrative expenses to carry out the guaranteed loan program.
- \$2.4 million through September 30, 2018, for the Student Incentive Program at State Maritime Academies.
- \$1.8 million for training ship fuel assistance payments.

Defense Department — \$274.5 million to remain available for any purposes related to the National Defense Reserve Fleet established under section 11 of the Merchant Ship Sales Act of 1946.

Food for Peace — \$1.466 million will remain available during the current fiscal year, for commodities supplied in connection with dispositions abroad under title II of the Food for Peace Act (Public Law 83-480).

Sending out an SOS

America's merchant fleet is entering a dangerous state of decline

By Representative John Garamendi

May 4, 2017

The average American may not spend a lot of time thinking about the importance of our domestic maritime industry, but it's crucial to our economic fortunes and our national security. In Congress, I serve as the Ranking Member of the Subcommittee on Coast Guard and Maritime Transportation. In that role, my duty is to ensure that America's maritime sector is not just robust and economically vibrant, but that it can also provide adequate sealift support to our military in times of crisis. Unfortunately, our maritime industry is in a state of alarming decline, and it's time to sound an SOS.

In the years following the Second World War, our country had 1,200 ocean-going ships. During the Reagan Administration, we still had hundreds. But right now, fewer than 80 ocean-going vessels fly under an American flag, and less than one percent of American exports are carried on American ships.

Some might wonder why it matters what ships carry our exports. After all, the argument goes, if it's cheaper to carry American exports on foreign ships with foreign crews, it will lower costs and increase profits for American companies. While relying exclusively on foreign ships and labor may save a few pennies, it has heavy long-term consequences for our economy and national security.

Consider the current tensions in the Korean peninsula. Imagine now that the situation escalates and our military needs to mobilize to defend our allies in the region. Our armed forces depend on civilian vessels — the Ready Reserve Fleet — to provide sealift capacity and move the troops and equipment we need to project hard power overseas. Could the United States rely on vessels flagged in China for this? We should never put ourselves in a position where we need to

ask this question.

I believe we can improve our national security and strengthen our maritime industry at the same time, and that's why I'm authoring two bills that will help restore American shipbuilding to its former prowess.

I've already introduced H.R. 1240, the Energizing American Maritime Act. This law would capitalize on the robust growth in America's Liquid Natural Gas (LNG) and crude oil exports by requiring 30 percent of all such exports to be carried on U.S.-flagged ships by the year 2025. These exports will require hundreds of tankers and tens of thousands of mariners, and all of those will be foreign-flagged and crewed by foreign mariners unless we in Congress do something. Even a modest carriage requirement will revitalize our maritime industry and guarantee the creation of thousands of jobs in the sector.

Later this month, I'll be introducing a companion bill requiring these exports to be carried on ships that aren't just U.S.-flagged, but also American-made. Adding this component will ensure jobs not just for our mariners, but for our shipbuilders and the vital industries, like steel, that support domestic manufacturing.

Our maritime and shipbuilding industries have been ignored for too long. Bordered by two oceans, America is a maritime nation, and Congress needs to give our seafaring industries the support they deserve.

Rep. John Garamendi has represented California's Third Congressional District since 2009. As a member of the House Armed Services and Transportation & Infrastructure committees, Garamendi has been a tireless proponent of job creation and American maritime commerce, while always working to ensure the stability and success of the state he has always called home.

Coast Guard warns public about laser strikes to vessels in the Chesapeake Bay

The Coast Guard is warning the public about the dangers of laser strikes after several commercial vessels have reported being victimized over the last month in the Chesapeake Bay.

Four incidents were reported in one three hour period involving the motor vessels *Salome*, *Bulk Spain* and *AM Annaba*. Additionally, a pilot vessel reported a laser strike as it was on its way back to the pilot launch.

The Coast Guard said three other incidents were reported in the last month including one involving the motor vessel *Hoegh Osaka*, the cruise ship *Carnival Pride* and the motor vessel *Maersk Kolkata*.

The laser light in all the incidents

was described as steady, powerful and somewhat painful to the eyes. The reporting source believes that the laser originated in the area between Drum Point and Cove Point and lasted for approximately 15 minutes.

According to the Coast Guard, the Laser Safety Act makes it a misdemeanor to knowingly and willfully cause or attempt to cause bodily injury by shining, pointing, or focusing the beam of a laser pointer on an individual operating a motor vehicle, vessel, or aircraft. The maximum penalty is 10 years in prison and a fine of \$2,500. The Coast Guard is working with state and local law enforcement along with Chesapeake Bay pilots to investigate the incidents.

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Navy bans e-cigarettes fleet-wide, will affect civilian mariners

Last month the U.S. Navy banned electronic cigarettes and vaping devices throughout the fleet, citing concerns that the battery-powered gadgets can explode and injure sailors. The new rule "suspends the use, possession, storage and charging of electronic nicotine delivery systems (ENDS) aboard ships, submarines, aircraft, boats, craft and heavy equipment," according to a Navy press release. The prohibition applies to sailors, marines, Military Sealift Command civilians and any personnel working on or visiting those units.

"This new policy is in response to continued reports of explosions of electronic nicotine delivery devices due to the overheating of lithium-ion batteries," the release said. "Multiple sailors have suffered serious injuries from these devices, to include first- and second-degree burns and facial disfigurement. In these cases, injuries resulted from battery explosions during ENDS use, charging, replacement or inadvertent contact with a metal object while transporting."

The move was announced in a joint message from Commander, U.S. Fleet Forces and Commander, U.S. Pacific Fleet. The prohibition took effect on May 14, 30 days from the release of the new policy. The ban means the devices must be completely removed from the fleet by the compliance date, but deployed units can ask for extra time to wait until the next port visit.

The Navy calls the ban a suspension

Reports show positive trend for U.S. fishing industry

Two recently released reports show the nation's continued progress in managing marine resources. NOAA's Fisheries Economics of the United States report shows that commercial and recreational fishing generated \$208 billion in sales in 2015 and supported 1.6 million full-time and part-time jobs, along with contributing \$97 billion to the gross domestic product. The figures were all above the country's five-year average.

Including imports, commercial fishing in the U.S. and the seafood industry generated \$144 billion in sales in 2015, which was a six percent decline from 2014. Commercial fishing supported 1.2 million jobs, a 15 percent decline from the previous year.

Recreational fishing generated a five percent increase in sales to \$63 billion. Jobs resulting from recreational fishing remained steady at 439,000 jobs. Saltwater recreational angling remains a substantial contributor to tourism and the economy; however, there are some

while officials review safety concerns. It comes after the Naval Safety Center sounded the alarm in August about a sharp rise in injuries to sailors from exploding lithium-ion batteries. The Safety Center recommended the ban in an August 11, 2016 memo.

