



West Coast Sailors

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Jones Act targeted by European Union Obama Administration stands by critical U.S. cabotage law

A leaked draft European Commission proposal on services obligations for the United States-European Union (EU) free trade talks contains language that is aimed at dismantling the Jones Act which permits only U.S.-built, U.S.-crewed and U.S.-flagged ships to transport cargo between U.S. ports.

Although the EU has long said it aims to remove this “restriction” through the TransAtlantic trade talks, the leaked document –if authentic– for the first time fleshes out that demand in the form of legal language. Specifically; the document states that **“each Party shall grant to ships flying the flag of the other Party or operated by service suppliers of the other Party treatment no less favorable than that accorded to its own ships, with regard to, inter alia, access to ports, the use of infrastructure and services of ports, and the use of maritime auxiliary services, as well as related fees and charges, customs facilities and the assignment of berths and facilities for loading and unloading.”**

This same language is included in the EU’s free trade agreement with South Korea, but that deal also contains a provision explicitly carving out national maritime cabotage from being covered under this obligation.

No such carveout language is present in the leaked EU draft proposal, which was released last month on the website of the German newspaper *Die Zeit*.

This is likely to set up a conflict with Washington. U.S. Trade Representative Michael Froman last year pledged in a written submission to House Ways and Means Committee member Rep. Charles Boustany (R-Louisiana) to ensure that U.S. free trade agreements continue to allow application of the Jones Act.

The leaked document –a draft legal text for a chapter on trade in

services, investment and e-commerce– is dated July 2, 2013, just before the first round of the Transatlantic Trade and Investment Partnership (TTIP).

Maritime services is just one of several potential flash points in the TTIP negotiations that are reflected in the leaked text. Another issue is air transport services, a sector in which U.S. and EU investment caps are asymmetrical –something EU businesses have complained about. Non-EU interests may own up to 50% of EU airlines, whereas the stake in U.S. airlines by foreign interests is capped at 25%. The EU text contains a section titled “Air Transport Services,” although it is not developed. It states only that it will deal with “conditions of mutual market access and regulatory issues in air transport which are not dealt with by the Air Transport Agreement between the European Union and its Member States and the United States of America, and its amendments.”

On March 12, Edward Wytkind, President of the Transportation Trades Department, AFL-CIO (TTD), issued the following statement in response to news accounts of the leaked European Commission (EC) proposals:

“Recent press reports of ‘leaked’ documents confirm what we’ve known for some time: the EC continues to advance a trade agenda that would undermine U.S. maritime and airline jobs and our national and economic security. The Europeans have been pushing a reform agenda through attempts—in defiance of longstanding U.S. trade policy—to include maritime and aviation in U.S.-E.U. talks on the TransAtlantic Trade and Investment Partnership, or TTIP. Specifically, the EC seeks to weaken or eliminate our laws limiting foreign ownership and control of U.S. air carriers and to hollow out

Jones Act protections at the expense of U.S. Merchant Marine jobs.

Maritime and air services have historically been excluded from broad free trade agreements and for good reason: both sectors serve strategic economic and national security purposes for the nation. While America’s long-term economic interests are intrinsically linked to a robust U.S. maritime and aviation sector, the EC would have us hand over the keys to these vital industries. The Obama Administration must reject these efforts.

Fortunately, U.S. Trade Representative Michael Froman last July removed maritime from TTIP talks by declaring that ‘The Administration has continuously ensured that application of the Jones Act is permitted under each of our trade agreements’ and that it ‘will continue to take this position.’ We urge the Administration to reaffirm those views and to declare that aviation will not be a subject of TTIP negotiations. Instead, aviation trade negotiations should continue to be handled through bilateral negotiations under the auspices of the Department of State and Department of Transportation.

These leaked documents demonstrate the EC’s resolve to pursue reforms in U.S. transportation policy that have been roundly rejected by the President and by lawmakers on both sides of the aisle. In fact, 158 members of the House have already written Ambassador Froman in opposition to including aviation in TTIP talks.

Maritime and aviation have no place at the TTIP negotiating table. We urge the Obama Administration to deliver this message unambiguously to its European counterparts.”

The Sailors’ Union of the Pacific this month observed the 129th anniversary of its founding, March 6, 1885, on the old Folsom Street Wharf in San Francisco.

In that era, organizing a Union was a bold move as there were no laws on the books that addressed collective bargaining rights for workers. That would not occur until the passage of the National Labor Relations Act in 1935.



ANDREW FURUSETH

For sailors, there were no rights. Under federal law they were serfs at the beck and call of the shipowner, the crimp, bucko masters and mates. Recognition, respect and improved conditions did not come easy. Men bled and some died for it.

During World War I and particularly World War II, hundreds of SUP members faced enemy attacks and went down with their ships. The SUP today continues to be a vital part of America’s “Fourth Arm of Defense”.



HARRY LUNDEBERG

With a militant membership and the tenacious leadership of Andrew Furuseth (March 5, 1854) and Harry Lundeborg (March 25, 1901), tremendous obstacles were overcome and the Sailors’ Union developed an enduring legacy of strength and integrity.

In addition to the anniversary of the organization of the Union and the birthdays of former secretaries Furuseth and Lundeborg, March is also the 99th anniversary of the Seamen’s Act which was signed into law by President Woodrow Wilson on March 4, 1915, after a 20-year struggle by Furuseth to free seamen from indentured servitude.

The Sailors’ Union of the Pacific is the oldest Union of seafarers in the world in continuous existence.

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SUP Honor Roll

Voluntary contributions from the membership to the following funds:

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26 sentenced to death for plotting Suez Canal vessel attacks

An Egyptian court sentenced 26 people to death on February 26, for plotting attacks on ships passing through the Suez Canal, a judicial source said. The defendants were tried in absentia. The verdict by the Cairo Criminal Court came after judges held only one session in the case. One of the defendants, younger than 18, did not receive a death sentence.

The prosecutors charged the group with planning terror attacks on ships passing through the country's vital waterway, as well as targeting security buildings, foreign tourists, Christians and police. The defendants were condemned for "founding and leading a terror group that aimed to attack people's freedom, damage national unity and (attack) the Suez canal waterway", according to one source.

An Al-Qaeda-inspired group, Furqan Brigades, attacked vessels passing through the canal last year and have vowed to conduct more attacks in the future. However, it was unclear if those sentenced are linked to that group. According to the *Washington Post*, courts in Egypt routinely convict defendants and give the maximum sentence to those tried in absentia. However, once caught, the defendants receive an automatic retrial.

Final Departures

Alexander Kane, Book #3152. Born in Hawai'i in 1925. Joined SUP in 1963. Died in Westminster, California, January 5, 2014. (Pensioner)

Michael Sokoloff, Book #7414. Born in China in 1926. Joined SUP in 1957. Died in Panama City, Florida, January 28, 2014. (Pensioner)

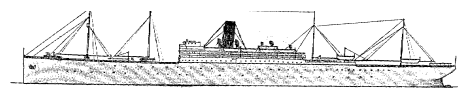
Joe Goodwin, Book #2801. Born in Texas in 1926. Joined SUP in 1944. Died in San Bruno, California, February 13, 2014. (Pensioner)

Josephine Eckert, Book #1891. Born in 1928. Joined SUP in 1982. Died August 9, 2013.

Solomon Berger, Book #5535. Born in Maryland in 1924. Joined SUP in 1947. Died February 10, 2014. (Pensioner)

Edward Kelley, Book #2023. Born in Hawai'i in 1919. Joined SUP in 1949. Died in Honolulu, Hawai'i, January 20, 2014. (Pensioner)

Melvin Morgan, Book #6344. Born in Utah in 1927. Joined SUP in 1945. Died in Washington, February 23, 2014. (Pensioner)



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Saudi relation of 9/11 attacker pleads guilty to tanker bomb plots

The brother-in-law of a September 11, 2001, aircraft hijacker pleaded guilty in a U.S. military court last month to plotting with al Qaeda to blow up oil tankers in the Middle East. The guilty plea by Ahmed al Darbi, a 39-year-old Saudi, marks a victory for U.S. military prosecutors who have battled legal troubles surrounding the tribunal system at the Guantanamo Bay U.S. Naval Base in Cuba.

Judge Mark Allred, an Air Force colonel, accepted al Darbi's plea to all six war-crime charges, made through his attorney Ramzi Kassem. "This commission finds you guilty of all the charges and specifications," Allred told al Darbi, who had a short beard and wore a white shirt and tie.

The maximum penalty for al Darbi is life in prison and a fine, but under a plea agreement, he will serve another nine to 15 years. Sentencing will take place in 3½ years, giving al Darbi time to complete the terms of his plea agreement, which include cooperating with U.S. authorities. Under the terms of his plea deal, al Darbi would be repatriated to Saudi Arabia in four years, or six months after his scheduled sentencing, to serve out his term in a Saudi prison.

Captured in 2002, al Darbi had faced charges that included attempted terrorism, terrorism and attacking civilians. He was accused of working as a weapons instructor at an al Qaeda camp in Afghanistan in the late 1990s and of meeting al Qaeda leader Osama bin Laden there. Al Darbi was suspected of using al Qaeda money to buy a boat and GPS navigational devices, and of helping al Qaeda operatives obtain travel documents. He was charged with abetting a plot to bomb civilian tankers in the Strait of Hormuz and off Yemen from 2000 to 2002. He was accused of assisting in the 2002 plot to bomb a French oil tanker off Yemen, which killed a crewman and dumped tens of thousands of gallons of oil into the Gulf of Aden.

Al Darbi was accused of working with Guantanamo detainee Abd al-Rahim al Nashiri to carry out the attacks. Nashiri, a Saudi, is charged with masterminding a suicide bombing in 2000 on the *USS Cole* at Aden, Yemen, that killed 17 U.S. sailors.

The guilty plea and evidence "affirm that (al Darbi's) nearly 12 years of detention as an unprivileged belligerent under the law of war have been grounded in strong legal authority and fact," Brigadier General Mark Martins, the chief prosecutor, said in a statement.

Al Darbi is married to a sister of Khalid al Mihdar, who helped hijack American Airlines Flight 77, which crashed into the Defense Department's Pentagon headquarters in 2001.

Timely Reminder Second quarter 2014 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.

"Long ago we stated the reason for labor organizations. We said that they were organized out of the necessities of the situation; that a single employee was helpless in dealing with an employer; ...that Union was essential to give the laborers opportunity to deal on equality with their employer."

Chief Justice Charles Evans Hughes (1862-1948)

for the U.S. Supreme Court (1930-1941) in NLRB v. Jones & Laughlin Steel Corp.

SUP Meetings

These are the dates for the regularly scheduled SUP meetings in 2014:

	Hdqs. Branch	
April	14	21
May	12	19
June	9	16
July	14	21
August	11	18
September	8	15
October	Tues. 14	20
November	10	17
December	8	15

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APL parent posts \$76 million net loss for 2013

Neptune Orient Lines (NOL), the parent company of American President Lines (APL), has reported a net loss of \$76 million for 2013, an 82% improvement over the \$412 million loss from the previous year.

NOL's said that its full year financial results were helped by a non-recurring \$200 million gain from the completed sale of its headquarter building in Singapore, as well as its continued focus on operational efficiency and cost management, which delivered \$470 million worth of cost savings during the year.

Coupled with the \$504 million the company saved in 2012, NOL had shed almost \$1 billion in costs over the past two years.

"The delivery of new tonnage in 2013 added to the overcapacity in the container shipping industry. Overall freight rates declined through the year, with the fourth quarter recording one of the lowest levels the industry has seen in the last three years," said NOL Group CEO Ng Vat Chung.

"Despite the tough environment, the Group put in a better financial performance. We started the year with an improved cost base which we continued to build on. In particular, our liner business strengthened its operating results, delivering a significant 72% improvement in core EBITDA," Chung continued.

