



West Coast Sailors

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Friday, October 25, 2013

National Maritime Center requests mariners with STCW endorsements to verify contact information

The following bulletin was released on October 17, by the U.S. Coast Guard's National Maritime Center:

This notice serves as a request to merchant mariners with non-expired Standards of Training, Certification, and Watchkeeping for Seafarers (STCW) endorsements to confirm their contact information with the National Maritime Center via: http://www.uscg.mil/nmc/escl_colorbox/mariner_validation_form.asp

The regulation which implements amendments to the STCW Convention is expected to be published soon. In order to ensure timely delivery of documentation from the NMC that will result from this rulemaking, we are requesting that all mariners with non-expired STCW endorsements provide us with their most current contact information as soon as possible. If there have been no changes to your contact information (including mailing address, phone number, and e-mail address) since your last credential transaction, no action is required.

For questions or if you are unable to access the link above, contact the National Maritime Center at IASKNMC@uscg.mil or 1-888-IASKNMC (427-5662).

Maritime Security Program cuts averted; struggle for Food for Peace continues

Legislation signed on October 17, by President Obama to reopen and fund the federal government through January 15, 2014, included full funding for the Maritime Security Program (MSP). Without full funding, the program would have been in jeopardy with dire consequences for the U.S. merchant marine. See SUP President Gunnar Lundberg's October 14, report on this issue on Page 10.

The MSP provision restores a \$12 million short-fall anomaly in the program and guarantees that each of the 60 U.S.-flag vessels enrolled in the program, including nine vessels operated by SUP-contracted American President Lines, will receive full funding from October 1, 2013 (the beginning of federal

fiscal year 2014) until January 15, 2014. The effort to secure full funding were aided in no small part by Senator Barbara Mikulski (D-Maryland), Chairwoman of the Appropriations Committee; Senator Patty Murray (D-Washington), Chairwoman of the Budget Committee; and U.S. Transportation Command (TRANSCOM) Commander General William Fraser.

The 60 ships enrolled in MSP each receive a subsidy of \$3.1 million—for a total of \$186 million—to partially offset the higher cost of crewing and operating a vessel in the United States.

"Although the funding of MSP was a victory, the long term funding of the program is uncertain," said Lundberg. The deal to reopen the federal government is based on an agreement that

the Democrats and Republicans arrive at a budget agreement by December 13, which is problematic given the recent budget fiasco. Failure to reach an agreement, particularly on the budget sequester could once again place MSP on the chopping block. The sequester (Budget Control Act 2011), requires \$1 trillion dollars in cuts over non-entitlement spending, \$84 billion in 2013 and \$109 billion in 2014. In simple terms the Democrats want to repeal the sequester while some Republicans want to repeal those provisions that apply to the Defense Department. If an agreement is not reached on January 15, the sequester would become law and across the board cuts would occur. Since MSP is not an entitlement program like

continued on page 5

AFL-CIO to Democrats: we'll work to end your career if you cut Social Security or Medicare

With fresh Capitol Hill budget battles on the horizon, AFL-CIO President Richard Trumka issued a blistering warning to Unions' Democratic allies, saying the AFL-CIO would "never

stop working" to end the political careers of Democrats who cut entitlement programs. "No politician ... I don't care the political party ... will get away with cutting Social Security, Medicare or Medicaid benefits. Don't try it," AFL-CIO President Richard Trumka said, in a speech in Las Vegas, Nevada, on October 21. Trumka stressed his point for Democrats who may be wobbly on the issue: "This warning goes double for Democrats," he said. "We will never forget. We will never forgive. And we will never stop working to end your career."

The AFL-CIO has long opposed any cuts to Social Security, Medicare or Medicaid, and the labor federation has suggested in the past that it would consider pulling support from Democrats who help make those cuts happen. But Trumka's remarks on the issue amounted to a far more aggressive threat: That the AFL-CIO would actively use its war chest to unseat

Democrats on the other side of the issue.

An AFL-CIO spokesperson said that the federation still considers the so-called "chained CPI" to be part of the off-limits cuts to which Trumka was referring. A chained CPI inflation index would alter the way cost-of-living adjustments are made for Social Security recipients, slowing increases and reducing the benefits for seniors and the disabled. Many Democrats have shown an openness toward chained CPI, and the measure was included in President Barack Obama's 2014 budget, where it was paired with extra money for the elderly and poor.

Damon Silvers, the AFL-CIO's policy director, told *The Washington Post* this month that chained CPI was "the vampire of American politics," saying that it "keeps being shot through the heart and it keeps reviving." Silvers told the *Post* that the AFL-CIO also opposes a form

of Medicare means testing in the president's budget.

It isn't clear yet how entitlement cuts will figure in the post-shutdown budget talks, but it's possible they'll become part a new "grand bargain" discussion on Capitol Hill.

Saying he had a "sinking feeling that too many politicians are ready to put the hurt on regular working people," Trumka argued that lawmakers should be increasing Social Security payments rather than cutting them. He said we live in a time of "self-imposed scarcity" that's driven by "fear" rather than logic. "Millions of Americans are afraid Social Security might not be there for them," Trumka said. "We cannot listen to that fear and believe Social Security is the problem. It isn't. Instead of cutting Social Security, which will make the fear come true, we should, as a nation, invest in Social Security and increase benefits."

Elsewhere in the speech, which was addressed to the annual conference of the International Foundation of Employee Benefit Plans, Trumka called the Affordable Care Act a "significant step forward" but said there "real problems that still exist" in the health care reform law. Recently, Unions had tried to pressure the White House to extend the eligibility for subsidies to Unions' multi-employer health plans, known as Taft-Hartley plans, but the administration ultimately rebuffed them. Several Unions are concerned their plans may become uncompetitive under ObamaCare. "I give you my word that we're fighting for a level playing field for the health funds of working people," Trumka said. "This is one of my top priorities, and we're going to keep talking with the federal government agencies and the White House and Congress regarding the implementation of the Affordable Care Act until we get what we want and need."

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- Phil Howell in lieu of dues increase..... 100.00
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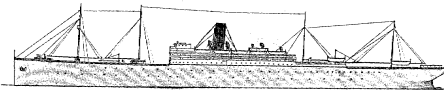
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Final Departures

Lawrence Kusman, Book No. 3071. Born in New York in 1930. Joined SUP in 1947. Died September 2, 2013. (Pensioner)

Clarence Pancake, Book No. 3827. Born in West Virginia in 1928. Joined SUP in 1968. Died August 31, 2013. (Pensioner)

Edward Schaffer, Book No. 7270. Born in Pennsylvania in 1927. Joined SUP in 1946. Died in Reno, Nevada, September 6, 2013. (Pensioner)



U.S. must reinvest in its ports and waterways

by Tracy Grondine, American Farm Bureau Federation

America's ports and waterways are in significant need of updating. Most of the infrastructure is at least 50 years out of date and very few U.S. ports can fit the gargantuan, post-Panamax vessels that are being used to ship goods around the globe.

To learn firsthand how this lack of technology is affecting U.S. agriculture exports, American Farm Bureau Federation (AFBF) leaders recently visited ports in the West and Pacific Northwest. The group of leaders, who are part of the AFBF Trade Advisory Committee, got an up-close look at ports in Oakland, Seattle and Vancouver, B.C.

U.S. agriculture heavily depends on trade. Last year, more than \$141 billion in farm goods were exported. Yet, U.S. port and waterway infrastructure is decades behind international competitors due to a lack of funding. For example, only about half of the Harbor Maintenance Trust Fund, which was established to fund the operation and maintenance of ports, is currently being allocated toward port infrastructure. And Congress is just sitting on the Water Resources Reform and Development Act (WRRDA), which would secure funding for America's waterways.

Expanded capacity and access to markets on the West Coast is especially critical for U.S. farm products and local jobs. Take Washington, for example, the most trade-dependent state, where trade is responsible for 40% of all jobs. Agricultural products are Washington's third-largest export. In Oregon, one in five jobs is dependent on trade of farm products, accounting for 10% of Oregon's gross domestic product.

The Port of Oakland, the fifth-largest container port in the U.S. supports 73,000 jobs locally and 827,000 jobs across the country. Last year, nearly half of the value of exports leaving the Oakland port—approximately \$6.74 billion—were agricultural products.

Comparing these U.S. ports to our international competitors, the Trade Advisory Committee (TAC) leaders had an opportunity to tour the Port of Vancouver, B.C. Unlike the U.S., Canada continues to invest in its port infrastructure. The Vancouver port, for example, is currently undergoing a nearly \$900 million infrastructure improvement program in three key trade areas, which will be completed in March.

The U.S. could clearly learn a thing or two from its international competitors when it comes to modernizing the means of moving our goods to global markets. As TAC Chair Steve Baccus said, "There are no trucks or trains to Asia. We are reliant on the sea, of which our ports are the conduit."

Updating America's waterways is also essential for agriculture to serve domestic markets. Passage of WRRDA is critical for farmers and other producers to continue to move food, timber, coal and other essential products throughout the country. America's marine infrastructure ensures that our grocery shelves are stocked and our lights stay on.

Our ports and waterways make it possible for U.S. farmers to move their goods to market, whether they are sending Washington apples or New York yogurt to Taiwan or Tennessee.

Somali pirates convicted by Seychelles court

This month, 11 pirates were convicted in the Seychelles Supreme Court of committing acts of piracy and operating a pirate vessel between May 7-11, 2012. Their sentences ranged from 18 months to 16 years.

The pirates had been apprehended by the Royal Netherlands Navy frigate, *HN-LMS Van Amstel* on May 1, 2012, after the warship's Lynx helicopter sighted a suspicious fishing dhow towing two skiffs, 400 nautical miles off the Somali coast. When the warship's boarding team approached the dhow, the Dutch Navy crew found 11 suspected pirates of Somali origin and a total of 17 hostages on board.

After taking the suspected pirates to *HN-LMS Van Amstel*, the Dutch boarding

team found significant evidence that linked the 11 men to an armed attack on tanker *Super Lady* a few days earlier.

The 17 freed hostages, who were Iranian fishermen, were very grateful to the Dutch sailors for rescuing them.

SUP Meetings

These are the dates for the regularly scheduled SUP meetings in 2013:

	<i>Hdqs. Branch</i>	
November	Tues. 12	18
December	9	16

West Coast Sailors

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Obama Administration continues to attack American participation in nation's Food for Peace program

by Tony Munoz, Editor, *The Maritime Executive*

Since taking office in 2008, the Obama Administration has defunded Food for Peace (P.L. 480) by \$1 billion and reduced the program to a mere \$1.4 billion. Over the last year, the White House has been campaigning on Capitol Hill to transform P.L. 480 into a purely cash program so that the United States Agency for International Development (USAID), via non-governmental organizations (NGOs), such as CARE and OXFAM, can buy food overseas in local markets for distribution to the needy.

The rhetoric in Washington has been aggressive and ugly as USAID Administrator Rajiv Shah and the legions of NGO talking heads claim American farmers and the U.S. Merchant Marine are starving the hungry and poor around the world. Shah has gone so far as to testify before Congress that the inefficiencies of P.L. 480 are causing as many as 155,000 Somali children to starve each year.

The Truth About Costs

International waterborne transportation is a conveyor belt of imports and exports. And U.S. food aid will be transported on ships no matter where USAID purchases it. Cornell University Professor Christopher Barrett has published a number of papers on the enormous cost of American participation in food aid and concludes that transportation costs alone account for about 60 cents of every dollar spent.

Presently, NGOs spend \$5.8 billion, or nearly 30%, of USAID's annual budget of \$20 billion for administrative costs. But if an NGO is operating in a war zone, it takes 70% of the money for administrative costs, which means only 30 cents on the dollar goes to the needy.

The total transportation cost of the U.S. Merchant Marine for Food for Peace is \$95 million per year. Furthermore, a cost-differential subsidy, which is the difference in cost between shipping in U.S. bottoms versus foreign bottoms, is paid to USAID by MarAd. So it doesn't cost USAID any more to hire a Ukrainian ship than it does to hire an American vessel.

