




# West Coast Sailors

Official Organ of the Sailors' Union of the Pacific

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SAN FRANCISCO, CALIFORNIA

Friday, July 20, 2012

## U.S. MERCHANT MARINE AMBUSHED

### Republican stealth attack slashes American cargo preference requirement for international food aid

The U.S. maritime industry suffered a major setback on June 29, when a provision was added to the highway bill (Surface Transportation Extension Act of 2012—H.R. 4348) that slashed the statutory U.S.-flag share of international food aid cargo (P.L. 480/Food for Peace) from 75% to 50%.

The 500-page plus highway bill was in conference to reconcile differences between the House of Representatives and Senate versions, when the provision (Section 100124) was added by the House Republican leadership at the last moment to “offset” the cost of federal funding for highways and mass transit. The provision was lifted from Congressman Paul Ryan’s (D-Wisconsin) budget bill that

was passed by the House but rejected by the Senate months ago.

“The attack on the cargo preference program and the U.S.-flag merchant marine took place completely outside the rules and procedures that should govern Congressional actions,” said SUP President Gunnar Lundeberg. “There was no discussion about the impact that the reduction in U.S.-flag operations would have on the fleet,

on the nation’s economy or on national security.”

There was also no opportunity for the Congressional Committees with jurisdiction over the cargo preference statute to consider the proposal or vote on it. And there was no opportunity for the Department of Defense—which has consistently supported cargo preference as a means to help maintain a militarily useful U.S.-flag shipping capability—to express its views. “America’s merchant marine and America’s maritime workers deserve better,” Lundeberg said.

The shipment of international food aid supports 33,000 U.S.

jobs, \$523 million in U.S. household earnings and \$2 billion in U.S. economic output. Fully one-third of those positive impacts will be eliminated by the onerous provision.

**According to the Maritime Administration, Section 100124 will have the following effects on the U.S.-flag merchant fleet:**

- Loss of 500,000 metric tons of preference cargo;
- Loss of \$90 million per year in revenue;
- Loss of 16 U.S.-flag vessels, including six bulk vessels and 10 liner (container) vessels. Of the 10 liner vessels,

four would be Maritime Security Program (MSP) enrolled vessels, six would be non-MSP vessels;

- Loss of 2,000 direct and indirect jobs;
- Loss of 640 seagoing mariner jobs.

Additionally, MarAd indicated that the Congressional Budget Office estimate of \$108 million per year in savings does not accurately reflect the cost of the repealed “Incremental Ocean Freight Differential,” which represents the difference in U.S.-flag costs and foreign-flag

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## Human cost of Somali Piracy

### Updated report released

A report highlighting latest details of the plight of seafarers at the hands of Somali pirates was released on June 22, at a press conference in London. The report, *The Human Cost of Piracy 2011*, was written jointly by Kaija Hurlburt of One Earth Future for its Oceans Beyond Piracy project and by the International Maritime Bureau (IMB). The joint report is an update of the first report on the Human Cost of Piracy for 2010. This

report includes a statistical analysis of the threats of violence caused by acts of piracy as well as the first published findings collected as a result of the Declaration Condemning Acts of Violence Against Seafarers.

The Declaration, signed initially in Washington in August last year by Liberia, the Marshall Islands, and Panama, and by the Bahamas in March 2012, commits signatory states to submit reports to the IMB on the treatment of seafarers held hostage.

“Thousands are attacked for financial gain without regard for the human cost to attain a

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Photo: Dave Connolly

The SUP gang above in the *APL Cyprine* at Port Elizabeth, New Jersey at the Mahar Terminal on July 2. From left to right: AB Rex Simbre, STOS Lucy Bishop, AB and delegate Dustin Grobschmit, AB Chris Halberg, Bosun Robert Jones and AB Jennifer Corner.

The *Cyprine* 65,475 gross ton containership was built by Samsung Shipbuilding Heavy Industries, Co. Ltd. in Koje, South Korea, in 1997. The vessel is over 892 feet long with a breath of over 130 and can make 24.5 knots. She can carry 5,020 20-foot containers including 350 reefer vans.

The *Cyprine* is enrolled in the Maritime Security Program and operates off the East Coast in APL’s Suez Express Service.

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# SUP Honor Roll

Voluntary contributions from the membership to the following funds:

## Organization/ General Fund

Marc Calairo ..... 100.00

## Political Fund

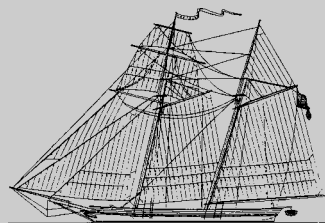
Quentin Brown ..... 50.00  
 Marc Calairo ..... 100.00  
 Robin Colonas ..... 50.00  
 Dave Connolly ..... 100.00  
 George Cooney ..... 50.00  
 Steve Crute ..... 100.00  
 Mike Dirksen ..... 50.00  
 Mike ElMobdy ..... 20.00  
 Diane Ferrari ..... 100.00  
 Mark Hargus ..... 100.00  
 Walter Harris ..... 10.00  
 Noel Isumaro ..... 20.00  
 Clifford Lopes ..... 10.00  
 Gunnar Lundeberg ..... 50.00  
 Joe Mantanona ..... 10.00  
 Iosif Markou ..... 50.00  
 Toni Montoya ..... 20.00  
 Dave Munroe in memory of  
 Henry Johansen and  
 James Olds ..... 100.00  
 Knut Rasmussen ..... 60.00  
 Rich Reed ..... 50.00  
 Emmanuel Rezada ..... 50.00  
 Teo Rojas ..... 50.00  
 Greg Schauf ..... 40.00  
 Augusto Silva ..... 10.00  
 Gabriel Sipin ..... 30.00  
 Mike Soper ..... 50.00  
 Richard Stinson ..... 10.00  
 William Sullivan ..... 30.00  
 Dan Ternura ..... 50.00  
 Daniel TinTun ..... 50.00  
 Louis Urbano ..... 10.00  
 Francis Walsh ..... 50.00  
 Eric Weintraub ..... 20.00  
 Danilo Ycoy ..... 20.00

## West Coast Sailors

Tony Figueroa ..... 25.00  
 Franklin Haugen ..... 25.00  
 Armando Martinez ..... 25.00  
 John Masterson in memory  
 of John "Ropeyarn"  
 Anderson ..... 50.00  
 MEBA ..... 25.00  
 Rolando Mendoza ..... 10.00

## Dues-Paying Pensioners

Gordon Abbott Book #3785  
 Robert Copeland Book #4763  
 Donald Cushing Book #4777  
 Romaine Dudley Book #2593  
 Diane Ferrari Book #2251  
 Knud Jensen Book #3940  
 John Jewett Book #4291  
 Kaj E. Kristensen Book #3120  
 Hannu Kurppa Book #3162  
 James K. Larsen Book #4055  
 Duane Nash Book #2437  
 John Perez Book #3810  
 Alex Romo Book #3193  
 Francisco Salvatierra Book #7498  
 James Savage Book #7488  
 Ralph Senter Book #7323  
 David Shands Book #7483  
 Peter Villanueva Book #0857



# Lawsuit asserts design flaws caused *Costa Concordia* casualties

## Attorney calls cruiseships "floating coffins"

Carnival Cruise Lines faces a new lawsuit as a U.S. lawyer alleges that design flaws hampered evacuation from *Costa Concordia*. Mississippi-based John Eaves said last month that Carnival, its architects and designers share some of the blame for the 30 possible deaths in the accident. "What makes me angriest is that the company has the audacity to refloat *Costa Concordia*, which we know was defectively designed," he said. "We filed a claim against Carnival and against the architects and designers for the propensity of *Costa Concordia* to roll and list, and because of the maze effect within the vessel."

Eaves is seeking punitive damages from Carnival. "The industry has got so big that we are literally sending out floating coffins and that is why we must take action," he said. Eaves also called the recently started efforts of salvage teams to refloat a vessel, put it back out into commerce, and put other families and other passengers in jeopardy."

Carnival already faces countless lawsuits from passengers and crew. Costa Cruises, a subsidiary of Carnival directly responsible for *Costa Concordia*, has offered a compensation package that offers uninjured passengers a lump sum of \$14,460. Crew have also filed suit. Most recently a \$200 million lawsuit was filed in New York Federal Court, on May 3, on behalf of four Hungarian musicians and dancers on board *Costa Concordia*. The lawsuit claims the performers are unable to work after suffering physical and emotional injuries.

Costa Cruises has blamed the incident, which occurred on January 13, on the "significant human error" of the ship's master, Francesco Schettino. Captain Schettino faces manslaughter charges in Italy, where a detailed investigation into the cause of the incident is ongoing.

# QE2 to become Dubai floating hotel

Dubai purchased the *Queen Elizabeth 2 (QE2)* cruiseship from Cunard Cruise Line for \$100 million in 2007. An official decision on what to do with the line has been decided on with plans to transform it into a floating hotel fitted with many of the vessel's original furnishings.

The ship will remain in the downtown Port Rashid facility to serve as a tourist attraction alongside a projected maritime museum and an expanding cruiseship terminal complex.

The newly-announced plans are slightly different than initially proposed. Before Dubai's economy took a turn for the worse, developers intended on carrying out an extensive overhaul on the luxury liner and converting it into an exclusive hotel docked by one of the sheikdom's man-made islands. The chairman of Istithmar World—the ship's owner—said he expects the 300-room hotel to open within 18 months, according to the *Washington Post*. The company realized visitors want to see the *QE2* as it originally looked, so does not expect to carry out major renovations or remove fixtures still onboard.

Since its arrival in November 2008, the fate of the ship has been the subject of scrutiny. Officials have been hesitant to address questions about its future, even as it sat unused. Suggestions about selling it for scrap have been circulating for years.

Concerns about the cost of converting the *QE2* into a working hotel has been dismissed by the ship's owner, although they declined to say who was paying. Neither Istithmar nor the port operation DP World is paying for the project.

Britain's Queen Elizabeth II launched the *QE2* in 1967. Since it went into service in 1969, the *QE2* has made at least 26 round-the-world voyages.

# Final Departures

**Wayne Burgess**, Book No. 5638. Born in California in 1933. Joined SUP in 1952. Died June 3, 2012. (Pensioner)

**Leroy Cook**, Book No. 453. Born in Oklahoma in 1930. Joined SUP in 1954. Died June 11, 2012. (Pensioner)

**Eric Klungreseter**, Book No. 3160. Born in California in 1949. Joined SUP in 1967. Died in Las Vegas, Nevada, June 29, 2012. (Pensioner)

**James Ramsoff**, Book No. 3105. Born in California in 1923. Joined SUP in 1952. Died in San Leandro, California, June 23, 2012. (Pensioner)

## SUP Meetings

These are the dates for the regularly scheduled SUP meetings in 2012:

	Hdqs.	Branch
August	13	20
September	10	17
October	Tues. 9	15
November	Tues. 13	19
December	10	17

# Japan's Sanko Steamship declares bankruptcy

Sanko Steamship, one of Japan's oldest shipping companies, filed for bankruptcy after clashing with shipowners for months over the restructuring of a \$2 billion debt. This is the latest victim of the shipping industry's four-year decline.

The nearly 80-year-old dry bulk and tanker shipping firm is seeking bankruptcy protection amid low freight rates, an oversupply of vessels and high bunker fuel prices.

Sanko gave up the out-of-court settlement process it had pursued since March,

and chose to seek protection from its creditors, reports *Reuters*. That was because it found itself in a severe cash flow problem as multiple shipowners reacted against the reorganizing of charter fee payments by seizing Sanko-owned ships among others.

The company restructured once before after filing for bankruptcy protection in 1985 and had total debts of \$1.95 billion. The Japanese firm managed a fleet of 185 ships, which included 46 tankers and 27 dry bulk carriers, as of April 1.

# Neptune Orient to sell Singapore Headquarters

Neptune Orient Line (NOL), the parent company of APL, announced on July 2, it plans to sell its headquarters in order to raise capital for strategic investment. The 26-story tower is located near Alexandra Road in Singapore.

The company said a decision whether to relocate the 500 people currently working in the office, or remain in the existing building as a tenant, would not be made until a buyer is identified.

Earlier this year, NOL said it aims to save \$500 million in costs to return to profitability following full-year losses of \$478 million for 2011. It posted \$254 million in losses for the first quarter of 2012.

# West Coast Sailors

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## Foreign-flag cruise line's motion to dismiss failure to rescue case denied

A Florida judge has denied a motion by Princess Cruises to dismiss the suit filed by Adrian Vasquez, a Panamanian fisherman who the *Star Princess* failed to rescue on March 10. As previously reported (see the June *West Coast Sailors*), Vasquez was rescued on March 24, near the Galapagos after being adrift for a month. His two fellow fishermen died. Their families are also suing Princess.

On March 10, three bird-watching passengers aboard the *Star Princess* spotted Vasquez's boat, the *Fifty Cents*, adrift and relayed the message to a *Princess* crewman. That crewman notified the bridge, but the ship failed to render assistance due to a "breakdown in communications on the bridge," claimed Princess.

Princess sought to dismiss Vasquez's lawsuit on June 6, arguing that under U.S. law, "a ship owner cannot be held civilly liable for damages based on an alleged failure to render assistance to a ship or persons in distress." Furthermore, Princess implicitly blamed the fishermen, noting that "it appears the plaintiff and his shipmates set sail without a marine radio, distress flares or any other internationally recognized equipment." Princess further claimed that despite the reports of its passengers and of Vasquez himself, the cruise line "is uncertain whether *Star Princess* ever sailed within sight of the *Fifty Cents* or whether the boat observed by the bird watchers was an unrelated vessel."

## Bill pending in Congress would deprive foreign cruiseship workers of Jones Act protection in case of injury

Language added to the House-passed version of the Fiscal Year 2012 Coast Guard authorization bill would effectively deprive foreign seafarers working aboard cruise ships of the right to seek redress in U.S. courts for on-the-job injuries.

The language was added to HR 2838 at the request of the cruise line lobby. It would remove crew members on cruise ships from Jones Act protection by placing a nearly impossible burden on them before they could bring an action in a U.S. court. In essence, the bill would require them to prove that they are unable to seek redress in their home country. The bill would affect tens of thousands of foreign crew members working on cruise ships owned by U.S. corporations and working out of U.S. ports under flag-of-convenience (FOC) registers.

The bill reads as follows: "A claim for damages or expenses relating to personal injury, illness, or death of a seaman who is a citizen of a foreign nation, arising during or from the engagement of the seaman by or for a passenger vessel duly registered under the laws of a foreign nation, may not be brought under the laws of the United States if: 1) such seaman was not a permanent resident alien of the United States at the time the claim arose; 2) the injury, illness, or death arose outside the territorial waters of the United States; and 3) the seaman or the seaman's personal representative has or had a right to seek compensation for the injury, illness, or death in, or under the laws of (A) the nation in which the vessel was registered at the time the claim arose; or (B) the nation in which the seaman maintained citizenship or residency at the time the claim arose."

