

MARINE ENGINEERS' BENEFICIAL ASSOCIATION (AFL-CIO)

"On Watch in Peace and War since 1875"



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OSG ANNOUNCES PURCHASE OF ATC

Overseas Shipholding Group, Inc. will purchase and take over Alaska Tanker Company, including three ATC Jones Act tankers currently in operation. ATC has been an entity jointly owned by Keystone Shipping, OSG Ship Management and BP Shipping. OSG issued a press release saying the arrangement would be completed once expected approval is received by the Coast Guard, Maritime Administration and Alaska State regulatory bodies. The company reached out to mariners aboard the vessels earlier today.

Any additional information the Union may be able to provide will be added to the meeting packet at the upcoming January membership meetings. The OSG press release follows:

12/26/2019 - Overseas Shipholding Group, Inc. (NYSE: OSG) announced today that its subsidiaries have entered into agreements with BP Oil Shipping Company USA and BP AMI Leasing Inc. to purchase U.S.-flagged crude oil carrier vessels operated by Alaska Tanker Company LLC (ATC). OSG currently owns a 37.5% interest in ATC. As part of the above transaction, OSG will acquire the remaining 62.5% interest of ATC that it does not own.

The agreements provide for deposits equal to 20% of the purchase price to be paid upon their execution, with the balance of the consideration to be paid at closing. Closing of the purchases is subject to various conditions, including the approval of the United States Coast Guard and the Maritime Administration under the United States Department of Transportation, as well as receipt of Alaska regulatory approval.

Upon completion of the transaction, each OSG subsidiary will enter into a bareboat charter of its vessel with ATC, and ATC will in turn enter into back-to-back time charters for each of the vessels with BP Exploration (Alaska) Inc. (BP Alaska) as charterers.

Sam Norton, OSG's President and CEO, stated, "The agreements reached with BP this week provide a clear commitment to maintaining ATC as BP Alaska's principal marine transportation partner. ATC's 20-year track record of safe and environmentally responsible crude oil transportation in the highly sensitive Alaskan trades is an achievement with which OSG has proudly been associated. We are excited to have the opportunity to assume full ownership of ATC and aspire to meet and exceed

the high expectations that ATC's constituents have for maintaining a continuing record of operational excellence.”

Mr. Norton added, “The contracts concluded with BP Alaska provide an aggregate of 14 years of firm time charter commitments, adding increased visibility and stability to OSG's book of forward revenue streams. Each contract provides the charterer with options to extend the charter period beyond the base contract period, providing the framework for a continuing working partnership for many years to come.”

Anil Mathur, ATC's President and CEO, stated, “Becoming a wholly owned subsidiary of OSG gives me great confidence that ATC will be positioned to maintain its world class safety and operations integrity standards. This outcome protects our shared environment. OSG's culture fits well with ATC's history of over two decades of proven results arising out of its operating philosophy centered on delivering sustainable, predictable, best-in-class transportation services to the shippers that we serve.”

SENATE PASSES WWII GOLD MEDAL BILL; COSMETIC CHANGES REQUIRE ANOTHER HOUSE VOTE

This week, the Senate approved a bill to award a collective Congressional Gold Medal to World War II merchant mariners, an action previously approved by the full House. Though it appears this tribute to those wartime civilian sailors will finally take place, the bill needs to jump through one more hurdle before it lands on the President's desk for signature. Senators, who passed the House version of the bill [H.R. 550] by unanimous consent, updated the bill by adding cosmetic changes. Though the Senate alterations don't impact the substance of the bill at all, the change from the original legislation voted on by the House will necessitate another vote on the updated version. That procedural vote will likely take place in early January. Following the expected passage of the bill, it will be placed on the President's desk for signature.

The effort was spearheaded in the House by Rep. John Garamendi (D-CA) and Rep. Don Young (R-AK), and in the Senate by Sen. Lisa Murkowski (R-AK). The legislation authorizes a Congressional Gold Medal to collectively honor WWII mariners. The medal will be displayed in the American Merchant Marine Museum at the U.S. Merchant Marine Academy and duplicates will be made available to the public.

MAERSK KINLOSS RESCUES IRANIAN MARINERS FLOATING IN PLASTIC TUB

Last Wednesday, the American crew of the MAERSK KINLOSS played hero to a trio of Iranian fishermen who had been adrift in what appeared to be a large plastic septic tank. They had been clinging to life for almost three weeks in the Arabian Sea following the loss of their fishing boat.