USAID's Wasteful Ways

In 2008 the U.S. joined the International Aid Transparency Initiative. Today, USAID is at the very bottom of the 72 governmental agencies involved with the program. The agency's special Inspectors General (IGs) for Afghanistan and Iraq have written reports about the waste of U.S. taxpayer monies by USAID in those two countries.

The IG for Afghanistan reported that AECON, an NGO contracted by USAID to establish community centers in the four corners of the country, was paid \$47 million and the centers never opened. Additionally, USAID spent \$125 million to convince Afghani farmers to grow food crops instead of poppy plants. Needless to say, the program was a complete flop. The fact is, if the American people knew about the waste and inefficiencies at USAID, they would storm the bastille of the agency.

On September 30, while the government was preparing to shut down, Congressmen Ander Crenshaw (R-Florida) and Adam Smith (R-Washington) held a luncheon at the Rayburn House Building. The theme of the luncheon was Modernizing International Food Assistance, and it featured a panel of prominent NGO executives speaking about reforming P.L. 480 (translation: removing American participation from the Food for Peace program).

The Crenshaw and Smith luncheon panel included Diane Esposito, Director of the Office of Food for Peace; David Beckmann, President of Bread for the World; David Ray, Head of Policy & Advocacy for CARE; Phil Thomas, faculty member at George Mason University; and Stephanie Mercier, retired economist for the Senate Agriculture Committee.

The political wonks stated that the current law requires the vast majority of U.S. assistance to be in the form of U.S.-sourced commodities. Crenshaw and Smith claimed that the U.S.'s ability to feed more people declines each year because U.S. farmers and mariners cost too much. The fact of the matter is, beginning with the current fiscal year, 45% of the program will be distributed via a cash voucher system.

Losing Transparency

In 2012 the White House Office of Management and Budget, in a behind-closed-doors midnight raid, reduced American participation in P.L. 480 by 25%. Now the Obama Administration and various members of Congress and the NGO community want to go a step further and remove not only Americans but transparency from feeding the world's hungry.

Currently, NGOs are allowed to sell food sent by the U.S. to local food brokers for cash. The hungry are not fed by the shipped food, and the cash disappears into NGO programs without transparency. Americans need to stop the Administration and USAID from "reforming" Food for Peace and demand a complete audit of USAID.

Jones Act foreign content build requirements clarified by USCG

by Charlie Papavizas, Winston & Strawn LLP

Last month the U.S. Coast Guard issued a determination as to the level of permitted foreign content in two container vessels to be built at the NASSCO shipyard in San Diego for TOTE Shipholdings, Inc.

The Jones Act restricts U.S. domestic trade to U.S.-built vessels. To qualify as a U.S.-built vessel it must be assembled entirely in the United States and all major components of the hull and superstructure must be fabricated in the United States.

In the TOTE determination, the Coast Guard confirmed that foreign source specialty steel plate, structural flats or slabs, structural steel shapes, and angle steel types are all permitted so long the imported steel is purchased in standard shapes and sized as produced at the steel mill. The Coast Guard also confirmed that certain hull castings can be foreign source so long as they do not exceed 1.5% of the discounted steel weight of the vessels and that the container hatch covers for the vessels would be excluded from that calculation as they are considered "outfit" and not part of the vessel's structure.



The SUP deck gang aboard Matson's ITB Moku Pahu in Crockett on October 2. From the left: AB Ponciano Siquinia, AB and Delegate Saher Ali, AB Cirilo Sajonia, and Bosun Arsenio Purganan. Photo: Dave Connolly

Japan-to-Alaska solo Pacific row

A 28-year-old British adventurer became the first woman to row solo from Japan to Alaska, arriving September 23, at a small town in the Aleutian Islands after 150 days and 3,750 miles at sea.

"I have had some of the most intense and memorable months of my life out on the Pacific, it has been brilliant and brutal at the same time," Sara Outen said in a statement. "And it has been a privilege."

Outen celebrated with a bottle of Champagne in Adak, Alaska, and greeted community members and supporters, her first human contact in nearly five months, as first reported by the *Anchorage Daily News*.

"I have pushed myself to my absolute limits both physically and mentally to make land here in Alaska, and body and

mind are now exhausted," she said.

She left Choshi, Japan, on April 27. It is part of her plan for a global trek by an ocean rowing shell, kayak and bike.

On September 23, Outen came within a half mile of the Alaska shore before winds and currents started pushing her onto the rocks. Her support team decided it was safer to tow her into Adak's small boat harbor.

On the row, she battled dangerous seas, and her boat, *Happy Socks*, capsized five times. She also fought the psychological battle of being alone. In the last few days, she almost hit a cargo ship after her radar failed, and battled cooling temperatures and increasing darkness.

Matson admits blame for Honolulu molasses spill

SUP-contracted Matson Navigation Company has admitted blame for an accident that resulted in hundreds of thousands of gallons of molasses being pumped into Honolulu Harbor.

The company said it would cover the costs of the incident which happened when a pipeline failed as it pumped molasses onto its 1,635 teu container-ship *Maui*.

Matson has ceased its molasses operations following the incident and will not resume them until it is "assured that it can do it in a safe and responsible manner". It could discontinue its molasses operation at the port if the pipeline cannot be fixed.

Matson President and Chief Executive Matt Cox said: "We operate the pipeline and it is our transfer operation. "Matson is taking responsibility and we will continue to fully cooperate with the state on this response. We will be here as long as it takes to get it right. "Our goal always is to conduct cargo loading operations safely and in an environmentally responsible manner. "If it is determined that the system cannot be operated safely or in an environmentally responsible manner and that repairing and replacing the system would be impractical, we will discontinue our molasses operations." Cox said his pipeline operators team is working on a report what will provide the information needed to determine the future of Matson's molasses cargo business. The report will also be provided to the Department of Health and other agencies once it is complete.

Press reports suggest that 233,000 gallons of molasses was spilled into Honolulu harbor as a result of the incident and 25,000 fish have died. Sharks are also reported to be heading to the harbor to feed on the dead fish. The incident took place on September 9. The *Maui* sailed later that day and arrived at Seattle on September 14.

Cebu disaster owner refuses to pay fine

The owner of the sunken ro-pax (Roll-On/Roll-Off Passenger) vessel *St. Thomas Aquina*, owned by 2GO Travels, has reportedly refused to pay fines of about \$4 million ordered by environment authorities in the Philippines. Officials of 2GO Travels said they had already spent about \$4.5 million for cleaning up an oil spill after its ro-pax sank, the Philippines newspaper *Solar News* reported.

The collision of the 11,405 gross ton *St. Thomas Aquina* and the 9,754 gross ton cargo ship *Sulpicio Express Siete* off Talisay City, Cebu, in central Philippines on August 16, claimed at least 116 lives, while 21 people are still listed as missing.

Historic sea route opens through Canadian Arctic waters

The international shipping industry is these days witness to a historic event, when a vessel for the first time ever is sailing from Vancouver, Canada to Finland through Arctic waters. One of the world's few modern ice-class bulk carriers, *MV Nordic Orion*, will carry a cargo of 73,500 tons of coal via the so called North West Passage through Arctic waters to Finland. A Danish pioneer in operating ice-classed bulk carriers, Nordic Bulk Carriers A/S, is behind the historic North West Journey.

"We are very excited about this historic voyage, which has been a dream and ambition for several years," says Christian Bonfils, Managing Director in Nordic Bulk Carriers A/S. "We have deep respect towards these important Arctic waters and have planned this voyage in close coordination with Transport Canada and the Canadian Coast Guard to ensure a safe execution.

The North West Passage across the Arctic is shorter than the traditional route through the Panama Canal and thereby has the potential to generate important saving in both time, fuel and CO2 emissions. Bonfils, explains. "The North West Passage shortens the distance with 1,000 nautical miles. This results in a reduction in fuel consumption and transportation time – and it also means lower CO2 emissions. The fuel savings alone add up to approximately USD 80,000." In addition this new route allows full utilization of the ships capacity and thereby carries 25% more cargo than through the Panama Canal.

It takes more than an average ship to sail the North West Passage. The trip across the Arctic is a challenging task that requires great experience, navigational skills and modern world class ships. In fact, there are only a few vessels which can handle the task.

"*MV Nordic Orion* is an ice-class 1A ship," explains Bonfils. "These ships are designed and built to operate in the harsh conditions of the Arctic.

It is estimated that the North West Passage will be open for transit voyages for approximately two months per year depending on the weather and ice conditions.

The Danish company Nordic Bulk Carriers A/S opens another chapter in the proud tradition of Nordic navigation.

"We follow the *MV Nordic Orion* expedition closely and with great interest. This expedition once again emphasizes the strength, quality and long history of the Nordic maritime traditions. We are of course also very proud that a Danish company is the pioneers behind this voyage of discovery," says Jan Fritz Hansen, Executive Vice President of the Danish Shipowners' Association.

The vessel departed from Vancouver on September 6. The route was planned in close coordination with Transport Canada and the Canadian Coast Guard to ensure a safe execution. The ship was issued an Arctic Pollution Prevention Certificate by Transport Canada before departure to ensure compliance with Canadian regulations.

The opening of the North West Passage as a commercially predictable trade lane opens up new opportunities for the important Arctic region and for the coal, minerals and shipping industries.

MV Nordic Orion is an ice-class 1A ship. This is the highest conventional ice-class, and it is one of the only ships that can sail the route due to ice filled waters. She was built in 2011 at Oshima Shipyard in Japan, and her sister ship *MV Nordic Odyssey*, which also has performed several Arctic trips, was the first Panamax bulk carrier on the Northern Sea Route.

Coast Guard issues oil response rules

Oil spill response plans for vessels other than tankers must include plans for a worst-case discharge scenario, the U.S. Coast Guard announced on September 30.

The condition is part of the agency's final rule requiring owners and operators of non-tank vessels over 400gt operating in U.S. waters to prepare and submit to the agency oil spill response plans. The rule, which is effective October 30, outlines specific procedures for submitting the plan.

"This rule will improve our nation's pollution-response planning and preparedness posture, and help limit the environmental damage resulting from non-tank vessel marine casualties," the Coast Guard stated.

The cost of regulation will be paid for by an estimated 12,000 non-tank vessel users, with foreign-flag vessels comprising the majority of the vessels affected. The costs are also spread between U.S. and foreign non-tank vessels, the agency noted, with approximately 40% of the rule's \$263 million, 10-year cost borne by domestic vessel owners and operators.

A Coast Guard analysis showed that the rule prevented between 2,014 and 2,446 barrels of oil from being spilled over 10 years. "The qualitative benefits are ensuring the ability to respond effectively to oil spills, including a worst case discharge, and improving effectiveness of shoreside and onboard response activities" the agency noted.

China opens coastal trade to Chinese-owned flag-of-convenience vessels

China has allowed foreign-flagged vessels to engage in coastal trade in an effort to boost Shanghai's transshipment volumes and the country's domestic carriers. According to rules governing the 11 square mile Shanghai free trade zone, which covers the main port areas, Chinese carriers can now ship international cargoes between Shanghai and other Chinese ports with their own vessels that are flagged abroad after registering them with the Transport Ministry.

Shanghai, the world's busiest port, last year handled 32.5 million teu, most of it export and import cargoes. Yet shippers

were not allowed to send transit cargoes to Shanghai in international services in most cases, driving large transshipment volume to other Asian free ports and to Busan, where transshipment totaled 8.1 million teu, or 48% of the total, in 2012.

While only China-flagged vessels can be deployed in domestic services, Chinese lines often opt for flags-of-convenience for international trade to reduce costs and enhance operational flexibility. According to a United Nations report, China-owned vessels totaled 124 million dwt as of January 2012, and 58% of that tonnage was flagged overseas.



SUP standbys Robert Reed and Asad Al-Rasusullah on the APL China in Oakland on October 10. Photo Dave Connolly.

Pirate attacks by heavily armed gangs surge off Nigerian coast

Pirate attacks off Nigeria's coast have jumped by a third this year with ships passing through West Africa's Gulf of Guinea, a major commodities hub, increasingly under threat from gangs wanting to snatch cargoes and crews.