## ILWU protests use of non-Union labor at Coos Bay

Members of the International Longshore and Warehouse Union (ILWU) picketed this month at a barge facility in Coos Bay, Oregon, to protest a lumber company's use of non-ILWU labor to load and unload wood products at the newly opened facility.

This is the third jurisdictional dispute within the past 12 months that the ILWU has been engaged in at Pacific Northwest ports. Previously, the dockworkers

Union successfully negotiated a contract with an EGT grain expert terminal located in Longview, Washington, after a year-long struggle.

The ILWU is also engaged in an ongoing dispute with the International Brotherhood of Electrical Workers and the operator of Terminal 6 in Portland over which Union will supply the labor to plug and unplug reefer containers at the terminal.

## AMBUSHED *continued from page 1*

costs for the repealed one-third of cargo preference costs. MarAd calculates the cost to be only \$15 million per year.

In Congress, supporters of the U.S.-flag maritime industry called for the repeal of the language that cuts cargo preference. This provision "has no business in this legislation and harms our maritime industry," said Congressman Nick Rahall (D-West Virginia), Ranking Democrat on the House Transportation and Infrastructure Committee.

The provision that cuts cargo preference "should never have been included in this bill, and it should be immediately repealed," said Congressman Elijah Cummings (D-Maryland) and also on the Transportation and Infrastructure Committee. Congressman Rick Larsen (D-Washington), Lead Democrat on the House Coast Guard and Maritime Transportation Subcommittee said, "It is imperative that the maritime industries of the United States remain vibrant contributors to both our national security and economy. This harmful provision does nothing to advance that mission."

**SUP President Lundberg stated: "This attack on the merchant marine cannot stand. The provision must be repealed." He pledged to work independently and with others in the industry to see that it occurs.**

## Matson is now independent

Matson Navigation Company announced on July 2, that the separation of Alexander & Baldwin Holdings, Inc. into Matson, Inc. and Alexander & Baldwin, Inc. has been completed and that Alexander & Baldwin Holdings, Inc. has changed its name to Matson, Inc. ("Matson"). It began trading on the New York Stock Exchange (NYSE) on the same day, under the ticker symbol "MATX." Matson had been an A&B subsidiary since 1969.

The distribution was completed on June 29, 2012 at 4:00 P.M., Eastern Daylight Time (EDT). Under the terms of the distribution, Alexander & Baldwin Holdings, Inc. shareholders as of 5:00 P.M., EDT, as of the record date of June 18, 2012, received one share of common stock of Alexander & Baldwin, Inc. for every share of Alexander & Baldwin Holdings, Inc.

Matson also announced that its Board of Directors declared a third quarter 2012 dividend of \$0.15 per common share. The dividend is payable on September 6, 2012 to Matson shareholders of record as of the close of business on August 2, 2012.

"Matson has been serving Hawai'i continuously since 1882, and has an integral role in supporting the state's economic activities," said Walter Dods, chairman of the board of directors. "We are proud that Matson will now be the state's 14<sup>th</sup> publicly traded company, and will remain committed to serving the needs of the Hawai'i community."

"We are pleased to have achieved continuity with our Board of Directors both in terms of their historical perspective and the wealth of knowledge they have about the Company," said Matson President and Chief Executive Officer Matthew Cox.

As previously announced, Matson has named its Board of Directors, effective June 26, 2012. There have been no changes to Matson's executive management team, with the exception of Matthew Cox becoming Chief Executive Officer and Joel Wine becoming Senior Vice President and Chief Financial Officer; in addition, Rusty Rolfe has been promoted from Executive Vice President to President of the Matson subsidiary, Matson Logistics.

### Board of Directors

- Walter A. Dods, Jr., currently the Company's Chairman of the Board and retired Chairman and Chief Executive Officer of BancWest and First Hawaiian Bank: Dods joined the Alexander & Baldwin Board of Directors in 1989, served as lead independent director from 2006 through 2009 and its Chairman since 2010.

- W. Blake Baird, Chairman of the Board and Chief Executive Officer of Terreno Realty Corporation: Baird joined the Alexander & Baldwin Board of Directors in 2006.

- Michael J. Chun, retired President of Kamehameha Schools Kapalama Campus: Dr. Chun joined the Alexander & Baldwin Board of Directors in 1990.

- Matthew J. Cox, President and Chief Executive Officer of Matson, Inc.

- Admiral Thomas B. Fargo, U.S. Navy (retired), Chairman of the Board of Huntington Ingalls Industries: Fargo joined the Alexander and Baldwin Board of Directors in 2011.

- Constance H. Lau, President and Chief Executive Officer of Hawaiian Electric Industries, Inc.: Lau joined the Alexander & Baldwin Board of Directors in 2004.

- Jeffrey N. Watanabe, Chairman of the Board of Hawaiian Electric Industries, Inc. and retired founder of Watanabe Ing LLP, a limited liability law partnership: Watanabe joined the Alexander & Baldwin Board of Directors in 2003.

### Executive Management

- Matthew J. Cox, President and Chief Executive Officer: Cox joined Matson Navigation in June 2001 as senior vice president and chief financial officer, and was appointed president of Matson Navigation in October 2008. Prior to joining Matson Navigation, Cox worked in the transportation industry for 15 years, 12 of which were spent at American President Lines, Ltd.

- Joel Wine, Senior Vice President and Chief Financial Officer: Previously, Wine was the senior vice president, chief financial officer and treasurer of Alexander & Baldwin, Inc. Wine joined Alexander & Baldwin in September 2011 after 14 years at Goldman Sachs where he was a managing director in investment banking. Alexander & Baldwin was among Wine's portfolio of clients since 2002.

- Ronald J. Forest, Senior Vice President, Operations: Forest's career in the maritime industry spans over 30 years and has included 17 years with Matson, eight years with APL and nine years with United States Lines. He was made a vice president of Matson Navigation in 1998, and promoted to senior vice president in 2003. Forest also oversees Matson's investment in SSAT, a West Coast stevedoring joint venture with SSA Marine.

- Dave Hoppes, Senior Vice President, Ocean Services: Hoppes is responsible for sales, marketing, customer service, pricing and government services for the ocean transportation division of Matson. Hoppes' career with Matson Navigation began in 1989 and has included positions in both sales and operations. He was promoted to vice president in 2003 and became senior vice president in 2006.

- Kevin O'Rourke, Senior Vice President and Chief Legal Officer: O'Rourke joined Matson Navigation in 1992 as vice president and general counsel. He was promoted to senior vice president in 1995. His career has included over 30 years of experience in domestic and international maritime law.

- Vic Angoco, Senior Vice President, Pacific: Angoco, has been in the maritime industry since 1990, and has held a wide range of operations and sales management positions. He joined Matson Navigation in 1996 and was promoted to senior vice president in 2010.

- Rusty Rolfe, President of Matson Logistics: Rolfe joined Matson Logistics in December 2001 as executive vice president. Prior to Matson Logistics, Rolfe had 19 years of experience in the transportation industry, 11 of which were spent at American President Lines, Ltd.

Founded in 1882, SUP-contracted Matson is one of the leading U.S. carriers in the Pacific. Matson provides a vital lifeline to the island economies of Hawai'i, Guam and Micronesia and premium, expedited service from China to Southern California. The company's fleet of 17 ships includes containerships, combination container and roll-on/roll-off vessels and custom-designed barges. Matson Logistics, established in 1987, extends the geographic reach of Matson's transportation network throughout the continental United States. Its integrated, asset-light logistics services include rail intermodal, highway brokerage and warehousing.

# *SUP Committee on Constitution*

## *Report of the Committee on Constitution*

Monday, June 25, 2012 at SUP Headquarters, San Francisco

In attendance were: Brendan Bohannon, Seattle Branch; Grant Wegger, Wilmington Branch; Monte Kalama, Honolulu Branch; Diane Ferrari, Headquarters; Art Thanash, Headquarters; Paul Fuentes, Headquarters; Gunnar Lundeberg, ex officio; and Dave Connolly, secretary.

Under the authority of Article XXVIII of the SUP Constitution, the elected Committee on Constitution met on Monday June 25, 2012, to consider the resolutions submitted to the meetings since the last election. President Gunnar Lundeberg began the meeting by explaining the process according to the Constitution that under Section 1 of Article XXVIII membership on the Committee is restricted to three members from Headquarters and one each from the Branches holding regular meetings. Making note of the fact some Branches were without quorums routinely, and therefore not always holding regular meetings, Lundeberg nevertheless considered the participation of the Branches to be critical to the successful work of the Committee and authorized their attendance. Lundeberg noted that the Committee is authorized to take three types of action on the proposals: to accept or concur, to reject and non-concur, or concur with amendment.

The Committee considered eleven (11) proposed amendments to the SUP Constitution and ten (10) proposed changes to the SUP Shipping Rules. There were also ten (10) miscellaneous proposals that were mostly concerned with contractual changes and were accordingly referred to the appropriate Negotiating Committee.

The following is a brief summary of the content of the resolutions, and the discussion and decision on each question culminating in the Committee's recommendation to the membership.

### **Proposed Constitutional Amendments**

#### **Resolution No. 1 (Bujnowski, et.al.)**

**To reduce the quorum at Headquarters meetings from thirty (30) to fifteen (15) members and to reduce the quorum at Branch meetings from thirteen (13) to eight (8) members. (Amend Article XXVI of the SUP Constitution)**

**The Committee recognized the vital importance of the meetings under the Constitution and understood that quorums were necessary to conduct the regular business of the Union. This proposal would aid the democratic machinery of the Union and accordingly the Committee looked favorably on this proposal. Therefore, their recommendation was to concur in the resolution.**

#### **Resolution No. 2 (Reed)**

To eliminate the San Francisco Business Agent position.

The Committee discussed the operation of the Union and the roles and responsibilities of the Union officers. Noting the workload of officials at SUP HQ, including contract negotiations, grievance handling, and travel to ships both in the Bay Area and beyond, the Committee recognized that a patrolman or Business Agent in San Francisco is consistent with the long-term best interests of the Union. Therefore, the recommendation was to reject the resolution.

#### **Resolution No. 3 (Soper)**

To fine any member who does not return a job to his or her original port of engagement without a valid Unfit for Duty or for reasons of extreme emergency in the amount of five hundred dollars (\$500.00).

Recognizing that we often return jobs to the original port of engagement, the Committee nevertheless understood that having the option of quitting a ship in any port is a privilege and a freedom that comes with membership. Therefore, the recommendation was to reject the resolution.

#### **Resolution No. 4 (Reed)**

To enforce, delete, or amend Article III, Membership, Section 1 where it reads "and shall be American citizens."

The Committee discussed the nature of membership and understood that it is not presently the case that all members are American citizens. The Committee also recognized that nothing in the Constitution can be unlawful and as such is pre-empted by U.S. employment law. Holding no jurisdiction over the law, the Committee considered the language essentially superfluous and that the question is not appropriate for the ballot. Therefore, the recommendation was to reject.

#### **Resolution No. 5 (Reed)**

To enforce the reimbursement of reasonable travel and lodging expenses for the election and service of members of the Negotiating Committee or to delete same.

The Committee observed that the present language of the Constitution provides for reasonable travel and lodging expenses for the Negotiating Committee. However, they also recognized that all negotiations take place in San Francisco and that the Negotiating Committees were exclusively elected at the SUP Headquarters meeting. This well-established practice means that although members from the Branches are not prevented from participating on Negotiating Committees the election procedure being confined to the SUP Headquarters meetings makes it function as a San Francisco committee and thus making any travel reimbursement inappropriate. Therefore, the recommendation was to reject.



*The SUP Committee on Constitution from left: Grant "Eli" Wegger, Monte Kalama, Brendan Bohannon, and Paul Fuentes. Missing from photo, but in attendance, were Diane Ferrari and Art Thanash. Photo: Dave Connolly*

#### **Resolutions No.'s 6 and 7 (Howell, Reed)**

**No. 6: To raise the quarterly dues by fifty dollars (\$50.00). (Howell)**

**The Committee viewed the proposal as both necessary and appropriate and understood that a dues increase to be critical to the continued strength of the Union.**

**Therefore, the recommendation was to accept.**

**No. 7: To raise the quarterly dues by a percentage amount equal to the average percentage increase of all SUP contracts. (Reed)**

As with proposal No. 6, the Committee considered these two proposals in the context of Union finances and understood a dues increase to be critical to the continued strength of the Union. The proposal to increase dues according to an average percentage of contractual increases, however, the Committee found to be complex and potentially problematic. Therefore, the recommendation was to reject.

#### **Resolutions No.'s 8, 9, 10 and 11 (Reed, Hamann, Loe)**

**No. 8: To allocate ten dollars (\$10.00) per month from each billet at APL, Matson, SFBP, and Foss and to allocate five dollars (\$5.00) per month from every other Group II billet, and to allow Union officials to allocate from their own wages to fund a contribution to Money Purchase Pension Plan accounts for Union officials. (Reed)**

**No. 9: To create a daily contribution to the SUP Money Purchase Plan for SUP officials (Hamann)**

**No. 10: To provide a fifteen (\$15.00) dollars per day to fund a contribution to Money Purchase Pension Plan accounts for Union officials by deducting fifty cents (\$.50) from quarterly dues or by allocating from other funds. (Loe)**

**No. 11: To raise the pay of Union officials in general. (Hamann)**

The Committee reviewed these four proposals for increases in compensation for SUP officials together. The Committee also reviewed the history of the SUP Money Purchase Pension Plan as generated by members from wage allocations, and recognized that funding a twenty-five dollar (\$25.00) a day contribution from official's wages would be both expensive and possibly objectionable. Noting that officials are currently offered participation in the SUP 401(k) Plan which provides a retirement savings option, the Committee also recognized the importance of attracting and retaining qualified officers of the Union for the long-term and debated the role of compensation in the satisfaction of that goal. Ultimately, the lack of a clear, dependable and independent funding source for a general wage increase or a contribution to the SUP Money Purchase Plan prevented support from the Committee. Therefore, the recommendation was to reject proposals No. 8, No. 9, No. 10 and No. 11

### **Proposed Shipping Rule Changes**

#### **Resolution No. 1 (Howell)**

To require that when a ship is laid up for more than 90 days, upon reactivation the jobs shall be evenly distributed between the different ports on the expected regular run and to reimburse members for transportation.

The Committee recognized the merits of this proposal and acknowledged that distribution of jobs should be fair and even to the extent possible. Therefore, the recommendation was to accept the proposal that requires even distribution of jobs between ports on the expected run but to delete the part of the proposal that would provide for alternative source for transportation given that such transportation for laid up ships is paid by the Company. At the coastwise meetings the entire proposal was rejected.

*continued on next page*



# Report of the Committee on Constitution *continued*

## **Resolution No. 2 (Howell)**

To publish the shipping registration lists of Headquarters and the Branches on the SUP website.

The Committee recognized the importance of registration lists and sharing of information. Noting however the historic importance of the hiring hall as the means of information distribution regarding registration, the possibility of creating shipping disadvantages for members of lower seniority, and the cost of a password protected members-only access feature to the SUP website the Committee was not in favor of the proposal. Therefore, the recommendation was to reject.