The NOL Group reported a positive core EBITDA of \$150 million in 2013, a 24% year-on-year improvement from the previous calendar year. Over the same period, NOL's revenue dropped 7% to \$8.8 billion. NOL registered a core EBIT loss of \$167 million, a 9% improvement from a year earlier.

Matson Navigation posts \$53.7 million profit in '13

United States based carrier Matson announced a net income of \$7.3 million for the final quarter of 2013, down from the \$15.6 million net profit the company reported during the final quarter of 2012. The company attributed the decline to a one time litigation charge of close to \$10 million. The litigation was to settle a lawsuit related to allegations that certain Matson freight forwarder customers improperly bill the Defense Department for shipping military household goods to Guam.

For the full calendar year, Matson reported a net income of \$53.7 million, up \$7.8 million for the \$45.9 million the company brought in during the previous calendar year. Matson's consolidated revenue for the full calendar year was \$1.637 billion, up approximately \$772 million for the previous calendar year.

"Excluding the litigation charge, our operating income results were in line with our outlook as we had another solid quarter of core operational performance driven by continued stability in our Ocean Transportation business and marked improvement in our logistics unit warehouse operations," said Matt Cox, Matson President and Chief Executive Officer. "Unfortunately, our financial results were impacted by the litigation charge, which while a very difficult decision, was the most prudent path forward."

"For the full year, we achieved improved operating results, attributable to Hawai'i freight volume growth in the first half of the year, continued strong demand for our expedited China service and improvements in Logistics operations. Cash generation continued to be strong, with \$195.7 million of cash flow from operations and only \$35.2 million of capital expenditures for the full year—the net of which produced free cash flow per share of \$3.72," Cox continued.

Matson reported operating income of \$100.3 million for 2013, up 3.7% from the \$96.7 million the company reported for the previous calendar year.

Looking ahead, Matson said that while it suffered a contraction in container volume for its Hawai'i business during the second half of 2013 that has continued into the first part of 2014, it believes that the Hawai'i economy is in a multi-year recovery that should bring modest market growth for the rest of year, leading to a slight increase in Hawai'i container volume.

In its China trade, Matson's freight rates eroded during the final quarter of 2013, due to the ongoing vessel overcapacity in the market and the international carriers' inability to sustain general rate increases. In 2014, the company projects that overcapacity will continue, with vessel deliveries outpacing demand growth, leading to modest freight rate erosion. However, Matson said that it expects its ships to remain at high utilization levels and its service will continue to realize a premium to market rates for its expedited service in 2014.

In Guam, Matson said that it expects little to no growth for 2014 and therefore expects its volume to be relatively flat compared to 2013, assuming no new competitors enter the market.

"Looking out to 2014, we expect Ocean Transportation operating income to be near or slightly above 2013 levels and Logistics operating income to show modest improvement. We expect our core businesses to continue to generate significant cash flow to support our dividend, fund construction of new vessels and pursue attractive growth opportunities. We remain focused on continued operational excellence, maintaining a strong, flexible balance sheet, and growing shareholder value through strong returns from the capital we put to use," Cox said.

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Don't blame the Jones Act for New Jersey salt shortage, blame the state!

The following was released by the American Maritime Partnership (AMP) last month. The SUP is a member of AMP:

"The Jones Act once again came under attack late last month after it was unfairly blamed for a New Jersey salt shortage by state officials and the mainstream media.

We've all seen the endless headlines about the winter storms and polar vortexes hammering much of the country, so it has been no surprise to learn that many states, particularly New York, New Jersey and Pennsylvania, have seen their winter stockpiles of much needed road salt and sand depleted.

In New Jersey, officials realized in February that they were on the verge of running out of salt and reached out to a supplier in Maine who had a large shipment ready to be picked up. But when getting the salt from point A to B proved more difficult than expected, logistically strapped officials and the media seemed quick to point a finger at the "1920 maritime law" that prevented the salt from reaching New Jersey roadways.

The Jones Act, more formally known as the Merchant Marine Act of 1920, requires that goods shipped between U.S. ports be transported on ships that are U.S.-owned, built and crewed. Under certain circumstances however, the U.S. Maritime Administration is allowed to grant waivers on a case-by-case basis that allows vessels not qualified under the Jones Act to transport goods between U.S. ports.

Now, in an attempt to set the record straight, the American Maritime Partnership, a trade association representing the U.S. domestic maritime industry, has released the following FAQ explaining what exactly did (and did not) cause New Jersey's salt shortage.

Background: In early February, the New Jersey Department of Transportation (NJDOT) announced that it had nearly run out of road salt after a brutal winter and was exploring all options to acquire additional salt. Among its options, NJDOT said, was a 40,000-ton pile of salt in Searsport, Maine. NJDOT said a foreign vessel called the Anastasia S. was standing by in Searsport to transport the salt to New Jersey. However, to use the foreign ship, NJDOT said it was requesting a waiver of the federal Jones Act, the law that requires cargo transported between points in the U.S. to move only on American vessels.

What happened with NJDOT's waiver request?

There were two significant problems with NJDOT's waiver request. First, NJDOT did not plan ahead and waited too long to file the waiver. A spokesman for the U.S. Department of Transportation said, "Unfortunately, by the time New Jersey reached out, U.S. DOT's ability to help was limited, though we have identified U.S. vessels that are available to help."

Second, the waiver request did not meet the clearly established federal criteria for a waiver – that the waiver be necessary for national defense and that no U.S. vessels be available. 46 U.S.C. 501(b) In fact, road salt is not a national defense issue and there was an identified American vessel available so NJDOT's request failed on both counts. NJDOT has publicly conceded that federal officials told the state on February 12-13 that its waiver was unlikely to qualify under federal law. Despite that, later in the day on February 13, NJDOT filed the formal waiver request anyway.

Why did NJDOT file a waiver after being told that it did not meet the federal requirements?

It is not clear why NJDOT filed a waiver request that it knew would not be granted.

What about the foreign ship that was standing by in Maine ready to move the salt if the waiver had been granted?

The foreign ship is a vessel called the *Anastasia S.*, registered under the flag of the Marshall Islands. NJDOT officials said the *Anastasia S.* was available to move the salt. However, no one from the ship itself ever publicly confirmed that it was willing to move the salt. In fact, many vessel owners will not transport salt, a highly corrosive cargo. Transport of salt can require an extra ship cleaning that is time-consuming and expensive for the vessel owner. As such, shipping salt can be complex.

In fact, the *Anastasia S.* was in Maine delivering another cargo for a different customer but left the area to take a previously-scheduled job shortly after NJDOT filed its waiver request. Therefore even if the waiver had been approved in record time, the ship that NJDOT planned to use was long gone. The *Anastasia S.* left Maine early in the morning of Saturday, February 15, yet media reports that the vessel was "standing by ready to move the salt" continued for days afterward.

Because the requirements for a Jones Act waiver were not present here, how else could NJDOT have transported the salt from Maine?

There simply needed be better advance planning. An American vessel was available and even on short notice is delivering the first of several loads of salt to New Jersey. With advanced planning, the salt would have gotten to New Jersey much sooner. With advanced planning, there are many other American vessels that may have been available to help transport the salt, shortening the delivery time frame.

In a radio interview on February 14, New Jersey Transportation Commissioner Jim Simpson said the foreign ship would bring the salt to New Jersey "in a day and a half" and the American vessel would have taken "a month." Is that accurate?

Neither statement was accurate. First, as explained above, the foreign ship that Commissioner Simpson referred to left Maine shortly after the waiver was filed and was no longer available to transport the salt. Second, the American ship is delivering the first load of salt within days, not a month, and would have delivered it earlier had NJDOT simply ordered it ahead of time. In the same interview, Commissioner Simpson said "we are hoping that we get a favorable ruling today [on the waiver request]" even though he had been told the day before that the waiver was unlikely to be granted.

Are there other sources of salt besides that pile in Maine?

Of course. There are countless other sources besides the Maine salt pile, which was owned by a company called International Salt. In fact, a large shipment of salt from International Salt arrived in New Jersey from overseas on February 20, and another is planned for the following week. Salt can be sourced from many domestic locations, and salt can be imported into the U.S. by ship anytime with advanced planning.

What is the major lesson from this situation?

Plan ahead and don't delay in requesting assistance from the American maritime industry! Ironically, New Jersey is among the top states in the U.S. for American domestic vessels. With a little advanced planning, this crisis could have easily been averted."

Corporate America can, must pay fairly for overtime work

by Leo W. Gerard

Republicans despise America's poor and jobless. The GOP made that perfectly clear by repeatedly denouncing them and cutting food stamps and unemployment benefits. But this month, Republicans revealed that they also hate hard-working Americans!

Republicans condemned President Obama for proposing to extend mandatory overtime pay to more workers. The GOP doesn't believe that Americans who work longer hours should be paid more.

Unlike the GOP, the vast majority of Americans believe extra effort should be rewarded. They cherish the idea that their country is one where those who work hard can get ahead. In recent years, however, the actual experience of far too many Americans is that doesn't happen. They work 50, 60, even 70 hours a week and don't get paid extra for it. These are not high-roller managers or executives or professionals who don't expect time and a half for overtime. These are hourly wage earners. President Obama signed an executive order to require employers to pay more workers overtime, to stop corporations from devaluing both hard work and an important American principal.

Overtime pay has a long tradition in the United States. President Franklin Delano Roosevelt called for Congress to create a federal standard for overtime pay during the Great Depression. He proposed it along with other then-radical ideas like requiring a minimum wage and prohibiting child labor. These were contained in legislation called the Fair Labor Standards Act.

He sent it to Congress 77 years ago with the admonition: "A self-supporting and self-respecting democracy can plead no justification for the existence of child labor, no economic reason for chiseling workers' wages or stretching workers' hours." Just like now, Republicans opposed it.

Before overtime, President Roosevelt had to create a standard work week. He chose 40 hours — five eight-hour days — which labor unions and worker activists had been seeking for more than a century. They contended that each laborer who worked 8 hours also deserved 8 hours for rest and 8 hours for family and community.

Under President Roosevelt's plan, workers who labored more than 40 hours in a week would receive one and a half times their hourly wage for each extra hour. Extra work would be rewarded. Another benefit would be increased employment. The overtime pay requirement encouraged employers to save money by hiring more workers, who would be less costly at straight-time wages.

The law passed in 1938 with Republicans still sputtering and protesting. Presidents updated it over the decades, most recently George W. Bush. As might be expected from a Republican, his changes denied overtime pay to as many as 8 million workers. Bush did that by enabling corporations to easily classify more workers as managers and professionals exempt from the extra pay requirements.

Now, 10 years later, low-paid, clearly non-managerial workers are suffering. A fry cook who spends 10% of her time instructing new hires may be classified as a supervisor and denied overtime pay for the 15 extra hours the restaurant requires her to put in every week. A computer repairman with a two-year tech school

degree could be classified as a professional and earn less than minimum wage when his salary is divided by the 60 hours a week he's routinely required to work.

Also, employers can refuse to pay overtime to workers who earn as little as \$455 a week, a salary far below historical levels for overtime exemption. That figure — \$23,660 a year — is the federal poverty level for a family of four, hardly the comfortable professional or managerial salary that traditionally justified denial of overtime pay.

"Americans don't expect a free lunch," President Obama said when he signed the order telling the Labor Department to write new rules to ensure that those who deserve overtime pay get it. He added: "If you're working hard, [and] you're barely making ends meet, you should be paid overtime." That is what Americans believe.

Still, right wing-talk show hosts, Republican leaders like House Speaker John Boehner and the nation's largest business lobby, the U.S. Chamber of Commerce, all cried crocodile tears that corporations just couldn't pay workers a fair wage for extra work.

In fact, they can. Both corporate profits and productivity are high. Since the mid-1980s, corporate profits have soared, setting post-World War II records. Overall productivity grew 74.5% between 1979 and 2012.

Wages, however, stagnated in that 33 year period, rising just 5%. Workers are more productive. Their labor is creating record profits. But they're not benefiting. President Obama believes their hard work should be rewarded. Fixing problems with overtime pay will help. It's part of his "Opportunity for All" program.