"Pirates, often heavily armed and violent, are targeting vessels and their crews along the (Nigerian) coast, rivers, anchorages, ports and surrounding waters. In many cases, they ransack the vessels and steal the cargo, usually gas oil," the International Maritime Bureau (IMB) reported this month.

Countries on the Gulf of Guinea, including Nigeria, Ghana and Ivory Coast, are major sources of oil and cocoa and increasingly metals for world markets.

Unlike the dangerous waters off Somalia and the Horn of Africa on the eastern coast of Africa, through which ships now speed with armed guards on board, many vessels have to anchor to do business off West African countries, with little protection. This makes them a soft target for criminals and jacks up insurance costs.

Data from the IMB, which coordinates the fight against maritime crime and malpractice, showed Nigeria remained the main source of piracy in the region with 29 attacks on vessels recorded in the first nine months of 2013, up from 21 in the same period last year. There were four separate attacks around Ivory Coast this year versus three in the 2012.

Analysts say while Somali gangs have focused on capturing vessels to extract ransom money, criminality in West Africa, including oil theft, poses more complex problems.

In a separate report this month Denmark-based security firm Risk Intel-

ligence estimated 117,000 tons of oil products worth around \$100 million had been stolen by pirate gangs in the Gulf of Guinea since 2010. This includes the diesel known as gas oil.

"The risk of attack remains high across the Gulf of Guinea. Armed robberies, hijackings and incidences of kidnap for ransom are likely to continue up to, and possibly beyond, 150 nautical miles from the coast," said Rory Lamrock of UK based security firm AKE.

In August, Nigeria's navy killed 12 pirates in a gun battle as they tried to flee from a fuel tanker they had hijacked. Ghana's navy separately in August intercepted a ship and arrested its crew on suspicion of hijacking a tanker.

The IMB said in the first nine months of 2013 the Gulf of Guinea accounted for all crew kidnappings worldwide, 32 of them off Nigeria, and two off Togo. In such incidents, sailors are taken ashore and usually held for ransom.

Despite the jump in West Africa, overall global pirate attacks fell in the period to the lowest level since 2006, helped by a slowdown in attacks by Somali groups. The IMB said there were 188 piracy incidents in the January to September period, down from 233 last year. Hostage-taking had also dropped with 266 people taken this year, compared with 458 in the same period in 2012.

"Although the number of attacks is down overall, the threat of attacks remains, particularly in the waters off Somalia and in the Gulf of Guinea. It is vital that ship masters continue to be vigilant as they transit these waters," said IMB Director Pottengal Mukundan.

Vessels collide off Japan

Two container ships collided off western Japan, this month, with no major injuries or damage. The Singapore-flagged *Safmarine Makutu* was enroute to South Korea from Osaka, Japan, when it collided with Panama-flagged *Pices*, which was enroute to Toyohashi Port in Aichi Prefecture from South Korea. The Japan Coast Guard said the incident had happened off the western island of Shikoku at 2100 on October 2.

According to Sea-web data, the owner and operator of *Pices* is Seoul-based Shinsung Shipping. A representative from the company confirmed that all their crew members were in good condition. The 6,572dwt *Pices* was built in 2007. The 61,407dwt *Safmarine Makutu* was also built in 2007, owned by Moller Singapore and operated by Copenhagen-based Safmarine Container Lines.

Japanese authorities are investigating the cause of the collision.

The incident comes less than a week after two cargo ships –1,430dwt *Eifuku Maru No. 18* and 5,195dwt *Jia Hui*– collided off southeastern Japan. That collision killed five mariners and left one missing.

MSP cuts averted; battle for Food for Peace continues continued from page 1

Social Security and Medicare, it is vulnerable. “The SUP, along with the rest of the maritime community, will closely monitor the budget discussions to ensure that MSP is fully funded through the end of fiscal year 2014,” said Lundeborg.

The next battle for the U.S.-flag maritime industry is preserving Food for Peace. As the *West Coast Sailors* has reported, the Obama Administration has proposed “re-forming” Food for Peace by giving money to needy countries instead of food. Besides being a foolish idea, the loss of food cargoes to U.S.-flag carriers would be disastrous.

Later this month, members of the Senate and House of Representatives will confer to hammer out a farm bill (H.R. 2642). The SUP, along with other concerned organizations, sent the following letter to the conferees this month:

“As congressional conferees reconcile the differences between House and Senate versions of H.R. 2642, the Federal Agriculture Reform and Risk Management Act of 2013 (FARRM Act), the undersigned organizations greatly appreciate and support the reauthorization of international food aid programs—Food for Peace (P.L. 480), Food for Progress, McGovern-Dole International Food for Education and Child Nutrition and the Bill Emerson Humanitarian Trust.

However, we do not support provisions that deviate significantly from the current transparency and structure of those programs by:

- allowing the use of P.L. 480 Title II and Food for Progress funds to pay the costs of unspecified “activities” conducted in recipient countries;
- decreasing the minimum funding level for non-emergency (developmental) Title II programs; and
- capping the amount of funds that can be spent on developmental programs.

Keeping U.S. commodities the differentiating characteristic of these programs has been the touchstone of their success, and we believe that proven approach paves the way for a sustainable future.

U.S. food aid programs provide a reliable pipeline of commodities and nutritionally-fortified foods to developing countries to meet emergency needs and for multi-year programs that help people overcome chronic hunger. USDA’s Economic Research Service estimates that over the next decade there will be an annual food gap of 15 million metric tons to meet minimum caloric needs in 76 food insecure countries (June 2013). Countries with food shortfalls and high levels of malnutrition need imported food aid because local supplies are limited.

Enhanced Timeliness and Responsiveness.

The timeliness and responsiveness of P.L. 480 Title II to local needs have been enhanced since the 2008 Farm Bill, and both the House and Senate versions of H.R. 2642 continue those enhancements. Warehouses strategically located at U.S. and foreign ports are used to pre-position commodities so they can be delivered within a matter of weeks in case of an emergency. This food aid pipeline is critical to maintain and must not be dismantled. It is indeed lifesaving and no alternative system is available to replace it.

By keeping a steady stream of commodities available, these programs create economies of scale and there is flexibility to divert U.S.-flag vessels carrying food aid cargoes to an emergency, should the need arise. Once commodities arrive at an overseas port, P.L. 480 Title II funds cover most internal transportation, storage and handling costs, as well as costs associated with management, oversight and adoption of improved program methodologies. We also believe that logistics and distribution practices in these programs can be fine-tuned to create greater efficiencies without abandoning the core U.S. nature of these time-tested programs.

Successful, Accountable Programs.

The United States has well-honed systems to procure, transport and deliver wholesome foods, making sure the food gets where it is supposed to go. Because U.S. commodities, processors, transportation systems and vessels are used, these programs also support U.S. jobs, the U.S. economy and our U.S. Merchant Marine national defense sealift capability. Overseas, U.S. private voluntary organizations and cooperatives work closely with local communities to implement food aid programs – extending America’s goodwill, providing accountability for resources and incorporating technical assistance to improve nutrition, incomes and productivity of the poor.

Effectively Meeting Local Needs.

Making a variety of commodities available and incorporating capacity-building activities allow programs to be tailored to meet local needs. U.S. processors develop fortified and blended cereals and fortified nut-butters specifically for food aid programs to meet the nutritional needs of malnourished infants, toddlers and pregnant and lactating women, and for emergency rations. Fortified vegetable oil, soybeans, corn, wheat, rice, sorghum, dehydrated potatoes, and dry beans, peas and lentils are among the other products that provide basic nutrients and meet shortfalls in poor countries – and they are important for food-for-work and supplemental nutrition programs. In cases where credit, hard currency, and other market constraints limit the ability of a developing country to import sufficient amounts of commodities, monetization can be an effective mechanism to boost supplies and the sales proceeds are used to support development activities – multiplying the benefits. Through P.L. 480 Title II non-emergency programs, the capacity of local organizations, cooperatives and businesses are strengthened, helping poor communities escape the hunger cycle, moving from dependence to self-reliance.

We appreciate your consideration of our views and concerns and would be glad to discuss them with you.”

Sincerely,

Adventist Development and Relief Agency International
Alliance for Global Food Security
American Maritime Congress
American Maritime Officers
American Maritime Officers Service
American Soybean Association
APL Limited
Association of American Port Authorities
Central Gulf Lines, Inc.
Food for the Hungry
Great Lakes Ports Association
Hapag-Lloyd USA, LLC
Intermarine LLC
International Organization of Masters, Mates & Pilots
International Relief & Development
Joint Aid Management
Lake Charles Harbor and Terminal District
Liberty Maritime Corporation
Maersk Line Limited

Marine Engineers’ Beneficial Association
Maritime Institute for Research and Industrial Development
National Association of Wheat Growers
National Corn Growers Association
National Council of Farmer Cooperatives
National Potato Council
National Sorghum Producers
North American Millers’ Association
OIC International
PCI
Sailors’ Union of the Pacific
Salesian Missions
Seafarers International Union
Transportation Institute
U.S. Dry Beans Council
US Rice Producers Association
USA Dry Pea & Lentil Council
USA Maritime
USA Rice Federation
Waterman Steamship Corporation
World Vision

Bipartisan group of lawmakers reaffirm support for Food for Peace

On September 27, Representatives Charles Boustany (R-Louisiana), Elijah Cummins (D-Maryland), John Duncan, Jr. (R-Tennessee), Renee Ellmers (R-North Carolina), Stephen Fincher (R-Tennessee), John Garamendi (D-California), Michael Grimm (R-New York), David Joyce (R-Ohio), Peter King (R-New York), Frank LoBiondo (R-New Jersey), David McKinley (R-West Virginia), Nick Randall, II (D-West Virginia), and Robert Whitman (R-Virginia), wrote to the chairmen and ranking members of the Senate and House Agriculture Committees urging support for the vital Food for Peace program. That letter follows:

“Dear Colleagues:

As you begin the conference process of the Federal Agriculture Reform and Risk Management Act of 2013 (FARRM Bill), we write to implore you to reject any requests and efforts to dismantle the current Food for Peace Program (Title II of PL-480).

The Food for Peace Program has been the largest and most successful international food aid program in the world. Since its inception in 1954, this program has fed more than three billion people in more than 150 countries. Bags filled

with life-sustaining food marked as gifts “From the American People” and bearing the American flag have generated goodwill toward the United States from recipients abroad, helping fight anti-American sentiment and terrorist breeding grounds.

During floor consideration of the FARRM Bill in the House of Representatives, an amendment to dismantle the Food for Peace Program offered by Chairman Ed Royce was defeated. Chairman Royce’s amendment would have allowed up to 45% of Food for Peace funding to be sent overseas to be used as part of the local and regional purchase (LRP) program, cash transfers, or vouchers, with no accountability, transparency, or requirement that the money actually be spent on food. Instead of sending wholesome food grown by American farmers and shipped in U.S.-flag vessels, American’s tax dollars would be used to buy foreign commodities, utilize foreign shipping services, or for any other purpose chosen by the foreign organization or entity receiving the cash payment.

Some argue that providing funds for nations to buy locally purchased food is a cheaper and faster way to provide aid. The 2008 Farm Bill authorized a pilot program

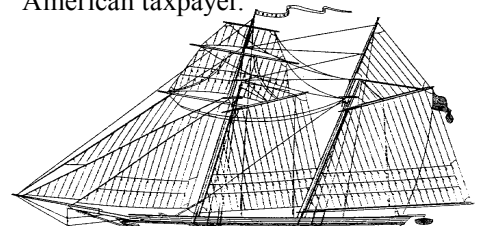
to test the theory of local purchase. The resulting study showed that commodity prices are much higher in Africa, and food still needed to be imported to make up the 209 million metric ton food deficit across the continent. Therefore, locally purchased food aid does not always equal cheaper and faster. More of American’s hard earned tax dollars funding a foreign program is not a good investment.

Unlike other foreign aid programs, the Food for Peace program is American-made through and through. Crops are grown by American farmers, processed and packaged in the United States, and carried by rail or barge to deep-sea ports for overseas delivery by U.S.-flag vessels. Americans are employed every step of the way in the Food for Peace program, supporting about 44,000 jobs in the agriculture, transportation, and maritime industries. According to a 2010 study by the research company Promar International, if food aid were no longer grown in the U.S., somewhere between 16,000 and 33,000 American jobs would be lost.