Between October 2015 and the present, the Safety Center logged 31 incidents of sailors being injured by exploding batteries, some seriously, according to the Navy's statistics. Many of those incidents occurred on Navy ships and at least two required the use of shipboard firefighting equipment to extinguish fires. Many occurred while the e-cigarette was in a sailor's pocket, resulting in first- and second-degree burns. At least two sailors have had their e-cigarettes blow up in their mouths, resulting in facial and dental injuries.

It is difficult to tell how many sailors use e-cigarettes. In recent testimony, the Air Force's surgeon general told Congress that about five percent of airmen use the products.

E-cigarettes can explode and cause injuries when the battery overheats and expands. The issue of overheating batteries has been one that e-cigarette makers have tracked closely, with major companies taking steps to make their products safer.

Recent research shows that in about 80 percent of cases in which the battery overheats, it is because the device was charged incorrectly or was charged with a different charger than the manufac-

challenges in New England with stocks overfished or subject to overfishing. The scallop and lobster fisheries are economic drivers for New England, but other stocks are seeing effects from environmental changes, including increased water temperature.

The Annual Report to Congress on the Status of U.S. Fisheries shows that the number of fish stocks listed as overfished or subject to overfishing domestically remains near all-time lows.

Stocks are classified as overfished when the population is too low because of overfishing or environmental changes, and stocks are the overfishing list when the catch rate is too high. Four stocks came off the overfishing list last year, while six were added. There were no changes to the list of overfished stocks in 2016.

Barndoor skate in Georges Bank/Southern New England and albacore in the North Atlantic were rebuilt in 2016 increasing the number of rebuilt stocks to 41 since 2000.

turer intended.

On May 5, Patriot Contract Services (PCS) Senior Manager Safety & Quality Assurance I Designated Person Ashore Capt. Philip K. Dimoulas sent the following message to all PCS-operated Military Sealift Command and Ready Reserve Force vessels:

Good afternoon Captains/OIC:

PCS' customer (the U.S. Navy) released the message below, which prohibits until further notice the use, possession, stowage, or charging of electronic nicotine delivery systems (ENDS)/ e-cigarettes, and all associated ENDS components on every vessel.

Please ensure measures are put in place to implement the intent of this message. Please confirm receipt of this message.

Electronic nicotine delivery systems: overheating, fires and explosions

E-cigarette users need to be aware of the risk of explosion associated with e-cigarettes. Despite mitigation efforts, the fleet continues to experience fires and explosions due to overheating of ENDS lithium-ion batteries.

ENDS fires, explosions and overheating events have resulted in life-threatening injury, permanent disfigurement or disability and major property damage, suggesting the need for ongoing surveillance and risk mitigation.

The e-cigarette explosion injuries included flame burns (80 percent of patients), chemical burns (33 percent), and blast injuries (27 percent) presented with injuries to the face (20 percent), hands (33 percent), and thigh or groin (53 percent).

Action items are as follows

- ENDS items are prohibited on PCS vessels effective immediately, or the vessel's next port call.
- Contractors, shipyards/repair activities and all visitors to PCS vessels must adhere to the prohibition.
- Commands are not required to confiscate either ENDS devices or ENDS batteries.
- Ensure that those batteries are stored properly using one of the following methods:
 - (a) ENDS manufacturers original packaging
 - (b) Plastic wrap/film
 - (c) Plastic bag
 - (d) Any other electronically non-conductive storage container
- The vessel may collect, label with name and store without battery in some type of nonflammable container like an ammo can until the individual is signed off.
- No one is permitted to use ENDS devices while they are signed on a U.S. government-contracted vessel (including liberty time).

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Shipbuilder splits up into four firms

The world's second-largest shipbuilder has split itself into four companies, a move that would facilitate a potential sale of some of the businesses. Hyundai Heavy Industries Co. started trading as four entities on May 10 as the conglomerate tries to insulate the group from a financial crisis at any one of its divisions. The breakup splits the operations into businesses focused on shipbuilding and offshore projects, electric machinery, construction equipment and industrial robots. The combined market value of the four companies now is about \$14.3 billion.

The dismantling of Ulsan, South Korea-based Hyundai Heavy is the latest restructuring round in the country's ailing shipbuilding industry, home to the world's top three vessel manufacturers. The shipbuilders have cut more than 20,000 jobs and sold assets as orders dwindled amid excess capacity and depressed crude oil prices in the past three years that led clients to curtail spending on offshore projects.

Hyundai Robotics Co., Hyundai Electric & Energy Systems Co. and Hyundai Construction Equipment Co. are the three other companies formed after the split.

Last month, Daewoo Shipbuilding & Marine Engineering Co., the largest shipbuilder based on its order book, averted a payment crisis after bondholders agreed to bail out the company. Daewoo, Hyundai Heavy and Samsung

Heavy Industries Co. are the world's top three shipbuilders.

Hyundai Heavy was set up in the 1970s, when its first ships were built at a dockyard in a seaside village on South Korea's eastern coast. The new Hyundai Heavy, based on the spun-off structure, had sales of \$21 billion last year, accounting for 60 percent of the group's total before the breakup. The spinoff cut the shipbuilder's net debt by half and reduced its debt-to-equity ratio to 95.6 percent at the end of March from 106.1 percent at the end of 2016.

Hyundai Robotics, the second-largest business by sales after Hyundai Heavy, has become the holding company because it is the biggest shareholder in the other three entities, meeting a Korean fair trade requirement, according to analysts. Hyundai Robotics holds 13.37 percent in each of the three companies and has until May 2019 to comply with a regulatory requirement to increase those stakes to 20 percent.

The divisional breakup was part of a restructuring plan approved by creditors of Hyundai Heavy group that included selling three financial units and other non-core assets. The streamlined entities should help management grow them "independently and more successfully," and attract more investor interest. Hyundai Heavy group said last month that it plans to invest \$3.1 billion through 2021 in technology development to help improve efficiency.

Port of Long Beach sees cargo increase

More ships calling at the Port of Long Beach in April and changes to vessel deployments helped push container volumes 16.5 percent higher compared to the same month last year. For the first four months of the calendar year, cargo volume is up 5.1 percent from 2016.

A total of 558,014 twenty-foot equivalent units (TEU) moved through Long Beach in April. Inbound boxes numbered 288,207, an increase of 16.5

percent. Long Beach handled 116,260 loaded outbound TEU during the month, up 3.1 percent. Empty containers returning overseas to be filled with goods jumped to 153,547 TEU, 29.3 percent higher.

With 175 shipping lines connecting Long Beach to 217 global seaports, the port handles about \$180 billion in trade annually, supporting hundreds of thousands of Southern California jobs.

SF ferry terminal expansion project underway

Transportation authorities this month broke ground on an expansion project that will bring additional options and amenities to ferry riders in San Francisco.

The Water Emergency Transit Authority (WETA) announced that the San Francisco Ferry Building will welcome two new entry gates, weather-protected canopies, a new plaza south of the ferry building and more. San Francisco Bay Ferry service will also expand by adding

stops in Richmond and Treasure Island.

