

Opening Remarks

The Houston office entered Phase 2 of re-opening this week. From a person who is working remotely, there was no apparent change. In talking to people in the office, the transition was smooth. Based on some resurgence with COVID infection rates in various places around the country, including Texas, it is my opinion that Phase 2 operations may be in place for some time prior to returning to full capacity.

From the daily business perspective, the lay times of June will soon be over. The July and August commercial activity will be a return to the normal pace of operations.

ConocoPhillips and Polar Tanker News

COVID Precautions and Response – I recently received notice from Chris that June 26th, the company will make effective some measures that are a step back toward normal operation. Crew reliefs will no longer be consolidated. Additionally, contractor activity will no longer be limited to essential services. The restriction to vessel directives will follow the local and state guidelines. That stated, if crewmembers go ashore, they will have to follow the same precautions and procedures as contractors when returning to the vessel. The use of stores gangs will be left up to the ship.

The long-awaited anti-body tests that the corporation ordered have been stuck in Buffalo, New York. Once received, test kits and supplies will be sent to each of the vessels. Some of the tests will be held in reserve if needed for crewmembers that are suspected of contracting the coronavirus. The tests are color coded blood tests, indicating short term and long-term antibodies. The test results are generally available within 5 minutes and show if you have had some type of exposure. There are some ramifications for positive tests that we need to be prepared for. A positive test will require a PCR COVID test and the individual will need to be quarantined. The tests will be voluntary and there will be a waiver required if you choose to take the test.

Recently, an email was sent out to members sharing with them that COVID testing is 100 percent reimbursable by COP's healthcare provider, Blue Cross Blue Shield (BCSBTX). What I probably should have added in that correspondence is that even though the cost is reimbursable, it can still be difficult to get a test depending on where you live. Based on a limited supply of tests, many states have placed restrictions on who can get a COVID test. As a follow up to this, I contacted my local Concentra facility to see if they provide COVID testing. The person I talked to said that her facility is doing business group testing only for COVID, but she was aware of other healthcare facilities that were doing individual testing. She could not speak for the other facilities, but at Concentra Portland they were not restricting which groups get the tests based on preconditions.

Polar Endeavour Status – The Polar Endeavour is at anchor off the coast of China awaiting to discharge her cargo and then commence clean up operations (more details included in the Ship of the Week section). The office has been and continues to develop contingency plans for vessel operations. Based on the delays at anchor as well as Singapore’s uncertain recovery operations, Hong Kong has unexpectedly entered the equation as a crew relieving port. This is welcomed news on board for some crewmembers that will be doing extended tours.

Vessel Communications – The quality of ship communications took a recent leap forward. The new hardware for VSAT systems is still in the procurement process, but the cellular offloading technology was implemented on the Polar Resolution during her stay in Port Angeles. This feature directs vessel communications through cellular networks while the vessel is in port. The speed for communications improved from averages more than 700 milliseconds (ms) latency to approximately 100 ms. The Polar Discovery will be the next vessel to receive this feature during her Port Angeles stay.

SEMT Meeting – In addition to the normal content of the SEMT meeting, a comment was made on the progression and positive development of the HSE Learning Teams. Specifically, the volume and quality of the interactive discussions taking place is noticed and very well liked.

Face Coverings Coming – The vessels should be receiving face coverings at your next storing. This shipment experienced a bit of a delay because it was decided to upgrade the quality of the product being sent.

ANS Production Curtailment – The ConocoPhillips 100,000-barrel ANS production curtailment is ending July 1st. The rate of return to full production was not specified but it is generally expected to be within a couple of weeks. Related to this, the OPEC+ country agreement of cutting 9.7 million barrels per day is effective until August 1st. This group will be making the decision soon on whether to extend this temporary measure but OPEC+ has confirmed that they will retain output caps until 2022.

Industry News

Oil Companies Re-Organizations and Impacts - Some oil industry peers in the face of the pandemic are making some major realignments. BP plans to cut 10,000 jobs as part of COVID impact as well as a restructure of the company to shift toward renewable energy. Chevron also announced it will be laying off 10 to 15 percent of its global work force. In a separate article, Chesapeake Energy, a large player in the oil shale industry, has filed for bankruptcy.