Reforming food aid programs should not hurt American farms and transportation industries in favor of our foreign competitors. American tax dollars should

not be used to cut jobs at home in order to support foreign grain traders from the European Union and Russia. We need to focus on creating an economic environment here at home that allows the United States to continue to be generous and directly provide food aid to the countries that need it most.

The United States provides 60% of the world’s food aid. We need to be generous to countries that can’t grow enough food to feed their people, but not at the expense of American farmers and transportation workers. We ask you to please oppose efforts to dismantle the Food for Peace Program and support the American farmer, the American worker, and the American taxpayer.”



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ESU Office Assignments

For the month of November, Leo DeCastro will be in the Seabrook office.



OCTOBER 2013

Official Publication of the Exxon Seamen's Union

ExxonMobil Medical Plans take another hit in 2014

For a fourth year in a row the premiums are increasing with the ExxonMobil medical plans that go into effect on January 1, 2014. Although ExxonMobil expenses continue to increase at levels below the rate of overall medical cost inflation, health care costs continue to escalate and unfortunately a minor increase will apply to Company and participant contributions. For all medical plan options, participant and Company monthly contributions will increase approximately 6% for the POS II and HMO options.

Also new to the Plans and as a result of the recent Supreme Court decision on the Defense of Marriage Act (DOMA) the definition of Spouse for the purpose of the benefit plans was amended.

The annual open enrollment for ExxonMobil Medical, Dental, Vision and Pre-Tax Spending Plans begins on October 21, 2013 and runs through November 8, 2013. All employees should receive the 2014 Benefits Open Enrollment booklets and forms from benefits administration around the October 21, 2013 start date. Your booklet, as it was last year, will contain options specific to each employee and the information will be sent to wherever the person is (i.e. home on paid leave or on assignment on the vessel). The Union was also informed that each vessel will receive copies of all the booklets and forms for use if anyone did not receive their own packet. Additionally, should anyone need assistance or has any questions about their benefit plans and availability they can contact Benefits Administration at 713-680-5858 or 800-262-2363.

POS II "A" Option - Monthly Participant Contributions- Effective January 2014

Class of Coverage	New		Annual Participant Contribution
	Monthly Participant Contribution	Monthly Participant Contribution	
Participant Only	\$90	\$5	\$1,140
Participant & Spouse	\$191	\$11	\$2,424
Participant & Child(ren)	\$191	\$11	\$2,424
Family	\$275	\$17	\$3,504

POS II "B" Option - Monthly Participant Contributions - Effective January 2014

Class of Coverage	New		Annual Participant Contribution
	Monthly Participant Contribution	Monthly Participant Contribution	
Participant Only	\$117	\$7	\$1,488
Participant & Spouse	\$262	\$16	\$3,336
Participant & Child(ren)	\$262	\$16	\$3,336
Family	\$423	\$25	\$5,376

Some highlights are listed below:

Addition of Prior Authorization for Certain Services through Enhanced Clinical Review (ECR)

For certain services, prior authorization will be required through ECR. Services include CT scans, coronary CT angiography, MRI/MRA, nuclear cardiology, PET Scans, heart catheterizations and echo stress tests, facility based sleep studies, cardiac rhythm implantable devices, defibrillators and pacemakers obtained in non-emergent situations. When a network provider is used, the provider must obtain the prior authorization.

However, when a non-network provider is used, the participant is responsible for making sure the prior authorization is obtained, even though the provider must furnish the details regarding the procedure, diagnosis and medical necessity.

Addition of Preferred Drug Step Therapy for Certain Prescription Drugs

Preferred Drug Step Therapy rules are used for certain therapeutic chapters of drugs to encourage the use of effective lower-cost drugs by excluding some targeted medications from coverage. New rules are being added for 2014, adding certain therapeutic chapters and conditions where there will be targeted drugs determined by Express Scripts which will not be covered unless pre-certified by Express Scripts. Non-targeted drugs will be covered without such authorization and will continue to be dispensed with no further action by either you or the prescribing physician. The new rules include drugs for glaucoma, diabetes, anti-inflammatory/rheumatoid arthritis drugs, and respiratory allergy/asthma. In addition, new rules for oral oncology medications will be added to ensure appropriate use. You will be notified directly by Express Scripts if you are affected by these rules.

POS II "A", "B" and Aetna Select Options

New Infertility Benefit

Effective January 1, 2014, coverage is being added for Comprehensive Infertility services, including some treatments and services known as Advanced Reproductive

Technologies. Only services received at Aetna designated Institutes of Excellence (IOEs) will be covered. Coverage for this new benefit will be subject to a \$10,000 lifetime limit for each covered participant. Precertification is required from the National Infertility Unit at 1-800-575-5999.

HMO Options

HMO offerings are periodically evaluated for quality, cost effectiveness, financial stability, coverage area, and enrollment levels. Based on the results of recent evaluations, the following changes will be implemented: Enrollment for the four fully-insured EMMP HMOs listed below will be limited to those participants enrolled during 2013. Current enrollees may continue to participate and add dependents, but new participants will not be allowed to enroll for 2014.

Blue Choice Rochester New York, Kaiser Mid-Atlantic DC / MD / VA, Harvard Pilgrim Massachusetts and HMO Illinois BC / BS Illinois

Monthly HMO Employee Contributions – Effective January 1, 2014

		Participant Participant Participant Participant			
		Only	& Spouse	& Children	Family
Aetna –Connecticut	CT	112.00	262.00	262.00	411.00
Aetna –Dallas/FT Worth	TX	119.00	269.00	269.00	434.00
Aetna –Houston/Baytown	TX	117.00	240.00	240.00	434.00
Aetna –Mid Atlantic	DC/DEMD/VA	112.00	247.00	247.00	404.00
Aetna –New Jersey	NJ	117.00	269.00	269.00	426.00
Aetna –New York City	NY	123.00	273.00	273.00	434.00
Aetna –Oklahoma City	OK	114.00	262.00	262.00	411.00
Aetna –Philadelphia, PA	PA	114.00	217.00	217.00	367.00
Aetna –South Florida	FL	112.00	246.00	246.00	404.00
Cigna –Beaumont SO TX	TX	124.00	278.00	278.00	448.00
Cigna –California	CA	111.00	210.00	210.00	307.00
Cigna –Chicago	IL	114.00	242.00	242.00	423.00
Cigna –DC/MD/VA	DC/MD/VA	111.00	210.00	210.00	307.00
Cigna –Gulf Coast	MS/FL/AL	124.00	278.00	278.00	448.00
Cigna –Houston SO TX	TX	114.00	225.00	225.00	411.00
Cigna –Louisiana	LA	114.00	242.00	242.00	314.00
Cigna –NJ/CT	NJ/CT	120.00	269.00	269.00	426.00
Cigan –N. Central IL	IL	117.00	240.00	240.00	426.00
Cigna –New York	NY	117.00	269.00	269.00	426.00
Blue Choice –Rochester	NY	114.00	240.00	240.00	358.00
Harvard Pilgrim	MA	114.00	248.00	248.00	388.00
HMO Illinois (BC/BS)	IL	112.00	236.00	236.00	358.00
Kaiser –Mid Atlantic	DC/MD/VA	114.00	225.00	225.00	307.00
Kaiser –S CA	CA	112.00	209.00	209.00	314.00

ExxonMobil Dental Plan – Effective January 1, 2014

The performance of the plan continues to be favorable; therefore, monthly contributions for employees and retirees will not change. The current monthly contributions will remain in effect for all plan participants.

Class of Coverage	Monthly Participant Contribution	Annual Participant Contribution
Participant	\$25.00	\$300.00
Participant + 1	\$44.00	\$528.00
Participant + 2 or more	\$72.00	\$864.00

ExxonMobil Vision Plan – Effective January 1, 2014

The current monthly premiums will remain in effect for all plan participants

Class of Coverage	Monthly Participant Contribution	Annual Participant Contribution
Participant	6.55	78.60
Participant & Spouse	12.72	152.64
Participant & Child(ren)	12.72	152.64
Family	20.05	240.60

ESU News

AB Greg Raredon retires



Greg Raredon during his last voyage aboard the American Progress

On September 1, Greg Raredon, Able Seamen in the Ocean Fleet elected to retire with nearly 23 years of Company service. Greg began his career with Exxon Shipping, during November of 1990 with his first tour aboard the Exxon Philadelphia. Prior to beginning his career at Exxon Greg had already become a seasoned Mariner by sailing 12 years with Military Sealift Command in the Atlantic division.

Greg's first assignment was in the Deck Department as Maintenance Seamen but he quickly moved up the ranks and was promoted to Able Seamen after demonstrating he was more than qualified. During Greg's career he sailed throughout the fleet and was always a strong supporter of the ESU. On numerous occasions he was

always willing to fill in as the ESU Rep. aboard ship.

Always thinking ahead Greg knew that he wanted to start a new chapter in life following his seagoing career. Greg began that path a few months ago by acquiring his Realtor's license in the state of Maryland. It was not too long after that Greg decided it was time to put away his sea bag and end his combined 35 years of working aboard ship.

In an e-mail Greg sent to the ESU with a short message to his shipmates: "My 23 years sailing will be remembered. SeaRiver is lucky to have so many fine sailors looking after their ships. The good times will be missed, the bad times, not so much. I wish all of you the best years you still have, and the new build will be an exciting event. You all be safe out there, I will think of you as I listen to the weather report, stormy weather approaching."

The Exxon Seamen's Union would like to take this opportunity to thank Greg for his contributions and support of the ESU and we wish him all the best during his retirement and new chapter in life. Congratulations Greg!

2013 election of ESU officers underway

Ballots for the 2013 ESU election of Union officials were mailed to the membership in early October. Positions up for election this fall are the Vice President/Treasurer position, all three Trustee positions and Ship Representative Positions for the American Progress, and the new position for the first new built the *Liberty Bay* due to enter service around April, 2014. The voting period began on October 7, and will conclude on December 6, 2013, when the ballots are due at the American Arbitration Association office in New York. Following notification to the ESU office on December 6th, the results will be promptly announced to the membership.

On the official ballot, all candidates are listed in alphabetical order as per the ESU Constitution and Bylaws. The only position contested in this election is the Steward's Department Trustee, where Cook Joel Mitchell and Fleet Chef Don Picou are running for the position. This year Leo DeCastro ran unopposed for the office of Vice President/Treasurer, AB Mike Harrison ran unopposed for the *American Progress* Ship Representative position and MS Ein Cooley ran unopposed for the *Liberty Bay* Ship Representative position. Likewise, AB Jeff Harris ran unopposed for the Deck Department Trustee position and QMED William Ackley Jr. ran unopposed for the Engine Department position.

Ballots were addressed individually to each eligible voter and should have arrived to you on board the vessel or at your home. If you did not receive a ballot, please see your ESU Ship Representative or call the Union office. Remember, an eligible voter is one whom has been a member in good standing at least 90 days prior to the start of the election.

The ESU thanks all the candidates involved for their support and willingness to serve the membership. At a minimum, their willingness to serve should be recognized by every member casting a ballot during this important election for our Union. All ESU members are encouraged to participate in the elective process and strive for 100% voter participation in this election. PLEASE VOTE!

Ship reports

S/R American Progress

After a couple of trips to the San Francisco Bay Area, the ship is back in the Valdez to Puget Sound trade. MS Ein Cooley, the newly elected ship representative to the newly built *Liberty Bay*, is filling in as Ship Representative. He keeps in frequent contact with the ESU office and reports everything for the most part is going well. The vessel will continue trading between Valdez and the Puget Sound for the foreseeable future.

Kodiak

The *Kodiak* has been on the Valdez to San Francisco run for the past couple of trips with very little down time. Regular Ship Rep. Joe Butler left the vessel to participate in the 2013 Ship Representative Conference in the Houston area and reports everyone was doing well with no problems.