## **Resolution No.'s 3 and 4 (Itsumaru)**

**No. 3:** To prohibit trips off within thirty (30) days of a scheduled shipyard period. (Amend Shipping Rule 56)

The Committee was reluctant to limit the freedom of members to take mandatory trips off as they see fit. Therefore, the recommendation was to reject.

**No. 4:** To allow members with a registration card stamp attesting to attendance at an SUP membership meeting a job bidding seniority higher than oldest date of any card in the same class.

The Committee understood the intent of the proposal and agreed that attendance at membership meetings was critical to the success of the SUP. However, recalling the history of this issue, the Committee understood the practice to be unlawful as per previous ruling of U.S. Department of Labor. Therefore, the recommendation was to reject.

## **Resolution No. 5 (Thompson)**

To require a course in Unionism, the history of Unions and the history of the SUP before advancement in seniority grade to A, B, or C status and eventually, when all seniority members have completed the course, for D-card registrants to complete the course before advancement to C-card status.

The Committee agreed that familiarity with labor history and in particular SUP history is a desirable trait of membership. The Committee noted some costs but more importantly thought that to prohibit advancement by attaching such knowledge to seniority and the ability to ship was too restrictive. Additionally, they understood the Union's past and ongoing efforts to educate in this regard to be sufficient. Therefore, the recommendation was to reject.

## **Resolution No. 6 (Johansen)**

**To require the publication of the monthly report of the Membership and Ratings Committee in the West Coast Sailors. (Amend Shipping Rule No. 4)**

**The Committee saw the proposal to be of low or no cost and could have the beneficial effect of understanding the seniority advancement of members towards bringing the membership together. Therefore, the recommendation was to accept.**

## **Resolutions No.'s 7, 8, 9, 10 and 11 (Reed)**

**No. 7:** To amend Shipping Rule No. 4 under Class "A" members to read "and must show use, proficiency, and understanding of the SUP Agreement and Constitution."

The Committee recognized the value of the proposal and agreed that membership understanding of the Agreement and Constitution is important. They foresaw however problems in measurement of proficiency and implementation. With regard to delegates, the Committee understood that the membership on the ship has the responsibility to ensure delegate proficiency via elections. Therefore, the recommendation was to reject.

**No. 8:** To amend Shipping Rule No. 15 to read "Before a member is assigned to a job they shall without exception show to the dispatcher the following: special rating stamps, passport and need visas, MMD current drug screen, current STCW, current TWIC, discharges if needed for vessel sign on, and union book showing that dues are paid up to date."

The Committee understood the proposal to be representative of the present practice and already in effect. They also understood that requirements have changed over the years and that future flexibility with regard to document changes is desirable and thus considered the proposal to be unnecessary. Therefore, the recommendation was to reject.

**No. 9:** To amend Shipping Rule No. 48 to read: "Dues must be current when competing for a job on the open board."

Understanding that dues are payable in advance and that this is the current practice, the Committee considered the proposal unnecessary. Therefore, the recommendation was to reject.

**No. 10:** To require enforcement of Shipping Rule 56(k) such that an emergency trip off or a trip off can be taken in any order.

Understanding that this is the current practice and that there is no phantom rule that emergency trips off can only be taken after the regular trip off, the Committee agreed with the intent but considered an amendment unnecessary. Therefore, the recommendation was to reject.

**No. 11:** To amend Shipping Rule No. 26 to read the same as the proposed amendment to Shipping Rule No. 4 that members sailing in the bosun rating "must show use, proficiency and understanding of the SUP Agreement and Constitution."

As with the proposal to require the same thing for Class "A" members above, (No. 7), the Committee understood such a requirement to be implicit in the rules, but that measurement of proficiency and implementation of the rule would be problematic. Therefore, the recommendation was to reject.

## MISCELLANEOUS PROPOSALS

The Committee noted several proposals that were not immediately relevant to either the Constitution or the Shipping Rules but rather applicable to various SUP contracts. Accordingly, the Committee unanimously referred these miscellaneous items to the appropriate negotiating committees. These items included the following:

1. To deduct two percent (2%) from Supplemental Benefits payments to help offset the cost of Group II health insurance premiums to avoid future reductions in benefits. (Harsany) Therefore, the unanimous recommendation was to reject the proposal.

2. To require reimbursement to the Andrew Furuseth School of Seamanship fund money used for Basic Safety Training, except for members serving in the U.S. military, members who were inactive due to illness or injury, or for Union officials or members working full time for the Union. (Kalama) Therefore, the unanimous recommendation was to reject the proposal.

3. To require training in helmsmanship for members incapable of steering. (Loe) Therefore, the unanimous recommendation was to reject the proposal.

4. To eliminate the two year claim eligibility for Supplemental Benefits in the APL or Matson General Rules Section 31, subsection (e). (Gregg) Therefore, the unanimous recommendation was to reject the proposal.

5. When sailors break out or secure ramp blocks during regular working hours (Monday through Friday 0800 to 1700) the cargo rate shall apply. (Itsumaru) Therefore, the unanimous recommendation was to reject the proposal.

6. Freeze OT increases for a period of time determined by the Committee in exchange for a more significant increase in the daily wage. (Itsumaru) Therefore, the unanimous recommendation was to reject the proposal.


7. Cargo rate payable for applying paint primer shellac or thinner in any confined spaces when there is inadequate ventilation. (Soper) Therefore, the unanimous recommendation was to reject the proposal.

8. Cargo rate payable when sailors are required to chip, scale, wire wheel, clean, paint or prime bilges, bilge sumps and rose boxes. (Soper) Therefore, the unanimous recommendation was to reject the proposal.

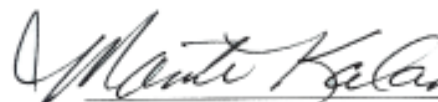
9. Define necessary work required after 1500 as work on lifeboats or work that is necessary for the immediate safety of the vessel and specifically prohibit chipping painting, general maintenance, voyage stores, slop chest stores, line, bunkers as necessary work and payable at the OT rate after 1500. (Soper) Therefore, the unanimous recommendation was to reject the proposal.

Sincerely,

 3249  
Art Thanash

 #2251  
Diane Ferrari

 2239  
Paul Fuentes

 3178  
Monte Kalama

 #3637  
Grant Wegger

 #5355  
Brendan Bohannon

Editor's note: The **bold text** indicates that by majority vote at the July coastwise meetings, these proposed Constitutional Amendments and Shipping Rule changes will be placed on the 2012-2013 referendum ballot as per Article XXVIII of the SUP Constitution. All other proposals that were submitted to the Committee were rejected by the Committee and rejected at the coastwise meetings.

**OCEANS BEYOND PIRACY**

## THE HUMAN COST OF SOMALI PIRACY

Thousands of seafarers have been subjected to gunfire, beatings, confinement, and in some cases torture, in the Indian Ocean and the Gulf of Aden. In spite of the violent nature of these crimes, the human cost of piracy is underreported and misunderstood by the public. The Oceans Beyond Piracy Working Group, deeply concerned with reports of escalating violence against seafarers and a lack of public concern, called for a study into this subject—the Human Cost of Somali Piracy.

### THE ESCALATION OF VIOLENCE AT SEA (2010 NUMBERS)

SEAFARERS ATTACKED	CITADEL SURVIVORS	SEAFARERS HELD HOSTAGE	SEAFARERS USED AS HUMAN SHIELDS
4,185	342	1,090	516

**SEAFARERS ATTACKED IN 2010: 4,185**  
 Numerous ships and crews have suffered attacks, some multiple times. Increasingly, pirates are not intimidated by armed security guards.  
 "The pirate action group (PAG) fired RPGs and other automatic weapons at the Tanker and attempted to board her... their armed security team engaged in a firefight that eventually led the PAG to break off their attack. Three crew members were injured by pirate gun fire, one seriously and the vessel sustained damage from the RPG's and automatic gun fire."  
"Tanker Caught Off Guard in a Heavy Firefight, 1 Crew Wounded," by New York Times, March 23, 2010. http://www.nytimes.com/2010/03/23/world/africa/23pirates.html

**SEAFARERS THAT SURVIVED IN CITADELS IN 2010: 342**  
 Seafarers have endured hours or days of persistent attacks while sheltering in ships' citadels (fortified safe rooms). There have been reports that pirates have fired RPGs at citadel doors at close range, used plastic explosives, and even set fire to three ships while terrified crews huddled below decks.  
 "They started firing, they burned ropes, and they put burning wood on the flats that were bringing in air. They wanted to suffocate us; they wanted to murder us and take control of the ship and take it. They were crazy."  
"Ship Fire: Pirates Use 90mm Rocket to Blast Hijack Ship," by Associated Press, April 6, 2011. http://www.abc.com/2011/04/06/ship-fire.html

**SEAFARERS HELD HOSTAGE IN 2010: 1,090**  
 Many hostages are held for months without proper nutrition, access to medical care, or interaction with their families. This is reported to have led to the deaths of some hostages, both by suicide and from malnutrition.  
 "Diseases have appeared among crew members, some have hemorrhoids, one has lost his weight and another has serious stomach problems... The water we have is unclean and we have only one meal a day, boiled rice, that's it. The crew is suffering physically and mentally."  
"Pirates' 100 Hostages on the 'Wrecked of the Sea,'" by Associated Press, December 17, 2010. http://www.associatedpress.com/2010/12/17/pirates-hostages.html

**SEAFARERS USED AS HUMAN SHIELDS IN 2010: 516**  
 The crews of some captured ships are forced to continue to operate these ships as the pirates use them, as "motherships," to capture others. Even more terrifying, some crewmembers are used as human shields in attacks on other vessels.  
 "Steering the boat to capture other innocent vessels was really more painful than death because I myself was expending hell under the pirates. But I had no choice because they threatened to kill me instantly if I didn't do what I was told."  
Interview, London, "Shahid Ghalib: How 201 Answer to Pirates," by Associated Press, February 17, 2011. http://www.associatedpress.com/2011/02/17/shahid-ghalib.html

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## Piracy *continued from page 1*

ransom," said Kaija Hurlburt, Project Manager with Oceans Beyond Piracy. "In 2011, at least 3,863 seafarers were fired upon by Somali pirates armed with assault rifles and rocket propelled grenades. While the number of hostages has gone down over the past year, the violence faced by seafarers has remained high and attacks are often carried out with a determined ferocity—even against vessels protected by private security teams."

Of that number, 968 seafarers faced armed pirates who managed to board their vessels; 413 of these seafarers were rescued from citadels (secured rooms) on their vessels by naval forces after waiting, terrified, for hours or even days while pirates tried to break into the citadels.

A total of at least 1,206 hostages were held captive by Somali pirates in 2011. These included 555 seafarers who were attacked and taken hostage during the year, 645 hostages captured in 2010 who remained in pirate hands during 2011, and six tourists and aid workers kidnapped on land. The average length of captivity has also increased by 50% over last year, up to an average length of over eight months. Often these hostages face systematic and daily psychological and physical abuse and were even used as human shields:

*"One day pirates drew us out to the open deck, told us to turn back and stand still facing the sea side. Then we heard how they reloaded their machine guns. We understood nothing. We saw U.S. Navy not far out and we were standing and waiting for about two hours..."* (Report of released seafarer.)

Thirty-five hostages died during 2011: eight were killed by pirates during an initial attack or after being taken captive; eight died from disease or malnutrition while being held; and 19 died in crossfire while being used as human shields and during hostage rescue attempts.

IMB notes in the report the experiences of the seafarers from 23 of the 77 vessels hijacked in 2010 and 2011

*continued on next page*

## 26 freed from Somali pirate captivity after nineteen months

A Chinese naval ship has come to the rescue of the crew of a Taiwanese trawler that was held in captivity by Somali pirates for almost 19 months. Taiwan's foreign ministry, as well as China's, was able to confirm that the 26-men crew was released after ransom negotiations, although it was not clear on whether a ransom was actually paid.

The hostages were unable to leave because their vessel had run aground. The *Shiuh Fu No 1* was seized off the coast of Madagascar in December 2010 before being taken to Somalia, according to BBC News. The crew was comprised of 13 Chinese and 12 Vietnamese nationals, as well as a Taiwanese captain. The Chinese navy vessel brought the rescued men to Tanzania.

The European Union, various international anti-piracy organizations, NATO countries, and all sorts of military vessels are joined together in a multinational effort to put a damper on maritime piracy and protect shipping in the Gulf of Aden and nearby sections of the Indian Ocean.

More than two decades of war in Somalia have left the country without a fully-functioning government, making it hard for them to deal with piracy. As the assailants have expanded their operations, they are using bigger ships and equipment funded by the large ransoms paid for the release of hostages. Currently, about seven other hijacked vessels, and dozens of crew members are believed to be in captivity.

**OCEANS BEYOND PIRACY**

## The Human Cost of Somali Piracy

### Victims of Somali Pirates in 2011

3,863 Seafarers (100%) Attacked by Pirates with Firearms

968 Seafarers (25%) on Vessels Boarded by Pirates

555 Seafarers (14%) Taken Hostage

+ 645 Hostages captured in 2010

Mistreatment of 1,206 Hostages

None or Did Not Report 43%  
 Abuse 14%  
 Human Shields and Abuse 12%  
 Human Shields 33%

PHOTOS COURTESY OF: WWW.USNAVY.PIRACYREPORTINGCENTRE.COM



continued from page 6

based on reports submitted by the flag states of Liberia, the Marshall Islands, Panama and the Bahamas, various ship owners and operators, former hostages, and by the Maritime Piracy Humanitarian Response Program.

“Various analyses of the Somali piracy problem have so far ignored a meaningful study into the human cost upon the seafarers and their families,” said Captain Pottengal Mukundan, Director of the IMB.


“This report aims to fill this gap and highlight some of the shocking consequences of this crime upon merchant seafarers, who are in the main, silent, involuntary victims. As other initiatives to counter piracy at sea off Somalia have become established, this important area of support to the victim seafarers and their families remains unaddressed. The challenge of any report of this kind is in getting the victims to recall their painful experiences and report them to help victims in the future.”

The report shows that all of the captive crews were subject to treatments in violation of basic human rights and psychological abuse. At least half experienced physical abuse. In addition to those reported to have died in captivity, it says that three of the hostages died following release because of the abuse they experienced at pirate hands.

According to Marcel Arsenault, Chairman of the One Earth Future Foundation and sponsor of the report, piracy is a systemic problem that proliferates from a failed state. “While the report rightfully focuses on violence faced by innocent seafarers, increased violence has also exacted a huge cost on Somali society. The desperate situation in Somalia continues to breed piracy. Piracy will ultimately be solved only by a new global initiative to create jobs and improve governance.” For the full report, long onto [www.oceansbeyondpiracy.org](http://www.oceansbeyondpiracy.org).