M.E.B.A. Chief Engineer Matthew Alonge noted that the ordeal began after dinner on Dec. 18th a few hours before the crew was set to maneuver into Salalah, Oman. The vigilant bridge crew, headed up by Captain Chris Murray and Chief Mate Kimberleigh Navradszky, had spotted the floating tank after one of the hapless fishermen managed to attract their attention with a flashlight. The engine crew was summoned and KINLOSS shipmates mobilized in a unified effort to rescue the fishermen whose hold on their craft's stability appeared tenuous. Chief Alonge noted that the KINLOSS crew had just practiced a man overboard/Williamson turn as part of a drill two days before. That refresher came in handy and the crew managed to maneuver the vessel within a few meters of the floating tank as several engineers joined the rescue team on deck. A life ring was deployed and the fishermen were able to

climb the pilot ladder with some assistance. The tank capsized during the rescue and disappeared into Davy Jones Locker, but all three fishermen were able to cheat death. They were medically treated, clothed and fed. Chief Alonge noted that the crew informed them that five other fishermen had also escaped their sinking craft in another plastic tank. The KINLOSS crew later learned that the five other Iranians made it to safety two days earlier. The three Iranian mariners on the KINLOSS were transferred to the Omani Coast Guard and the U.S. Navy put out a press release about the incident noting that “the rescue is an example of professional mariners rendering assistance to others in distress at sea, a responsibility and mission that we in the U.S. Navy share and take very seriously.”

The crew of the KINLOSS is made up of M.E.B.A., MM&P and SIU mariners and included a pair of cadets. Chief Alonge affirmed that “the Engineers and the whole crew were professional, safe and efficient. We can definitely be proud to be American mariners.”

M.E.B.A. officers onboard the MAERSK KINLOSS include C/E Matthew Alonge, 1st A/E Reggie Abrams, 2nd A/E Tom Trousdell and 3rd A/E Chad Puglio.

JONES ACT-HATING CONGRESSMAN MAKES ANOTHER ATTEMPT TO COMPROMISE STATUTE

Hawaii Congressman Ed Case, a longtime opponent of the Jones Act., is making another attempt to water down the nearly 100-year old statute after introducing a flurry of bills last week based on half-truths and misinformation. Rep. Case blamed the lion’s share of Hawaii’s high cost of living on the Jones Act and said that Matson Navigation and Pasha Hawaii “operate a virtual duopoly over our lifeline and they do not act as an effective market check on each other.” The three bills authored by Rep. Case, each attempts to bite back on perceived effects of the Jones Act

The first, the “Noncontiguous Shipping Relief Act,” [H.R. 5498], would exempt noncontiguous U.S. jurisdictions (Alaska, Hawaii & Puerto Rico) from the Jones Act.

The second, the “Noncontiguous Shipping Reasonable Rate Act,” [H.R. 5499], addresses ocean freight regulation to align freight rates with international levels.

The third, the “Noncontiguous Shipping Competition Act,” [H.R. 5500], would rescind the Jones Act “wherever monopolies or duopolies in noncontiguous Jones Act shipping develop.”

Rep. Case called the Jones Act an “anachronism,” saying that it has outlived its usefulness after being developed in a “protectionist era.” Matson Navigation fired back in a press release challenging Rep. Case’s understanding of the Jones Act. “Hanging Hawaii's higher costs of living on shipping ignores what local economists and journalists have consistently found over the years, which is that shipping costs are just one of many cost factors that go into local pricing of consumer goods and represent a small fraction of price differences between Hawaii and the mainland,” Matson said.

"The reason the Jones Act has had such strong bi-partisan support in every Congress and administration in modern times is because it is important to homeland security and national defense, as well as the security of service to remote communities like Hawaii and Alaska . . . The Jones Act also supports more than 650,000 jobs in the U.S., including thousands here in Hawaii."

The American Maritime Partnership said the Jones Act creates \$787 million in worker income via 13,000 jobs in the Hawaiian Islands. “The Case proposal would outsource these real economic

benefits to foreign crews and workers,” AMP noted. “Without the Jones Act, the people of Hawaii could find themselves dependent on the whims of a Chinese government-controlled shipping company for their groceries.”

FRESH PIRACY WARNINGS FOLLOWING STEP-UP IN SHIP ATTACKS

A burst of pirate activity erupted in the Singapore Strait this week on the heels of a spate of incidents in the Gulf of Guinea that had prompted an advisory from the International Maritime Bureau’s Piracy Reporting Center. Five ships – three bulkers and a pair of tankers - were attacked over a four day period in the Strait. The region had been a hotspot in the years leading up until 2016 before enforcement measures helped reduce at-sea crime in the Strait to annual single-digit levels since then. But now, there has been a re-emergence after about thirty 2019 incidents were recorded in the area. In the recent attacks, some ship equipment and valuables were stolen and some of the crews were bound and roughed up, though no kidnappings occurred.