When President Obama announced the plan to protect workers from overtime exploitation, Nancy Minor, vice president of United Steelworkers Local Union 10-1 in Philadelphia, was there. As she stood with a group of workers behind the president, he told them her story. He said that since Ms. Minor's divorce 16 years ago, she has been able to raise and support four children because she received overtime pay from the oil refinery where she works.

"For more than 75 years, the 40-hour work week and the overtime that comes with it have helped countless workers like Nancy get ahead," the President said, "And it means that when she's asked to make significant sacrifices on behalf of her company — which she's happy to do — they're also looking out for her, recognizing that that puts a strain on her family and —having to get a babysitter and all kinds of things, adjustments that she has to make. It's just fair. It's just the right thing to do."

Ms. Minor, who has worked for the Sunoco refinery, now Philadelphia Energy Solutions, for 22 years, went to Washington to attend the event because she believes all Americans deserve good jobs with overtime pay. "I want to make sure every worker has the same opportunity," she said.

Americans believe overtime pay is fair pay. Steelworkers like Ms. Minor receive it because their collective bargaining agreements require it. But untold millions of American workers don't have that kind of protection. President Obama believes they should.

Leo W. Gerard is International President of the United Steelworkers (USW). His columns regularly appear at Huffington Post.

Sexual assault on passenger on foreign-flag cruise ship

A cruise ship attendant confessed to raping a female passenger on Valentine's Day and trying to toss her overboard to cover up the crime, according to an arrest affidavit filed last month in Miami federal court. The 31-year-old passenger, identified only as CLW, fought off the attendant in her stateroom and on a balcony, and managed to flee into the hallway with the cord of her curling iron still wrapped around her neck from his attempt to choke her, the affidavit stated.

The attack occurred aboard Holland America's *MS Nieuw Amsterdam* which departed Port Everglades in Fort Lauderdale on February 9, on a Caribbean cruise. Ketut Pujayasa, 28, a room service attendant from Indonesia, was arrested when the ship returned to port on February 19, on charges of attempted murder and aggravated sexual assault.

Pujayasa told FBI agents that he became angry at the victim when he delivered her breakfast to her room the morning before the attack. Pujayasa said he knocked on her door three times before he heard her say, "Wait a minute, son of a bitch."

Pujayasa told the FBI that he remained angry all day, going twice to her room to find her and then trying to locate her on a public deck, but finally let himself into her room with a master key to wait for her return that night. Pujayasa said he fell asleep on her balcony and awoke to find her in bed. He said he sexually assaulted her as punishment for the insult, and beat her with a laptop and her electric curling iron.

CLW said that she kept trying to scream for help but Pujayasa tried to strangle her. She said she bit his hand and tried to stab him with a corkscrew. The fight moved to the balcony where Pujayasa said he tried to throw her into the ocean, knowing that the ship was underway and she would be hard to find in the darkness.

A security system on the ship captured still images of Pujayasa, half naked, jumping from balcony to balcony as he made his get-away after the attack, according to the affidavit.

The victim, who said she fell unconscious during part of the attack, was taken off the ship during a scheduled stop later in Roatan, Honduras, and air-lifted to a hospital in South Florida.

Navy SEALs seize "rebel" tanker

U.S. special forces have seized a tanker that fled with a cargo of oil from a Libyan port controlled by anti-government rebels, halting their attempt to sell crude on the global market.

Gunmen demanding regional autonomy and a share of oil wealth had managed to load the ship, which escaped Libya's navy and triggered a crisis that prompted parliament to vote out the prime minister.

A U.S. SEAL commando team boarded the tanker *Morning Glory* from a Naval special warfare rigid inflatable boat as it sat in international waters off Cyprus on March 16.

The seizure was approved by President Obama and requested by the Libyan and Cypriot governments, Pentagon Press Secretary John Kirby said.

No one was hurt in the under two hour operation, and no shots fired. Two AK47 rifles were found and the three Libyans holding the ship remained in U.S. control, a U.S. defense official said, speaking on condition of anonymity.

"The *Morning Glory* is carrying a cargo of oil owned by the Libyan government National Oil Company. The ship and its cargo were illicitly obtained" from the Libyan port of Es Sider, Kirby's statement said.

The standoff over Libyan oil and the tanker debacle have deepened the chaos testing Tripoli since the civil war that toppled Muammar Gaddafi nearly three years ago. With its army still nascent, a weak

government has been unable to impose its will on former anti-Gaddafi fighters and militias who now use their military muscle to make demands on the state, often by targeting the vital oil sector.

At least in the short term, the tanker's seizure by U.S. forces is likely to prevent any more attempted oil sales by the rebels, who in August took control of three export terminals accounting previously for 700,000 barrels a day of exports.

"Oil is the economy's artery. The government will not allow anyone to fool around with the assets and resources of the Libyan people," the Libyan government said in a statement.

It was the second time in six months that U.S. forces have become involved in Libya. A commando team snatched a suspected al Qaeda suspect off the street as he returned home from prayers in the capital Tripoli in September.

The *Morning Glory* had been North Korean-flagged, but the government in Pyongyang said it had notified Libya and maritime authorities that it had severed all ties with the ship because of the vessel's contraband cargo. So Se Pyong, North Korea's ambassador in Geneva, said he discussed the situation with his Libyan counterpart to explain, but not apologize for the situation. He said North Korea did not buy oil from Libyan rebels, and since the Egyptian-based shipping firm had acting illegally he was not concerned about the U.S. Navy seizure.

Nautical terms in everyday speech

***Bitter End...* (to carry a long, difficult struggle to its inevitable conclusion)**

The usually accepted explanation of the origin of this popular metaphor has a distinctly nautical origin. The anchor rope (which today is called "line") on old sailing vessels was attached to a stout oak post called a bitt, which was firmly fastened to the deck. Securing turns were taken around the bitt as anchor and anchor rope were paid out to the sea. The end of the rope nearest the bitt was called the bitter end. When at the end of your rope, on land or at sea, you've reached the bitter end.

Lazy Jones Act thinking

By Charlie Papavizas

The Jones Act is being blamed for the inability of the State of New Jersey to get additional road salt in time for use this winter. As often happens when the press turns its attention to a maritime issue, the stories usually obscure rather than illuminate the real issues.

To start with, the restriction of U.S. domestic maritime commerce to qualified U.S.-flag vessels is way older than 94 years. The very first U.S. Congress in 1789 instituted a preference for U.S.-flag vessels in domestic commerce – and that principle has been carried forward to the present day.

Section 27 of the Merchant Marine Act, 1920 – together with similar restrictions applicable to passengers, dredging and towing commonly referred to as the “Jones Act” – changed the pre-existing law to be sure, but not fundamentally. That section was hardly debated in Congress and the record reflects that no one thought it marked a new policy. As Sen. Wesley L. Jones, the father of the “Jones Act” said at the time: “We do not deal in general in this bill with the coastwise laws. They are left just as they are . . .”

So, yes, the Jones Act idea is an old one (but much older than 94 years!) – but its ancient origin is not so much an indicator that it is a relic – but rather that it reflects a fundamental principle of the United States. And that principle is that U.S. domestic commerce – whether it be by land, air or sea – should be reserved to U.S. citizens.

Now, undoubtedly some will note that the Jones Act imposes different restrictions on U.S. maritime domestic commerce than the land and air requirements. And that is in fact the case. But, the restrictions preventing a foreign airplane owned and operated by foreign citizens from carrying passengers between U.S. cities is a duplicate of the Jones Act restrictions to the same effect. The underlying – and very well accepted principle – is the same.

Which brings us back to the New Jersey salt problem. Surely, the State cannot claim that they were surprised by the Jones Act any more than they should be surprised that no one can take a flight on British Airways from Newark to Chicago. Which suggests that perhaps the Jones Act is being used as a convenient excuse for poor logistical planning rather than as a real impediment.

When the subject turns to getting a Jones Act waiver, the reporting is equally confused. It is often assumed (always a bad way to think about any law) that the Jones Act can be waived merely if it is a commercial impediment. For good or bad, that is not the case.

The Jones Act can only be waived if it is determined that such a waiver is “necessary in the interest of national defense” – which is a high bar and rarely invoked. In addition, the waiver process has been strengthened in the last few years by the Jones Act community to require that the U.S. Maritime Administration be sure no U.S.-flag vessels are available to meet the demand and to identify actions that could be taken to enable qualified U.S.-flag vessels to meet the need.

In practice, think severe hurricane as the type of impetus needed to make the “national defense” case. Some of the few Jones Act waivers were granted after each of hurricanes Katrina, Rita and Sandy. Is getting road salt to New Jersey that type of impetus? Only time will tell as nothing has surfaced publicly about how the Government will respond to a reported New Jersey waiver request.

So, the Jones Act may be, or may not be, having an impact on getting salt to New Jersey. But before everyone starts thinking that the Jones Act is some sort of oddity or can be easily dispensed with, they should look again at what the Jones Act really is and how the law really works.

Charlie Papavizas is a partner in Winston & Strawn's Washington, D.C. office and chair of the firm's maritime and admiralty practice. He focuses his practice on administrative, legislative, and corporate matters, primarily in the maritime industry. Mr. Papavizas is frequently consulted on the application of U.S. coastwise laws (Jones Act) to cargo, passenger, and vessel movements and investments in U.S. companies.

Smugglers extend reach along Pacific

While security has tightened at the U.S. border, drug smugglers are increasingly turning to the high seas. The area where boats were seized off California and the northwest coast of Mexico tripled to a size comparable to the state of Montana during the 2013 fiscal year, which ended in September. Off South America, traffickers over the years have been traversing territory so big the continental United States could be dropped inside of it.

Mexico's Sinaloa cartel has been loading marijuana bales onto 50-foot vessels as the Mexican port of Mazatlan –where its leader, Joaquin “El Chapo” Guzman, was captured on February 22– and running them up the Pacific coast to the U.S., as far as Northern California. It's unclear if Guzman's arrest will hinder the maritime runs.

Meanwhile, budget cuts have hit one of the lead U.S. law enforcement agencies on international waters– the Coast Guard, the only U.S. military service able to make drug arrests hundreds of miles offshore. To meet automatic federal budget cuts, it reduced its operating cost by 25% in 2013. It also lost help from U.S. Navy ships on drug missions off Latin America that were decommissioned and not replaced.

As a result, only a third of suspected drug smuggling boats or aircraft out of South America that were tracked by U.S. intelligence in cocaine-trafficking corridors in the Pacific and Caribbean were stopped last year, said the Coast Guard's top officer, Admiral Robert Papp.

U.S. authorities stopped some 194,000 pounds of cocaine last fiscal year –more than 40,000 pounds less than in 2012, according to Coast Guard statistics. Marijuana seizures dipped between 2012 and 2013 from 124,000 pounds to 81,000 pounds.

The Coast Guard oversees 95,000 miles of coastline and 4.5 million square miles of maritime territory. Rear Admiral Karl Schultz said the tiny Coast Guard is doing its best to optimize its resources but the challenge is “like a police cruiser in Cleveland responding to something in Atlanta.”

Smugglers driving three-engine boats have been landing along remote coasts of Northern California, reaching as far as Santa Cruz. That's a shift from the one-engine drug skiffs seen landing for years in San Diego County.

Aussie warship celebrates billion dollar drug bust

A crowd of well-wishers joined Prime Minister Tony Abbott and Chief of Navy Vice Admiral Ray Griggs in Sydney on March 15, to welcome home HMAS Melbourne from a successful Middle East mission which saw the vessel intercept more than \$1 billion in illegal drugs.

Commanding Officer HMAS Melbourne, Commander Brian Schlegel said his crew lived by their ship's motto ‘Vires Acquirir Eundo’ (she gathers strength as she goes) and gathered strength as they went. “The crew deserve acknowledgement for their dedication during this deployment. The boarding party and embarked S70B-2 Seahawk helicopter crew were particularly busy and were outstanding in their performance,” Commander Schlegel said.