Sierra

The vessel is southbound to San Francisco Bay Area after entering ANS service. Cook Joel Mitchell filling in with the Ship Rep. duties and has been staying in touch with the Union office during the long trip back home to the West Coast. He reports that the crew on board is doing a great job getting the vessel ready from their first load in Valdez. Joel also wants to let everyone know of the efforts by the captain to make a long trip as easy and smooth as possible. Thank you Joe and the whole crew!

The *ESU News* is written and edited by the Exxon Seamen's Union.



From left to right front row: Walt Megonigal, AB Skip Williams, Pumpman Tim Williams, AB Kevin Conroy, AB Marcelino Pires, VP ESU Leo DeCastro, AB Robin Robison, MS Don Bacon, FC Randal Rockel, Pumpman Joe DeRosa, Miguel Quinones, second row from right to left: FC Don Picou, Jack Buono, AB Marion Borghese, AB Paul Clow, AB John McCarty, FC Ben Ramirez, AB Thor Floreen, MS Alvin Phillips, AB Mike Harrison, FC Kurt Kreick and Pumpman William Ackley

Second Mariners Conference held in Houston

A second Mariners Conference was held during the first week of October at the Exxon building in downtown Houston. The ideas of a Mariners Conference for the unlicensed employees was first developed through the Joint Union Management Training Committee in October 2012. The concept of this type of conference is intended to provide an informational forum on a range of topics between fleet employees and shore side management.

Highlights from the Conference included opening comments and overview from Fleet Manager Bill Hoeler followed by a Company business update from President Jack Buono. Mr. Buono gave everyone an update and the Company's future and also thanked everyone for the great job we all are doing throughout the fleet, especially in the area of safety performance. He talked about how SeaRiver shoreside has an increased role within the Corporation by taking on much of the responsibility for marine services and cargo transportation needs for ExxonMobil. Jack mentioned the impending move of SeaRiver along with all other Exxon workers in the area

and Fairfax to the new campus on the North side of Houston starting in 2015.

The second day was mostly dedicated to a seminar presented by Walt Megonigal from the Maritime Institute of Technology & Graduate Studies (MITAS). Walt's background includes 26 years in the Marine Corp as an aviator and Top Gun flight school graduate. He's been an instructor for MITAGS for some time and has many personal experiences to share. Much of the seminar focused on leadership and human development. Part of the day and the morning of the

The last day was spent on reviewing potential changes to the SeaRiver performance appraisal system review through breakout groups. This segment brought out some good healthy discussions and possibly a simple matrix for the evaluation process.

General feedback about the conference from everyone that attended was very positive. Our group of guys were very professional and represented the bargaining unit very well by actively participating in discussions on a variety of fleet related topics and issues.

GUL premiums restarted in November

Group Universal Live (GUL) Insurance premiums have been suspended since May 2013, as previously announced in the ESU News April edition. The suspension period was due to favorable claims experience. During the suspension period, participant paychecks were noted as a "GUL Premium Holiday" which offset the regular premium payments shown as "GUL 3020-EE".

Premiums for participants will be reinstated beginning with November 2013 pay periods. No action is required on your part unless you wish to change the level of GUL coverage you have elected.

The premium rate for November and December 2013 has not changed from earlier this year and is shown by age category below:

<u>AGE</u>	<u>RATE*</u>	<u>AGE</u>	<u>RATE*</u>
Under 30	\$0.02	50-54	\$0.12
30-34	\$0.03	55-59	\$0.25
35-39	\$0.04	60-64	\$0.48
40-44	\$0.05	65-69	\$0.96
45-49	\$0.07	70+	\$1.40

*Per \$1,000 of coverage per month.

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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Low freight rates threaten TransPacific service levels

TransPacific carriers have announced plans to increase rates in mid-November as low prices threaten shipping line's ability to maintain service levels on the trade lane. The TransPacific Stabilization Agreement (TSA), which is made up of 15 major carriers, has recommended a general rate increase (GRI) of \$400 per feu to come into force on November 15.

The TSA and the GRI comes as shipping lines continue efforts to restore baseline freight rates for holiday shipments and the 2014 contract negotiating season, which typically comes up for renewal at the start of May. TSA executive administrator Brian Conrad said: "The trade is seeing modest but healthy cargo growth over 2012, while cargo handling, equipment and other costs continue to rise and most carriers are operating at a loss. "It makes no sense for rates to be at current levels, and it threatens the ability of individual carriers to maintain service levels heading into 2014."

According to the latest figures from the Shanghai Containerized Freight Index, all-in spot rates for services from China to the U.S. West Coast are \$1,773 per feu and to the East Coast rates are \$3,205 per feu. Compared with the same time last year, rates are 31.6% lower on services to the East Coast and 9.4% lower to the West Coast.

Prices on TransPacific services reached their peak in mid-January this year when rates to the West Coast hit \$2,519 per feu, while the East Coast they reached \$3,670 per feu. The bunker surcharges recommended by the TSA are \$530 per feu heading to the West Coast and \$975 per feu for the East and Gulf Coasts.

Panama Canal sanctions North Korea

North Korea will be fined up to \$1 million by the Panama Canal Authority (PCA) for failing to accurately disclose the cargo onboard a ship the agency detained in July. The sanctions were announced by Authority CEO Jorge Quijano in September, at an event commemorating the 100th anniversary of the first trial lockage of the Panama Canal.

The *Chong Chon Gang*, a 14,000 dwt general cargo ship, was seized on July 15, by Panamanian authorities after military

equipment was found hidden under containers stuffed with thousands of tons of sugar. The haul included SA-2 surface-to-air missile systems and MiG-21 jet engines.

Quijano noted that the fine is also being imposed for putting the canal and canal workers at risk during the search and seizure process. The ship and its 35-member crew remain in Panama, adding that \$650,000 of the potential \$1 million fine must be paid before the ship and crew will be allowed to leave.

Long Beach cargo jumped 14.7% in September

The Port of Long Beach reported Monday that cargo volume there increased 14.7% during the month of September compared to the same month a year ago. The jump was supported by double digit gains in both imports and exports of containerized goods for the month. A total of 587,114 TEUs moved through the Port of Long Beach during September, with imports increasing 16.2% to 307,981 TEUs and exports climbing 17.2% to 134,676 TEUs. The amount of empties containers sent overseas to be refilled with goods increased 9.4% for the month to 144,457 TEUs.

For the first nine months of 2013, Long Beach cargo container volume has increased 13.7%. That figure includes a 16.2% spike in imports, an 11.5% gain in exports and a 10.8% increase in empties. September was the second busiest month of 2013 so far, behind only August. Traditionally, August through October is known as the "peak season" for imports, as retailers prepare for an increase in buying as the holiday season approaches.

The Port of Los Angeles reported that it moved 370,785 TEUs during the month of September, its highest monthly volume for the year. Imports coming into Los Angeles fell 3.75% compared to the same month a year ago while exports leaving Los Angeles dropped 12.79% versus September 2012. The declines were attributed to the shift in volume that carriers made to the nearby Port of Long Beach. Officials with the Port of Los Angeles, however, predict that their export numbers should gain momentum soon as the westbound trans-Pacific trade increases with the agricultural harvest.



AB Jordan Polon at the rail and by the sailing board of the California Voyager shortly before departure for the Panama Canal and the Gulf Coast. Photo: Dave Connolly.



SUP cook LaShon Miles in the marine parking lot near Gate 31 of the Richmond refinery. LaShon is the cook in the California Voyager. Photo: Dave Connolly.

Welfare Notes

October 2013

Active Members enrolled in the Health Net PPO Plans

Active Members currently enrolled in the Health Net PPO California Plan and Outside of California PPO Plan will be receiving an announcement letter soon. Because of the continuing rise of the premium cost for these plans a self payment will be required for a portion of the premium amount beginning in February 2014.

The announcement letter will be explaining alternatives to remaining enrolled in the PPO Plans. As you may know a penalty may be assessed by the IRS to people who are not enrolled for any medical plan coverage in 2014.

Among the alternatives will be the option to enroll in the HMO plan in the port area where you ship and use the Union Hall as your address. This alternative may not work for all Members so you are encouraged to read the announcement letter and decide on the best course of action for yourself. If you have any questions, please call the Welfare Plan office after reading the letter (800-796-8003).

The monthly self-payments amounts for those enrolled in the California PPO Plan will be \$253.00 for single enrollments, \$544.00 for two party enrollments, and \$747.00 for family enrollments.

The monthly self-payment amounts for those enrolled in the outside of California Health Net PPO Plan will be \$228.00 for single enrollments, \$490.00 for two party enrollments, and \$672.00 for family enrollments.

If you are enrolled in a Health Net PPO Plan and do not receive the announcement letter by November 15, 2013, please contact the SUP Welfare Plan office. Members currently enrolled in HMO Plans will not be receiving announcement letters and no self-payment will be required to remain in your current Plan.

Michelle Chang, Administrator mcsupsiupd@sbcglobal.net

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

Virginia Briggs Claims vbriggs80@sbcglobal.net

Michael Jacyna Eligibility mjacyna67@sbcglobal.net

Training Representative Berit Eriksson 206-551-1870 berittrainrep@sbcglobal.net

Phone Numbers: 415-778-5490 or 1-800-796-8003 Fax: 415-778-5495

SIU-PD Pension 415-764-4987 & SIU-PD Supplemental Benefits 415-764-4991

Seafarers Medical Center 415-392-3611

Violin that played as *Titanic* sank sells for \$1.5 million

A violin that was being played as the *Titanic* went down was sold for 900,000 pounds (\$1.46 million) at auction in London, on October 19, a record price for memorabilia from the doomed ocean liner.

Band leader Wallace Hartley played the instrument, trying to calm passengers as the ship slipped into the frozen waters of the North Atlantic in April 1912 after colliding with an iceberg during its maiden voyage from Southampton to New York. Hartley's band played the hymn "Nearer, My God, To Thee" as passengers climbed into lifeboats. Hartley and his seven fellow band members all died after choosing to play on. More than 1,500 people died.

When Hartley's body was recovered more than 10 days after the disaster, the violin was found in a leather case strapped to him, according to the folklore that has grown up around the event. It was given back to Hartley's fiancée Maria Robinson in England, and, after she died in 1939, it was donated to her local Salvation Army band and later passed on, eventually to the current owner, whose identity has not been disclosed. A silver plate on the German-made violin is engraved "For WALLACE on the occasion of our ENGAGEMENT from MARIA". On sale with its case initialled W.H.H, the violin had a guide price of 300,000 pounds, Chrissie Aldridge, of auctioneers Henry Aldridge and Son, said.

Rediscovered in 2006, it took specialists such as forensic science experts years to authenticate the instrument. However, some people still doubt whether the violin is genuine, believing it could not have survived being submerged in sea water.

The auction house said it had attracted interest from collectors all over the world. More than 300,000 people viewed it during a three-month exhibition in the United States.

Membership and Ratings Committee

Met on October 3, 2013, and found the following members eligible for advancement in seniority and rating stamps in the various departments:

Name and Membership Number	Seatime	Rating	Seniority
Raymond Tavai 3299	6 Years	A.B.	A
Elisabeth Bishop 19341	1 Year	O.S.	B
Ernesto Lagramada 19342	1 Year	A.B.	B
Frantisek Fignar 19343	1 Year	A.B.	B
Georgi Kaludov C-2408	30 Days	A.B.	C
Ariel Odion C-2409	30 Days	O.S.	C
David Freiboth C-2410	30 Days	A.B.	C
Robert Evers C-2411	30 Days	A.B.	C
Connor Buckbee C-2412	30 Days	A.B.	C
Andrew Montoya C-2413	30 Days	O.S.	C

Rating Stamps - None

Membership and Ratings Committee's Report - M/S to concur in the Committee's report. Carried unanimously. Membership and Ratings Committee: Dennis Belmonte #5747, Paul Fuentes #2239 and Remoni Tufono #3284.

Ex-captain of *Costa Concordia* blames crew and shipowner for disaster

The former captain of the *Costa Concordia* told an Italian court, last month, that a sailor, who was at the wheel at the time, shared the blame for the cruise liner disaster that killed 32 people last year.

Francesco Schettino faces multiple charges including manslaughter, causing a shipwreck and abandoning ship after the *Concordia*, carrying more than 4,000 passengers and crew, struck a reef off the Tuscan island of Giglio and capsized on January 13, 2012.