[oceansbeyondpiracy.org](http://oceansbeyondpiracy.org)




# The Human Cost of Somali Piracy




## Mistreatment of Hostages

“One crew was taken out, they started to intimidate him, put the automatic machine gun on his chest. We did not know what kind of bullet was inside when they fired. But fortunately the bullet was not true; but as a result, they burned his chest.” —Anonymous Seafarer

### 35 Hostage Deaths in 2011

- Killed by Pirates 
- Malnutrition or Disease in Captivity 
- Killed in Rescue or Escape Attempt 

More hostages died because of piracy in 2011 than in any previous year since the resurgence of piracy off the coast of Somalia. The majority were caught in crossfire during rescue efforts while they were used as human shields.



ICC International Maritime Bureau  
*Helping Seafarers Stay Safer*

Flag states, ship owners/operators, seafarers, and the Maritime Piracy Humanitarian Response Program submitted 23 reports to the IMB on the treatment of hostages aboard vessels released in 2010 and 2011. These submissions resulted from the Declaration Condemning Acts of Violence Against Seafarers, signed by the flag states of Liberia, Marshall Islands, Panama, and the Bahamas. Based on these reports, the IMB found:

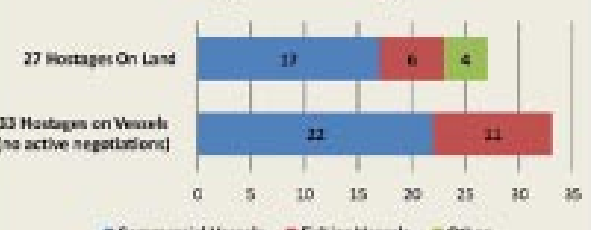
- 100%** of hostages faced regular threats of physical violence, continuous psychological stress and abuse, confinement loss of privacy, and loss of self-esteem.
- 50%** of hostages experienced physical abuse, including burning with cigarette butts, punching, pushing, and slapping.
- 10%** of hostages were subjected to extreme physical abuse, including being tied up in the sun for hours, locked in freezers, and having fingernails pulled out with pliers.

### Dangers of Piracy to Perpetrators

Open sources report that 111 Somali pirates were killed during 2011:

- 70% were killed in clashes with naval forces
- 27% were killed during fights with other pirates over hostages or ransoms
- 3% in clashes with Puntland security forces

### 60 High Risk Hostages




There are many hostages still held by pirates in 2012 that lack a clear way to secure a release from captivity. These include abandoned seafarers, hostages held back after the ransom was received, private sailors, and aid workers.

## Primary Findings

- Although fewer hostages were captured in 2011, the violence faced by seafarers who transit through the High Risk Area has not subsided.
- All hostages were subject to deprivation and unacceptable conditions when held by Somali pirates.
- In extreme cases of violence and deprivation, 149 hostages have been held for more than a year and 35 victims were killed.

For more information on the report, contact Kaija Hurlburt at [khurlburt@oneearthfuture.org](mailto:khurlburt@oneearthfuture.org) or Cyrus Mody at [cmody@ocecs.org](mailto:cmody@ocecs.org)



# THE HUMAN COST OF SOMALI PIRACY

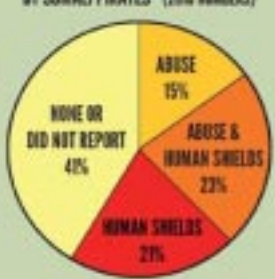
## ARE PIRATES TORTURING SEAFARERS?

There is no systematic reporting on how seafarers are treated while in captivity. However, press accounts indicate that up to 21 of the 53 vessels hijacked in 2010 reported as many as 488 seafarers suffered significant psychological or physical abuse. In the worst cases, torture has been alleged.

“THERE ARE REGULAR MANIFESTATIONS OF TORTURE.”  
— Major General Buster Howes, OBE, Operation Commander EU NAVFOR

“THE ATTACKS ARE MORE RUTHLESS, MORE VIOLENT, AND WIDER RANGING. HOSTAGES HAVE BEEN TORTURED AND USED AS HUMAN SHIELDS.”  
— Andrew J. Shapiro, US Assistant Secretary of State

### MISTREATMENT OF HOSTAGES BY SOMALI PIRATES (2010 NUMBERS)



### COMPARISON OF CRIME RATES ASHORE TO SOMALI PIRACY

The crimes at sea faced by seafarers can be compared to similar crimes on shore using United Nations Office on Drugs and Crime (UNODC) categorizations. The rates of kidnapping and major assault (where life is put at risk) are the highest in the world in the waters off the coast of Somalia. While the murder rate at sea was below the world median in 2010, it is expected to rise precipitously in 2011.

CRIME RATES AT SEA* IN WATERS OFF SOMALIA (PER 100,000)		HIGHEST NATIONAL CRIME RATES OF EQUIVALENT CRIME ASHORE (PER 100,000)	
Seafarers Subjected to Armed Attack on Vessels	697.5	Major Assault	576 (South Africa)
Seafarers Taken Hostage	181.7	Kidnapping	~15 (Turkey)
Seafarers Killed	1.5	Murder	~58 (Jamaica)

## THE COST TO SOMALIA

While there is little international sympathy for the hardcore criminal elements involved in piracy, our study found that piracy takes a heavy toll on perpetrators who make up the lowest rung of the piracy enterprise.

- According to the UNODC, between 200 and 300 pirates have not returned from their expeditions since the resurgence of piracy off the Horn of Africa.
- There is evidence of coercion and exploitation of Somali youth. For example, the Indian Navy captured a ship with 61 suspected pirates, 25 of whom were suspected to be under 15 years old. At least 4 were as young as 11.

## PRIMARY FINDINGS

- Violence at sea is currently underreported; greater detail in the reporting of crime would allow seafarers to make better informed decisions regarding the risks of piracy. Stakeholders should consider designating a single point, such as the International Maritime Bureau, for the release of information related to violence at sea.
- Seafarers do not have adequate protection under the rule of law because piracy has been criminalized without creating effective enforcement institutions. Civil authority is fragmented in international waters; there is no lead agency designated to protect seafarers and coordinate rule of law efforts.
- The economic cost of piracy is now well-known. This study makes clear that the human cost is less known, and staggering.

For more information on the report, contact Kaija Hurlburt at [khurlburt@oneearthfuture.org](mailto:khurlburt@oneearthfuture.org)

[www.oceansbeyondpiracy.org](http://www.oceansbeyondpiracy.org)

## U.N. says Somalia's president shielded pirate kingpin

A pirate boss was given a diplomatic protection by Somalia's president, a *Reuters* report alleges. Citing a leaked United Nations Monitoring Group report, the news agency said pirate activist Mohamed Abide Hassan, also known as "Afweyne", had been given a diplomatic passport by the head of Somalia's Transitional Federal Government, Sheikh Sharif Sheikh Ahmed, in exchange for agreeing to dismantle his pirate network. The diplomatic passport was presented to border officials in Malaysia during a visit by Afweyne in April, *Reuters* said.

The United Nations' report criticized the "climate of impunity" that allows pirate leaders to escape prosecution and accused senior officials of providing protection for them.

On July 12, President Ahmed dismissed the report as "one sided" and seemed "hell-bent on soiling the good names of private members of the Somali people by throwing at them unsubstantiated allegations."

The UN report also levelled criticism at leaders of the semi-autonomous region of Puntland, saying they failed to arrest well-known senior pirate leaders, but have conducted sweeping arrests of hundreds of lower-level pirate suspects. Only one Puntland-based pirate leader, Abshir Boyah, had been arrested by the Puntland authorities, the report said. He received a jail sentence of only five years compared with the 20 years typically given to junior pirate figures.



## ESU Office Assignments

For the month of August, John Straley will be in the Seabrook office.

# ESU NEWS

JULY 2012

Official Publication of the Exxon Seamen's Union

## ExxonMobil to expand Houston campus to accommodate additional employees

Irving, Texas- ExxonMobil announced in early June that it will expand the size of its campus under construction in Houston to accommodate additional employees from the immediate area and from company locations in Fairfax, Virginia and Akron, Ohio.

The affected companies include the Fairfax offices of ExxonMobil's Refining and Supply Company; ExxonMobil Research and Engineering Company; ExxonMobil Fuels, Lubricants & Specialties Marketing Company; the Akron-based employees of ExxonMobil Chemical Company; and select positions from ExxonMobil Research and Engineering Company and ExxonMobil Chemical Company now located at the Baytown refinery complex outside of Houston.

"Including additional employees on the new campus will provide even more opportunities for collaboration and innovation, supporting ExxonMobil's mission of delivering energy to meet growing global needs," said Bryan Milton, presi-

dent of ExxonMobil Global Services Company.

The state-of-the-art campus will have multiple low-rise office buildings, laboratory, conference and training centers and facilities such as child care, a wellness center and other employee amenities.

The campus is located on a 385-acre wooded site on company-owned land near the intersection of I-45 and the Hardy Toll Road. It will accommodate approximately 10,000 employees and is being constructed to high standards of energy efficiency and environmental stewardship.

Construction of the ExxonMobil Houston campus began in 2011. Early site work includes the construction of access roads and bridges, central utilities, computer support and parking facilities.

Employees (including SeaRiver Maritime) will move to the campus in phases as the buildings are constructed, beginning in early 2014. Full occupancy for employees is expected by 2015.

## Keel laid for the Liberty Bay



The completion of this first 50-ton block constitutes the official keel laying date for Hull #19 as per 46 CFR 30.10-37. This date is important as it defines the regulations (including MARPOL and SOLAS) by which the ship must abide. "Laying the Keel" has become a common phrase for the beginning of any significant undertaking and its origin can be traced back to the earliest records of ship building as the first step in the construction of a vessel.

## Names revealed for Liberty Class Tankers

It's official during the Employee Forum on Friday May 18, SeaRiver President Jack Buono released the names for the two new Liberty Class Tankers. After much thought and debate the names will be "LIBERTY BAY" and "EAGLE BAY," and their hailing port will be Prince William Sound, Alaska.

The names are consistent with the Liberty Class Tanker series name with a patriotic focus, and represent bays local to where we trade. Liberty Bay is a narrow inlet extending four miles in a northerly direction from the northwest part of Port Orchard, adjacent to the Kitsap Peninsula in western Washington State. Eagle Bay is located north of Anchorage in the Knik Arm near Sitka Alaska.

Recent highlights include, on May 8, the first 50-ton block of the new ships was completed. Completion of the first 50-ton block constitutes the official keel laying (see photo).

A couple of areas of recent focus have been the galley equipment and mess decks. The Mothership arrangement was very different from the SeaRiver typical arrangement and based on foreign crews. Major changes were made to A Deck to address our historical layouts. Mess decks were made to mirror each other with seating for 20 each. These will also serve as the meeting rooms for safety meetings, training, etc. A common service area was added to accommodate SRM preferred arrangement. The Galley itself was significantly changed to again address SRM usual layouts. All galley equipment is from METOS a well-known cruise ship supplier from Finland. As the galley is up a deck from the dry stores and main reefer boxes a 100kg (220#) food lift was added complete with an intercom system. A stairwell down to the dry stores and main reefers is also on the port side.

Both vessels are scheduled for delivery in 2014 with the *Liberty Bay* entering service in the spring and the *Eagle Bay* a few months later. The new vessels built for Alaska North Slope service, will serve as replacements for the *Kodiak* and *Sierra*.

## The Trans Alaska Pipeline System marks 35 years of service

Anchorage, Alaska- On June 20, 2012, Alyeska Pipeline Service Company (Alyeska) celebrated the 35th anniversary of pipeline startup.

The first oil pumped from Pump Station 1 on June 20, 1977 and arrived in Valdez 38 days later on July 28. To date, more than 16.5 billion barrels of oil have transited TAPS. Throughput peaked at 2.1 million barrels per day in 1988 and averaged about 590,000 barrels per day in 2011. Oil transported from TAPS accounts for 11 percent of U.S. domestic oil supply.

"This year's anniversary theme is 35 years of delivering excellence," said Alyeska President Tom Barrett. "This is more than just a slogan. It's a way of life for employees and contractors who ensure the safe delivery of oil, while protecting Alaska's environment. The pipeline is an engineering marvel, but it's the TAPS workforce who has kept oil moving for 35 years. Our highly competent employees and contractors take pride in our company culture of safety, teamwork and innovation, and deliver results everyday."

Alyeska Pipeline Service Company does not own any crude oil produced on the North Slope. Alyeska takes custody of crude oil at Pump Station 1 on behalf of the TAPS owners, transports the oil across the state of Alaska to the port of Valdez, and loads the oil onto tankers. Once the oil is loaded onto tankers, Alyeska releases custody of the oil.

## Jones F. Devlin Awards



The SeaRiver group on hand in New Orleans to receive the Jones F. Devlin Award for those SeaRiver vessels that have operated over two years without a lost time injury. Vessels that received recognition were the SR American Progress and Kodiak. Pictured from left to right are: ESU Vice President, Leo DeCastro, Ray Botto, Gwen Nickson, Lesa Green, Angelina Fuschetto and Steve Zerinque.

New Orleans, Louisiana— U.S. Maritime industry publicly recognized the women and men responsible for safe ship operations at the Annual Safety Awards Luncheon held at the Loews New Orleans Hotel on June 12, 2012. Over 160 people, representing over 80 companies, attended the annual industry-sponsored event.

Awards were presented to the *S/R American Progress* and *Kodiak* that recognizes the seagoing employees of SeaRiver Maritime for their dedication to a safe working environment. Those awards were given to vessels that have operated for at least two years without a seafarer involved in a lost time injury.

Joseph Cox, CSA President said: "We have been holding these annual award ceremonies since mid-1950. This was the Fifty-second Anniversary of the programs. For that initial year, we honored six vessels having a total of twelve years operation with no lost-time incident. This year, we gave awards to 1,395 vessels that operated 7,015 years without a lost-time incident. This extraordinary record is directly attributable to the professionalism of our seafarers and the dedication of shore-based company personnel to safe operation."

The Chamber of Shipping of America represents 33 U. S. based companies that own, operate or charter oceangoing tankers, container ships, and other merchant vessels engaged in both the domestic and international trades and other entities that maintain a commercial interest in the operation of such oceangoing vessels.



## ESU News

## TSA announces TWIC option for 3-year extended expiration date

Effective August 30, 2012, TWIC holders who are U.S. citizens or U.S. nationals, and whose TWICs will expire on or before December 31, 2014, have two options to renew their TWIC. They may either replace their expiring TWIC with a 3-year Extended Expiration Date (EED) TWIC or obtain a standard 5-year replacement. All TWIC holders should begin the application process at least 30 days before his or her TWIC expires.

The EED TWIC is a one-time temporary extension option intended to provide convenience and cost-savings to workers pending the deployment of TWIC readers. TWIC holders who are not U.S. citizens or U.S. nationals are required to enroll for a standard 5-year replacement upon expiration of their current TWIC. There are two options below:

**Option 1:** Replace expiring TWIC with 3-year EED TWIC — (Limited to U.S. Citizens and U.S. Nationals) - \$60 Fee and 1 trip to an Enrollment Center

**Eligibility:** Individuals are eligible to obtain a 3-year EED TWIC if they meet the following requirements: 1) They are a U.S. Citizen or U.S. National AND; 2) Their current TWIC is valid and not revoked AND; 3) Their current TWIC is currently unexpired, but expires on or before December 31, 2014.