“We had some notable achievements while deployed including the seizure of over half a tonne of heroin worth over \$1 billion, which dealt a severe blow to those groups that use the money to fund unlawful activities. “The additional seizure of almost 24 kilograms of methamphetamines and two tonnes of suspected cannabis resin, as well as the interception of nine suspected pirates off the coast of Somalia, were also important to securing the maritime environment for legitimate trade.”

While deployed, HMAS Melbourne conducted maritime security counter-piracy, counter-terrorism and counter-narcotic operations as part of the 30 nation Combined Maritime Force. Her deployment marked the 56th rotation of a Royal Australian Navy ship to the region since the First Gulf War.

APL to lose costly chartered ships in big fleet renewal

APL is preparing to ditch around 20 large chartered container ships. The liner-shipping arm of Singapore-based Neptune Orient Lines (NOL) plans to redeliver around 20 chartered vessels of between 3,500 teu and 8,500 teu this year and partially replace them with its own larger, more efficient newbuildings.

The move is part of an ongoing plan to lower costs in the face of low freight rates, APL President Kenneth Glenn said.

Around 119,000 teu of chartered ships will be redelivered by APL before the end of December, putting their average size at just below 6,000 teu. They ply the Asia-Europe, TransPacific and Intra-Asia trades and are owned predominantly by German and Japanese owners. Most will be replaced by 10 newbuildings of between 9,000 teu and 14,000 teu, excluding two that will be chartered out on delivery.

Glenn says the ships to be taken offhire are “expensive, fuel-inefficient charters”. These will be replaced as part of a program to “upgrade and reduce slot costs”.

That plan was initiated 2012 with orders by NOL for 34 ships of between 8,100 teu and 14,000 teu. Ten vessels from that ordering spree are scheduled for delivery during this financial year. They include January's delivery of the 14,000-teu *APL Merlion* (built 2014), the seventh of 10 vessels ordered in June 2011 at Hyundai Samho Heavy Industries, and the 9,200-teu *APL Miami* (built 2014), the eighth of 12 ships ordered and destined for the Far East-Middle East service run jointly by APL and MOL.

NOL also charters five 14,000-teu vessels –including two for delivery this

year– to its New World Alliance partner, Mitsui OSK Lines (MOL).

Glenn notes the modernization strategy has been APL deploy fewer but larger vessels. That has resulted in the average vessel size rising from 4,550 teu to 5,530 teu over the past year, while capacity operated by APL has fallen from 640,000 teu to 603,000 teu.

The operational and cost savings made have enabled APL to offset weaker market conditions, says NOL President and Chief Executive Ng Yat Chung. NOL has notched up \$470 million in cost savings in the financial year to the end of December 2013, he says.

More than half of that was derived from bunkers and network-related savings including the use of larger vessels, slow-steaming, improved cargo planning and pre-emptive voyage planning to avoid slowdowns from bad weather.

Revenues from NOL's liner division dipped 9% over the year to \$7.3 billion but cost savings reduced APL's losses to \$231 million compared with \$250 million a year earlier.

Glenn attributes the loss to a “drastic drop in freight rates” during which APL “experienced one of the weakest third and fourth quarters in recent years”.

Glenn expects market conditions to remain challenging due to the large newbuilding orderbook, which is equivalent to around 23% of the total fleet. But the gap between market growth and vessel capacity is narrowing from 3% last year to 1% in 2014, as demand grows by 4.5% and capacity supply by 5.5%. APL will therefore continue to lower its cost base, he says.

“The big thing here is we have not had to activate one military vessel to handle this. It's all been handled by our commercial partners...We have a commercial first (policy)- if we can use commercial, it's the cheapest way to do it, and it keeps our U.S.-flag fleet strong, it's good for jobs- all of those things are positives. They have done superbly and what I would say is our bigger worry is what happens to the U.S.-flag fleet as we come down perhaps from some of the requirements- we're depending on them now and we are working very closely to make sure that we maintain that robustness. They do depend on cargo preference and they do depend on the Maritime Security Program (MSP), and those two programs are really valuable so that we have a strong U.S.-flag fleet, which is in the interest of the taxpayer and in the interests of the warfighter.”

General Duncan McNabb, Commander United States Transportation Command, 2011

U.S. East Coast ports will struggle to handle mega-ships deployed in the Atlantic

Many U.S. East Coast and Gulf ports will struggle to handle the larger container ships the P3 and G6 carrier alliances likely will deploy on TransAtlantic routes, according to Drewry Maritime Research.

The alliances' consolidation of services means much larger ships could replace the 3,500- to 6,500 TEUs vessels currently deployed, "subject to East Coast and Gulf Coast ports being able to handle them satisfactorily," the London-based analyst said.

The P3 members – Maersk Line, Mediterranean Shipping Co and CMA CGM – and the G6 partners – APL, Hapag-Lloyd, OOCL, NYK, Hyundai Merchant Marine, and MOL – plan to launch their services from the second quarter of 2014, assuming they get regulatory approval.

The problem is that many eastern U.S. ports have been preparing for the arrival of deep draft ships over 8,000 TEUs from the middle of 2015, when the new Panama locks were originally due to open, not the second quarter of this year, Drewry notes. The main east coast ports already handle vessels over 9,000 TEUs on Asian all-water services via the Suez Canal. However, inbound freight mainly consists of relatively low-weight consumer goods, and outbound ships have a significant number of empty containers, so maximum draft is never reached.

On the transAtlantic route, by contrast, cargoes are made up of heavier industrial products and the trade is relatively balanced, which means inbound and outbound ships are well laden. A typical 8,000-TEU ship fully laden with heavy cargo has a draught of around 47 feet which, with under keel clearance, would require a channel depth of at least 49 feet. Norfolk and Baltimore already have 50-foot-deep channels, and the Port of New York and New Jersey has also nearly completed its 50-foot dredging program. The remaining East Coast ports, however, would face challenges if the P3 and G6 carriers plan to deploy fully loaded 8,000-TEU ships by mid-2014, as their current channel depths range from 40 feet to 50 feet.

Tides can ease the problem – in Charleston, for example, high water adds approximately 5.5 feet to the water depths. Other East Coast ports have a similar tidal range of around six feet, but the effect on permissible vessel drafts and tidal windows is "complex", according to Drewry. These ports are at widely varying stages in their channel deepening projects. Miami expects to complete its 50-foot channel program by 2015, but Savannah, Jacksonville and Port Everglades are at least three years behind.

"Clearly a significant step up in trans-Atlantic vessel sizes will require careful consideration of ports, particularly call rotations and the all-important deepest draft first call inbound, last call outbound," Drewry noted. "As significant for the ports though will be the concentration of volume in fewer services, bigger ships and hence greater volume peaks." This, in turn, will intensify pressure on landside operations, which already are under strain at several key East Coast ports.

Anti-Union initiatives withdrawn in Oregon

Oregon Governor John Kitzhaber announced on March 3, that two anti-Union initiatives, including a so-called "right-to-work" measure to weaken the state's public employee Unions, will be withdrawn after Unions opposing those measures also agreed to withdraw several proposed initiatives that would raise taxes on wealthy individuals and large corporations.

The proposed Initiative 9 would have allowed non-Union member public employees receiving required Union representation to refuse to share representation costs. Such laws are designed to promote "free riders" and weaken Unions, but they also lead to lower wages and benefits for both Union and non-Union workers. A comprehensive study by the Economic Policy Institute found that such laws "are associated with significantly lower wages and reduced chances of receiving employer-sponsored health insurance and pensions."

Unions in Oregon expressed confidence that Initiative 9 would have been defeated, but expressed relief that they would not have to commit the money and resources necessary to engage in that campaign. Instead, they will be able to focus on other election priorities.

Oregon AFL-CIO President Tom Chamberlain said: "As we watch the national political fights, we've grown accustomed to assuming that the needs of the people won't be put first. On the other hand, we've always known Oregon was a little bit different. The announcement that two anti-worker measures will be withdrawn from the ballot shows that in Oregon people really do come first."

The announcement should not fool anyone into thinking that working people will sit out the 2014 election, though. There are still important decisions to be made, and now that our state isn't fighting for the future of the middle class and our economic bottom line on the ballot, it is crucial to turn our attention to electing pro-worker leaders who can fend off battles like this in our Legislature. I want to thank everyone who was involved in the conversations that removed these measures from the ballot, including the Governor who brought together business and labor leaders to hash out this deal, and I look forward to working with union members, community leaders, and employers in our state as we continue to chart the best path ahead for Oregon."

The agreement to stand down is only temporary though. The public employee Unions that supported the deal have indicated they may decide in 2016 to push for new taxes on the wealthy and on corporations. "As advocates for working people, public education, and an economy that works for the middle class," read a joint statement by the Oregon Education Association and SEIU Local 503, "we will be working closely together to secure more funding for schools and the services that Oregon's communities need and deserve. We'll be fighting to make sure that big corporations and those who are not paying their share are doing their part. And we'll fight to keep Oregon the kind of place where working parents can realistically dream of a better tomorrow for their kids."

Likewise, Jill Gibson Odell, the Portland lawyer who sponsored the "right-to-work" initiative told The Oregonian that she expects to try again in two years.

The second proposed ballot measure aimed at weakening unions that will now be set aside would have taken away the political voice of public employee unions by prohibiting paycheck deductions for political purposes.



Standby Bosun Sam Scott and ship Bosun Charlie Duke on the APL Korea in Oakland on March 14. Photo Dave Connolly

Norwegian flag-of-convenience airline

The government of Ireland's decision to grant an in-country operating license to Norwegian Air International threatens jobs and working conditions in the international airline industry, says the AFL-CIO Transportation Trades Department (TTD). The SUP is one of 32 TTD member Unions.

"We are disappointed that the government of Ireland has sanctioned Norwegian Air International's (NAI) launch of a 'flag-of-convenience' airline that threatens airline jobs and bargaining rights in the United States and Europe," said TTD President Edward Wytkind. "Without question, this airline operation undermines the clear intent of the governing trade rules between the United States and the European Union –the 2010 Air Transport Agreement– that commit signatories to this pact to promote high labor standards."

Wytkind said that by establishing itself in Ireland, NAI is seeking to evade the laws of Norway and the company's bargaining obligation to its own employees. "NAI is gaming U.S.-EU trade rules to gain an unfair competitive advantage over U.S. and other European air carriers and should not have been rewarded with a license to operate, Wytkind said. TTD is calling on members of the general public and airline employees in particular to join its #DenyNAI campaign.

"We will continue to press our case in Europe that its own negotiators agreed to labor protections in the ATA and should live up to them in the enforcement of this agreement," Wytkind said. "And we will redouble our efforts to make sure this Norwegian operation isn't granted authority by our government to operate its service in the United States."

This is the first test case before the U.S. Department of Transportation (DOT) on whether the Obama Administration will enforce the worker protections it negotiated in the core of the ATA with its European counterparts. "DOT should deny NAI's pending application for a Foreign Carrier Permit," TTD says.

Horizon and Sea Star fined for price fixing

Sea Star Line and Horizon Lines have agreed to resolve allegations that they violated the False Claims Act by fixing the price of government cargo transportation contracts between the continental United States and Puerto Rico, the Department of Justice announced on March 10. Under the settlement agreements, Sea Star Line has agreed to pay \$1.9 million, and Horizon Lines has agreed to pay \$1.5 million.

The government alleged that former executives of the defendant ocean shippers used personal email accounts to communicate confidential bidding information, thereby enabling each of the shippers to know the transportation rates that its competitor intended to submit to federal agencies for specific routes. This information allowed the shippers to allocate specific routes between themselves at predetermined rates. Among the contracts affected were U.S. Postal Service contracts to transport mail and Department of Agriculture contracts to ship food. Both Sea Star Line and Horizon Lines previously pleaded guilty, in related criminal proceedings, to anticompetitive conduct in violation of the Sherman Act.