Schettino said his Indonesian helmsman had failed to carry out an order to set the rudder left in the last moments as the *Concordia* came close to shore, causing a fatal 13-second delay before it ran aground. "The delay was the result of the mistake," he told the court, during a session in which expert witnesses considered the role of the helmsman as well as possible faults in the emergency generators and pumps. "If there had not been this mistake, in not positioning the rudder to the left ... there would not have been this impact," he said.

The argument was rejected by the head of the expert committee, Giuseppe Cavo Dragone, who said that any delay appeared to be irrelevant. "The ship would have hit the rocks in any case," he said.

Schettino, who has been in constant attendance at the hearings, chatting readily with journalists in the courtroom bar and talking often on television, has admitted that he bears responsibility for the accident as the ship's captain. But he says that he is not the only person to blame and wants the vessel to be examined for evidence of possible technical faults that may have contributed to the deaths during the desperate night-time evacuation of the ship.

With global media interest, the trial, in the Tuscan town of Grosseto, is being held in a specially adapted theater. It reopened a week after the operation to raise the wreck of the *Concordia* opened the way for a search for clues on what caused the accident.

As well as the role of the helmsman, the expert witnesses have been looking at faults with emergency generators which they said had not functioned, although there was no explanation why.

"We think it is strange to have investigated a ship of this size without even having stepped onboard," said Francesco Pepe, one of Schettino's legal team. "We hope the judges decide it is right to go and carry out a series of tests on the ship."

The 950-foot long, 114,500-ton vessel, now sits two thirds submerged on specially constructed platforms just off Giglio while salvage crews prepare for it to be towed away and broken up next year.

Underwater robots have resumed the search for the missing bodies of two victims, but before engineers can start work on refloating the wreck, prosecutors want to examine it for more evidence about what happened on the night it sank.

"We think that this ship had things that did not work including the alarms and communication, and when the passengers were onboard this series of things did not work properly," said Alessandra Guarini, a lawyer for one of the passengers.

"We hope tests carried out, will answer our questions: Why was a ship of this kind unable to save all the passengers onboard?"

The crushed and twisted side of the *Concordia* now visible shows the scale of damage to the ship's structure and it will be months before the hulk is stable enough to be towed away.

The call for a new search for evidence, following a formal request filed in July, was backed by other parties, including Italian consumer group Codacons, a civil party to the case.

Stripped of his maritime license last month, Schettino is the only person on trial after four crew members and an official of the ship operator Costa Cruises, a division of Carnival Corp., were sentenced to terms of up to 34 months in prison after pleading guilty last year.

"The thing that is unjust is that there is only one person on trial, he does have his guilt but he should be here with a lot of other people," said Michelina Soriano, a lawyer representing one group of passengers.

"We had plea bargains agreed for the other people on trial at a completely scandalous level, scandalous. Sentences that are completely insufficient," she said.

Reference manual will help U.S. ports win investment cash

Plans to develop a toolkit for attracting investment capital to U.S. ports have been agreed by the Maritime Administration and the American Association of Port Authorities (AAPA). The aim is to publish a port investment manual for use by port authorities looking to attract public and/or private capital to fund their infrastructure projects. A report last year by the nation's civil engineers warned that U.S. ports and inland waterways face a \$16 billion investment gap between now and 2020.

With an expanded Panama Canal able to handle boxships of 12,500 teu capacity from 2015, up from the present 5,000 teu limit, some East Coast ports are playing catch-up to cope with deeper-draught vessels.

The proposed toolkit will include guidance on writing grant applications and analyzing a projects economic benefits, while providing referrals, references and examples of best practices. AAPA's President and Chief Executive Kurt Nagle said: "With extraordinarily tight federal and state budgets, and government programs which typically favor transportation projects that move people rather than cargo, port authorities will benefit from having what amounts to a reference manual that details how to successfully attract public-private partnerships, apply for grants and other assistance."

The goal of MarAd and AAPA is to develop tools that will assist U.S. ports in obtaining funding from municipal or federal transport programs. Added Nagle: "The components we envision for this toolkit will help ports make more compelling economic arguments to compete for government grants, along with private-sector funding opportunities. By providing ports with guidance on how to clearly identify their future needs and proposing the most cost-effective, sustainable and efficient solutions for their projects, the result should be an 'investment grade' plan that attracts outside investment."

ITF urges shippers to back container weight checks

International Transport Workers' Federation (ITF) President Paddy Crumlin has criticized certain shippers over their negative response to the International Maritime Organization's (IMO) groundbreaking decision to back mandatory container weight checks. The ITF was part of a broad coalition calling for regulatory action, seeking to improve maritime safety by ensuring that the weight of a container is declared before it is loaded on to a ship.

But although the Global Shippers' Forum was one of the groups that favored stricter controls, both the European Shippers' Council and Asian Shippers' Council (ASC) criticized the IMO's intervention. Immediately after the decision late last month to present proposals to the IMO's maritime safety committee in May 2014, the ASC issued a strongly worded statement saying it "rejected" the container weight verification agreement and claiming the decision was taken without proper representation from the shipper community.

"Shippers must take responsibility for what goes into the container and that means how it is loaded and how much it weighs. It's just not good enough to say that it's difficult," Crumlin said. "Misdeclaration poses a real threat to health and safety, the environment and the transport business as a whole, so it must be addressed by the industry, and that includes shippers. Technology in all sectors of the maritime industry is changing constantly and it is necessary to work with these changes, especially where they are designed to improve health and safety. "What is needed is an enforceable system to verify packed containers. If shippers knew that their containers were going to be weighed at a terminal and that they would be held responsible for it not being loaded on to the ship, they might have had a different reaction to the IMO decision. The system is still open to abuse and with ASC refusing to accept the IMO decision, there is even more need to put a robust system in place so that if container weights are not correctly declared, there are serious consequences."

Crumlin noted that the World Shipping Council, which represents the world's major container lines, had played a major part in this debate over several years and was fully supportive of the final wording in the amendment to the Safety of Life at Sea Convention. The International Chamber of Shipping and the International Association of Ports and Harbors also support mandatory weighing.

Belgium traps Somali pirate kingpin

Belgium has arrested the suspected leader of a Somali pirate group after luring him to Brussels with promises to make a documentary about his money-making life on the high seas, prosecutors said on October 14.

Mohamed Abdi Hassan, known as "Afweyne" or Big Mouth, was detained when he arrived at Brussels airport on October 12, with another suspect identified as Mohamed M.A. or "Tiiceey", federal prosecutor Johan Delmulle told a news conference. Tiiceey is a former governor of the Somali region of Himan and Heeb and is suspected in aiding Afweyne's pirate organization, Delmulle said.

Prosecutors said they decided to involve Belgian undercover agents after it became clear that an international arrest warrant would not be successful in capturing the men.

"After patiently starting a relationship of trust with Tiiceey, and through him with Afweyne, which took several months, both were prepared to participate in this (film) project," Delmulle said.

The plan was put into action after two pirates were arrested and sentenced for the hijacking of a Belgian ship in 2009. Prosecutors decided to try to target the people behind the act (not only those who carried it out) and so set up the sting. "All too often those persons stay out of the frame and let others carry out their dirty business," Delmulle added.

The prosecutor said Afweyne was asked via Tiiceey whether he would be prepared to be an adviser on a film about piracy, portraying his life carrying out hijackings off the East African coast and making millions of dollars from ransom payments.

Afweyne said, in January, he had put his pirate days behind him and retired. United Nations experts have accused a former Somalian president of shielding him by issuing him a diplomatic passport.

In 2011, Somali piracy in the busy shipping lane of the Gulf of Aden and the northwestern Indian Ocean netted \$160 million, and cost the world economy some \$7 billion, according to the American One Earth Future foundation.

Port of Los Angeles chief Geraldine Knatz to retire

Geraldine Knatz, the Executive Director of the Port of Los Angeles, will retire at the end of the year, according to press accounts.

"After 42 years of dedicated service to the maritime industry here in San Pedro Bay, I have decided to retire as Executive Director of the Port of Los Angeles and pursue other interests," she said a statement printed in the *Long Beach Press-Telegram*. "In a commitment to a smooth transition, I plan to remain in my position through the end of the year and support the mayor and the port in any way that I can. I am proud of the many accomplishments that our team made at the Port of Los Angeles during my tenure."

The *Los Angeles Times* said Gary Lee Moore, currently the city engineer, will serve as acting general manager at the harbor until a permanent replacement is found.

The *Times* quoted a statement from L.A. Mayor Eric Garcetti in which he said, "I thank Dr. Knatz for her service to Los Angeles. My agenda for the port is focused on maximizing its economic impact and minimizing its environmental impact to build stronger neighborhoods in the harbor area and across Los Angeles."

Knatz, 61, was hired by Garcetti's predecessor, Mayor Antonio Villaraigosa. The *Times* reported Garcetti, who took office on July 1, is reviewing high-level managers in the city.



SUP President's Report

October 14, 2013

MARITIME SECURITY PROGRAM

The jobs of U.S. merchant mariners, the U.S.-flagged vessels aboard which they work, and the crucial sealift programs in which they serve so effectively, face the unfathomable but now unavoidable prospect of becoming collateral damage of the unrelenting budget battle in Washington, D.C.

As of today's meeting and as the partial government shutdown entered its 15th day, the Maritime Administration (MarAd) and the U.S. Transportation Command (USTRANSCOM) are reviewing the potential impact of a funding shortfall on the 60 ships enrolled in the Maritime Security Program (MSP) in federal fiscal year 2014 (October 1, 2013 through September 30, 2014).

On September 14, the SUP was notified by MarAd that 20 MSP operating agreements are potentially at risk beyond day 60 (December 1) of fiscal year 2014. The identified ships were based upon a joint MarAd and USTRANSCOM evaluation of military utility and commercial viability of the entire 60-ship fleet.

Those MSP participants potentially effected are:

MSP Participant	Total Vessels	Vessel Type
American International Shipping LLC	1	RO/RO
APL Marine Services, Ltd.	2	Containership
Argent Marine Operations, Inc.	1	RO/RO
Fidelio Limited Partnership	4	RO/RO(3), Heavy Lift (1)
Hapag-Lloyd USA, LLC	1	Geared Containership
Maersk Line, Limited	10	Containership
Waterman Steamship Corp.	1	Geared Containership

For APL it could mean two MSP enrolled vessels in the company's Suez Express Service and probably the non-MSP vessel *APL Belgium* being flagged foreign. APL, as well as other MSP operators, received a partial payment in August from MarAd but nothing for September and the outlook for the rest of the year is grim. It must be noted that MSP operators who do not receive MSP funds have the right under the enabling legislation to flag-out, leaving the United States with a handful of vessels engaged in foreign trade.

Absent sequestration, which is slated to kick in on January 15, unless repealed by Congress, full funding for the MSP in this fiscal year would require an appropriation of \$186 million. Although the fleet of 60 U.S.-flagged ships and the global network of commercial intermodal infrastructure the program makes available to the Defense Department are uniformly recognized as absolutely essential and exceptionally cost efficient, a budgetary anomaly from the previous fiscal year may present a challenge in achieving full funding. The irony is that all MSP operators have committed to the program until 2025.

The program is authorized at a level of \$186 million for the 2014 fiscal year. However, when the MSP appropriation for fiscal year 2013 was made under a Continuing Resolution by Congress, MarAd had a surplus of about \$12 million in the program's account. Thus, an appropriation of \$174 million was enacted to provide what was then thought to be full funding for the program. Although there is no longer any carry-over funding in the MSP account, \$174 million may be used as a baseline for the appropriation in fiscal year 2014. Each ship in the program is due an allotment of \$3.1 million per year, so with a \$12 million shortfall up front, and another potential funding loss under sequestration in January, the number of ships idled would become academic.

Also affected will be an as-of-yet-unknown number of Ready Reserve Force ships. MarAd is working to find new ways to reduce costs wherever it can in order to keep as many RRF ships as possible in the fleet and prepared for activation. But without a federal spending blueprint or predictable appropriations, it remains probable that some ships in the fleet will shift to deep lay-up status.