If any of the above requirements are not met, then the individual is not eligible for a 3-year EED TWIC and should ap-

ply for a standard 5-year renewal TWIC (Option 2). As long as an individual maintains eligibility, he/she can obtain a 3-year EED TWIC prior to the expiration of their current TWIC before December 31, 2014.

**Application Process:** Call the help desk (1-866-347-8942, Mon-Fri, 8AM to 10PM Eastern) to begin the application process. The help desk will confirm whether the individual meets the eligibility requirements. Once the EED TWIC arrives at the enrollment center specified by the individual, the individual will be notified for pick up and activation of their 3-year EED TWIC. The individual should turn in the original TWIC upon receipt of the EED, as it will be revoked at the time of activation of the EED TWIC.

**Option 2:** Replace expiring TWIC with standard 5-year renewal TWIC (Open to all TWIC holders) - \$129.75 Fee & 2 Trips to an Enrollment Center

**Eligibility:** All TWIC holders (including U.S. citizens, U.S. nationals, Lawful Permanent Residents, and Non-resident aliens) are eligible for this option.

**Application Process:** Information about TWIC enrollment and locations of enrollment centers can be found at [www.tsa.gov/twic](http://www.tsa.gov/twic). The standard renewal process for a five-year TWIC requires an initial trip to capture a recent photograph, fingerprints, and review documents as well as a second trip to pick-up and activate the card.

## Maintenance Seamen Preference explained

The ESU has published a version of this MS preference article several times over the years to clarify this contractual issue. Ship Representatives and everyone on the Maintenance Seamen Seniority list needs to be aware of ESU Contract language pertaining to preference for departmental assignments in situations where two or more Maintenance Seamen desire assignment to the same department. According to the Contract, it is the Union's position that such preference will be determined by the individuals' MS bargaining unit seniority. Bargaining unit seniority is an employee's length of continuous service within the ESU bargaining unit.

Contractual language found in Article X, Section ,1 paragraph F states, "The Master shall decide department placement on a vessel of MS that is based on MS's qualifications. Where qualifications between two (or more) MS on the MS Seniority List are relatively equal, MS department preference will be based on MS bargaining unit seniority".

Assignment preference is not based on ship board seniority. The ESU believes all individuals on the MS list possess the necessary skills to assume the MS position in all departments. The only exception would be preference for the Deck department where an individual does hold an STCW Rating Part of a Navigation Watch endorsement.

If the Captain tells you MS preference is based on ship board seniority, please refer the Captain to language that is on page 34 of the ESU Agreement. If it becomes necessary to resolve any disagreement concerning department preference, you should involve your ESU Ship Representative or contact the ESU office.

## Ship reports

### S/R American Progress

Vessel arrived Singapore on July 11, for an approximate 30-day shipyard period. It is expected that pretty much a full crew will remain with the vessel. Some crew reliefs joined the ship at the beginning of the yard period and additional reliefs will join during the latter part of the yard. The crew will be lodged off the vessel for most of the yard period at the Concorde Hotel. A question was raised about the amount of subsistence to be paid as outlined in the CBA. The issue was addressed shoreside and resolved in accordance with indexing procedures and will be paid at the correct rate.

### Kodiak

The vessel should be in San Francisco today for the first half of a split discharge between San Francisco and Puget Sound. AB Jeff Harris filling in as Ship Rep. Everything going well aboard ship.

### Sierra

Vessel called on San Francisco on July 15, for a split discharge between Chevron Richmond and Tesoro Eagle in Martinez. Pumpman Jim Byrd has been filling in as Ship Rep. for Thor Floreen who returned from sick leave while the vessel was in San Francisco. It's good to have Thor back at work!

## Trans-Pacific crossing



Above and below: The crew of the *S/R American Progress* during a lengthy trans-Pacific crossing from Port Angeles, Washington to Singapore for scheduled shipyard maintenance and repairs. The *Progress*, not known for her speed, took approximately 26 days to make the 8000 mile voyage. The crew stayed busy by making necessary preparations prior to arriving on July 11. Above pictured from left to right: ESU Ship Rep. Mike Harrison, Pumpman Bob Ross, ESU Board Member John McCarthy and AB Paul Clow. The Engine Department gang below takes a break during coffee time. Pictured from left to right: MS Michel Gomes, QMED-Oilers Martin Sanderson and Chuck Carroll.



## Maintenance Skills training still open

There are still a few open slots for the Maintenance Skills training class during the week of September 24. This 5-day class is held in the Pleasant Hill/Vallejo, California area and open to Deck and Engine Department personnel.

Some of the training is conducted at the hotel in Pleasant Hill while specific modules of the course take advantage of the facilities at the California Maritime Academy. A few of the course subjects include, hand tool safety and use, paint and coating preparation, electrical safety and mooring line safety and splicing. The first day of this class will be devoted to cover business topics similar to those that are covered at the annual officer's conferences. This business training day will be lead by SeaRiver management personnel from the office in Houston. Lodging will be provided at the Courtyard by Marriott which is located close to nearby entertainment, shopping and several restaurants.

Please contact Helen Wright in Fleet Manning (713-656-2786) if you are interested in attending. As always, the Union encourages all members to participate in the training courses that are available to them.

## EXXON SEAMEN'S UNION

Founded March 28, 1941

Affiliated with the Sailors' Union of the Pacific

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Deck Trustee Kevin Conroy

Engine Trustee William Ackley

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# U.S. ports face dredging challenge with expanded Panama Canal

A report to Congress has highlighted the \$3 billion-\$5 billion investment challenges for U.S. port dredging after the expanded Panama Canal opens to 12,500 teu vessels in late 2014. The 128-page study by the U.S. Army Corps of Engineers—the federal group responsible for dredging U.S. port channels—falls short of making concrete recommendations but does examine the different funding options for port investment to handle larger container ships.

The report states: “Despite the uncertainty in market responses to the deployment of post-panamax vessels and the expansion of the Panama Canal, individual investment opportunities for port expansion can be identified using established decision making under uncertainty techniques. Preliminary estimates indicate the total investment opportunities may be in the \$3 billion-\$5 billion range.”

The army corps’s deputy commanding general for civil works and emergency operations, Major General Michael Walsh, said: “Post-panamax vessels today make up 16% of the world’s container fleet, but account for 45% of the fleet’s capacity. Those numbers are projected to grow significantly over the next 20 years.” He added: “This report provides to Congress and the public an analysis of the challenges and opportunities presented by the post-panamax vessels, and outlines options on how the nation might address the port and inland waterway infrastructure needs required to accommodate these new vessels.”

The report found that by 2030, post-panamax vessels will account for 62% of the capacity of the world’s container fleet, and that along the U.S. Southeast and Gulf Coasts there may be opportunities for “economically justified port expansion projects” to accommodate post-panamax vessels. According to the report, a U.S. port is “post-panamax ready” if it has a channel depth of about 50-foot net of allowances for usable tide, as well as sufficient dock and crane capacity.

The West Coast ports of Seattle, Oakland, Los Angeles and Long Beach all have 50-foot channels, while northeast hubs at Baltimore and New York have or will soon have 50-foot channels.

The report adds that on the Southeast Coast, Norfolk has a 50-foot channel. Below Norfolk along the Southeast and Gulf Coasts, there are no ports with 50-foot channels, although Charleston, which has a 45-foot channel depth and nearly five feet of tide, can accommodate most post-panamax vessels.

The funding options in the report range from “business as usual,” using harbor maintenance funding raised from port taxes, a regime that has been criticized consistently by the U.S. ports sector. Other options include increased revenues from Washington and two variants on that theme.

The fifth option would see the Harbor Maintenance Tax Fund (HMFT) phased out and the fees dedicated to the fund. All harbor maintenance dredging up to 45 feet is paid with appropriations from the HMTF. Over 45 feet, there is a 50% non-federal cost-share facilities”.

The report states: “Individual port authorities could secure the initial funding for harbor improvements by entering into partnerships with shippers who would use the improved and maintained harbor, and/or by other financing means. “The funds borrowed or otherwise advanced for purposes of construction would be repaid using revenues from the same kinds of user fees now currently in place for paying cost share.”

The Army Corp. makes the point that maintaining the capacity of the nation’s major ports will require “leadership at all levels of government, and partnership with ports and the private sector”. It adds: “The main challenges are to continue to maintain the key features of our current infrastructure, to identify when and where to expand coastal port capacity and to determine how to finance its development.”

Editor’s Note: To receive the *West Coast Sailors* via first-class mail it’s \$25 per year U.S. mail; \$45 per year international.

## Welfare Notes

July 2012

### New Fiscal Year

The new fiscal year starts August 1, 2012. As a reminder to Pensioners please get your claims for reimbursement in within 90 days of the date of services or within 90 days of the processing date by Medicare or your other carriers. Your claims for July services do not have to be mailed by August 1, 2012 as long as they are not older than 90 days of our receipt of the claim.

Services before August 1, 2012 still count against the last year’s fiscal allowance. If you need claim forms, please call our office. Itemized bills can be submitted without claim forms as long as there is adequate information on the billing to identify you such as your name and social security number.

### Recent Mailing

There was a recent mailing to participants regarding changes in the investment options available under the SUP Money Purchase Pension and 401(k) Plans. If you did not receive the letter, please let us know. You can make changes to your accounts by calling Standard’s INFOLINE at 800-858-5420 or using the Personal Savings Web site at <http://retirement.standard.com>

### Supplemental & Pension Inquiries

Please call the telephone numbers listed below when making inquiries on your Supplemental and Pension benefits.

Michelle Chang, Administrator [mcsupsiupd@sbcglobal.net](mailto:mcsupsiupd@sbcglobal.net)

Patty Martin, MPP & 401(k) Plans, Death Benefits  
[martinpatty59@sbcglobal.net](mailto:martinpatty59@sbcglobal.net)

Virginia Briggs, Claims [vbriggs80@sbcglobal.net](mailto:vbriggs80@sbcglobal.net)

Michael Jacyna, Eligibility [mjacyna67@sbcglobal.net](mailto:mjacyna67@sbcglobal.net)

Berit Eriksson, Training Representative 415-957-1816,  
[berittrainrep@sbcglobal.net](mailto:berittrainrep@sbcglobal.net)

SUP Welfare Plan 730 Harrison Street, #415

San Francisco, CA 94107

Phone Numbers: 415-778-5490 or 1-800-796-8003

Fax: 415-778-5495

## House Subcommittee examines use of Jones Act vessels in 2011 SPR drawdown

The House Subcommittee on Coast Guard and Maritime Transportation, chaired by Representative Frank LoBiondo (R-New Jersey), held a hearing on June 27, to discuss the availability of U.S.-flagged vessels during the Strategic Petroleum Reserve (SPR) drawdown during the summer of 2011.

President Obama ordered the SPR in response to the uprising in Libya during the spring of 2011, causing a shortage of worldwide oil production. The order called for the United States to release 30 million barrels of oil onto the world market within a 31-day period.

Due to the volume of oil and the period of time in which it was to be released, there was a question as to whether there were any Jones Act vessels capable of handling the job, which would have resulted in the Administration needing to grant Jones Act waivers in order for the oil to be shipped within the time period described in the SPR order.

“In 1987, the Department of Energy (DOE), Maritime Administration (MarAd), and Customs signed an agreement outlining the process agencies must follow to ensure compliance with the Jones Act during an SPR drawdown,” said LoBiondo. “During last summer’s drawdown, however, reports from the press indicate the Administration may have deliberately ignored U.S. law in issuing over 40 Jones Act waivers for the transport of oil from the SPR. After issuing a blanket waiver and then rescinding it a day later, it appears as though the Administration was assuring potential bidders for SPR oil that individual waivers would be granted for large-volume sales before applications were even submitted.”

Testifying in front of the subcommittee was John D. Porcari, Deputy Secretary for the U.S. Department of Transportation. In his written statement to the subcommittee, Porcari contended that the Administration granted Jones Act waivers on a case-by-case basis, not a blanket waiver as it was reported at the time and explained the situation the Administration was facing.

“Due to the ordinary course of business booking schedules by qualified carriers, and the typical immediacy of release of the SPR stock in the 2011 drawdown, there was, as expected, limited availability of U.S.-flag vessels,” explained Porcari. “Of the 55 tankers in the Jones Act fleet, none of the large tankers (350,000 barrels or greater) were available.

“Owners and operators advised MarAd that there were 30 U.S.-flag, coastwise-qualified tank barges that were technically qualified and interested in carrying SPR oil for the 31-day drawdown window,” continued Porcari. “The capacity range for the available barges was from 80,000 to 234,000 barrels. Although the barges exceeded DOE’s minimum delivery lot size of 40,000 barrels, the drawdown could not have been accomplished within the DOE-prescribed time frame using only these smaller barge vessels because they may take longer to load, have less capacity and have longer travel times than large tankers.”

Also called to testify in front of the subcommittee was Thomas Allegretti, President of The American Waterways Operators. During his written testimony, Allegretti

*continued on page 13*

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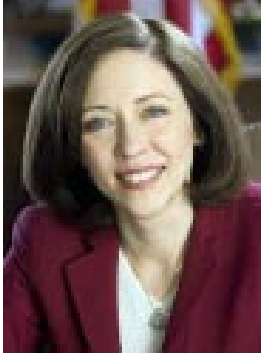


# Washington State Labor Council AFL-CIO Endorsements

Following are the endorsement for the 2012 election for the Washington State Labor Council, AFL-CIO. If a race or ballot measure is not listed, the WSLC has made no recommendation in the race.