In recent days, the IMB has sounded the alarm over the unprecedented level of crew kidnappings in the Gulf of Guinea. On December 15th, pirates near Benin destroyed equipment aboard a product tanker then kidnapped 20 seafarers, leaving a deck cadet behind. That incident followed another attack south of Bonny Island near Nigeria where 19 tanker crew members were seized by pirates. The IMB says these incidents show a serious escalation in seafarers being targeted for kidnap for ransom in the Gulf of Guinea. They said that the fact they are occurring well outside territorial waters makes it all the more important that ships underway maintain a heightened level of vigilance, until they are well clear of these waters.

SHIPPING SECTOR PROPOSES \$5 BILLION R&D BOARD TO CUT EMISSIONS

The global maritime transport industry has submitted a proposal to form the world’s first collaborative shipping research and development program to help eliminate CO² emissions from international shipping. The proposal includes core funding from shipping companies across the world of about \$5 billion over a 10-year period.

The coalition of industry associations behind this proposal represent over 90% of the world merchant fleet, and includes BIMCO, Cruise Lines International Association, Intercargo, Interferry, the International Chamber of Shipping, INTERTANKO, the International Parcel Tankers Association and the World Shipping Council.

They say the industry-wide move to accelerate R&D is necessary to make sure the ambitious CO² IMO reduction targets are met. These targets include an absolute cut in the sector’s total greenhouse gas emissions of at least 50 percent by 2050, regardless of trade growth, with full decarbonization shortly after. They noted that the 2050 target will require a carbon efficiency improvement of up to 90 percent, which is incompatible with a continued long-term use of fossil fuels by commercial shipping.

Meeting the reduction goals will require the deployment of new zero-carbon technologies and propulsion systems, such as green hydrogen and ammonia, fuel cells, batteries and synthetic fuels produced from renewable energy sources. These do not yet exist in a form or scale that can be applied to large commercial ships, especially those engaged in transoceanic voyages and which are currently dependent on fossil fuels.

A copy of the proposal can be found at www.ics-shipping.org/docs/default-source/Submissions/IMO/final-imrb-submission-to-mepec-75.pdf?sfvrsn=6

IMPORTANT M.E.B.A. DOCS AVAILABLE ONLINE

The Union halls are reminded that they should make use of the “Documents & Member Notices” section of the M.E.B.A. website to find important and updated forms useful to members and applicants. There you’ll find application forms for Deep-Sea, Government Fleet and the various bargaining units. You’ll also find Group Seniority Card application forms, Sailing Time Verification & Transmittal forms and Change of Bargaining Unit Affiliation forms. In addition, the M.E.B.A. By-Laws, Constitution and Shipping Rules are there as well as many other important documents including the Recommendation Form - (*Reminder: two recommendation letters are needed from a Senior officer who sailed with the Applicant for at least 60 days.*)

Some halls have been relying on older forms that contain information that is no longer applicable. To emphasize: The Documents and Member Notices section has the **LATEST** versions of important M.E.B.A. docs. Please make it a habit to get familiar with that web page and pull the forms off the site as needed. To get there, go to the M.E.B.A. website (www.mebaunion.org) and scroll down to the large “Documents & Member Notices” box on the right side of the main page.

REGULAR MONTHLY MEMBERSHIP MEETINGS

Monday, January 6 – Boston@1200; Seattle (Fife)@1300;
Tuesday, January 7 – CMES@1430; Charleston@1400; Houston@1315; Oakland@1230;
Wednesday, January 8 – Jacksonville@1300; New Orleans@1315;
Thursday, January 9 – L.A. (San Pedro)@1230; NY/NJ@1300; Norfolk@1300; Tampa@1300;
Friday, January 10 – Honolulu@1100.

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The M.E.B.A. is the nation's oldest maritime labor union, established in 1875. M.E.B.A.'s expertise and proven track record of readiness, safety, and loyalty in answering America's call to action in times of both peace and war is unrivaled in the world. M.E.B.A. HQ – Phone: (202) 638-5355; mebahq@mebaunion.org. Visit us on Facebook. For publication and related inquiries (and to send photos & hot news tips) contact Marco Cannistraro, M.E.B.A. Special Projects & Communications – marco@mebaunion.org. Visit us on Facebook, follow us on Twitter and check us out on Instagram.