"Postal Service contractors must understand and know that actions that undermine the contracting process, such as conspiring to suppress and eliminate competition, will not be tolerated and will be aggressively investigated," said Tom Frost, Special Agent in Charge of the Major Fraud Investigations Division (MFID) with the Postal Service Office of Inspector General. "MFID will continue to work with DOJ, both criminally and civilly, to bring those individuals and companies to justice."

The civil settlements resolve allegations in a lawsuit filed in federal court in Jacksonville, Florida, by former Sea Star Line executive William B. Stallings. The lawsuit was filed under the qui tam, or whistleblower, provisions of the False Claims Act, which permit private individuals to sue on behalf of the government for false claims and to share in any recovery. The Act also allows the government to intervene and take over the action, as it did in this case. Stallings will receive \$512,719 of the recovered funds.

The settlements were the result of a coordinated effort by the Civil Division of the Department of Justice and the U.S. Postal Service Office of Inspector General.

ESU Office Assignments

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

ESU NEWS

MARCH 2014

Official Publication of the Exxon Seamen's Union

2014 unlicensed training

The 2014 training schedule for the ESU membership is now available. At this time the schedule only reflects courses in Advance Firefighting. Other courses are on hold at this time due to the timing of the new vessels coming on line in the next couple months. The Training Committee will communicate to the membership of any more available courses in the second half of the year.

Firefighting courses are held at Texas A&M, College Station, Texas and is offered to those individuals that have not attended in the last five years or more. This class is considered advanced and is a four day course that will run from Tuesday through Friday for the weeks that the course is offered.

The Confined Space Entry and Rescue courses and the Mariners Conference will

be possibly available later in the third quarter of the year.

If you are interested in enrolling in the classes below, please make your desire known to Helen Wright. Fleet Manning can try to make sure that you get into the class that you are eligible and wish to attend.

As always, the Union encourages all members to participate in the courses that are available to them.

Advanced Firefighting

April 8-11 / 15-18 / 22-25
 May 6-9 / 20-23
 June 3-6 / 10-13 / 17-20 / 24-27
 September 16-19 / 23-26
 October 7-10 / 21-24 / 28-31
 November 4-7 / 18-21
 December 2-5 / 16-19

Mileage reimbursement rate for 2014

As of January 1, 2014, the optional standard mileage rate for all miles of use for business purposes remains at 56 cents per mile. Reimbursements made using this rate will satisfy IRS accounting requirements and will not be included in the employee's W-2 income or subject to tax withholding.

Mileage reimbursement is intended to cover normal vehicle operation costs including: gas, oil, repairs, tires, registration fees, licenses, depreciation, lease payments, and insurance. Road tolls and parking fees are not included in the standard mileage reimbursement but are reimbursable when incurred during business travel and submitted with receipts.

Under the current Collective Bargaining Agreement unlicensed employees are permitted to use an automobile for business travel and receive reimbursement from the company. Current Contract language states in part, "When an employee uses an automobile as transportation from his/her home to a vessel, to/from a training program, or to/from a meeting, or for other reasons approved by the COMPANY, the employee shall be paid for the actual miles driven for a reasonably direct route at the mileage rate then current for the COMPANY. Actual miles driven shall include round trip mileage when an employee is driven by another person who returns to the employee's home. The COMPANY will also reimburse any tolls actually paid for the trip. In no case will the total payment be greater than the cost of the prevailing coach class airfare as described herein plus ground transportation allowances provided when traveling by air."

Ship reports

S/R American Progress

Board Member Leo DeCastro visited the ship in Baytown, TX at the ExxonMobil Refinery on February 27, and March 12. The vessel has been carrying diesel from ExxonMobil Refinery in Baytown for discharge in Jacksonville and Tampa Bay, Florida. Regular Ship Representative Michael Harrison back on board and reports all is well. The vessel had some issues with the internet service but that has been taken care of and service seems to be back to normal. Company Representatives visited the vessel last port of call in Baytown, amongst where Fleet Services Manager, Bill Hoeler and HR Manager, Seth Barnes, met with the crew to provide Company updates and answer any questions.

Kodiak

The vessel recently completed discharging in Hawaii and is supposed to make the next couple trips back and forth from Valdez and the San Francisco Bay area refineries. Regular Ship Representative Joseph Butler is back and stays in touch with the ESU via e-mail with no beefs at the present time. Thanks to MS Eric Bush for stepping in while Joe was on vacation

Sierra

The ship also completed smooth trip to Hawaii and is now back in the ANS to west coast trade. The next trip is slated for a split discharge in the San Francisco Bay area and Long Beach and then to Vancouver, Canada for a couple days of dry dock to clean the hull. Temporary Ship Representative AB Joe Buffington has been in touch with the ESU office and reports everything running smooth.

ESU newest Board members



As a result of the last ESU officer's election in December 2013, the ESU Board gained two new Trustees to represent the Deck and Steward Department. Both, AB Jeffrey Harris (left), and Cook Joel Mitchell (right), bring a new perspective and a wealth of experience to the Board and will make a valuable addition to the ESU Executive Board especially during current Contract negotiations.

Jeffrey started his career with SeaRiver over 32 years ago and has been a staunch ESU supporter for many years including Ship Representative service aboard the *S/R Wilmington*, *S/R Charleston* and *Yorktown*. Joel started his career with SeaRiver over 14 years ago and has filled in as Temporary Ship Representative numerous times and brings a wealth of Steward Department experience from his assignments in the fleet and also from his prior experience in the Ship Chandler business.

The ESU Board welcomes both Jeff and Joel and looks forward to working alongside them during the course of their term in office and we appreciate their willingness to step forward to serve the ESU membership.

Exciting times for the SeaRiver fleet

March of this year marks two years since SeaRiver Maritime, Inc. signed a contract with Aker Shipyards in Philadelphia, PA, to build two Liberty Class Tankers for the Alaska North Slope service. It seems like it has taken a long time, and some thought Exxon would never build another U.S. Jones Act trader but finally the first ship, the *Liberty Bay*, was recently launched from the dry dock.

Currently, the vessel has been completing sea trials before final delivery to SeaRiver which is tentatively slated for late April.



The Liberty Class tankers measure 820 feet in length (251 m) and will incorporate the latest safety, navigation and engine room technologies, and be capable of transporting 730,000 barrels of crude oil.

It has been a long road and a lot of work to get from a plain piece of steel to a floating massive ship, but the Sea River Mariners are proud, excited and looking forward to the opportunity to continuing a proud seagoing tradition for many years to come. The next milestone will be Hull 20 or *Eagle Bay* to be moved out from the outfitting berth, tentatively slated for late 2014.

EXXON SEAMEN'S UNION

Founded March 28, 1941

Affiliated with the Sailors' Union of the Pacific

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Board Member at Large John McCarthy

Deck Trustee Jeffrey Harris

Engine Trustee William Ackley

Steward Trustee Joel Mitchell

Passengers seek lifelong compensation from foreign-flag Carnival Cruise Lines

A group of passengers suing Carnival cruise lines for damages after an engine fire left their ship adrift for days are asking the company to pay \$5,000 a month for the rest of their lives for medical bills and mental anguish. A lawsuit brought by 33 passengers of the ill-fated 2013 voyage could change how cruise lines insulate themselves from legal actions, according to maritime legal experts.

A second pending lawsuit with three-times as many plaintiffs has the potential to further undo the advantageous legal position cruise lines have long enjoyed.

Both cases stem from a February 2013 incident when the *Carnival Triumph* broke down after departing from Galveston, Texas, for what was to be a four-day cruise with a stop in Cozumel, Mexico. A fire broke out in the ship's engine room as it was returning from Cozumel. The *Triumph* was left without engine power, or air conditioning and working toilets. Stalled in the Gulf of Mexico for five days, passengers described human waste seeping into hallways, and being forced to sleep on deck under makeshift tarps with no cooked food.

A federal judge in South Florida this month finished hearing three weeks of testimony from passengers and is expected to issue a judgment in the next two months. The Miami lawsuit is the first from the *Triumph* incident to go to trial, with others in preparation, according to maritime lawyers.

In a statement, Carnival Corp said that while it recognizes its guests experienced uncomfortable conditions, everyone returned safely and were provided with a full refund, a free future cruise and an additional \$500 per person.

One of the plaintiffs, Debra Oubre, 59, said she has experienced panic and anxiety attacks since the cruise, and also blames the experience for a urinary tract infection. "It was chaotic. People were in dire need of help," said Oubre. "We were standing in line for food for five hours."

Federal Judge Donald Graham has already ruled that the engine catching on fire is proof alone of negligence on the part of Carnival, a significant blow for the cruise line, according to Robert Peltz, a Miami maritime lawyer. "It would seem rather obvious that ships shouldn't just catch fire and then have fire suppression systems that don't work," Peltz said. Carnival has since started a fleet-wide "enhancement," including a major re-wiring of its engine rooms and improvements to fire safety and emergency power features.

Cruise lines like Carnival have successfully inoculated themselves against passenger lawsuits by printing stringent terms on their tickets that require passengers to waive their right to a class-action lawsuit. Judge Graham's ruling, which is expected to come in the next two months, could find the terms of conditions printed on the tickets, so-called "contracts of adhesion," to be overreaching.

Senators push for full funding of Maritime Security Program

March 7, 2014

The Honorable Patty Murray, Chairman
Subcommittee on Transportation,
Housing and Urban Development
United States Senate
Washington, D.C. 20510

The Honorable Susan Collins, Ranking
Subcommittee on Transportation
Housing and Urban Development
United States Senate
Washington, D.C. 20510

Dear Chairman Murray and Ranking Member Collins:

We are writing to request that \$186 million be provided for the Maritime Security Program (MSP) in the FY 2015 appropriations bill for the Departments of Transportation, Housing and Urban Development, and Related Agencies. This is the Congressionally-authorized amount necessary to ensure that the U.S. Maritime Administration, in conjunction with the Department of Defense, is able to fully implement MSP. It is the same amount appropriated by Congress for the program in FY 2014.

MSP, which supports a maritime security fleet of 60 U.S.-flag vessels, is a vital component of our military strategic sealift and global response capability. It is designed to ensure that the United States has the U.S.-flag commercial sealift capability and trained U.S. citizen merchant mariners available in times of war or national emergencies. The MSP also ensures that America can provide our troops overseas with the supplies and equipment necessary to do their jobs on behalf of our nation.

Without the funding, the United States would not have assured access to U.S.-flag commercial vessels at a minimal cost. Without this funding, our country would be faced with two undesirable options: (1) having to rely on foreign flag ships and mariners for supporting and advancing America's security interests overseas; or (2) requiring the Department of Defense to build, maintain and operate the requisite vessels itself. The first option would result in the outsourcing of American maritime jobs as we spend taxpayer dollars on foreign flag ships and crews, who may not share America's goals and interests. The second option would cost the government at least \$65 billion to replicate the capacity provided by MSP vessels and access to the "global intermodal system" that is made available to the Department of Defense by MSP participants.

We ask that you continue to support this highly efficient and low-cost public-private ... partnership by including \$186 million for the MSP in your Subcommittee's FY 2015 appropriations legislation. Thank you for your consideration of this request.

Sincerely,

John D. Rockefeller IV
United States Senator

Roger Wicker
United States Senator

Senator Rockefeller (D-West Virginia) is the Chairman of the Commerce, Science, and Transportation Committee and Senator Wicker (R-Mississippi) is the Ranking Member.

Welfare Notes March 2014

Dependent Coverage

Dependents must be added to your health plan enrollment within 30 days of acquiring the dependent by marriage, birth, or adoption. Dependents who are not added within 30 days of becoming dependents can only be added during the Plan's open enrollment period. An exception is made for dependents who lose their coverage through another plan such as a spouse losing coverage through their employer.