President: Barack Obama

### U.S. Senate



Maria Cantwell

### U.S. House of Representatives

- 1st District: Suzan DelBene
- 2nd District: Rick Larsen
- 3rd District: OPPOSE Beutler
- 4th District: Mary Baechler
- 5th District: Rich Cowan
- 6th District: Derek Kilmer
- 7th District: Jim McDermott
- 8th District: Karen Porterfield
- 9th District: Adam Smith
- 10th District: Denny Heck

**Primary Election:  
August 7  
VOTE!**

### Statewide

- Governor: Jay Inslee
- Lt. Governor: Brad Owen
- Attorney General: Bob Ferguson
- Insurance Commissioner: Mike Kreidler
- Secretary of State: Kathleen Drew and Greg Nickels
- Superintendent of Public Instruction: Randy Dorn

### Judicial

- State Supreme Court
- Position 2: Susan Owens
- Position 8: Steven Gonzalez
- Position 9: Bruce Hilyer and John Ladenburg

### State Senate/House

- 1st: Senate: Rosemary McAuliffe  
House 1: Derek Stanford; House 2: Luis Moscoso
- 2nd: Senate: Bruce Lachney
- 3rd: Senate: Andy Billig  
House 1: Marcus Riccelli; House 2: Timm Ormsby
- 4th: House 1: Amy Biviano
- 5th: House 2: David Spring
- 6th: House 2: Dennis Dellwo
- 8th: House 1: Jay Clough; House 2: Robert Parks
- 10th: House 2: Thomas Riggs
- 11th: Senate: Bob Hasegawa  
House 1: Zach Hudgins
- 16th: Senate: Scott Nettles
- 17th: Senate: Tim Probst  
House 1: Monica Stonier; House 2: James Gizzi
- 18th: Senate: OPPOSE Joe Zarelli
- 19th: House 2: Brian Blake
- 21st: House 2: Marko Liias
- 22nd: Senate: Karen Fraser  
House 1: Chris Reykdal; House 2: Sam Hunt
- 23rd: Senate: Christine Rolfes  
House 1: Sherry Appleton; House 2: Drew Hansen

- 24th: House 1: Kevin Van deWege;  
House 2: Steve Tharinger
- 25th: House 1: Dawn Morrell; House 2: Bill Hilton
- 26th: House 1: Karin Ashabraner; House 2: Larry Seaquist
- 27th: Senate: Jeannie Darnielle  
House 1: Laurie Jenkins; House 2: Jacob Fey
- 28th: House 1: Eric Choiniere; House 2: Tami Green
- 29th: House 1: Ben Lawver; House 2: Steve Kirby
- 30th: House 1: Roger Flygare; House 2: Rick Hoffman
- 31st: House 1: Ron Weigelt; House 2: Christopher Hurst
- 32nd: House 1: Cindy Ryu
- 33rd: House 1: Tina Orwall; House 2: Dave Upthegrove
- 34th: House 1: Eileen Cody; House 2: Joe Fitzgibbon
- 35th: House 1: Kathy Haigh; House 2: Jefferson Davis
- 36th: House 2: Noel Frame and Brett Phillips
- 38th: House 1: John McCoy; House 2: Mike Sells
- 39th: House 2: Eleanor Walters
- 40th: Senate: Kevin Ranker; House 1: Kris Lytton
- 42nd: House 1: Natalie McClendon
- 44th: House 1: Hans Dunshee; House 2: Mary McNaughton
- 45th: House 1: Roger Goodman
- 46th: Senate: David Frockt; House 1: Gerry Pollet and Sylvester Cann; House 2: Dusty Hoerler
- 47th: House 1: Bud Sizemore
- 48th: House 2: Cyrus Habib
- 49th: Senate: Annette Cleveland

### Ballot Measures

- Referendum 74** - Marriage Equality Act allowing same-sex couples to marry ..... **APPROVE**
- Initiative 502** - Marijuana reform that legalizes possession of small amounts of regulated marijuana and taxes it .. **YES**
- Initiative 1185** - Tim Eyman measure requiring 2/3s supermajority to repeal special interest tax breaks or to raise taxes ..... **NO**
- Initiative 1191** - Making Washington a so-called "right-to-work" state ..... **NO**
- Initiative 1192** - Redefining marriage as a civil contract and banning same-sex marriage ..... **NO**



President: Barack Obama

### U.S. Senate



Mazie Hirono

### O'ahu State Senate

- 9- Kurt Lajala
- 10- Les Ihara
- 12- Brickwood Galuteria
- 13 - Suzanne Chun-Oakland
- 15- Glenn Wakai

## Hawai'i State AFL-CIO Endorsements

- 16- David Ige
- 17- Alex Sonson
- 18- Michelle Kidani
- 19- William Espero
- 21- Maile Shimabukuro
- 22- Donovan Delacruz
- 24- Jill Tokuda
- 25- Pohai Ryan
- 34- Eloise Tungpalan
- 35- Roy Takumi
- 36- Marilyn Lee
- 37- Ryan Yamane
- 38- Henry James Aquino
- 39- Ty Diaz Cullen
- 44- Georgette Jordan
- 45- Jacob Bradshaw
- 46- Marcus Oshiro
- 47- Gilbert Riviere
- 49- Kenneth Ito
- 51- Christopher Lee

### O'aho State House

- 19- Bert Kobayashi
- 21- Scott Nishimoto
- 22- Thomas Brower
- 23- Isaac Choy
- 25- Sylvia Luke
- 26- Scott Saiki
- 27- Takashi Ohno
- 28- John Mizuno
- 29- Karl Rhoads
- 32- Linda Ichiyama
- 33- Kyle Takai

**Mayor of Honolulu  
Kirk Caldwell**

### Maui State Senate

- 5- Shan Tsutsui
- 6- Rosalyn Baker
- 7- Jaime Kalani English

### Maui State House

- 8- Joe Souki
- 9- Gilbert Keith-Agaran
- 10- Angus McKelvey
- 11- George Fontaine
- 12- Kyle Yamashita
- 13- Diana Mele Carroll

### Kaua'i State Senate

- 8- Ronald Kouchi

### Kaua'i State House

- 14- Derek Kawakami
- 15- James Tokioka
- 16- Daynette Morikawa

### Big Island State Senate

- 2- Robert Herkes
- 3- Josh Green

### Big Island State House

- 1- Mark Nakashima
- 2- Clifton Tsuji
- 3- Richard Onishi
- 4- Faye Hanohano
- 5- Denny Coffman

### U.S. House of Representatives



Mufi Hannemann

### U.S. House of Representatives



Colleen Hanabusa

**VOTE!  
August 11**





Brothers Emo Aulelava and Dennis Belmonte, aboard Matson's M/V Mokihana engaged in marlinspike seamanship on March 26, at sea. Photo: Patrick Weisbarth.

## Chinese minister praises seafarers

Minister of Transport Shenglin Li on June 26, tried to give China's seafarers a morale boost with an open letter to the Chinese Seafarers Convention in Shanghai.

Apart from the usual patriotic slogans, Li said that "the rapid economic development and improvement of people's living standards has been impossible without your dedication and hard work. You have made a lasting contribution to the country and the world's shipping industry."

According to Li, China now has 650,000 seafarers and is training more than 50,000 every year. A big problem though is that many of the higher qualified seafarers leave the oceans after only a few years to settle down in an office job closer to home. Thus like everywhere else, China too is struggling to keep its fleet manned with sufficient and capable crew.

The government has set in motion programs to recruit deep inland, among farmers and ex-soldiers. More and stricter training and inspection should solve the quality problem. Li said that he strongly supports maritime education in order to improve the competence of China's seafarers and their international competitiveness.

It should be noted that Minister Li did not mention raising wages or improving conditions for Chinese mariners.

## Global containership fleet hits 16 million teu mark

The International Maritime Organization on June 25, asked all to celebrate the Day of the Seafarer by honoring the theme: "It came by sea, I can't live without it?". The following day, liner industry intelligence agency Alphaliner has released some figures that really hammer home the truth in that slogan.

In its weekly newsletter, Alphaliner announced that the global containership fleet reached the 16 million teu mark in spite of a slowing growth rate. Alphaliner estimates that as of June 26, the global containership fleet has the capacity for a total of 16,017,550 teu, surpassing a milestone that has been pushed along by newbuild deliveries. So far in 2012, Alphaliner counts that approximately 772,000 teu have been added representing a 5% spike in total capacity, plus an additional 30,000 teu are expected to hit the water by the end of June. But in spite of the gross delivery rate, total teu capacity growth has slowed over the past two years primarily due to increased scrapping.

Alphaliner says that global fleet has taken 12 months to climb from 15 to 16 million teu, as compared to 10 months to climb from 14 to 15 million and just nine months to climb from 13 to 14 million teu. So, 89 ships totaling 163,000 teu have either been sent to the breakers or decommissioned during the first six months of this year, compared to just 107,000 teu in all of 2011. In addition, a total of 12,000 teu have been lost at sea.

Despite the high scrapping level, the teu capacity removed remains only a fraction of new deliveries seen by an industry already reeling from overcapacity. The net additions to the cellular fleet during the first six months of 2012 will approach 640,000 teu, or 4.2% of the fleet by the end of June, Alphaliner says. Scrapping activity, however, is expected to fall in the second half of 2012 as scrap prices plunge.

Overall Alphaliner expects that overcapacity in the containership industry will continue to accelerate at an alarming rate. Earlier this year the company estimated that in 2012 the world cellular containership fleet is expected to grow by 8.3%, presenting a serious challenge for the shipping industry fueled also by an orderbook bias towards larger ships.

# Puerto Rico v. the Jones Act

By Tony Munoz, Editor-in-Chief of *The Maritime Executive Magazine* and *MarEx Newsletter*

The perennial debate over the Jones Act's impact on domestic trade and the overall general economy is heading for yet another showdown as the General Accounting Office (GAO) prepares an economic impact study of U.S. cabotage laws on the Commonwealth of Puerto Rico, which will be released either late this year or early next year. Hawai'i, Alaska and the territory of Guam, which like Puerto Rico is also heavily reliant on federal aid, have protested about the Jones Act's adverse effects on their economies as well.

In 2010 the U.S. Census Bureau did an analysis of export declarations filed by U.S. and Puerto Rican shippers' based on Schedule B forms submitted to U.S. Customs. The Foreign Trade Division of the Bureau reported that U.S. companies sent 4.5 billion kilos of freight valued at \$11.4 billion on Jones Act vessels to Puerto Rico. In turn, Puerto Rico exported 734.6 billion kilos of cargoes valued at \$29.9 billion to the U.S., which is a 162% increase in product value flowing back into the U.S.

Since Puerto Rico has no natural resources of commercial value and 90% of its exports are shipped to the U.S., the facts are overwhelmingly conclusive that raw materials are sent to the island and manufactured goods are returned to the mainland. Moreover, U.S. corporations have invested heavily in the Puerto Rican economy since the 1950s and still receive duty-free access as well as robust tax incentives.

In 1998 the Clinton Administration made permanent Section 30A of the IRS tax code, which allows U.S. companies in Puerto Rico to claim 60% of wages and capital investments in tax credits, estimated to be about \$417 million annually. Puerto Rico's per-capita income is about \$16,300, which is the highest in the Caribbean basin and 73rd in the world. While Puerto Rican workers' pay no federal income tax, they are covered by the U.S. Federal Fair Labor Standards Act, which guarantees the federal minimum wage of \$7.25. But they do pay into Medicare and Social Security, which affords its citizens old-age benefits.

In the bonus round of free money for Puerto Rico known as the 'cover-over' tax, the U.S. Treasury returns to the island nation about \$371 million annually in collected excise tax for rum it imports to the U.S. If that isn't a sweetheart deal enough, the Caribbean Basin Economic Recovery Act of 1983 also gives the Puerto Rican treasury all excise taxes collected on rum imports from any source, including foreign countries. Imagine getting money on rum it doesn't even produce?

### A One-Way Street

On April 26, 2012, a study titled "The Economic Impact of the Jones Act on Puerto Rico's Economy" was submitted to the GAO by University of Puerto Rico-Mayaguez professors Jeffry Valentin-Mari, Ph.D. and Jose I. Alameda-Lozada, Ph.D. The 88-page report, aimed at destroying U.S. cabotage laws, displacing U.S. flag operators and putting thousands of Americans out of work, is filled with superfluous and inadequate information unworthy of an economic study about the Jones Act's costs to the Puerto Rican economy.

The report is not only disjointed but offers no overwhelming conclusions or compelling reasons to terminate the cabotage law. These professors of economics do not provide any empirical data whatsoever of their own. Instead they fill the report with a mishmash of information readily available on the Internet. They conclude that the impact cost ranges from \$656 million to \$4 billion and quote the economic costs cited by Paquita Perquera in 1964. Professors Mari and Lozada also say the Jones Act is an "oligopolistic structure controlling productive efficiency of trade commerce in Puerto Rico." Well, considering that 90% of the island's exports are sent to the U.S. and U.S. taxpayers have built its infrastructure, this statement is not only disingenuous but bites the hand that feeds it.

The professors also toss in a few "econometric models," which offer no mathematical information about the impact of cabotage costs, a WTO statement on foreign trade liberalization, an OECD comment on common shipping principles and a chart offering foreign registrants of flag lines. Obviously, the professors did not know foreigners can own up to 24.99% of a Jones Act company. The report's motives are clear as the authors state the expansion of the Panama Canal could potentially make Puerto Rico a transshipment hub to the U.S. They recommend to the GAO that there only be a 50% Jones Act trade requirement and that all foreign flags in the trade have 50% Puerto Rican ownership.

### The GAO Analysis Quandary

The Jones Act transports about one-quarter of the nation's cargoes at only 2% of the national freight bill. Furthermore, U.S. cabotage laws not only create \$100 billion in economic output but also sustain around 500,000 jobs, which generate about \$29 billion in total compensation. U.S. operators have privately invested more than \$34 billion building 40,000 vessels in the nation's shipyards.

In 2010, Jones Act companies transported about \$42.3 billion worth of goods in the Puerto Rican trade at an estimated transportation cost of \$767 million, which is 1.66% of the value. Additionally, the Census Bureau reported in 2010 the government spent over \$21 billion in expenditures on the island, which has kept its \$64 billion economy from collapsing during the recession.

The Puerto Rican opposition claims that U.S. cabotage laws have suppressed its ability to trade effectively, but American taxpayers have invested heavily in its infrastructure, which has allowed Puerto Ricans to enjoy the 84th largest GDP in the world. The loss of Jones Act operators in non-contiguous trades will be devastating to the U.S. economy and American jobs, and its impact on national defense and DOD requirements will be incalculable.

Tony Munoz can be reached at [tonymunoz@maritime-executive.com](mailto:tonymunoz@maritime-executive.com)



## Alaska sues to stay out of North American Emissions Control Area

Alaska has gone to court against a new low-sulphur fuel law scheduled to take effect on August 1, alleging that it would add a burden on residents' already steep cost of living and seriously harm the state's lucrative cruise and tourism industries. Some experts say the case could have far-reaching consequences, since the complaint, if upheld, could bring into question the status of all international maritime treaties signed by the United States. However, others believe Alaska's challenge is meritless and likely to fail.

The state is suing Secretary of State Hillary Clinton, Secretary of Homeland Security Janet Napolitano, Environmental Protection Agency boss Lisa Jackson and the U.S. Coast Guard, seeking relief from the enforcement of the North American Emission Control Area (ECA) off the Alaska coast.

The ECA will oblige all ships coming to most parts of the US and Canada after August 1 to burn fuel containing no more than 1% sulphur inside a 200-mile boundary, dropping to 0.1% in 2015. The state has filed with the U.S. District Court for the District of Alaska, seeking relief from the enforcement of the North American ECA off its coast. Extension of the ECA to Alaska "was unlawful because two-thirds of the U.S. Senate did not consent to that extension as required by the U.S. constitution", Alaska claims in papers filed with the court. The state asserts that under the constitution's treaty clause, "a treaty cannot bind the U.S. and is not enforceable as domestic law, unless two-thirds of the Senate give advice and consent to the treaty".

Alaska is deeply concerned about the impact more expensive fuel would have on its cruise business and consumer prices, warning that state income could drop by as much as \$150 million for local workers, while tourist spending is forecast to decline by \$180 million. According to one estimate, the environmental protection agency rules, if applied, will increase cruise passenger costs by \$12 to \$16 per person per day, "adding approximately \$86 to \$112 to the price of a typical seven-day cruise. Clearly, enforcement of the ECA will have a significant and harmful effect on Alaska's citizens and economy," the court papers state.