Still subject to change is the federal funding situation for this fiscal year. The hopes of the SUP, along with the rest of the U.S. maritime industry, remain pinned to the prospect that any short-term funding solution to end the government shutdown will lead to the drafting of comprehensive spending legislation – an omnibus appropriations bill. In the absence of a budget, such legislation would provide the possibility of full funding being allocated to these fleets that are so critical to the job base of the U.S. merchant marine and U.S. defense sealift capabilities.

On top of this dire news, the Obama Administration continues to push for food aid "reform" which would gut the Food for Peace program, and the requirement that 50% of the cargoes carried, be in U.S.-flag vessels.

In short, the maritime industry is in crisis. The Sailors' Union in conjunction with others in maritime labor, with our contracted companies and members of Congress from both parties are committed to restoring funding for the U.S. merchant marine.

The SUP remains steadfast in our determination to overcome the dire circumstances now confronting our Union and our industry.

Will keep all hands fully informed as the situation develops.

U.S. COAST GUARD

As a result of the government shutdown, Captain Jeffrey Novotny, Commanding Officer of the Coast Guard's National Maritime Center (NMC), issued a notice on October 1, stating the NMC is authorized to maintain a very small cadre of personnel to support national security emergency issues. The NMC will maintain the Customer Service Call Center: 1-888-IASKNMC will be open and monitored for 0800 until 2000 Eastern Time, Monday through Friday. Normal REC and NMC phones will not be monitored. They will also maintain the NMC website and attempt to keep the industry updated via the website.

Regional Exam Centers will be closed. Exam appointments will be cancelled and must be rescheduled after the shutdown is lifted. Online scheduling will be disabled. Appointments to drop off applications will be canceled and must be rescheduled after the shutdown is lifted. There will be no walk-ins. Applications may continue to be mailed or emailed and will be processed when the shutdown is lifted.

The Coast Guard also announced it is granting extensions to national endorsements to mariners whose credentials would otherwise expire between October 1 and November 30. The Coast Guard stated that the new expiration date for these credentials will be December 1, 2013.

The agency added, however, that mariners shipping internationally need to contact the National Maritime Center (NMC) before sailing using the contact information printed at the end of this section of this report. Mariners shipping nationally have to go to the NMC website and print a notice that must be carried along with the expiring document. The official notice disseminated by the National Maritime Center is as follows:

"The U.S. Coast Guard has announced that mariners whose credentials expire between October 1 and November 30, will receive an extension due to the current lapse in appropriations. The Coast Guard is currently unable to process mariner credentials in time to ensure renewed credentials before the documents expire. Under the authority of 46 United States Code 7507, the Coast Guard will grant extensions for national endorsements until December 31, 2013. Any mariner affected should visit the National Maritime Center's website, www.uscg.mil/nmc.toprintthelettergrantingthisextension."

Mariners should also keep the printed letter with their credentials and have it available for Coast Guard or any other official who may ask to examine them. The Coast Guard will issue a new credential to mariners who might sail on international routes and whose credential expires between October 1 and November 30. Those mariners whose credential expires between October 1 and November 30, and who are scheduled to sail internationally, should contact the National Maritime Center at: 1-888-427-5662, by e-mail at iasknmc@uscg.mil or from abroad at 001-304-433-3400."

PATRIOT CONTRACT SERVICES

Watson-Class LMSRs: The SUP was notified by Patriot on September 13, that Ocean Ships Inc., the current operator of the eight Watson-Class Large, Medium-Speed Roll-On/Roll-Off (LMSR) vessels, had filed a protest with the Military Sealift Command (MSC) and the Small Business Administration (SBA) alleging that Patriot is not a small business which one of the reasons Patriot was awarded the MSC contract. The company is firm in its belief that the protest has no merit as Patriot is well below the 500 employee threshold required by MSC and SBA.

However, on September 30, MSC extended the Ocean Ships contract for a period not to exceed six months. Patriot, after discussing this issue with MSC, is confident it will assume the operation and maintenance of the Watson-Class vessels prior to the termination of six month (March 2014) extension.

Since the award was announced last month, the SUP through the Andrew Furuseth School of Seamanship and Training Resources, Ltd. Has been active in training members for the Watson-Class vessels. Members interested in sailing in these vessels should contact officials of the Union and SUP Workforce Development Director Berit Eriksson at 206-551-1870 or by email at berittrainrep@sbcglobal.net as extensive Military Sealift Command training is required.

Kwajalein Range Services: Patriot notified the Union on September 13, that the company was re-awarded the Kwajalein Range Services (KRS) crewing services contract which runs from October 1, to February 28, 2014, followed by four one-year options. The contract covers the *USAV Worthy*, *USAV Mystic*, *USAV Great Bridge* and any other vessels operated by KRS for the United States Army.

Cape Henry: In accordance with agreement between Patriot and the SUP, MFOW and SIU-Marine Cooks, covering the Ready Reserve Force vessel *Cape Henry*, effective October 1, there was a Total Labor Cost increase of 3%. The Total Labor Cost increase covers all rates of pay, all other forms of compensation including contributions to the respective welfare plans.

New wage rates will be published in the October *West Coast Sailors*.

MILITARY SEALIFT COMMAND

At the invitation of Rear Admiral Thomas K. Shannon, the recently installed Commander of the Military Sealift Command, attended along with representatives of the MFOW, SIU-A&G, MM&P and MEBA, a Maritime Labor Executive meeting at the Washington, D.C. Navy Yard on September 24.

A variety of subjects were discussed but the overarching theme was the effect of the current government shut-down and the long term effects of sequestration on the U.S. Navy and the Military Sealift Command.

The Navy is assuming a 14% overall budget reduction (sequestration) which will cut sharply into operations effective January 15. However, the eight Watson-Class pre-position vessels appear, as of today's meeting, to be safe from the budget reduction.

SUP WELFARE PLAN

Over the years, have reported on the skyrocketing cost of health care (see the July *West Coast Sailors*) and the increasing burden placed upon the SUP Welfare Plan to cover participants and their dependents.

With the passage of the Affordable Care Act (Obama Care) and its implementation, that burden has grown to the point where it threatens the viability of the SUP Welfare Plan and the benefits it provides. While the broad intent of the Affordable Care Act is admirable, particularly in covering people with pre-existing conditions, it places an even greater financial burden on Taft-Hartley multi-employer plans such as the SUP Welfare Plan.

Under the Affordable Care Act, the SUP Welfare Plan is being taxed to fund health care for others, through

SUP President's Report continued

for-profit insurance companies. Taxes and fees include a \$63 per year Reinsurance Fee on every participant and dependent of the Plan and a \$1.00 per year Excise Tax on every participant and dependent of the Plan beginning January 1, 2014, to help fund the Patient-Centered Outcomes Research Institute (PCORI). This tax will rise to \$2.00 per participant and dependent in 2015 and will increase by an amount, not presently known, for the next seven years. In addition, the health care providers the SUP Welfare Plan has contracts with, can legally tack on a 2% tax on their rates to help fund the Affordable Care Act and have done so. Also under the Act, dependent "children" between the ages of 19 and 26 are required to be covered which has added \$634,000 to SUP Welfare Plan expenses over the past three years.

Unions affiliated and unaffiliated with the AFL-CIO asked the Obama Administration this month for relief from the Excise Tax, Reinsurance Fee and other fees imposed by the Affordable Care Act. Citing nebulous legalities, the Administration said NO, despite the fact that it has given relief to big business and certain religious organizations.

With that rebuff from the White House, the Trustees of the SUP Welfare Plan examined the financing of the Plan in light of the \$500,000 deficit the Plan incurred as of July 31, and the projected \$900,000 deficit projected for the Plan fiscal year (August 1, 2013-July 31, 2014) 2014.

The cause of the deficit is twofold: rising health care premium costs and the onerous consequences of the Affordable Care Act (ObamaCare). From 2006 to 2013 premiums for members participating in the Plan, increased by 39.14% from \$1,944,790 in 2006 to \$2,706,055 in 2013. For dependents of members the increase was over 80% from \$1,431,487 in 2006 to \$2,581,240 in 2013.

It must be noted, thanks to the diligent efforts of Plan Administrator Michelle Chang, that the cost of administering the Plan decreased by 9% from 2006 to 2013. In 2006, total administrative expenses (legal fees, audit fees, consultant fees, wages and Plan employee benefits) were \$686,310. In 2013, they were \$625,225.

Employer contributions to the Plan are substantial but are not enough to meet the rapid rise in health care premiums and the mandates of the Affordable Care Act. For example, APL is contributing \$102.43 per manday and Matson \$109.62. These payments are supposed to cover the benefits the Plan offers: health care for members and their dependents, dental care, optical care, disability benefits, burial benefits plus administrative expenses.

While the average health insurance premiums for all plans offered by the SUP Welfare Plan have doubled over the past eight years, the Health Net PPO plans have consistently been the most costly. As an example, the family coverage premiums for Health Net California PPO and Health Net Out-of-State PPO plans are now \$2,989.00 and \$2,462.00 per month, respectively. By comparison, family coverage on the Health Net HMO Plan is \$2,461.95 and HMO coverage through the Welfare Plan's other offerings, such as Kaiser and Group Health Cooperative, is substantially less ranging from about \$1,500.00 to \$2,000.00 per month. On average, the cost of family coverage is \$1,840.00 for PPO plans versus \$1,277 for HMO plans, as calculated by the Plan Consultant.

In order to address the financial problems of the Plan, the Trustees of the SUP Welfare Plan on September 17, decided the following: Effective February 1, 2014, participants enrolled in the Health Net California PPO plan and Health Net Out-of-State PPO plan will be charged a 25% self-payment on their total premium cost. Materials will be mailed out the last week of October for the Open Enrollment period November 1, 2013 through January 15, 2014. Participants presently enrolled in the PPO plans who do not submit enrollment choices will remain in their present PPO plan and be sent an invoice for the 25% self-payment covering the three months February, March and April 2014. Going forward participants will continue to be billed in advance for the following three months' coverage.

This change will affect 53 members and their dependents. Members covered by the PPO plans may enroll in HMO plans by using Union hall addresses.

The Trustees of Welfare Plan will continue to monitor Plan finances and make coverage changes as necessary.

CALIFORNIA LABOR FEDERATION

As a Vice President of the California Labor Federation, AFL-CIO, attended an Executive Council meeting in Los Angeles on October 10.

The Council reviewed the Federation's legislative accomplishments in Sacramento and the agenda going forward for California's workers in 2014. Also discussed were immigration reform, organizing and the Federation's initiative to support veterans and military families in California by promoting a series of volunteer opportunities throughout the state leading up to Veteran's Day, including projects like food and supply donation drives to support veterans in need and improving facilities that serve veterans.

The Affordable Care Act (Obama Care) and its impact on Unions was thoroughly discussed with some Unions enthusiastic and others, like the SUP, disgusted.

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 third quarter of 2013, and report back to the membership at the November coastwise meetings. In the event the committee cannot be filled today, recommend that when the quarterly audit of the Unions funds is completed, which will be in about three weeks, necessary committee members will be shipped off the hiring hall deck as per past practice.

The Quarterly Finance Committee will turn-to on Tuesday, November 12, at 8:00 A.M.

HOLIDAYS

All SUP halls will be closed on Monday, November 11, in observance of Veterans' Day and on Thursday, November 28, for Thanksgiving Day.

Due to the Veterans' Day holiday, the Headquarters meeting will be on Tuesday, November 12.

Under the ILA Agreement, Tuesday, November 5, is an election day holiday. Therefore, it is also a holiday for APL vessels calling East Coast ports.

ACTION TAKEN

Quarterly Finance Committee – Nominated and elected: Bill Berry, Diane Ferrari, Paul Fuentes, Art Thanash, and Roy Tufono.

M/S to concur with the balance of the President's report in its entirety. Carried unanimously.

Gunnar Lundeberg



SUP delegate Audra Tasa and Bosun Teo Rojas on the boat deck of the APL Thailand in Oakland on October 4. Photo: Dave Connolly.