If you need help completing forms, please contact the SUP Welfare Plan office. Be sure to respond to mail, e-mail, or telephone inquiries from the SUP Welfare Plan office that are needed to complete enrollments.

Also check to make sure you have ID cards for your Plan coverage. Most medical plans have individual ID cards for all covered Members and dependents. Many of the dental plans issue only one ID card for the family, but do have all dependents listed in their records.

Reimbursement for Vision Care

The vision care benefit for active participants is allowed once in a two year period. The \$200.00 maximum includes the exam and glasses. The cost of tints is not included in the reimbursable amount. The vision benefit is for members only and does not include dependents. An itemized bill must be submitted to the Plan office within 90 days of the service. The bill must indicate the patient's name, date of service, and an itemization of the charges.

The vision care allowance for pensioners is included in the \$500.00 maximum of the Pensioners Annual Allowance for medical, dental, and vision co-payments. Glasses are an allowable expense once in a fiscal year.

Foreign Dental Services for Active Participants

Dental services for active participants performed in foreign countries are not covered by the SUP Welfare Plan. Your Dental plans cover limited emergency services out of area. Claims must be submitted to your Dental Plan for out of area emergency services.

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

SUP Welfare Plan 730 Harrison Street, #415, San Francisco, CA 94107

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

SIU-PD Pension 415-764-4987 SIU-PD

Supplemental Benefits 415-764-4991

Seafarers Medical Center 415-392-3611

ITF secures minimum wage increase for seafarers

The International Transport Federation (ITF) has announced that it has secured a minimum wage increase following discussions at the International Labor Organization (ILO) with the International Shipping Federation (ISF) last month.

The subcommittee on wages of seafarers of the joint maritime commission agreed to increase the ILO monthly minimum wage from \$585 to \$592, starting January 1, 2015. In addition, the minimum monthly wage will increase to \$614 at the beginning of 2016.

Henrik Berlau, National Secretary of Denmark's Fagligt Faelles Forbund and one of the ITF representatives in attendance, said that shipowners and the ILO had worked with the Unions to reach this decision. "We believe this demonstrates the social partners' commitment to the provision of the Maritime Labor Convention (MLC) on the minimum wage," Berlau said.

The MLC came into force in August of last year, after almost a decade of work by the ITF, shipping organizations, the ILO and governments around the world.

Membership and Ratings Committee

The Committee met on March 6, 2014, and found the following members eligible for advancement in seniority and rating stamps in the various departments:

Name and Membership Number	Seatime	Rating	Seniority
Forrest Jackson B19351	1 Year	A.B.	B
Mikaela Carnes B19352	1 Year	A.B.	B
Jeffrey Martinez B19353	1 Year	A.B.	B
Matthew Blom C-2428	30 Days	A.B.	C
Devionnee Griffin C-2429	30 Days	O.S.	C
Kalanivalu Loe C-2430	30 Days	A.B.	C
Rodencio Purganan C-2431	30 Days	O.S.	C
Robert Ferguson C-2432	30 Days	O.S.	C

Rating Stamps

Dustin Grobschmit #3037 Bosun

Membership and Ratings Committee's Report - M/S (Hermosillo-several) to concur in the Committee's report. Carried unanimously. Membership and Ratings Committee: Sam Scott #7515, Robert Reed #3203, and Phillip Coulter #19244.

Rolls-Royce testing drone technology for unmanned cargo vessels

In an age of aerial drones and driver-less cars, Rolls-Royce Holdings is designing unmanned cargo ships.

Rolls-Royce's Blue Ocean development team has set up a virtual-reality prototype at its office in Alesund, Norway, that simulates 360-degree views from a vessel's bridge. Eventually, the London-based manufacturer of engines and turbines says, captains on dry land will use similar control centers to command hundreds of crewless ships.

Drone ships would be safer, cheaper and less polluting for the \$375 billion shipping industry that carries 90% of world trade, Rolls-Royce says. They might be deployed in regions such as the Baltic Sea within a decade, while regulatory hurdles and industry and Union skepticism about cost and safety will slow global adoption, said Oskar Levander, the company's vice president of innovation in marine engineering and technology.

The European Union is funding a 3.5 million-euro (\$4.8 million) study called the Maritime Unmanned Navigation through Intelligence in Networks project. The researchers are preparing the prototype for simulated sea trials to assess the costs and benefits, which will finish next year, said Hans-Christoph Burmeister at the Fraunhofer Center for Maritime Logistics and Services CML in Hamburg. Even so, maritime companies, insurers, engineers, labor Unions and regulators doubt unmanned ships could be safe and cost-effective any time soon.

While the idea of automated ships was first considered decades ago, Rolls-Royce started developing designs last year. Descended from the luxury car brand now operated by Bayerische Motoren Werke AG (BMW), Rolls-Royce also makes plane engines and turbines. The company's schematics show vessels loaded with containers from front to back, without the bridge structure where the crew lives. By replacing the bridge — along with the other systems that support the crew, such as electricity, air conditioning, water and sewage — with more cargo, ships can cut costs and boost revenue, Levander said. The ships would be 5% lighter before loading cargo and would burn 12% to 15% less fuel, he said.

Crew costs of \$3,299 a day account for about 44% of total operating expenses for a large foreign-flag container ship, according to Moore Stephens LLP, an industry accountant and consultant. The potential savings don't justify the investments that would be needed to make unmanned ships safe, said Tor Svensen, chief executive officer of maritime for DNV GL, the largest company certifying vessels for safety standards. "I don't think personally that there's a huge cost-benefit in unmanned ships today, but technologically it's possible. My prediction is that it's not coming in the foreseeable future."

While each company can develop its own standards, the International Association of Classification Societies in London hasn't developed unified guidelines for unmanned ships, Secretary Derek Hodgson said. "Can you imagine what it would be like with an unmanned vessel with cargo on board trading on the open seas? You get in enough trouble with crew on board," Hodgson said. "There are an enormous number of hoops for it to go through before it even got onto the drawing board."

Unmanned ships are currently illegal under international conventions that set minimum crew requirements, said Simon Bennett, a spokesman for the London-based International Chamber of

Shipping, an industry association representing more than 80% of the global fleet. The organization isn't seriously considering the issue, he said.

The country where a ship is registered is responsible for regulating vessels within its own waters and for enforcing international rules, said Natasha Brown, a spokeswoman for the International Maritime Organization (IMO), the United Nations agency in London that has overseen global shipping for almost 70 years. The IMO hasn't received any proposals on unmanned, remote-controlled ships, she said in a Feb. 6 e-mail. IMO regulations apply to seagoing vessels trading internationally and exceeding 500 gross tons, except warships and fishing boats.

As long as drone ships don't comply with IMO rules, they would be considered unseaworthy and ineligible for insurance, according to Andrew Bardot, secretary and executive officer of the London-based International Group of P&I Clubs, whose 13 members cover 90% of the global fleet.

The International Transport Workers' Federation, the Union representing about 600,000 of the world's more than 1 million seafarers, is opposed. "It cannot and will never replace the eyes, ears and thought processes of professional seafarers," Dave Heindel, chairman of the ITF's Seafarers' Section in London, said. "The human element is one of the first lines of defense in the event of machinery failure and the kind of unexpected and sudden changes of conditions in which the world's seas specialize. The dangers posed to the environment by unmanned vessels are too easily imagined."

Levander of Rolls-Royce said the transition will happen gradually as computers increase their role in navigation and operations. Container ships and dry-bulk carriers will probably be the first to forgo crews, he said. Tankers hauling hazardous materials such as oil and liquefied natural gas will probably remain manned longer because of the perception that having people on board is safer, he said.

Crews will offer no safety advantage after ships evolve equipment for remote control, preventive maintenance and emergency back-ups, Levander said. Unmanned ships will need constant and comprehensive computer monitoring to anticipate failures in advance and "redundant" systems to kick in, similar to those on airplanes, he said.

The computers would also be constantly analyzing operations data to improve efficiency and save money, he said. Cameras and sensors can already detect obstacles in the water better than the human eye. "It's a given that the remote-controlled ship must be as safe as today," Levander said. "But we actually think it can be even much safer than today." Human error causes most maritime accidents, often relating to fatigue, according to Allianz Global Corporate & Specialty AG. Total losses are declining, with 106 in 2012, 24% below the 10-year average, according to the most recent data from the unit of the Munich-based insurer.

Currently the debate is more academic than operational, said Peter Sand, an analyst at the Bagsvaerd, Denmark-based Baltic and International Maritime Council, whose members control about 65% of the global fleet. None of them have raised the question of drone ships with the trade group, he said.

Levander is accustomed to chilly receptions. When he broached the subject at an industry conference in London last May, the audience audibly scoffed, and other speakers on Levander's panel dismissed the idea.

UAW appeals outside interference in Union representation election for Chattanooga Volkswagen workers

The United Auto Workers (UAW) filed an appeal ("objections") with the National Labor Relations Board (NLRB) on February 21, related to the interference by politicians and outside special interest groups in the Union representation election held last week at Volkswagen's Chattanooga plant.

A firestorm of interference from politicians and special interest groups threatening the economic future of the plant occurred just before and during three days of voting in an election supervised by the NLRB. Workers voted narrowly to reject representation, with a slim 44 vote swing. The objections detail a coordinated and widely publicized coercive campaign conducted by politicians and outside organizations to deprive Volkswagen workers of their federally protected right to join a Union.

The campaign included publicly-announced and widely disseminated threats by elected officials that state-financed incentives would be withheld if workers exercised their protected right to form a union.

It's essentially saying, "If you unionize, it's going to hurt your economy. Why? Because I'm going to make sure it does," said Volkswagen worker Lauren Feinauer. "I hope people see it for the underhanded threat that it is." The campaign also included threats by Senator Bob Corker (R-Tennessee) related to promises of a new product line awarded to the plant if workers voted against UAW representation.

The objections state, "Senator Corker's conduct was shameful and undertaken with utter disregard for the rights of the citizens of Tennessee and surrounding states that work at Volkswagen. ... The clear message of the campaign was that voting for the Union would result in stagnation for the Chattanooga plant, with no new product, no job security, and withholding of state support for its expansion."

"It's an outrage that politically motivated third parties threatened the economic future of this facility and the opportunity for workers to create a successful operating model that would grow jobs in Tennessee," said UAW President Bob King. "It is extraordinary interference in the private decision of workers to have a U.S. senator, a governor and leaders of the state legislature threaten the company with the denial of economic incentives and workers with a loss of product. We're committed to standing with the Volkswagen workers to ensure that their right to have a fair vote without coercion and interference is protected."

An affirmative vote for Union representation at the Volkswagen plant would have led to the establishment of a works council that would have been the first such model of labor-management relations in the United States.

The NLRB will investigate the election conduct and determine whether there are grounds to set aside the election results and hold a new election for Volkswagen workers.

Free NOAA PDF nautical charts now permanent

After a three-month trial period, PDF versions of National Oceanic and Atmospheric Administration (NOAA) nautical charts will become a permanent product, free to the public. The free PDFs, which are digital images of traditional nautical charts, are especially valued by recreational boaters who use them to plan sailing routes and fishing trips. The free PDF charts are part of a suite of new and enhanced navigational products designed to make NOAA's data more accessible to the general public.

"Up to date charts help boaters avoid groundings and other dangers to navigation, so our aim is to get charts into the hands of as many boaters as we can," said Rear Admiral Gerd Giang, director of NOAA's Office of Coast Survey. "Within about 90 days of the product's beta release, nearly 2.3 million charts were downloaded. To us, that represents more than two million opportunities to avoid an accident at sea."

To help boaters who aren't sure which chart they need, NOAA has launched a new interactive chart locator that allows people to select a chart from a map of the U.S. and choose their format. Whether downloading one of the new PDF nautical charts, selecting a chart to order from a "print-on-demand" vendor, or finding an electronic chart, the interactive catalog presents a highly integrated suite of navigation products.

NOAA is also making available for free the NOAA ENC Online, a new web map viewing application that shows chart data previously only available to users who purchased specialized viewing systems.