"We're going to be able to land more frequently here in San Francisco as we don't have to stand off while another boat clears the dock. So we can have more service coming in and we have more boats coming in," an official with the WETA said.

Officials hope the expansion project, which is planned to reach completion by 2019, will ease overcrowding on all local public transportation options.

San Diego students given chance to name new tugboat

Students who live or attend school in the San Diego neighborhoods of Barrio Logan or Logan Heights can enter a contest to name a new tugboat being built for General Dynamics NASSCO, the shipyard announced. Youngsters in kindergarten through eighth grade have until June 9 to submit their idea, which should fit into the themes of *maritime*, *San Diego-built*, *ocean* or *water*.

"NASSCO hosted a similar contest in 2001 where local students named our two 300-ton cranes," said a company spokesman. "The contest was wildly successful and gave the community

an opportunity to engage in our daily operations...we hope to accomplish the same with our tug boat naming contest."

The 38-foot-long boat is under construction at Marine Boat Works in Chula Vista and will be used to support waterfront activities at NASSCO, which builds and maintains both commercial and naval vessels.

The contest winner will be invited to participate in the christening of the tug at a July 8 ceremony and will receive a family four-pack of tickets to the San Diego Zoo.

Matson affirms 2017 outlook

On May 3, Matson, Inc. reported net income of \$7.0 million, or \$0.16 per diluted share for the quarter ended March 31, 2017. Net income for the quarter ended March 31, 2016 was \$18.1 million. Consolidated revenue for the first quarter 2017 was \$474.4 million compared with \$454.2 million reported for the first quarter 2016.

Matt Cox, Matson's Chairman and Chief Executive Officer, commented, "Matson's ocean transportation businesses performed largely as expected in the first quarter, declining year-over-year primarily due to the timing of fuel surcharge collections, lower volume in Hawaii and Alaska, and higher vessel operating expenses related to the deployment of an additional vessel in Hawaii. The results of Matson's logistics business came in lower than expected due to market softness in both transportation brokerage and freight forwarding services."

Cox added, "For the balance of 2017, we continue to expect modest improvement in each of our core trade lanes, with the exception of Guam where we expect further competitive losses due to the launch of a competitor's weekly service in December 2016. As a result, we are affirming our 2017 outlook for operating income and EBITDA. We continue to expect operating income to be lower than it was in 2016 and EBITDA to approximate the level achieved in 2016."

Ocean Transportation — The Hawaii trade experienced modest westbound market growth in the first quarter 2017, but as expected, the company's container volume was lower than the first quarter 2016, which benefitted from volume gains associated with a competitor's service reconfiguration and related issues. The company expects continued modest market growth in 2017 supported by the general Hawaii economy, the level of construction activity, and a stable market position. As a result, for the full year 2017, the company expects its Hawaii container volume to approximate the level achieved in 2016.

In China, container volume in the first quarter 2017 was 23.4 percent higher year-over-year due to stronger demand for Matson's expedited service and an additional sailing. The company continued to realize a sizeable rate premium in the first quarter 2017 and achieved average freight rates modestly higher than the first quarter 2016. In 2017, Matson expects continued strong demand for its highly differentiated expedited service amid a chronically oversupplied international container shipping market.

In Guam, container volume in the first quarter 2017 was lower on a year-over-year basis, the result of competitive losses to a U.S.-flag containership service that increased its service frequency to weekly in December 2016. For the full year 2017, the company expects a heightened competitive environment and lower volume.

In Alaska, container volume for the first quarter 2017 was 4.2 percent lower year-over-year, primarily the result of the continued energy sector related

economic contraction. For the full year 2017, the company expects modestly lower volume based on declining northbound freight due to ongoing contraction of Alaska's energy-based economy, partially offset by improved southbound seafood volume. In addition, with the installation of exhaust gas scrubbers on its three diesel vessels serving Alaska now complete, the company does not expect to regularly deploy its less efficient steamship reserve vessel in 2017, resulting in lower expected vessel operating and dry-dock relief expenses.

As a result, ocean transportation operating income in 2017 is expected to be lower than the \$141.3 million achieved in 2016. In the second quarter 2017, the company expects ocean transportation operating income to approximate the \$33.9 million achieved in the second quarter 2016.

Logistics — In the first quarter 2017, operating income for the company's logistics segment included a full quarter of freight forwarding operating results from its acquired Span Alaska business. However, operating results of the transportation brokerage business were lower year-over-year in the first quarter 2017, as operating margins were compressed by excess capacity and a more competitive pricing environment. For the full year 2017, the company expects logistics operating income to be approximately \$20 million, up significantly from the 2016 level of \$11.9 million, primarily due to the inclusion of Span Alaska's freight forwarding business for a full year. In the second quarter 2017, logistics operating income is expected to be approximately double the \$2.2 million achieved in the second quarter 2016.

Depreciation and Amortization — For the full year 2017, the company expects depreciation and amortization expense to increase by approximately \$15 million to \$150 million, inclusive of dry-docking amortization of approximately \$50 million, primarily due to the higher levels of maintenance capital and vessel dry-docking expenditures in 2016 and planned for 2017.

EBITDA — The company expects full year 2017 EBITDA to approximate the \$288.6 million achieved in 2016.

Interest Expense — The company expects interest expense for the full year 2017 to be approximately \$25 million.

Income Tax Expense — In the first quarter 2017, the company's effective tax rate was 30.7 percent. For the full year 2017, the company expects its effective tax rate to be approximately 39 percent.

Capital and Vessel Dry-docking Expenditures — In the first quarter 2017, the company made maintenance capital expenditure payments of \$22.9 million, capitalized vessel construction expenditures of \$1.3 million, and dry-docking payments of \$15.1 million. For the full year 2017, the company expects to make maintenance capital expenditure payments of approximately \$50 million, capitalized vessel construction expenditures of approximately \$210 million and dry-docking payments of approximately \$60 million.

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MFOW PRESIDENT'S REPORT



By Anthony Poplawski

I spent most of April attempting to clear a backlog of unresolved grievances, dealing with Headquarters property management issues, and making initial preparations for upcoming negotiations with Matson Navigation Company.

MATSON

Negotiations — On April 10, on behalf of the three Pacific District unions, I sent pre-negotiation notices to Matson Vice President, Vessel Operations & Offshore Labor Captain Jack Sullivan, the Federal Mediation and Conciliation Service (FCMS), the California State Mediation and Conciliation Service, the Hawaii Labor Relations Board, and the State of Washington Employment Relations Commission. On April 20, the Union received notice from the FMCS that Commissioner Joel Schaffer has been assigned to our upcoming negotiations. Mediation is a voluntary process in which labor and management agree to use as neutral third party to help resolve any workplace disputes.

We will call for a rank-and-file Negotiating Committee to be elected at the June Headquarters meeting. Any interested candidates should have experience working under the Matson collective bargaining agreement and should be currently eligible-for-hire by the company. There is no compensation for participation on the Negotiating Committee.