China’s Oil Import Activity – In a recent article, it was reported that China’s oil imports in May jumped to the highest level in history at 11.34 million bpd according to customs data. For June Kpler (commodity market analytics co.) is predicting 14 million bpd. There is some uncertainty about how long this pace can be maintained based on doubts about the accuracy of reporting on the country’s recovery and the lack of exact data about China’s oil storage capabilities.

***Your Fleet Council** – Kent Anderson (D), Drew Brown (D), Adam Estabrooks (Vice Chairman), Pete Feeney (Chairman), Mark Middleton (D), Brian Ross (Secretary/Treasurer), Leiden Tochtermann (D)*

Ship of the Week – Polar Endeavour

Ben Mitchell, presently the Endeavour's QAO provided this update's field report. This write up was received last week. In chatting with Endeavour crewmembers, leaving on this voyage, people were well prepared for an adventure and they are not being disappointed.

We departed Puget Sound on May 17th and Arrived in China on June 8th. As a crew, we have all grown to truly understand the phrase "Slow boat to China." With that said this long voyage allowed the vessel to "cross its T's and dot its i's" for the upcoming shipyard. Our trip over was blessed by great weather which allowed for lots of work on deck and for interdepartmental gatherings. Right now, we are currently anchored about 14NM offshore where land is not visible. Anchorage here is somewhat comparable to that of Singapore in regards that there are lots of ships that vary in all sizes and cargos with a high level of vessel traffic. Sometimes we go up to the bridge to visit the watch and listen to the different languages broadcasting on the VHF wondering what is really being said. For the most part we can only assume that we are all in the same COVID boat. No pun intended. We hope that the day when we move to the dock is sooner than later. All departments are well prepared for the maneuver in and the unloading of the cargo. It will be a day light transit with no tug escorts and 16 lines for tying up. All four cargo pumps will be used at a rate of about 65,000bbls/hour. Fingers crossed our turn is next.

History Notes

Following the initial opening of the TAPS trade, oil production continued to increase out of Alaska. As the production grew, the Arco fleet continued to transform to meet the increased demand. Another ship to enter the fleet was the Arco Texas. The 70,000-ton Chevron Hawaii had suffered a catastrophic explosion due to a lightning strike while she was berthed at the Deer Park Terminal in the Houston Ship Channel. The vessel underwriters declared the Chevron Hawaii a total loss. Arco Marine ended up buying the remains of the Hawaii and had her towed to Newport News, Virginia where she was rebuilt into a 90,000-ton vessel. The original redesign of the Texas was for the ship to maximize the amount of cargo it could take through the Panama Canal. To this day, the Arco Texas holds the record for the maximum cargo transit through the original Panama Canal.



The Chevron Hawaii following the explosion at the Deer Park Terminal on September 1, 1979. There were three fatalities and the explosion caused by a lightning strike resulted in secondary explosions in a land-based storage tank and three adjacent barges.

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Fleet Council News

Seniority Maintenance Provision Survey Results and Path Forward - The Fleet Council recently had another phone conference. One of the issues discussed was the seniority maintenance provision. The survey that went out to the membership last month queried individuals on support for a bylaws provisions to maintain a member's seniority for a period of up to two years if that person was to take a position with ConocoPhillips, but outside of a fleet position at Polar Tankers. Of the members that responded, approximately seventy-eight percent were in favor of such a provision. Additionally, there were some valuable comments offered as well.

Concurrent with this survey, the Association's attorney was contacted to get a legal review of the matter. The attorney advised against putting this type of provision in the bylaws and stated that seniority provisions are typically in a contract. Based on this input and the fact that this provision would potentially serve a very small number of individuals, I recommended to the council members that we table the effort to include this as a bylaws provision and wait until there may be a point in the future when there is a demand for professional mariners within the organization. At that point in time, we can approach the company to see if there is any interest for making a memorandum of agreement for a seniority maintenance provision. The council concurred with the recommendation.

Closing Remarks

The AMOA web site is active (www.amoa-cp.org). Information such as recent updates, etc. will be uploaded to the site to keep it current. A member's forum section was added to the site to share thoughts and issues for discussion. If any members have suggestions for topics to add to the site, please let me know.

The window for nominating mariners to serve on the Fleet Council will be opening in another few weeks. If you have not considered running for a Delegate position, please do so. If you have any interest but are undecided, please do not hesitate to contact me directly with any questions you may have. Your service as a council member is a valued contribution to the Association.