Also the digital charts' image resolution will increase, from 254 dots per inch (DPI) to 400 DPI. This will improve image quality and legibility of the raster navigational charts (NOAA RNC®) that are used in chart display systems. Coast Survey asked users how the changes affected chart appearances on mobile apps. Initial compatibility issues and discrepancies that were identified have been resolved. The suite of RNCs will be upgraded starting April 3.

Printing PDFs may alter the chart scale, color, or legibility that may impact suitability for navigation. Printed charts provided by NOAA-certified Print-on-Demand (POD) providers fulfill a vessel's requirement to carry a navigational chart "published by the National Ocean Service" in accordance with federal regulations.

The changes are part of a systematic reconstruction of NOAA's nautical products, anticipating mariner needs as navigation transitions to a new digital age. Last year, NOAA announced the privatization of chart printing and distribution, with NOAA-certified vendors providing improved paper "print-on-demand" charts that fulfill a vessel's requirement to carry a navigational chart published by the National Ocean Service in accordance with federal regulation.

NOAA's Office of Coast Survey is the nation's nautical chartmaker. Originally formed by President Thomas Jefferson in 1807, Coast Survey updates charts, surveys the coastal seafloor, responds to maritime emergencies, and searches for underwater obstructions that pose a danger to navigation. Follow Coast Survey on Twitter @NOAAcharts, and check out the NOAA Coast Survey blog at noaacostsurvey.wordpress.com for more in depth coverage of surveying and charting.



SUP President's Report

March 10, 2014

PATRIOT CONTRACT SERVICES

As reported since September, Patriot was awarded a five-year contract with options to operate and maintain eight Watson-Class Large, Medium-Speed Roll-On/Roll-Off (LMSR) vessels: *USNS Charlton*, *USNS Dahl*, *USNS Pomeroy*, *USNS Red Cloud*, *USNS Sisler*, *USNS Soderman*, *USNS Watkins* and *USNS Watson*.

The award has been delayed by Ocean Ships, Inc., the incumbent operator, filing protests with various agencies of the federal government. As reported in January, the protest is now before the Court of Federal Claims which is scheduled to hold a hearing of the matter on March 11. Patriot expects a favorable decision to be made by mid-month.

In preparation for the turnover of the ships, the SUP and MFOW met with representatives of Patriot at SUP Headquarters on February 20, to discuss transition, vetting and dispatch procedures. Although the commencement date is still unknown –mid-April is the expectation– and the turnover order of specific ships is also unknown, the preparation of paperwork that will eventually be associated with dispatching sailors will begin today.

Members who have taken the required training are requested to contact their Union Agent to begin filling out the necessary forms, copying or scanning the required documents and requesting the training certificates from Berit Eriksson of the Andrew Furuseth School of Seamanship.

The training required to work in the Watson-Class LMSRs are Basic Damage Control; Chemical, Biological Radiological Defense; MSC Environmental Programs; Small Arms; Anti-Terrorism Force Protection; Helicopter Firefighting; Helicopter Landing Signaling (for the Dahl and Sisler only).

The necessary forms are Patriot's HR-145, Military Sealift Command (MSC) Medical Request, SF-85 Security Clearance application, also known as CAC (Common Access Card) and fingerprint card.

The necessary documents are a member's U.S. Passport, Merchant Mariner Credential, TWIC, Department of Transportation Drug and Alcohol Self-Certification form and a valid Drug Free certificate.

The completed forms and documents will be sent to Patriot for review. Then an MSC physical and screening for tuberculosis will be ordered. Dispatch will begin in accordance with SUP Shipping Rules once all protests are dismissed and MSC completes the award to Patriot.

CHEVRON SHIPPING COMPANY

On February 14, Chevron informed the SUP that as a result of its profits in 2013, and other criteria, all full-time Chevron unlicensed marine employees will receive a 6.35% bonus based on 2012 straight-time earnings, payable this month.

The bonus program, known as the Chevron Incentive Plan, was proposed by the company and agreed to by the Union during collective bargaining in 1995.

It should be noted that the bonus is in addition to the 2.5% increase in wages and wage-related items (overtime, vacation pay) that became effective on February 1, in accordance with the 2012-2017 agreement between the SUP and Chevron.

In addition, this year's wage increase and the bonus on last year's gross earnings does not include the company's yearly matching contribution to a participating member's Chevron 401(k) Plan. A member participates in this profit-sharing program by contributing 2% of his/her monthly base wage to the Plan. That contribution is then matched by an 8% company contribution.

MARITIME TRADES DEPARTMENT

Along with MFOW President Anthony Poplawski, attended the annual Executive Board meeting of the Mar-

itime Trades Department, AFL-CIO, on February 13, and 14, in Houston, Texas.

Resolutions of direct importance to the membership included those regarding support for the Maritime Security Program (MSP), the Jones Act, cargo preference and Food For Peace.

Speakers included Congressman Michael Grimm (R-New York), Congressman Gene Green (D-Texas), Vice Admiral William Brown, Deputy Commander of the U.S. Transportation Command (TRANSCOM), James Offcut, President of the Navy League of the United States, and John Thackrah, Executive Director of the Military Sealift Command (MSC). All emphasized the importance of the U.S. Merchant Marine to the nation's national and economic security.

HOLIDAYS

"Teddy" Gleason's Birthday

March 17 is a recognized holiday under the International Longshoremen's Association (ILA) agreement honoring former ILA President Thomas "Teddy" Gleason. Therefore, in accordance with the SUP/APL Agreement, it is a holiday for APL vessels in East Coast ports on that day.

Harry Bridges Memorial Day

The Honolulu Branch will be closed on Monday, March 31, in observance of an ILWU Local 142 holiday. Under the SUP agreement with Matson, this is a holiday for company vessels in Hawai'i ports on that day, the

Paint & Rigging Gang and those employed under the Extra Maintenance Agreement.

This is not a holiday in West Coast ports. Harry Bridges Birthday is a holiday in West Coast ports on July 28.

Cesar Chavez Birthday

All SUP halls on the West Coast will be closed on Monday, March 31, in observance of Cesar Chavez' Birthday. As an ILWU holiday, it is therefore, a recognized holiday for SUP members working under the APL and Matson Maintenance Agreements and for those in APL and Matson vessels in West Coast ports on that day. The holiday is also applicable to members employed by the San Francisco Bar Pilots.

ACTION TAKEN

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

Gunnar Lundeberg

ATTEND YOUR UNION MEETINGS



Board of Directors March 17, 2014

<p>James L. Henry, Chair Transportation Institute</p> <p>James Caponiti American Maritime Congress</p> <p>Paul Doell American Maritime Officers</p> <p>Brenda Otterson American Maritime Officers Service</p> <p>Timothy Perry APL Ltd.</p> <p>John Tirpak Foss International, Inc.</p> <p>Jared T. Henry Hapag-Lloyd USA, LLC</p> <p>William K. Terrill Intermarine LLC</p> <p>Philip J. Shapiro Liberty Maritime Corporation</p> <p>Clint Eisenhauer Maersk Line Limited</p> <p>Matthew Dwyer Marine Engineers' Beneficial Association</p> <p>C. James Patti Maritime Institute for Research and Industrial Development</p> <p>Klaus Luhta International Organization of Masters, Mates & Pilots</p> <p>Augustin Tellez Seafarers International Union</p> <p>Gunnar Lundeberg Sailors' Union of the Pacific</p> <p>R. Christian Johnsen Waterman Steamship Corporation</p>	<p>The Honorable Robert Aderholt Chairman, Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Committee on Appropriations United States House of Representatives 2362-A Rayburn House Office Building Washington, DC 20515-6016</p> <p>Re: FY15 PL480 Food for Peace Budget Request</p> <p>Dear Mr. Chairman:</p> <p>USA Maritime is deeply disappointed that the Obama Administration's budget proposes to overturn the bipartisan, bicameral compromise struck in the Farm Bill regarding the PL 480 Food for Peace Program. Under the Administration's proposal, (a) USAID would be permitted to divert another 25% (\$350 million) of the remaining PL 480 food aid budget for cash export programs, and (b) USAID would be permitted to divert an additional \$35 million from food purchases to "§ 202(e)" cash administrative uses – similar proposals were rejected by Congress last year in the budget process and this year in the Farm Bill. In addition, the Administration's proposal would callously cut an additional \$66 million from the program budget. There is no authority for these proposals to convert food purchases to cash exports, and they needlessly reopen contentious issues which have been laid to rest by Congress.</p> <p>PL 480 is unique because of its simplicity: It sends wholesome American-grown crops overseas to the most vulnerable people who lack access to food, unlike other programs which just export our tax dollars without demonstrable results. Because Food for Peace's reliable, transparent formula requires the export of crops grown by Americans on ships crewed by Americans, it has wide support among stakeholders here at home. PL 480 supports 33,000 jobs in the transportation sector alone and, according to the US Transportation Command, PL 480 cargoes are essential to maintaining the US-flag commercial fleet that our country needs in time of war and national emergency, saving DoD billions of dollars in sealift costs.</p> <p>The Budget proposal's reiteration of last year's one-time \$25 million severance payment for the Merchant Marine is unavailing. The proposal evinces a lack of understanding regarding the long-term investments in mariners, ships, and infrastructure required of the American Merchant Marine. What the industry needs to keep working and to remain available for our military is a reliable pipeline of cargo at fair and reasonable rates, not worker retraining programs and short-term band aids.</p> <p>Respectfully submitted,</p> <p>James L. Henry Chairman USA Maritime</p>
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www.usamaritime.org

Legislation introduced to replace Harbor Maintenance Tax

Congressman Jim McDermott (D-Washington) has introduced The Maritime Goods Movement Act for the 21st Century (H.R. 4105). The bill aims to replace the Harbor Maintenance Tax (HMT) with a Maritime Goods Movement User Fee to discourage shippers from bringing in their goods through Canada or Mexico and then transporting goods via rail into the United States.

“The global competitiveness of our ports is on the line. We must reform the way we fund the operation and maintenance of ports in Washington State and across the nation,” said McDermott. “This legislation nearly doubles the amount of funding for our ports each year. \$1.6 billion in increased funding will keep American ports competitive in global shipping, create new American jobs and energize a key sector of the American economy.”

McDermott said that approximately \$30 million is lost to maritime infrastructure per year due to shipper bypassing U.S. ports, and those losses are expected to increase if current trends continue.

The Maritime Goods Movement Act for the 21st Century also significantly improves funding for infrastructure investments at American ports by guaranteeing that every dollar of User Fee revenue is spent on port operation and maintenance, according to McDermott. Currently, less than half of the HMT revenue collected is spent on port upkeep. As a result, American ports are struggling to make the infrastructure investments they need to support American businesses.

“Passage of this important legislation would increase the competitiveness of Washington’s ports by directing more federal investments into the Pacific Northwest’s maritime infrastructure. In introducing the bill, the state’s Congressional delegation is demonstrating a commitment to jobs both in Washington State as well as throughout the U.S.,” said Clare Petrich, President, Port of Tacoma Commission.

“These reforms will save thousands of Puget Sound jobs at risk as more cargo is diverted to ports outside our region,” said Tay Yoshitani, CEO of the Port of Seattle. “We greatly appreciate the leadership of Congressman McDermott and his colleagues who are tackling one of the most important and challenging federal policy issues facing ports today.”

Reduced electrical rates for Port of Long Beach

The California Public Utilities Commission (CPUC) this month approved reduced electric rates at the Port of Long Beach for the next 24 years and a program for Southern California Edison to install major electric infrastructure at no cost to the Port or its tenants, so that the Port and its tenants can proceed with critical electrification and environmental improvement projects.

The new rates and electric infrastructure were the result of efforts by the Long Beach Board of Harbor Commissioners and its Harbor Department staff and City Attorney Charles Parkin, in coordination with Mayor Bob Foster, to win support for electrifying more Port operations to improve air quality and increase productivity.