Aqua Lane — I am pleased to report that there were no Aqua Lane-related restriction-to-ship beefs during the month of April. Matson vessels arriving in Long Beach from Shanghai have routinely been cleared on arrival.

On April 28, I sent a consolidated Aqua Lane restriction-to-ship grievance packet, covering claims in January and February, to Matson for review and payment.

EEOC CHARGE

As previously reported, on January 6, 2017, the Union received notice from the United States Equal Employment Opportunity Commission (EEOC) that member Kim Varnau, JM-5192, had filed an age discrimination charge against the Union. Even though the charge was vague and unsubstantiated, the EEOC requested that the Union submit a position statement by February 5, 2017. On January 18, after review by legal counsel, I uploaded the position statement to the EEOC respondent portal.

On April 4, the Union received a letter of dismissal and notice of rights from the EEOC. The EEOC determined that, based upon its investigation, they were unable to conclude that the Union violated any statutes. The baseless, time-consuming federal charge was therefore put to rest.

ILWU, grain terminal reach agreement

Longshore workers have reached an agreement with the operators of the Longview Export Grain Terminal, avoiding the strife that plagued the negotiations five years ago. Negotiations only lasted about a month, according to the union, and EGT and International Longshore and Warehouse Union Local 21 came to an agreement smoothly, according to both sides. Members unanimously voted to approve the new contract in April, and the five-year contract went into effect early this month. Local 21 represents 283 members, but only about 65 people typically work at EGT.

For the past year, EGT's business has been thriving. In 2016, the terminal moved 6.6 million tons of grain, its best

year since the terminal opened in 2012, according to the Port of Longview. Management said the terminal is expecting another strong year for exports in 2017.

The new contract will maintain the same wage structure as the previous contract, and any salary increases will be based on changes in the market. Local 21 also represents workers at the Temco grain terminal in Kalama, and its goal is to have all of its grain terminal workers make the same wages. Local 21 has also been in ongoing negotiations with the Kalama Export Co. grain terminal for two and half years, but talks have stalled over pensions and other benefits, according to the union.

Under the new contract with EGT, workers will now be paid overtime for

Lawmakers introduce bill aimed at stimulating domestic maritime jobs

Two U.S. House lawmakers have introduced a bill to promote programs in two-year community and technical colleges in an effort to stimulate jobs in the domestic maritime industry.

"In our district, we have a surplus of maritime jobs and not enough people with the skills and training to fill them," said Representative Gene Green (D-Texas), who represents the Port of Houston area and drafted the bill along with Representative Rob Wittman (R-Virginia). "The industry is continuing to invest and grow along the Port of Houston, and we want to make sure that our constitu-

ents have the opportunity to take these high skilled jobs."

It is estimated that there are more than 56,000 direct maritime-related jobs in the Port of Houston alone. Other congressman also backed the bill, including Representatives Ted Poe (R-Texas) and Alan Lowenthal (D-California).

The bill, dubbed the "Domestic Maritime Centers of Excellence Act," specifically calls on the U.S. Department of Transportation to assist two-year colleges and trade schools along the coastal United States with instituting and expanding maritime-related training programs.

MOKU PAHU

Back on March 17, the Union received a draft Memorandum of Understanding (MOU) from American Ship Management for the ongoing operation of the *ITB Moku Pahu*. The company wished to reach agreement with maritime labor (MFOW, SUP, SIU-AGLIW, MM&P and MEBA) on terms that would allow the ship to compete for work against other ship operators. Because the ship is no longer on the specialized Hawaii sugar run, the company petitioned the unions for lower total labor costs.

The ASM draft MOU was based on a standard federal government ship MOU, with several clauses deleted that pertained only to government work. Union concerns were immediately brought to the company's attention, such as crewing right of selection, tour of duty, grievance procedure, crew size, length of shipping articles, travel, and benefit plans.

On April 19, along with Vice President Cajun Callais, I met with representatives from ASM and the other unions in Concord, California. According to ASM, the *Moku Pahu* had completed its Food for Peace run to Djibouti and was in the Red Sea, bound for Greece via the Suez Canal. The choices for the ship owner — Schuyler Line Navigation Company — are to scrap the vessel or try to run it in the PL-480 and Jones Act trades after an extensive shipyard period.

In order to prevent scrapping, ASM called for a 15 percent reduction in total labor cost (as compared to the extended agreement based on the old Special Bulk Service Agreement) from all of the unions. The unions countered with a five percent reduction in total labor cost.

After performing a cost analysis, it was determined that ASM's proposed MOU — which deletes the provisions for penalty time and dirty work — would result in an eight percent reduction in total labor cost for the MFOW. The other unlicensed Pacific District unions also found total labor cost reductions in the eight percent range.

On April 27, we received an update that the ship owner had concerns over negotiations not moving in a timely manner.

On April 28, the Union was notified that the *Moku Pahu* had arrived at the Gulf of Elefsina, Greece, and the crew would be laid off and repatriated on April 29.

The ship owner stated that, due to the slow progress of negotiations, they were forced to start the paperwork for scrapping.

On April 30, the unions were notified that ASM required a 12 percent reduction in total labor cost in order to keep the ship in service.

Negotiations are ongoing. The fate of the *Moku Pahu* hangs in the balance.

Will keep the membership informed.

APLMS

On April 24, the Union received a fleet update from APLMS Director Labor Relations (Maritime) John Dragone. He stated that the *APL Coral* would be leaving U.S.-flag and Maritime Security Program (MSP) service on or about May 2, 2017, in Hong Kong. The *APL Gulf Express* would take the *APL Coral* slot and enter U.S.-flag and MSP service on or about May 2, 2017, in Jebel Ali, and would become the company's Persian Gulf feeder. The *Marstan* — time chartered by APL from Sealift as their Persian Gulf feeder — would be returned to Sealift on or about May 7, 2017.

In an update on May 8, the Union was notified that the reflag of the *APL Gulf Express* did take place on May 2, 2017 in Jebel Ali, and that the reflag to foreign registry of the *APL Coral* would occur in Hong Kong on May 9, 2017. All crew would be repatriated in a timely manner.

CBP withdraws Obama-proposed changes to Jones Act

U.S. Customs and Border Protection (CBP) has withdrawn an Obama-era proposal to modify a law that governs shipping, which would have revoked waivers that make it easier for oil and gas operators to skirt restrictions, according to a recently published agency bulletin.

For nearly 40 years, the CBP has provided exemptions to the Jones Act, which mandates the use of U.S.-flagged vessels to transport merchandise between U.S. coasts. The exemptions have allowed oil and gas operators to use often cheaper, tax-free, or more readily available foreign-flagged vessels.

The CBP has weighed revoking these waivers after President Barack Obama's administration proposed to put them on the chopping block two days before President Donald Trump took office.

The oil industry expressed relief about the CBP announcement. Oil and gas majors operating in the U.S. Gulf of Mexico had stepped up lobbying efforts over the last two months to urge the CBP not to remove the waivers.