Meanwhile, on the cargo side, Totem Ocean Trailer Express, one of Alaska's largest shipping companies, estimates the ECA would bump up its costs by 8%.

The ECA is a by-product of the U.S. ratification in 2008 of Annex VI of the Marpol Convention. Alaska's primary assertion is Ms. Clinton's acceptance of the ECA was not accompanied by an approval of two-thirds of the Senate under the Treaty Clause of the US Constitution, which makes the regime non-binding. Maritime regulatory consultant and legal pundit Dennis Bryant said Alaska's stance is flawed, and that the state "simply has not read Marpol thoroughly". He said the Marpol convention, as approved by a two-thirds Senate majority, includes a "tacit or presumptive consent" provision, whereby amendments to annexes are "presumed approved by party states unless a party state affirmatively objects". The U.S. previously has invoked this get-out clause to object to Regulations 13F and 13G of Marpol Annex I, which relate to alternatives to double hulls on oil tankers. As a result, these regulations never came into force in the United States.

The Alaska development is another example of individual US states refusing to go away quietly in the face of what, de facto, is a new federal law. Earlier this month, California said it is sticking with its distillate fuel statute, which obliges owners to switch to this fuel 24 miles from the state's shores, regardless of ECA's uniform 200-mile boundary. California's opposition to ECA is based expressly on purported health hazards.

U.S. authorities are not expected to start strict enforcement of ECA from August 1, and will allow the usual phasing-in time. However, maritime experts are braced for a possible legal challenge in California, and expect Alaska's challenge to engender more bureaucracy or litigation as well.

## Jones Act continued from page 10

contended that the Administration set an informal minimum delivery lot size of 500,000 barrels, which effectively kept Jones Act carriers on the sidelines.

"Despite President Obama's own stated support for the Jones Act, there is strong evidence ... that Administration officials established an informal minimum delivery lot size of 500,000 barrels, a level that they knew would effectively exclude the U.S. fleet, in direct contradiction of the much smaller minimum delivery lot sizes that were established in the DOE's own Notice of Sale; conveyed that information informally to potential purchasers of crude oil in advance of the formal SPR sale; promised crude oil purchasers in advance that Jones Act waiver requests would be approved for volumes of 500,000 barrels or more and then fulfilled that promise without fail; and almost universally evaded the Jones Act," said Allegretti.

"The approach was contrary to federal law governing the sale, draw down, and transportation of crude oil from the SPR. The advance guarantee of approval for all Jones Act waivers is particularly odious because the Jones Act waiver process is a regulated administrative legal proceeding governed by federal rules of fairness and due process," Allegretti continued.

Porcari countered that claim, saying that "MarAd makes every effort to maximize the use of the domestic fleet, the parameters of an SPR drawdown are established by DOE and carried out through private sector traders and transportation providers in an effort to successfully meet the expedited time frame and objectives of the drawdown."



AB Alex Capistrano and new STOS Nestor Pasquale on the main deck of the APL Thailand in Oakland on Saturday, June 30. Photo: Dave Connolly.

## Costa Concordia captain wasn't on the bridge

Costa Concordia's captain has told Italian TV he was not on the bridge when the cruiseship grounded. The ship was under command of another officer, whom Captain Francesco Schettino did not identify in the July 11 interview with Italian Canale 5 TV, Reuters reported.

Once the ship grounded at Giglio Island, "I went up to the deck and ordered the ship to be put on manual navigation, and I didn't have command, that's to say being in charge of sailing the ship, that was the officer," he told the TV interviewer, the BBC reported. In addition, Schettino reportedly said he had "been distracted" immediately before the grounding by a telephone call from someone on Giglio Island, whom he also did not identify.

Schettino apologized during his first full TV interview since the January 13 casualty, in which 32 people were killed, and said he thought constantly about the victims, Reuters said.

The Naples-born Schettino is charged with multiple manslaughter, causing the accident and abandoning his ship.

"This was a banal accident in which there was a breakdown in the interaction between human beings, and it created misunderstandings and it's for this that there's so much rage," he said. "It was as though there was a blackout in everyone's heads and in the instruments. I blame myself for being distracted."

## Unions urge government to save Greece's shipyards

Greece's largest labor body has pleaded with the country's new government to act to keep the country's shipyards alive in direct opposition to the European Court of Justice (ECJ), which has condemned Athens in a state aid case that centers on Hellenic Shipyards.

Writing to Prime Minister Antonis Samaras and other senior government figures, the General Confederation of Greek Labor warned that the shipbuilding and repair industry is "on the brink of complete collapse". The Union urged the government to create a single umbrella for the industry, arguing that cooperation between the three main Greek yards—Hellenic, Elefsis and Neorion—was "a necessary and viable precondition for the sector's survival and growth".

Hellenic Shipyards, now an affiliate of Abu Dhabi Mar, cut working hours in April, saying the business was no longer viable after the European Union barred it from commercial marine business for 15 years and after the state failed to pay its debts on existing shipbuilding contracts or to award new defense work. According to the Unions, Hellenic Shipyards has illegally slashed working hours.

Elefsis and Neorion, which have themselves advocated a union of the three main yards to combat the crisis, are struggling to meet wage bills, and according to the Unions, are a step away from collapse. Meanwhile, the wider repair zone of Perama and Salamina, comprising scores of smaller yards and workshops, is virtually idle, partly because no projects are underway at the larger yards on which they depend.

Some 3,000 yard workers in the zone—98% of the labor force—have registered themselves unemployed, according to the labor federation. "The current tragic situation in the shipyard sector cannot continue," the federation told Prime Minister Samaras. Meanwhile, the ECJ has delivered its judgment in a long-running state aid saga, finding that Greece failed to fulfill its obligation to recover illegal aid to Hellenic.



# SUP President's Report

July 9, 2012

## CARGO PREFERENCE

The U.S. Merchant Marine suffered a major setback on June 29, when a provision was added to the Surface Transportation Act of 2012 (H.R. 4348) that slashed the statutory U.S.-flagged share of international food aid (P.L. 480) from 75% to 50%. The provision (Section 100124) was not germane to the bill which covered highway funding, was added in conference at the last moment without any public scrutiny or transparency and was never considered by the House of Representatives or the Senate. Informed sources in Washington indicate that the House Republican leadership gutted one third of cargo preference, which the Congressional Budget Office estimates to be \$108 million per year, in order to offset the cost of the highway bill.

The result of this stealth attack will deprive U.S.-flag companies of vital cargo which will result in the loss of employment for American mariners.

The SUP will work with other members of the USA Maritime coalition to restore the cargo preference program to 75%. More information on this issue will be published in the July *West Coast Sailors*.

## APL MARINE SERVICES

In the wake of the disastrous Congressional action on cargo preference, there was some welcome news when Pakistan agreed to reopen the highway from Karachi to Afghanistan for cargo shipments. This vital route for NATO forces had been closed since last November by Pakistan in retaliation for a NATO air strike that killed 24 Pakistani soldiers.

The reopening of the highway is a positive for APL and SUP members employed in vessels involved in the company's Suez Express Service. With the highway closed, cargo that APL would have carried was diverted to other locations with a resultant loss of revenue for the company that put the future of APL's five non-Maritime Security Program (MSP) vessels at risk. Company officials indicate that its vessels will soon resume calling Karachi.

In other good news, on July 2, APL was awarded a \$1.7 billion fixed price contract for international ocean and intermodal services by the U.S. Transportation Command (USTRANSCOM). The work under this contract is expected to be completed by August 31, 2013. More cargo equals more work for the membership.

SUP-contracted Matson Navigation Company was also awarded \$39 million for similar work.

## SUP WELFARE PLAN

Despite the passage of the Affordable Health Act in 2010 and the recent ruling by the Supreme Court affirming that the Act is constitutional, health care costs continue to skyrocket with no relief in sight.

Since 2000, health care premiums have increased significantly: Kaiser Northern California by 155%; Kaiser Southern California 94%; Kaiser Hawai'i 155%; Health Net 157%; and Group Health Cooperative 62% to name a few of the providers under contract with the SUP Welfare Plan, which provides benefits for those employed by APL, Foss, Matson and the San Francisco Bar Pilots. The health care benefit, as well as all other benefits provided by the Plan, were bargained for by the Union and should be viewed as part of total compensation, although health care is not taxed.

At the June 26 Board of Trustee's meeting of the Plan, the following rate increases were agreed to. It should be noted that these increases would have been higher if not for the negotiating skill of Plan Consultant Kirsten Shaffer from the firm Rael & Letson.

**KAISER:** Effective July 1, 2012, a 8.7% increase for the Northern California group and a 5.2% for the Southern California group.

In practical terms the rate for a single participant in Northern California increased to \$683.09 per month from \$628.33. For a married participant without children, the rate increased to \$1,366.18 from \$1,256.66.

For married participants with children, the rate increased to \$1,933.14 from \$1,778.17.

In Southern California, Kaiser increased rates to \$532.14 from \$505.60 for a single participants; \$1,064.28 from \$1,011.20 for married participants, and \$1,505.96 from \$1,430.85 for married participants with children.

**KAISER HAWAI'I:** Effective August 1, for single participants the rates increases to \$563.36 per month from \$469.50; for married participants to \$1,126.73 from \$939.01; and for married participants with children to \$1690.89 from \$1,408.51.

**GROUP HEALTH COOPERATIVE:** Effective August 1, premiums increase 2.5%. For a single participant the rate increases to \$479.93 per month from \$468.39; for married participants to \$896.22 from \$874.67; and for married participants with children to \$1,500.66 from \$1,464.58.

**HEALTH NET (HMO):** Effective August 1, rates will increase by 10.9%. For a single participant to \$790.44 per month from \$705.81; for married participants to \$1,580.88 from \$1,411.63; and for married participants with children to \$2,292.36 from \$2,046.93.

**HEALTH NET PPO (CALIFORNIA):** Effective August 1, rates will increase by 14.06%. For a single participant to \$954.05 per month from \$813.76; for married participants to \$2,051.18 from \$1,749.56; and for married participants with children to \$2,814.43 from \$2,400.57.

**HEALTH NET PPO (OUTSIDE OF CALIFORNIA):** Effective August 1, rates will increase by 14.06%. For a single participant to \$859.24 from \$732.89; for married participants to \$1,847.34 from \$1,575.09; for married participants with children to \$2,534.74 from \$2,162.01.

**BLUE CROSS/BLUE SHIELD OF LOUISIANA:** On June 1, a premium rate increase of 14.3% became effective.

**What is needed in this country is what all other major industrialized democracies have enjoyed for many years: Universal Health Coverage. Regrettably that is not likely to happen any time soon, so avaricious health care providers will continue to rake in profits, putting pressure on all Unions in bargaining.**

## SAN FRANCISCO BAR PILOTS

Negotiations between the SUP and the San Francisco Bar Pilots began on June 18, and successfully concluded on June 20, for the agreements covering Marine Personnel and Dispatchers.

The Union Negotiating Committee was comprised of Colin Dewey, Geoff Knight, Mike Koller, Leo Moore, Steve Ross, Vice President Dave Connolly and your secretary. The Pilots were represented by Captain Bruce Horton, Port Agent; Captain David McCloy; Captain Raymond Riddens; Chris Johnson, Marine Superintendent; and Claudia Hernandez, Human Resources Manager.

As background, due to the recession and drop in tonnage transiting San Francisco Bay, gross revenue of the Pilots fell significantly. As a result, the SUP agreed to freeze wages in 2010 and 2011. During negotiations in January 2011, a 2% wage increase was agreed to and became effective January 1, of this year.

With business improving and with average net income per pilot reaching \$451,336 in 2011, it was the general consensus of the membership employed by the Pilots that a wage increase was the top priority.

After some minor, non-economic proposals to clean up language in the Marine Personnel contract were agreed to, the Union proposed four-year agreements for both Marine Personnel and the Dispatchers with reasonable wage increases each year. The Pilots countered with a 2% wage cut in 2012, a 2% wage cut in 2013 and wage freezes in 2014 and 2015. With this gulf separating the bargaining parties, negotiations became contentious. The Pilots were adamant in their demand for long-term agreements, while the SUP Negotiating Committee stated repeatedly that long-term agreements were not possible without a long-term financial commitment by the Pilots. Ultimately, agree-

ment was reached for one-year agreements -July 1, 2012 through June 30, 2013- with a 2.25% wage increase taking effect on July 1, of this year.

Health care costs also became an issue in negotiations, despite the fact that at the beginning of bargaining the Pilots stated that health care would not be on the table since outstanding issues had been resolved prior to bargaining. Under the terms of the 2011-2012 agreement, the Pilots owed the SUP Welfare Plan \$25,793.28, which was paid. In addition, due to rising costs, the contribution rate for marine personnel increased effective July 1, to \$86 per day from \$76.74.

With that as background the Pilots made a medical and dental "cost sharing" proposal in which the Pilots would cover 90% of SUP Welfare Plan costs with the remaining 10% deducted from an employee's pay. The Union response was immediate: the proposal was rejected, with the Pilots being told in no uncertain terms that they were obligated under the Marine Personnel agreement, to pay health care costs as determined by the SUP Welfare Plan. The Pilots were also told that any change to the status quo was a strike issue. Suffice it to say the proposal was withdrawn.

The Negotiating Committee and the membership employed by the Pilots recommends general membership approval of the agreements.

It should be noted, that the January 2012 2% wage increase, combined with the July 1 increase of 2.25%, equals an increase of 4.25% for both Marine Personnel and Dispatchers.

## CALIFORNIA LABOR FEDERATION

The 29th Biennial Convention of the California Labor Federation, AFL-CIO will be held in San Francisco on July 24 and 25 at the St. Francis Hotel. The SUP is entitled to six delegates. Recommend that Colin Dewey, Berit Eriksson, Diane Ferrari, Mike Koller, Vice President Dave Connolly and your secretary serve as delegates.

## QUARTERLY FINANCE COMMITTEE

In accordance with Article XVII, Section 2, of the SUP Constitution, a Quarterly Finance Committee shall be elected at today's Headquarters' meeting to review the finances of the Union for the second quarter of 2012, and report back to the membership at the August coastwise meetings.

In the event the Committee cannot be filled today, recommend that when the quarterly audit is completed, which will be in about three weeks, necessary Committee members be shipped off the hiring hall deck as per past practice. The Quarterly Finance Committee will turn-to on Monday, August 13, at 8:00 A.M.

## LONGSHORE HOLIDAY

SUP hiring halls on the West Coast will be closed on Monday, July 30, in observance of an ILWU holiday.

In accordance with the collective bargaining agreements with APL and Matson, it is a holiday for all company vessels in West Coast ports and for sailors employed under the APL and Matson Maintenance Agreements. It is also a holiday for run boat operators employed by the San Francisco Bar Pilots. It is not a holiday at sea or in Hawai'i.