The Port of Long Beach, the sec-

ond-busiest in the United States, is facing stiff competition for its business and jobs from other U.S. ports and ports in Canada and Mexico. The new rates are projected to save maritime operators at the Port of Long Beach an estimated 15 percent each year on their electric bills over the 24-year term of the CPUC-approved reduction or approximately \$350 million as compared with the current rates.

Southern California Edison will also be installing millions of dollars of new electric lines with voltage increased to 66 kilovolts and new substations as needed to serve the growing load at no cost to the Port and its tenants. In addition, Port tenants served at 66 kilovolts qualify for lower Southern California Edison rates, rather than higher rates at the existing 12 kilovolts.

Deal signed to complete project to widen the Panama Canal

A construction industry consortium led by Spain’s Sacyr announced on March 14, that it had signed a deal to complete work on the multi-billion dollar project to widen the Panama Canal, settling a long-running dispute over cost overruns.

Hold-ups on the massive engineering project, which involves the construction of a third set of locks, has left shippers worldwide questioning when they could begin to move larger ships through the waterway that links the United States East and Gulf Coast to Asian markets.

“The consortium ... signed an agreement with the Panama Canal Authority (PCA) which will enable the continuation and completion of the work,” the statement said, adding the accord established the deadline for completion as December 2015, six months later than estimates given earlier this year. The Grupo Unido por el Canal (GUPC) consortium, which also includes the Italian company Salimi Impregilo, the Belgian firm Jan de Nul Group and Panama’s Constructora Urbana S.A.

An official close to the negotiations in Panama said the Panama Canal Authority (PCA) had signed a deal to end the dispute. The PCA and the consortium will each contribute \$100 million to get the work back on track while the PCA will extend a moratorium on the refund of advance payments until 2018, freeing up funds to complete the work, the consortium said. Under the terms of the agreement, a \$400 million surety bond from Zurich, the project insurer, will be used as backing to obtain additional funding, according to the consortium, which took out the bond as a required insurance policy in case it did not finish the project.

Twelve lock gates, which are currently under construction in Italy, are scheduled to be delivered to Panama by the end of the year. Meanwhile, claims relating to unexpected costs will be resolved in international arbitration courts, the consortium said.

Vice President’s Report

March 2014

USNS Watson: Patriot expects a favorable ruling on the award protest within days and turnover to commence shortly thereafter. All trained sailors are to begin paperwork including physicals in advance of dispatch.

APL Korea: Jennifer Corner, delegate. Delegate handled a sensitive investigation of an inappropriate video found on ship’s server. No disputed time.

APL Belgium: Jeffrey Titco, delegate. Clarifications on danger pay in high-risk waters (none) and pirate watch call-outs: any work in excess of eight hours is payable at the overtime rate. Support in Section 8 of the SUP Work Rules.

APL China: Teo Rojas, delegate. Clarifications on call-outs, bridge sanitary, security watches.

APL Agate: Mike Henderson relieved Les Jeziorski as delegate. Delegate reports things running smooth. Bosun Kim Hoogendam has things under control.

APL Coral: John McNeill relieved by Aaron Weibe as delegate. Hazmat incident in Halifax delayed arrival in New Jersey. Sailor had to get off prematurely due to disqualified entry status in Canada. New delegate reports things in good shape on departure from Port Elizabeth.

Mokihana: Emo Aulelaua, delegate. In at Oakland with clarification on rigging safety nets for stocktenders: payable at the low cargo rate on straight time and high cargo on overtime hours.

Mahimahi: Ricky Pangan, delegate. In good shape in Oakland with Billy Sullivan as serang.

Manoa: Duke Maringer, delegate. Running smooth with Brendan Bohannon calling the shots.

Manukai: Milton Caballero, delegate. Clarification on carpenter’s work.

Matsonia: Company plans a callback for one trip relief China run sailing last week of March.

Moku Pahu: In layup status boarded in Oakland at Howard’s Terminal to investigate reports of jurisdictional breach of vendors doing sailors work (crane operation). Gunnar Lundberg demanded and subsequently dispatched a standby crane operator plus back pay for previous work done by vendors. Rumors of a sugar run around April 1.

SNLC Pax: Rebecca Fisk, delegate. Island hopping in the western Pacific. Clarification of Supplemental Benefits and the application of the SUP Shipping Rules in our military contracts.

California Voyager: Bill Fisher, delegate. Departed Cape Canaveral for the West Coast amid rumors of setting a one-man watch in violation of our Agreement. Intent to grieve communicated to management. Will investigate and pursue on arrival in Richmond.

Florida Voyager: Jonah Cross, delegate. Delegate reported continued problems on call outs.

Foss Maritime Company: Tom Tynan, Ed Chilbert, Tom Faraola, J.D. Rymel, delegates. Investigation of inter-union division of work and casual call out procedure underway.

Dave Connolly



AB Dick Stinson on the main ship passageway of the Mahimahi in Oakland on March 6, 129 years after the founding of the SUP on the San Francisco waterfront. Photo: Dave Connolly.

SUP Branch Reports

Seattle

February 18, 2014

Shipping for the period: 2 Boatswains jobs shipped and filled: 1 A member to a commercial bottom and 1 B member to a Navy vessel; 8 Able Seaman jobs shipped: 5 A cards returning from trips off; and 1 B card and 2 C cards to Navy ships; 3 Ordinary Seaman filled by C cards; and 6 standbys to 1 A card and 5 B cards.

Registration for the period: 4 A cards for a total of 14; 14 B cards for a total of 28; 2 C cards for a total of 12.

Ships Checked

Matson vessels *MV Manoa* and *SS Maui* called twice in Seattle with little or no problems. The American President Lines vessels *APL Cyprine* and *APL Pearl* called in New Jersey and called for SUP/MFU crew replacements. The Patriot vessels *USNS Gordon*, *USNS Gilliland*, *USNS Shughart* and the tanker *Pax* called Seattle for SUP/MFU crew members.

I represented the SUP/MFU at the following meetings: The King County Labor Council Executive Board meeting; a Washington State Metal Trades and Maritime Trades meeting. And a Labor meeting with Congressman Jim McDermott. Congressman McDermott sailed as a U.S. Merchant Mariner as a teenager on the Great Lakes before joining the United States Navy during the Vietnam War. Congressman McDermott has steadfastly supported the Jones Act and the Maritime Security Program.

Vince O'Halloran
Branch Agent

Wilmington

February 18, 2014

Shipping for the period: Bosun: 3, AB: 9, AB Maint: 2, and standby: 40. Total jobs shipped: 54.

Registration: A: 36, B: 23, C: 13, and D: 19.

Ships Checked

Maunawili, *Maunalei*, *APL Korea*, *Mokihana*, *R.J. Pfeiffer*, *APL Thailand*, *Mahimahi*, *Manukai*, *APL China*, *Manulani*.

I represented the SUP in the following meetings: American Merchant Marine Veteran Memorial Committee, Maritime Day is only a couple of months away. Maritime Trades Department meeting.

Glad to report no beefs on any of the West Coast ships. Everything is OK on the *APL Pearl* with the exception of the potable water. After 18 months, it is still an undrinkable color. Our Presidents – Gunnar and Tony of MFOW – have asked the company when this will be fixed.

Mark Hurley
Branch Agent

Honolulu

February 18, 2014

Shipped the following jobs in the month of February: 1 Bosun steady, 1 AB Day steady, 2 AB Day reliefs, 1 AB Watch steady, 1 OS Watch steady, and 1 AB Maint steady. The shipping jobs were filled by 2 A cards, 4 B cards, and 1 C-card. Shipped 23 standby jobs. The standby jobs were filled by 4 A card, 3 B cards, 13 C cards, and 3 D cards.

Registered in February: 7 A cards, 3 B cards, 3 C cards, 2 D cards. To date total registered: 11 A cards, 13 B cards, 12 C cards and 3 D cards.

Ships checked

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

I represented the SUP at the Hawai'i Ports Maritime Council meeting and a meet-and-greet with Senator Mazie Hirono. Senator Hirono is not up for re-election this year; she just wanted to inform us (AFL-CIO members) what is going on in the United States Senate, or not going on, depending upon how you look at it. Mahalo,

Michael Dirksen
Branch Agent

SUP members join pension ranks

The following SUP members joined the rank of pensioner, bringing the total number of SUP members to 377:

- Gene Campedel**, 65, Book No. 18067, joined SUP in 1991, 18 years seetime.
- Marvin Glasgow**, 75, Book No. 2990, joined SUP in 1966, 34 years seetime.
- Harry Naeole**, 81, Book No. 2461, joined SUP in 1959, 26 years seetime.
- Rene Valles**, 66, Book No. 18963, joined SUP in 2001, 7 years seetime.

Shippers fined \$476,750 for violating California's bunker fuel regulation

The California Air Resources Board (ARB) has fined 12 shipping companies a combined \$476,750 for failure to switch from dirty diesel "bunker" fuel to cleaner, low-sulfur marine distillate fuel upon entering Regulated California Waters, as required by state law.

"Our regulations mandating use of cleaner fuel by ocean-going vessels have greatly helped to improve air quality not only in coastal communities, but also in inland areas," said ARB Enforcement Chief Jim Ryden. "Studies have shown that coastal air pollution travels far inland, so when ships off our shores follow the rules, millions of people benefit."

The California ARB said that all of the companies fined took prompt action after being notified of the violations and, under ARB's supervision, began complying with state law. All were fined for either failing to switch to cleaner fuel within 24 nautical miles of the California coast, or for switching fuels in an untimely manner:

- The list of fined companies, along with their fines, include: -Univan Maritime Ltd. (Hong Kong) - \$78,250; Firon Shipping Inc. (Cyprus) c/o XT Shipping Group - \$68,000; W. Bockstiegel GmbH & Co. Reederei KG (Germany) - \$55,500; MK Shipmanagement Co., LTD. (Tokyo) - \$53,000; Cosco Maritime LTD. (UK) - \$34,500; Triton Schiffahrts GmbH - \$30,250; Dumun Marine S.A. (Panama) - \$30,250; Peter Doehle Schiffahrts (Germany) - \$27,750; Byzantine Maritime Corporation (Greece) - \$27,750; Crowley Technical Management, Inc. (Florida, USA) - \$27,750; BigLift Shipping B.V. (Netherlands) - \$23,750; YA-SA Tanker and Transportation (Turkey) - \$20,000.

Dispatcher's Report

Headquarters—Feb. 2014

Deck	
Bosun.....	1
Carpenter.....	0
MM.....	1
AB.....	4
OS.....	1
Standby, S.F.....	11
Standby, N.Y.....	7
Total Deck Jobs Shipped.....	25
Total Deck B, C, D Shipped.....	11
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.....	25
Total B, C, D Shipped-All Depts.....	11
Total Registered "A".....	10
Total Registered "B".....	16
Total Registered "C".....	16

A look astern... 100 years ago

"The Seattle Branch joins in extending congratulations on this our twenty-eighth birthday. Let all members remember that united we stand, divided we fall. Let us all get into the band wagon of the Sailors' Union, and work for the progress of our craft, and pay less attention to those that are always promising us Heaven on earth, but fail to deliver the goods."

Peter B. Gill
Branch Agent
March 6, 1914

A Sailor's Cry

I'm busted, I'm broke flat, you know
I've got to do something
to make some dough.
There is only one thing that I know,
so down to the hall I must go.
I see faces I rarely see;
they're down at the hall
just like me.

All my papers are in order
and all up to date
Now to get a job, it seems like fate.
A ship comes in, someone rarely quits
maybe a relief if someone splits.
One trip is fine, I'll make some dough
But the ship's on a budget
wouldn't you know.

So I'm not quite broke, but far from rich
Just let me off this rusty so and so
And all too soon you'll hear me cry
I'm busted, broke flat again,
What's the name of the next tub
that's due to come in.

Tom Larkin #4065



SUP Headquarters in 1911 at 44-46 East Street (now the Embarcadero).