"By rescinding the proposal, CBP has decided not to impose potentially serious limitations to the industry's ability to safely, effectively and economically operate," said a spokesman for the American Petroleum Institute.

The CBP said that the agency received many comments in support of and opposing the proposed action and that it should be reconsidered.

working Saturday. They will be paid more for working graveyard shifts, according to Local 21. In exchange, the union has agreed to round down the hours worked to the nearest quarter of an hour, instead of the nearest half an hour. For example, if an employee works 8 hours and 6 minutes, their timecards would round to 8 hours and 15 minutes, whereas before their timecards would round to 8 hours and 30 minutes, according to the union.

Port of Long Beach awards \$53,500 in scholarships

The Port of Long Beach, California awarded \$53,500 in scholarships to 34 local college and high school students at the port's fourth annual Celebrating Education event, which brings together students, educators, public officials and business leaders to highlight educational accomplishments in the international trade and goods movement industry.

Since 1993, the Port of Long Beach has awarded \$720,650 in scholarships to 425 students pursuing careers in international trade and goods movement. This year's scholarships went to students from local high schools, Long Beach City College and California State University, Long Beach.

It was held at Juan Rodriguez Cabrillo High School, home of the new Academy of Global Logistics, a linked learning pathway designed to prepare students for a career in international trade and logistics.

VICE PRESIDENT'S REPORT

I would like express kudos to all: Officials, Headquarters staff, port delegates and all rank-and-file members for spending quality time at the successful MFOW Constitutional Convention last month. A wide range of topics was discussed, and motions were approved for consideration at next month's collective bargaining agreement negotiations with Matson Navigation Company. This will be an uphill fight. We hope that next year's Convention to address APLMS contract negotiations will have such fine attendance by dedicated members.

Last month, MFU Training held an MSC class, FWTO class and BT Revalidation and Refresher classes. The ongoing course schedule is printed on page 7.

Headquarters issued a 30-day suspension to a "C" card for an unexcused failure to turn-to for a Standby Wiper job.

Vessel rundown:

Matson: The company is still calling for Standby ERs, Standby Wipers and bunker rovers. At the end of March, shipped a new RE and a Chief Electrician to the *Maui*. Tentative schedule has the vessel laying up in early July.

Kauai - shipped one Watch Jr., one C/E (for an UFFD) and one Wiper for a voluntary quit. *Matsonia* — shipped one C/E for a voluntary quit. *Mahimahi* — the REJ job was given to Seattle. *Manoa* — awaiting call back to dry dock on approximately May 3. *Lihue* — still laid up at Howard Terminal (since last May). Tentative breakout is early August?

APLMS: All vessels continuing to call for Standby Wipers as needed. The *APL Singapore*, *APL Thailand*, *APL Belgium* were in and out clean.

APL Philippines — the ERJ job went Seattle. *APL China* — shipped one REJ/O rotary and one Wiper for a voluntary quit. *APL Coral* — ship is in Hong Kong awaiting reflagging.

APL Gulf Express — On April 30, flew new crew out to Jebel Ali, UAE. Honolulu filled the Day Jr. and Wiper jobs, Headquarters supplied the REJ, and Seattle filled the ERJ job. The crew was required to have 96-hour entry visas into UAE.

Respectfully,
"Cajun" Callais
Vice President

BUSINESS AGENT'S REPORT

For the month of April, we dispatched the following jobs to Patriot Contract Services' (PCS) vessels:

The *USNS Charlton* called for a crew for activation in Bayonne, New Jersey. A Wiper was flown out from Headquarters. The vessel was laid up after approximately 22 days.

USNS Pomeroy — one Oiler was flown out to Diego Garcia. *MT SLNC Pax* — one Electrician was flown out to Guam. *USNS Sisler* — one Oiler was flown out to Guam.

The *USNS Gilliland* called for a crew

for sea trial activation, which was furnished by Wilmington. We dispatched one Oiler to fly to Norfolk, Virginia, for approximately seven days.

We reshipped the one-year Electrician job on the *MV Cape Horn*, which is managed by Matson Navigation Company. The vessel was also activated for sea trials for approximately seven days, then laid up.

Fraternally,
Bobby Baca
San Francisco Business Agent



Dave Thompson, #3878, forwarded this picture of the *SS Lurline* being towed through the Panama Canal on her way to the scrap yard.

Michigan ferry service adds pirate ship for 2017

This summer, tourists will be able to sail the historic Straits of Mackinac on a pirate ship. Star Line Mackinac Island Ferry added the pirate ship *Good Fortune* ship to its fleet for the 2017 season. The pirate ship is just one of the new additions this year to the fleet after the company acquired the Arnold Line and made improvements and changes.

The *Good Fortune* is set to make its maiden voyage on the Great Lakes this summer. The ship will run excursions from Mackinaw City, Michigan five times a day during peak season. Each voyage is about 1 hour and 15 minutes

on the water. Tours take passengers through the straits, under the Mackinac Bridge, and in front of historic Fort Michilimackinac.

On the pirate-themed cruise, tourists will be able to talk like a pirate, pull treasures from the sea, discover the history of Great Lakes pirates, swab the deck, play pirate games, and enjoy music and dancing.

The ship will not take passengers to Mackinac Island. They will still have to board a standard Star Line ship to get to the island.

Survey finds union attitudes changing for millennials

While a majority of baby boomer union members say they have a strong sense of pride in their work, only a quarter of millennial union members agree, highlighting a striking disconnect in attitudes about work among union members across generations, according to a survey commissioned by Prudential Retirement. But the survey also reveals opportunities for unions to engage millennial members, a majority of whom view jobs from a technologically advanced economy as a chance for unions to gain new members and influence.

The findings, summarized in "Union Perseverance: Taking the Pulse of America's Union Workers," reveal that one top priority for union members of all generations is more union-sponsored job training to help members keep up in a rapidly changing workplace. The survey was conducted by the Economist Intelligence Unit and sponsored by Prudential Retirement, the nation's leading provider of Taft-Hartley plans, with more than 60 years of experience dealing with union retirement plans.

Among the survey's key findings:

- There is a generational disconnect among union members.
- Only 27 percent of millennials said they have a strong sense of pride in their work, compared to 53 percent of baby boomers.
- 59 percent of millennials versus 47 percent of baby boomers cite low wages as a top concern.
- 39 percent of millennials rank medical benefits as a top concern versus 52 percent of baby boomers.
- Millennials have higher expectations of unions and the overall workplace.
- Millennials and baby boomer members agree there has been im-

provement in wages and benefits, but disagree about whether unions should get the credit.