Cape Henry (ROS) Effective October 1, 2013

Rating	Base Wages		Supp. Benefit Daily	Hourly OT Rate	Money Purchase Pension Plan Daily
	Weekly	Daily			
Bosun	\$1,477.10	\$211.02	\$10.55	\$36.15	\$12.68
A.B.	\$1,118.45	\$159.77	\$7.99	\$30.86	\$12.68
O.S./GVU	\$773.50	\$110.50	\$5.52	\$18.46	\$12.68

USAV Worthy

Effective October 1, 2013

Rating	Base Wages		Supp. Benefit Daily	Hourly OT Rate	Money Purchase Pension Plan Daily
	Daily	Daily			
Bosun	\$128.60	\$42.87	\$25.45	\$12.85	\$12.85
A.B.	\$102.88	\$34.29	\$20.36	\$12.85	\$12.85

USNS Martin (ROS) Effective October 1, 2013

Rating	Base Wages		Supp. Benefit Daily	Hourly OT Rate	Money Purchase Pension Plan Daily
	Weekly	Daily			
Bosun	\$1,462.99	\$209.00	\$10.46	\$25.84	\$10.82
A.B.	\$1,036.59	\$148.08	\$7.41	\$18.05	\$10.82
O.S.	\$793.54	\$113.36	\$5.67	\$16.66	\$10.82

USNS Waters

Effective October 1, 2013

Rating	Base Wages		Supp. Benefit Daily	Hourly OT Rate	Money Purchase Pension Plan Daily
	Monthly	Daily			
Bosun	\$4,480.15	\$149.34	\$37.80	\$27.94	\$11.25
A.B.	\$3,414.35	\$113.80	\$28.80	\$21.55	\$11.25
O.S.	\$2,612.78	\$87.09	\$22.05	\$16.72	\$11.25

SUP Branch Reports

Seattle

September 16, 2013

Shipped during the period: 2 Boat-swains: 1 A-card to a regular job, and 1 B-card to a U.S. Navy bottom; 6 Able Seaman jobs filled with 3 A-cards and 3 B-cards; and 14 standby jobs went to 1 A, 5 B, and 8 registrant sailors.

Registered during the period: 10 A cards for a total of 22; 11 B cards for a total of 27; 4 C cards for a total of 16.

Ships Checked

Matson vessels *MV Manoa* and *SS Maui* called twice in Seattle with little or no problems. The *APL Cyprine* and the Patriot vessel *USNS Gilliland* called Seattle for SUP/MFU crew changes.

I represented the SUP/MFU at the following meetings: the King County Labor Council Executive Board and Delegates meetings; the Manufacturing Industrial Council meeting. A joint Washington State/Alaska State Maritime and Seafood economic impact conference, and the SUP/MFU testified in support of the maritime industry in front of the Washington State Legislative Joint Transportation Committee hearing held in Seattle.

Vince O'Halloran, Branch Agent

SUP members join pension ranks

The following SUP members joined the rank of pensioner, bringing the total number of SUP members to 394:

- James K. Bailey**, 65, Book No. 5739, joined SUP in 1991, 16 years seetime.
- Donald Bohle**, 73, Book No. 5681, joined SUP in 1957, 48 years seetime.
- Anthony Labor**, 65, Book No. 17971, joined SUP in 1989, 17 years seetime.
- Richard Smiley**, 68, Book No. 7450, joined SUP in 2005, 9 years seetime.

Wilmington

September 16, 2013

Shipping for the period: Bosun: 3, AB: 8, AB Maint: 2 and standby: 43, for a total of 56 jobs shipped.

Registrations: A: 29; B: 34; C: 1; D: 7.

Ships Visited

APL Thailand (delayed sailing beefs settled), *Mahimahi*, *Manulani*, *APL China*, *APL Philippines*, *Maunalei* (Gunnar working on disputed OT with Labor Relations), *APL Singapore*, *Mokihana*, *R.J. Pfeiffer*.

On August 19, attended Central San Pedro Neighborhood Council meeting—Topic: Move the Maritime Museum! AMMVMC President John Pitts, V.P. Paul Nielsen, SUP Ken Delancy and I all spoke up to keep the Maritime Museum at the Old Ferry Terminal. More to come.

In the same evening, Delegate Eli Wegger attended L.A. County Federation of Labor delegates meeting at the ILWU 13 Memorial Hall in Wilmington. Many issues were brought up including a port trucker rally, nurses' unionization at Little Company of Mary in Torrance and Walmart strikers.

On August 27, MFOW's Bob Bugarin, Eli Wegger, Robert Mintz and I went to the Teamsters' Rally at the Green Fleet Systems Office. Congresswoman Janice Hahn and L.A. Feds' Maria Elena Durazo were there on the front lines getting the UFP 24-hour strikers back to their jobs. At first, they couldn't even get into the gate, but after Green Fleet consulted with their attorneys, they will let them return to work. Hopefully they will follow the path Toll blazed for them last year and become the second company in the Harbor to be Teamsters.

On August 28, Eli Wegger, Robert Mintz, John Pancho, Bernardo Yambao, Rudy Bacalla and Sam Noe went to see

“The Health Care Movie” at the USW Hall. Eli said it was very informative.

On September 1, Duane Nash, Tom Larkin, Gary Gelfgren, Eli Wegger, Bob and Brian Burns and I attended the service for John Folcarelli aboard the *Orca Too* out of Newport Beach. John's daughter Linda was there with many friends and family members. It was a beautiful day for it and Tom read his poem about John during the ceremony.

On September 2, there was a good turnout for the Labor Day Parade. We had 20 SUP and MFOW members along with their wives and kids. There were 37 Unions represented, 11 marching bands. Hot dogs, chili and speeches followed at Banning Park. It takes a lot of planning but was well worth it. Thanks to Luis Diaz of the Teamsters, Chairman, Co-coordinator and Emcee, who always says, “It's really all of us working together.” Thanks to the men who helped with the barricade duty especially Robert Mintz and MEBA's Agent, Rich Doherty, who got up at 3:30 A.M. to set them up.

On September 5, attended MTD Convention with Bob B in Los Angeles with Gunnar and Tony Poplawski.

Mark Hurley
Branch Agent

Registered in September: 3 A cards, 4 B cards, 4 C cards and 2 D cards. To date totaled registered: 9 A cards, 12 B cards, 11 C cards and 2 D cards.

Ships checked

I visited the *Matsonia*, *Manukai*, *Maunawili*, *Maunalei*, *Manulani*, *R.J. Pfeiffer*, *Manoa*, *Kauai*, *Mokihana*, *Mahimahi*, and the Paint and Rigging gang. All are running smoothly with few or no beefs.

I represented the SUP at the Hawai'i Ports Maritime Council and the Labor Day Unity Picnic. At the Labor Day picnic Bonny Coloma (MFOW Honolulu Branch Agent) and I had the pleasure of talking with Senator Brian Schatz and Congresswoman Colleen Hanabusa. I don't know U.S. Senator Schatz very well (he is newly appointed by Governor Abercrombie) so I just wanted to remind him of who I was and who I represented and what the SUP stands for. U.S. Congresswoman Hanabusa, on the other hand, I have met several times and we had a nice discussion about how Puerto Rico was trying to have the Jones Act changed to exempt Puerto Rico from the Jones Act. Of course she was against that, as I'd like to believe Senator Schatz is also. Mahalo,

Michael Dirksen, Branch Agent

Honolulu

September 16, 2013

Shipped the following jobs in the month of September: 3 AB Day steady, 1 AB Day return, 2 AB Watch steady, 1 AB Watch return, and 1 AB Maint steady. The shipping jobs were filled by 4 A cards, and 4 B cards.

Shipped 31 standby jobs. The standby jobs were filled by 13 A cards, 5 B cards, 7 C cards and 6 D cards.

Dispatcher's Report

Headquarters—Sept. 2013

Deck	
Bosun	2
Carpenter	0
MM	4
AB	6
OS	1
Standby; S.F. & N.Y.	21
Total Deck Jobs Shipped	34
Total Deck B, C, D Shipped	24
Engine/Steward	
QMED	0
Pumpman	0
Oiler	0
Wiper	0
Steward	0
Cook	0
Messman	0
Total E&S Jobs Shipped	0
Total E&S B, C, D Shipped	0
Total Jobs Shipped - All Depts.	34
Total B, C, D Shipped-All Depts.	24
Total Registered "A"	32
Total Registered "B"	25
Total Registered "C"	18
Total Registered "D"	43

Vice President's Report

October 2013

Maritime roundtable

In addition to the routine duties of the front office at SUP headquarters, I attended a “maritime roundtable” meeting held by Congressman John Garamendi (D-California) in Oakland this month. Garamendi is the Ranking Member of the House Sub-Committee on Coast Guard and Maritime Transportation and organized the meeting to listen to regional maritime stakeholders. Garamendi has publicly confronted the Coast Guard, the Maritime Administration, and the Federal Maritime Commission on their lack of enforcement of U.S. maritime law, particularly cargo preference law. A vigorous new voice for the U.S. as a great maritime nation, Garamendi has an ambitious legislative goal of developing a single unifying federal maritime policy. While there were many complaints about dredging, I took the opportunity to remind the congressman that our existing maritime policy is under attack. At that time the Maritime Security Program was not funded, endangering many ships including the vessels of SUP-contracted APL. Congress has since passed, and President Obama signed, legislation that fully funds MSP. (See page one.) Through that effort and others, Garamendi has emerged as a new ally of the working men and women of the U.S.

merchant marine. Also stood my watch on pickets in support of striking BART workers in Oakland and mechanics at a large San Leandro car dealership and made the following ships:

California Voyager: David Fadoul, delegate. Robust discussion on recent developments. Crew washed and wiped tanks to load lubes after a cargo of crude. Lubers on test proving another tough job done SUP-style. Departed for Panama and the Gulf Coast.

Florida Voyager: Bryan Short, delegate. Trial basis one-man watch implementation departing Singapore shipyard and sharply limited by agreement with management to such passage situations encountered problems when it was maintained east of Hawai'i. Grievance filed with the captain and rejected based on management rights clause. Investigation pending arrival in Richmond. Delegate and crew did a good job in a very difficult situation. Likely progression to Step 2 of the grievance procedure.

Moku Pahu: Saher Ali, delegate. Boarded in Crockett. Clarification on low cargo rate. Shifted to Stockton to load coal for Hawai'i. Cargo rate clarification.

Mahimahi: Chris Bujnowski, delegate. In at Oakland with no problems. New OS Andrew Montoya has achieved

preliminary recognition as a sailor under the watchful eyes of the crew and Bosun Noel Itsumaru.

APL Belgium: Mark Relajo, delegate. Clarifications on port prep for daymen: not payable if turned out during straight time hours outside of meal hours. Discussion on tour of duty as per SUP Shipping Rule No. 8, also known as shuttle ship rules—minimum of four months and a maximum of six.

USNS Gordon: Andrei Didkovsky, delegate. Activated in Baltimore in the midst of a million other things. SUP gang stepped up throughout the Union to turn to when necessary despite the hardship of a long flight with changes and a short sea trial voyage. Crew endured restriction due to engine malfunction to maintain readiness. Sailed and anchored off Norfolk. Clarifications on restriction to ship. Finally returned to ROS more than a week later.

Manoa: Duke Maringer, delegate. In at Oakland with no problems. Bosun Dmitri Seleznev relieved by Peter Johnson for a trip off.

Matsonia: Peter Leo, delegate. Laid up in Oakland after a trip on the China run dodging typhoons.

Mokihana: Allen Gonzalez, delegate. In good shape in Oakland.

Dave Connolly

Timely Reminder Fourth quarter 2013 dues are due and payable now!

SUP Constitution ARTICLE VI DUES AND INITIATION FEE

Section 1. The initiation fee shall be Sixteen Hundred Dollars (\$1600.00) payable in installments with the sum of One Hundred Dollars (\$100.00) being due and owing upon the member's admission into the Union and the balance of Fifty Dollars (\$50.00) per month for each month or part thereof in SUP-contracted vessels.

The initial installment of One Hundred Dollars (\$100.00) shall accompany the application of membership and the dues shall be One Hundred Fifty Dollars (\$150.00) per quarter, payable in advance.