## ACTION TAKEN

M/S to approve the San Francisco Bar Pilot agreements covering Maritime Personnel and Dispatchers. Carried unanimously.

M/S to elect the Quarterly Finance Committee. Elected are: Bill Berry, Diane Ferrari, Dave Larsen, Frank Portanier and Art Thanash. Carried unanimously.

M/S California Labor Federation Convention Delegates- Elected: Dave Connolly, Colin Dewey, Berit Eriksson, Diane Ferrari, Mike Koller, Gunnar Lundeberg. Carried unanimously.

M/S to concur with the balance of the President's report. Carried unanimously. *Gunnar Lundeberg*





## Stranded Moroccan mariners are finally heading home

More than 100 Moroccan seafarers stranded for seven months in the Spanish port of Algeciras were repatriated this month amid continued doubt about the future of Morocco's oldest ferry operator, Comarit and its subsidiary Comanav. The mariners were stuck on four ships that ceased operating when the company ran into financial trouble at the end of last year.

The crews are owed up to six months' wages and since January have experienced difficult circumstances on board, surviving on minimal food and diesel.

"The ITF (International Transport Workers' Federation) is providing assistance both in Morocco and in Spain for whatever appropriate legal action is necessary to recover their salaries," Jose Manuel Ortego, National Coordinator for the ITF in Spain, said. "These seafarers are finally heading home after seven months, but this is only the beginning of the process to recover what they are owed."

Comarit-Comanav has vessels in similar situations in the Spanish port of Almeria and the French port of Sete. Some of its ships, including three of the four vessels laid up in Algeciras, have been arrested by creditors. The crews on the vessels in the French port of Sete have already gone home, repatriated thanks largely to the work of the ITF and local non-government organizations.

Last March the Moroccan government stepped in to try to broker a solution for the companies, which play a strategic role in providing maritime links between Morocco and Europe. In mid-June, Comarit-Comanav informed its staff that it was talking to Italian investors about \$48.7 million injection of capital into the business. It hoped that these funds, coupled to a restructuring of debt both with banks and suppliers, could get the companies back on track. However, more than a month later, there is no news of the proposal having prospered and the outlook remains uncertain. On the ships, the seafarers have lost patience.

The plight of Comarit-Comanav has raised some sensitive issues after two Union activists involved in helping the stranded seafarers were arrested by the Moroccan authorities last month. Said Elhairech, General Secretary of the ITF-affiliated Union UMT des Transports and chair of the Arab World Regional Committee, and Mohamed Chamchati, General Secretary of the Merchant Seafarers Union, were detained on suspicion of economic sabotage and endangering national security. Both strenuously deny the allegations.

The arrests prompted the intervention of the ITF, where top officials initiated contact with Moroccan diplomats to press the case that the arrests had been made in error. "We believe they spring from a backlash against the valuable work done by trade unions in helping all those seafarers stranded by the Comarit-Comanav failure," said ITF general secretary David Cockroft. Earlier this month Cockroft met a senior Moroccan diplomat in London and received assurances of the independence of the judicial process in Morocco.

As the *West Coast Sailors* went to press, the Union activists remained in custody.

## Agricultural export shippers again name APL top-ranked ocean carrier

For the fourth time since ranking began in 2007, U.S. agricultural exporters have named APL the world's top container shipping line. The award, presented in San Francisco last month by the Agriculture Transportation Coalition, was shared with two competing lines: Hong Kong-based OOCL and K Line of Japan.

For Singapore-based APL, it was a return to the top rung after missing by a narrow margin in 2011. "We're grateful for this recognition because it comes from the shippers themselves—our customers," said APL Americas President Gene Seroka.

Coalition members—shippers of agriculture and forest products—are asked to rate container carriers on a variety of measures. The criteria include bookings, terminal service, documentation and on-time reliability. APL has finished atop the coalition's ranking every year but two.

## Vice President's Report

July 2012

**Oregon Voyager:** Earl Eastmark, delegate. Clarification on cook's duties and responsibilities. La Shon Miles, our newest SUP cook, doing a great job. In El Segundo headed for Frisco.

**Florida Voyager:** Bill Fisher, delegate. Dues check from sea. No problems.

**California Voyager:** Rey Clores, delegate. On the old *Chevron Arizona* run from Pascagoula, Mississippi to Port Everglades in Fort Lauderdale, Florida. Running smooth.

**APL Korea:** Joe Marusak, delegate. Sailors looking out for each other and helping members new to APL to adjust to new pace and duties. Hard hat headband liners should be replaced and new safety harnesses on order. Time back usage depends on the "mutually agreeable" port and cannot be unilaterally decided. Cleaning the longshore head on straight time hours is payable at the cargo rate and is a one hour minimum or time worked if in excess of one hour.

**APL Agate:** Ed Pastolero, delegate. Complete gangway rigging at sea is unsafe. Washdown ended before complete. Both issues raised with APL management. Clarification on rigging reefer staging: one hour minimum if on straight time and two hours on a callout payable at the cargo rate of pay.

**APL Thailand:** Norm Kurtz, delegate. Boarded in Oakland on a rare Saturday night arrival. Crane ops require a minimum of three sailors including the bosun for safety. Mate doing sailors work got off in LA. Clarification on PMH.

**APL Japan:** Aaron Weibe relieved Adam Tassin as delegate. Sailor with joint pain got off UFFD in Singapore. Harassment charges being investigated.

**APL Cyprine:** Dustin Grobschmitt, delegate. Robert Jones is the bosun. An all Seattle gang boarded this newest SUP ship in Port Elizabeth, New Jersey without incident and in the professional style for which the SUP is famous. House interior clean and in good shape. Common mess and lounge like the *Coral* and *Agate*. Staterooms the same, vacuum head system. Best gym in the fleet. Crew demonstrated immediate proficiency for Coast Guard inspectors in an elaborate fire and boat drill.

**Maunawili:** Phil Howell, delegate. Filed safety complaint with management on use of the forward whistle when there is a lookout on the bow. Still under investigation.

**Mahimahi:** Bert Genita, delegate. In at Oakland with rest hour issue. Still collecting information and under investigation.

**USAV Worthy:** Dearl Scarboro, delegate. Enroute Kwajalein from Pearl Harbor a young and dedicated SUP sailor tragically met his demise. A fall is the probable cause but details are scarce and the matter is still under investigation.

**USNS Waters:** Scott Weideman, delegate. Reliefs made in Hawaii. Conducting missions from Pearl Harbor. No problems.

**USNS Martin:** Jon Beeman, delegate. Bosun David Burns got off UFFD. On a mission to Korea and then headed to Jacksonville.

**USNS Shughart:** Patrick Meagher, delegate. Parting lines now a continuous event as loaded ships cause suction as they pass in the river. Lots of splicing.

**Foss Maritime Company:** JD Rymel, delegate. Calls from tankermen indicate a range of issues that require a meeting for understanding and discussion.

Dave Connolly



Bill Debenedictis and Joe Wolff on the bridge of the APL Philippines in Oakland, on July 13. Photo: Dave Connolly

"Republicans can hear the whispers of business, but not the yells and screams of working people."

President Harry S. Truman



# SUP Branch Reports

## Seattle

June 18, 2012

Shipped during the period: 3 Boat-swains taken by two A's and one B; 8 Able Seaman jobs shipped and filled with 6 A-cards, and two B cards. No standbys called.

Registration: 4 A cards for a total of 22; 9 B cards for a total of 33; 5 C cards for a total of 8.

### Ships Checked

Matson vessels *Mahimahi* and *Maui* called twice in Seattle with little or no problems. The *Matsonia*, *President Polk*, *President Adams*, *APL Japan*, *APL Korea*, *APL Agate*, and *USNS Martin* called for SUP/MFU crew replacements.

I represented the SUP/MFU at the following meetings: The Puget Sound Harbor Safety Committee; the Seattle Marine Business Coalition meeting; along with ILWU Local 19 and the Manufacturing Industrial Council and the Port of Seattle: the SUP/MFU testified before both the Seattle City Council and the King County Council hearings contradicting the propaganda that the proposed location of a basketball arena in maritime industrial lands will be a job creator. We stated loudly and firmly this will be a job killer.

We are sorry to report the passing on of Brother Gabe Sayan who died suddenly in his sleep. Gabe was a steady shipper in the MFU and always asked what he could do to help the MFU/SUP Unions out. He manned the office when needed and assisted President Poplawski during at a Coast Guard field hearing on STCW hours in Seattle. "Steady as she goes, Gabe!"

All members need to look at their TWIC cards. Many of us have renewed our MMC's but still had some time left on their TWIC. All TWIC's that were originally issued to a mariner will begin expiring in 2013. That is five months away.

Vince O'Halloran  
Branch Agent

## Wilmington

June 18, 2012

Shipped 7 bosuns, 9 ABs, 7 AB maints., 1 STOS and 49 standby jobs for a total of 73 jobs shipped.

Registration: 30 A cards, 26 B cards, 9 C cards and 11 D cards.

### Ships Checked

*APL China*, *Mokihana*, *Manulani*, *APL Philippines* (still food beefs), *Manoa*, *Maunawili*, *APL Singapore*, *SS Lane Victory*, *Mokihana*, *Maunalei*, *Manoa*, *R.J. Pfeiffer*.

On May 21, attended the L.A. County Federation AFL-CIO delegates meeting.

On May 22, attended American Merchant Marine Veterans Memorial (AMMVMC) for National Maritime Day. As always, it was a great program honoring American Merchant Marine Veterans from past to present. AMMVMC President John Pitts, emceed the ceremonies. Congresswoman Janice Hahn, Councilman Joseph Buscaino and Captain James Jenkins, USCG, gave speeches honoring our U.S. Merchant Marine. I would like to thank Ken Delancey, Rudy Bacalla, Pasquale Gazillo, Bob Mints, Phil Klein, and Robert Brown for cleaning, painting and preparing the memorial. It looked great for the event. Additional thanks to Mario Ortiz and Joe Marcelino who helped Bob Bulgarin with the barricades and Cheryl Rummans, Joe MacDonald, Bob Rush, Mike Snyder, Dave Munroe, Corey Burton, Scott Hudson and Steven Meyer for helping with the chairs.

Mark Hurley  
Branch Agent

## Honolulu

June 18, 2012

Shipped the following jobs in June: 1 Bosun return, 1 Bosun relief, 1 AB Day steady, 1 AB Day relief, 6 AB Watch steady, 1 AB Maint. steady and 2 OS Watch steady. The shipping jobs were filled by 2 A cards, 6 B cards, 4 C cards and 1 D card. Also shipped 9 standby jobs. The standby jobs were filled by 2 B cards, 3 C card, and 4 D cards.

Registered in June: 5 A cards; 5 B cards; 3 C cards; and 2 D cards. To date totaled registered: 15 A cards, 9 B cards, 4 C cards, and 4 D cards.

### Ships Checked

*The Manukai*, *Maunawili*, *Maunalei*, *Manulani*, *RJ Pfeiffer*, *Mokihana*, *Manoa*, *Maui*, *Mahimahi*, and the Paint and Rigging gang. All are running with few or no beefs.

This is a very important election year, not only in Hawaii, but across the nation. If you haven't registered to vote yet, it is still not too late to do so. I have all the paper work here at the Union hall to register to vote in Hawai'i (regular voting and absentee voting). The primary election will be held on August 11, and the general election will be held on November 6, here in the state of Hawai'i. Stand up and make your voice heard. If you don't vote then you can't complain

when you lose your job and can't make your house payments, or feed and clothe your children or the rest of your family. Take the time and do the right thing and vote. Mahalo,

Michael Dirksen  
Branch Agent

## Dispatcher's Report

Headquarters—June 2012

<b>Deck</b>	
Bosun .....	4
Carpenter .....	0
MM .....	5
AB .....	11
OS .....	0
Standby .....	12
<b>Total Deck Jobs Shipped .....</b>	<b>32</b>
<b>Total Deck B, C, D Shipped .....</b>	<b>9</b>
<b>Engine/Steward</b>	
QMED .....	0
Pumpman .....	0
Oiler .....	0
Wiper .....	0
Steward .....	0
Cook .....	0
Messman .....	0
<b>Total E&amp;S Jobs Shipped .....</b>	<b>0</b>
<b>Total E&amp;S B, C, D Shipped .....</b>	<b>0</b>
<b>Total Jobs Shipped - All Depts. ...</b>	<b>32</b>
<b>Total B, C, D Shipped-All Depts. ...</b>	<b>9</b>
<b>Total Registered "A" .....</b>	<b>31</b>
<b>Total Registered "B" .....</b>	<b>22</b>
<b>Total Registered "C" .....</b>	<b>20</b>
<b>Total Registered "D" .....</b>	<b>45</b>

**SUPPORT THE SUP  
POLITICAL FUND**

## Bloody Thursday



The SUP observed Bloody Thursday at ILWU Local 10 in San Francisco. From the left: Brothers Liam Casement, Dave Frizzi, Dave Larsen, Bill Berry, Knud Andersen, and Tom Dougherty.

## U.S. Olympic Team to wear uniforms made in China!

If there was ever a time to push Made in America products, the 2012 Summer Olympics is certainly it. But Team U.S.A. will be wearing Ralph Lauren uniforms that were made in China when they compete in London this summer. ABC News interviewed American designer Nanette Lepore who said U.S. manufacturers could have made the uniforms and for less money. "I'm shocked... why shouldn't we have pride not only in the American athletes but in the American manufacturers and laborers who are the backbone of our country?" ABC News quoted Lepore as saying. "What's wrong? Why was that not a consideration?"

In the report, ABC News broke down exactly how much is being spent on the "Made in China" uniforms: Men: Beret - \$55; Tie - \$125; Belt - \$85; Shirt \$425; Blazer - \$795; Trousers - \$295; Shoes - \$165; for a grand total of \$1945 for each male athlete. The costs of "Made in China" women's uniform totals \$1473 per athlete.

ABC News reached out to Ralph Lauren and the U.S. Olympic Committee (USOC) and asked why American clothing manufacturers weren't chosen. The committee responded: "The U.S. Olympic team is privately funded and we're grateful for the support of our sponsors. We're proud of our partnership with Ralph Lauren, an iconic American company."

In Washington, the reaction was outrage. "I am so upset. I think the Olympic committee should be ashamed of themselves. I think they should be embarrassed. I think they should take all the uniforms, put them in a big pile and burn them and start all over again," Senate Majority Leader Harry Reid (D-Nevada) told reporters. "If they have to wear nothing but a singlet that says USA on it, painted by hand, then that's what they should wear," he said, referring to an athletic jersey.

House Democratic Leader Nancy Pelosi told reports that she's proud of the nation's Olympic athletes, but "they should be wearing uniforms that are made in America." House Speaker John Boehner (R-Ohio) said simply of the USOC, "You'd think they'd know better."

## Washington and Hawai'i State primary election in August

The Washington State Primary Election is on Tuesday, August 7 and the Hawai'i Primary is on Saturday, August 11.

AFL-CIO endorsements for both elections are on page 11 of this issue. If you are registered, BE SURE TO VOTE!