- 34 percent of millennial members say unions have been at the forefront of gaining fair wages, compared to 47 percent for boomers; for access to benefits, the gap is even bigger, 28 percent versus 44 percent, respectively.
- Unions can improve engagement by offering training or other new approaches.
- 67 percent of union members want new skills and 68 percent say unions should offer more training and apprenticeship programs.
- 56 percent of millennials say new jobs from a technologically advanced economy provide an opportunity for unions to gain members, and 61 percent say they are interested in future work trends like telecommuting or the rise of the sharing economy through companies like Uber.
- Millennials now occupy the largest share of the nation's labor force. Crucially for unions, millennial union members are becoming a larger voice in setting union priorities as their baby boomer counterparts retire.

But despite clear differences in generational attitudes, all generations in the survey agree that the core union mission of collective bargaining should remain unchanged. Most members say unions should focus on negotiating wages and benefits (58 percent), and protecting the security of pensions and other employee benefits (51 percent). And when members are asked which groups will play a critical role in protecting the welfare of U.S. workers in the future, 55 percent cited labor unions as the top institution.

Average S&P 500 CEO makes 347 times more than the average worker

A wide and long-standing gap between the earnings of CEOs and workers in the United States shows no signs of narrowing, according to a labor group's analysis. Chief executives of S&P 500 companies surveyed were paid on average \$13.1 million last year, 347 times the pay of the average U.S. worker, according to the AFL-CIO, the largest federation of U.S. labor unions.

That gap was up from 335 times worker pay in 2015, reflecting a widening income inequality.

The AFL-CIO used the survey to highlight slow U.S. wage growth and outsourcing of jobs to countries with lower wages. Corporate directors were at fault for enabling top executives' pay, even when investor returns lag, AFL-CIO President Richard Trumka said.

"The system is rigged," he said. "We think shareholders ought to become more active and lower those executive pay raises, and that workers ought to get a bigger share of the wealth they produce."

The labor group's annual study often draws notice as a measure of how U.S. workers are largely not sharing economic gains of those at the top of the income scale, even as official unemployment remains low. Dissatisfaction among those workers was one reason many backed Donald Trump in last year's U.S. presidential election.

U.S. investors tend to support the current CEO pay levels, however. In the advisory votes that S&P 500 companies held for their shareholders on executive

pay last year, they received average support of 91 percent, according to a consulting firm. Only six companies received less than 50 percent support in the advisory votes.

For its study the AFL-CIO analyzed filings from 419 companies in the S&P 500 index. It found the average pay of CEOs was roughly \$13.1 million in 2016, a six percent increase over the prior year. In contrast, the average annual pay of production and nonsupervisory workers in the United States was \$37,632, a two percent increase.

The AFL-CIO said that when adjusted for inflation, U.S. workers' wages have been stagnant for 50 years. Adjusted for inflation, production and nonsupervisory workers averaged \$41,473 a year in 1967, for instance.

CEO pay in the U.S. is often higher than in other countries because of the practice of using "peer group" averages to set pay, AFL-CIO officials said in a conference call with reporters. One improvement could be to make shareholder votes on pay binding, as they are for British companies.

The AFL-CIO's measure of pay differences is imperfect because it does not compare executives with their own employees. A rule from the administration of Democratic former President Barack Obama that is slated to go into effect next year would require most publicly listed U.S. companies to disclose the ratio of their CEO pay to that of median pay of their workforce.

New container terminal to be built in Cambodia

A \$200 million container terminal is expected to be built at the main deep sea port of Cambodia. The Sihanoukville Autonomous Port's (SAP) new container facilities, which are part of an expansion project expected to be completed by 2022, will increase the port's annual capacity to around one million TEU.

The new development is set to meet increasing growth in the volume of containers passing through the port, with the existing container terminal expected to be overloaded by 2023.

SAP's director-general said that the port currently handles more than 400,000 TEU and expects container volumes to rise to over 700,000 TEU

in 2023. The new terminal will be equipped with a 350 meter quay with a depth of 14.5 meters.

SAP is currently studying the project with the Japan International Cooperation Agency (JICA), from which it is expected to seek a loan for the construction of the new facilities. SAP has reportedly received approximately \$178.6 million in loans so far from the JICA.

In 2015, the port launched a \$74.2 million project to build a 330 meter-long and 13.5 meter-deep multipurpose seaport, which will serve imports and exports of coal, steel, fertilizers, rice and oil, and is set to be completed by 2018.

Ten injured in Dubai port crane collapse

The collapse of a large gantry crane at the Jebel Ali container port terminal in Dubai left nine people with minor injuries and one with moderate injuries, according to port operator DP World. The crane came crashing down just feet from a multi-level building with people running from it in panic seconds after impact. The collapse happened after the Centaurus, an 11,000 TEU container ship operated by French shipper CMA CGM, struck the harbor wall while

berthing on May 4.

Jebel Ali's rail-mounted gantry cranes are 50 meters wide and 32 meters high, and the one that collapsed fell across a busy dockyard where trucks were coming and going. A second crane was shifted off its rail but remained upright.

Jebel Ali is the largest container terminal in the Middle East. An investigation has been launched into the reason the Centaurus went off course.

Somalia, EU looking at ways of enhancing maritime security

The Somali government and the European Union (EU) have held talks on strengthening the Horn of Africa nation's maritime security to help deter piracy along the coastline. Somali Prime Minister Hassan Ali Khaire and EU Ambassador to Somalia Veronique Lorenzo, who were hosted by the EU Naval Force aboard the flagship *ESPS Galicia*, discussed how the EU can best support the government to take full control of its maritime security, which is essential for long-term stability of the country.

The discussions highlighted the cooperation existing between EU and the Somalia government in policing Somali waters. The EU naval force, a counter-piracy military operation off the coast of Somalia has been protecting Somalia bound ships, belonging to the UN World Food Program and the African

Union Mission in Somalia.

Discussions between Khaire and EU officials also focused on counter-piracy operations and recent piracy incidents on the Indian Ocean. During the talks, Khaire, who was also led on a guided tour aboard the *ESPS Galicia*, which is used in anti-piracy operations, urged the EU Naval Force to intensify counter-piracy military operations, by deploying more ships in the waters; and increasing air patrols, in light of the recent piracy incidents.

Major General Robert Magowan, the EU Naval Force Operations Commander, Operation Atalanta which started in June 2016, said they have thwarted attempted pirate attacks. He said the forces would continue to sustain the momentum of the operation, in order to deter and suppress piracy on the high seas.

UAE wants to turn icebergs into drinking water

A company in the United Arab Emirates is planning to tow an iceberg from Antarctica to supply the country with drinking water. The iceberg would have to be towed 10,000 kilometers. The country is expected to run out of drinking water in the next 15 years.

It is expected to take a year to tow an iceberg that far where it will be planted in the Persian Gulf to supply one mil-

lion people with drinking water for five years. However there are doubts about the idea.

One meteorologist questioned how the plan would work because the water temperature in the Persian Gulf is about 86 degrees Fahrenheit. Many experts agree that the plans to tow an iceberg from Antarctica to supply UAE with drinking water will likely fail.

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, 2016. The annual report has been filed with the Department of Labor, as required under the Employee Retirement Income Security Act of 1974 (ERISA).

Supplemental vacation pay 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 \$486,181 as of July 31, 2016, compared to \$277,852 as of August 1, 2015. During the plan year, the plan experienced an increase in its net assets of \$208,329. 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 \$13,424,878, including employer contributions of \$13,411,616, earnings from investments of \$11,572 and other income of \$1,690.

Plan expenses were \$13,216,549. These expenses included \$354,638 in administrative expenses and \$12,861,911 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 \$5.75 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.

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, 2016. The annual report has been filed with the Department of Labor, as required under the Employee Retirement Income Security Act of 1974 (ERISA).

Medical exam benefits paid 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 \$(73,411) as of June 30, 2016, compared to \$(156,720) as of July 1, 2015. During the plan year, the plan experienced an increase in its net assets of \$83,309. During the plan year, the plan had total income of \$849,888, including employer contributions of \$846,716, earnings from investments of \$65, and other income of \$3,107.

Plan expenses were \$766,579. These expenses included \$197,589 in administrative expenses, and \$568,990 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.

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MARINE FIREMEN'S UNION TRAINING PROGRAM 2017

Interested members who meet the Training Program eligibility requirements and prerequisites outlined for each course may obtain an application online at 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 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.

STCW BASIC TRAINING

Basic Training Revalidation

This two-day course (13 hours) is designed for personnel who have previously completed a 40-hour Basic Training course and have at least one year approved Sea Service within the last five years.

Training Resources, Ltd., San Diego, CA: June 7-8; June 28-29

Maritime License Center, Honolulu, HI: July 13-14

Basic Training Refresher

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

Training Resources, Ltd., San Diego, CA: June 6-8; June 27-29

Fremont Maritime, Seattle, WA: June 10-12

Maritime License Center, Honolulu, HI: July 12-14

Military Sealift Command Training

This 4-1/2 day course includes the following segments: Shipboard Damage Control; Environmental Programs; Chemical, Biological and 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.

Scheduled as needed

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. *Prerequisites: Coast Guard approval letter for endorsement upgrading, which certifies sea time of six months (180 days) as a Wiper.*

July 17-August 11

August 21-September

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). *Prerequisites: See QMED Fireman-Watertender/Oiler course. It is recommended that eligible candidates schedule the QMED Fireman-Watertender/Oiler and STCW RFPEW courses back-to-back for a five-week combined training session.*

June 5-9

July 10-14

August 14-18

QMED-Electrician/Refrigerating Engineer

The QMED Electrician and QMED Refrigerating Engineer have been combined into the 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 Oiler and Junior Engineer endorsements and RFPEW.*

July 10-August 18

August 28-October 6

Kongsberg to build world's first autonomous container ship

Norwegian marine technology firm Kongsberg Maritime has announced plans to build what it claims will be the world's first autonomous, electric container ship. The vessel, which is being developed in collaboration with Norwegian fertilizer manufacturer YARA International, will be used as a feeder vessel to transport products from a fertilizer plant to nearby shipping terminals in Brevik and Larvik.

Kongsberg, which has played a major role in wider research into autonomous shipping, will be responsible for all of the key control and monitoring technologies onboard the new vessel, including the sensors and integration required for remote and autonomous operations, in addition to the electric drive, battery and propulsion control systems. The president and CEO of Kongsberg said that the vessel will mark a major step in the development of autonomous shipping technology.

The ship will initially begin operating in a manned capacity in 2018 before

moving to remote operation in 2019 and fully autonomous operations from 2020. The vessel is expected to replace the need for up to 40,000 road freight journeys a year. The move from road to sea will thereby reduce noise and dust emissions, improve the safety of local roads, and reduce NOx and CO2 emissions.

Kongsberg is involved in several projects in the autonomous shipping arena, including AUTOSEA, which focuses on integrated sensor technology and fusion, and automated collision avoidance systems. The firm is also a key stakeholder in the world's first official autonomous vehicles test bed.

A number of other groups around the world are also exploring autonomous shipping technology, including Rolls Royce which earlier this year received a grant from a Finnish funding agency for innovation, to carry out development projects focusing on land-based control centers and the use of artificial intelligence in remote and autonomous shipping.

U.S. and China agree to closer cooperation on LNG trade

The United States and China have agreed to advance their economic cooperation in the energy sector, in a move aimed at improving access of U.S.-based LNG exporters to the world's third largest consumer of the fuel. The agreement on LNG is one of 10 initial actions, released by the White House under the framework of the US-China Comprehensive Economic Dialogue, aimed at promoting economic engagement and cooperation between the two world powers in a range of issues including energy, agriculture, investment and finance.

The release said that "the United States welcomes China, as well as any of our trading partners, to receive imports of LNG from the United States," and "companies from China may proceed at any time to negotiate all types of contractual arrangement with U.S. LNG ex-

porters, including long-term contracts, subject to the commercial considerations of the parties."

It continued to say the U.S. treats China no less favorably than other non-free trade agreement trade partners with regard to LNG export authorizations, but details on how cooperation was to move forward were scarce.

China is already an importer of U.S.-sourced LNG, having received 212,000 metric tons in 2016 and 420,000 metric tons so far in 2017. It imported its first LNG from the U.S. in August 2016, when state-owned CNOOC received cargo from the Sabine Pass export facility aboard the LNG carrier *Maran Gas Apollonia*. It was the first cargo from the lower 48 states to reach Northeast Asia since Sabine Pass commenced operations in February 2016, and the first LNG tanker to transit the newly expanded Panama Canal.

HONOR ROLL

Voluntary donations to
General Treasury — April 2017:

Bruce Botai, #3737\$5.00
Bonny Coloma, P-2763.....\$25.00
Ali Malahi, JM-5300.....\$20.00

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

FINISHED
WITH
ENGINES



Lawrence L. Histo, Jr., #3387.
Born April 13, 1936, Hawaii. Joined MFOW April 13, 1966. Pensioned April 1, 1999. Died May 3, 2017, Washington.

Richard J. Banigan, #3051.
Born January 11, 1935, New York, NY. Joined MFOW June 21, 1961. Pensioned July 1, 2000. Died May 3, 2017.

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.

WILMINGTON NOTES

A total of 53 billets were dispatched from Wilmington in April, details are posted in "Howz Shipping" in this issue and locally at the hall. Two APL, eight PCS, and four Matson shipboard billets and three Shore Mechanics were shipped. Members took 51 jobs this month, while two applicants made it to a ship. We have 22 A-, 16 B-, and 44 C-seniority members registered here. All ships reporting back with little problems.

I missed the MTD meeting, but I made the LA/LB Labor Coalition meeting here at our Hall, while Pasquale Gazillo, #3699, made the L.A. County Fed meeting again and brought back the report to the membership.

Work on the *SS Lane Victory* might be starting up again per Chief Engineer

Jim Gillen. I will keep the reports coming. Work days are Monday through Wednesday, just report to the gangway and don't forget your flashlight.

First Blood Ceremonies will be held on May 15th at the corner of 5th and Harbor at Noon. Maritime Day on May 22 is right around the corner and we will be in honoring our dead at the Memorial Wall in San Pedro at 1000. With lunch to follow at Ports O' Call restaurant, members are encouraged to attend.

That's it from Wilmington. I hope all of you are having a good trip if you are at sea and if you are at home, enjoy the time off and check your documents.

Aloha,
Sonny Gage
Port Agent

HONOLULU NOTES

Honolulu dispatched a total of 30 jobs, with quite a lot being steady jobs. I shipped an Electrician/Reefer/Junior to the *Mokihana* and another to the *Maunawili*. I sent Day Junior/Utilities to the *R. J. Pfeiffer*, *Mahimahi*, *Mokihana*, *Maunawili* and *APL Gulf Express*, along with a Wiper. Then Matson called back the crew of the *Manoa* and I dispatched the Electrician/Reefer/Junior, Day Junior/Utility and Wiper out of Honolulu. And, last but not least, the *APL Guam* called for a Reefer/Electrician/Junior.

For standby jobs, I dispatched 13 Standby Electrician/Reefers and six Standby Wipers. Wow, the Standby Wiper total for the month was very low;

normally, we average around a dozen per month. Our registration list has 11 A-, four B-, and eight C-seniority members.

In the month of April, I attended the MFOW Convention and Board of Trustees meeting. I also attended the monthly Honolulu Port Council meeting.

Congratulations to Larry and Migumi Carranza on having a beautiful baby boy. Son Ryco (Rising Sun) David Carranza was born on March 31, 2017, and father Larry got his A-seniority on March 13, 2017. We wish the Carranza family many blessings.

Aloha,
Mario Higa
Port Agent

April cargo record set at L.A. port

April cargo volumes surged 8.9 percent at the Port of Los Angeles compared to the same month last year. It was the best April in the port's 110-year history. For the first four months of 2017, cargo has increased 10 percent compared to 2016, which was a record-breaking year for the port.

April 2017 imports increased 8.3 percent to 372,040 twenty-foot equivalent units (TEU) compared to the previous year. Exports increased 9.4 percent to 157,661 TEU. Total loaded volumes of 529,702 TEU increased 8.6 percent com-

pared to the previous year. Empty containers grew 9.8 percent to 185,052 TEU.

The April tally of 714,755 TEU is the strongest April in the port's 110-year history, eclipsing the April 2012 record of 707,182 TEU. The port's most recent five-year average of April container volumes is 674,540 TEU, and this year's volumes represent a six percent increase over the five-year average.

HOWZ SHIPPING

April 2017

San Francisco

Electrician.....	5
Reefer/Electrician/Jr. Engineer.....	2
Junior Engineer (Watch).....	1
Oiler.....	2
Wiper.....	3
Standby Electrician/Reefer.....	6
Standby Wiper.....	19
TOTAL.....	38

Wilmington

Electrician.....	2
Electrician/Reefer/Jr. Engineer.....	4
Reefer/Electrician/Jr. Engineer.....	1
Junior Engineer (Day).....	1
Oiler.....	4
Wiper.....	2
Shore Mechanic.....	3
Standby Electrician/Reefer.....	12
Standby Wiper.....	24
TOTAL.....	53

Seattle

Electrician/Reefer/Jr. Engineer.....	3
Reefer/Electrician/Jr. Engineer.....	2
Junior Engineer (Day).....	1
Oiler.....	5
Wiper.....	1
Standby Electrician/Reefer.....	4
Standby Wiper.....	1
TOTAL.....	17

Honolulu

Electrician/Reefer/Jr. Engineer.....	3
Reefer/Electrician/Jr. Engineer.....	1
Junior Engineer (Day).....	7
Wiper.....	2
Standby Electrician/Reefer.....	11
Standby Wiper.....	6
TOTAL.....	30

SEATTLE NOTES

In the month of April, shipped two Reefer/Electrician/Juniors to Matson vessels; three Electrician/Reefer/Juniors to APL vessels; five Oilers to Navy bottoms, of which three went to the *Cape Taylor* break out and two to steady Navy bottoms; one Junior Engineer to the *USNS Waters*; one Wiper to a break-out vessel; four Standby Reefers and one Standby Wiper, for a total of 12 seagoing jobs and five standby jobs. Patriot Contract Services called for replacements aboard the *USNS Watkins*, *USNS Waters* and *MV Cape Taylor*.

This month four A-, three B-, and five C-seniority members were registered for a total of eight A-, six B-, and 14 C-seniority registrants.

We represented the MFOW and SUP at the King County Labor Council Executive Board and Delegates meetings, the King County Labor Council Port Coalition meeting, and the Propeller Club for a presentation of the Maritime Industrial Study. Also, we attended the monthly

MTD meeting.

Members, when you make the hall bring all your documents with you. Let's go through them to be sure you are current. Other than your drug-free certificate, you cannot go to work on documents that will expire during your dispatch. It is much easier to review them during regular office hours than the day you want to ship.

Respectfully,
Brendan Bohannon
Acting Representative

Benefits paid during April

Death Benefits	None
Burial Benefits	None
Excess Medical	None
Glasses and Examinations	\$389.98

Halls to close

Memorial Day — All MFOW hiring halls will be closed on Monday, May 29, 2017, in observance of Memorial Day, which is a contract holiday.

Kamehameha Day — The halls will also be closed on Monday, June 12, 2017, 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.

Regular membership meeting dates 2017

(Wednesday meetings)

June	7	S.F. Headquarters
	14	Branches
July	5	S.F. Headquarters
	12	Branches
August	2	S.F. Headquarters
	9	Branches
Sept.	6	S.F. Headquarters
	13	Branches
October	4	S.F. Headquarters
	11	Branches
Nov.	1	S.F. Headquarters
	8	Branches
Dec.	6	S.F. Headquarters
	13	Branches

POLITICAL ACTION FUND

Voluntary donations for April 2017:

Mark Brummitt, N/A.....	\$25.00	Ali Malahi, JM-5300.....	\$80.00
Bonny Coloma, P-2763.....	\$25.00	Ahmed Munassar, JM-5209.....	\$20.00
William Hanson, P-1933.....	\$25.00	Harry Mynes, P-1284.....	\$100.00
Enrique Maiden, #3808.....	\$30.00	Richard White, P-1855.....	\$50.00

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:	<input type="checkbox"/> U.S. & POSSESSIONS	<input type="checkbox"/> OVERSEAS
Yearly Subscriptions:	First Class \$20.00 <input type="checkbox"/>	Air (AO) Mail \$25.00 <input type="checkbox"/>
	Pensioners' Hospital & Burial \$6.00 <input type="checkbox"/>	
	Voluntary Political Action Fund Donation <input type="checkbox"/>	\$ _____

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