



West Coast Sailors

Official Organ of the Sailors' Union of the Pacific

Volume LXXVI No. 2

SAN FRANCISCO, CALIFORNIA

Friday, February 22, 2013

Foreign-flag cruiseship towed back to port after engine room fire knocks out all systems

The *Carnival Triumph* was towed into Mobile, Alabama on February 14, after being disabled by an engine room fire on February 10, in the Gulf of Mexico.

In all, the operation required five tugs, while the U.S. Coast Guard deployed five vessels in support. The Coast Guard also deployed a helicopter to airlift a generator and electrical cables from the offshore vessel *Lana Rosa* to the *Triumph*.

The fire knocked out the vessel's propulsion system, leaving it unable to sail and without power, sewage, heating or air-conditioning systems. The 101,509 gross ton ship was carrying 3,143 passengers and 1,086 crew members.

"It was just squalor and disgusting," said Steven Peery of Sacramento, whose wife, Cindel Pena was on the ship.

Ms. Pena, in conversations with both her husband and her mother, Serena Pena of Woodland, California, described a vacation turned nightmare. The lines for meals lasted more than an hour, she said, and the hallways and cabins were so hot and foul that people had taken to sleeping in whatever outdoor space they could find.

Also, with many of the toilets not functioning, the crew was forced to distribute plastic bags for people to use instead.

"The first time I talked to her," Serena Pena said, "she asked if I had seen reports on the news and if those reports described the raw sewage on the floors, because they should."

The sewage also seemed to be seeping through the walls, the daughter said.

One passenger told the *New York Times* that the experience was "like being locked in a Porta Potty for days."

Senator Jay Rockefeller (D-West Virginia) told the press that the

continued on page 9

International Longshoremen's Assn. and East and Gulf Coast employers reach tentative six-year agreement

United States Federal Mediation and Conciliation Service (FMCS) Director George Cohen issued a statement on February 1, announcing that the International Longshoremen's Association (ILA) and the employer group, the United States Maritime Alliance (USMX) have reached a tentative agreement on a new, six year labor agreement.

"I am extremely pleased to announce that the parties have reached a tentative agreement for a comprehensive successor Master Agreement," Cohen said in his statement. "The tentative agreement is subject to the ratification procedures of both parties and, as well, to agreements being achieved in a number of local Union negotiations."

While details of the agreement were not made available to the public per FMCS policy, Cohen said that the tentative agreement, "... reflects the culmination of good faith negotiations in which

the parties successfully accommodated strongly held competing positions because of their commitment to problem solving."

The announcement of a tentative agreement ends several months of negotiations between the ILA and the USMX. The previous contract expired at the end of September of last year and the ILA had threatened to walk off the job at ports along the East and Gulf Coasts of the U.S. if a new deal was not reached. The ILA had agreed to extend their strike deadline twice, by 90 days in September and then again by five weeks last December. The latest ILA strike deadline was on February 6.

"I know ILA members will be satisfied with the results of our negotiating efforts thus far," said ILA President Harold J. Daggett. "Although the two sides cannot release complete details of this still unfinished contract, I can assure my membership that the protections for our jurisdic-

tion and increased benefits and wages were achieved. We have come away from these Master Contract negotiations with landmark agreements on automation, protection of chassis work and powerful jurisdiction language."

The ILA announced on February 11, its Wage Scale Committee, a group of about 200 Union delegates, will meet in Tampa, Florida, on March 12-14. The committee is a group that decides whether or not to recommend to Union members to approve the Union's master contract with employers. The deal is subject to both ratification and agreements being reached in a number of local Union negotiations. The New York Shipping Association said its goal was to complete local negotiations by March 1.

On February 13, the ILA released a summary of the collective bargaining agreement which subject to the drafting of final contract language and

continued on page 3

California Unemployment Insurance: underfunded and undervalued

by the California Labor Federation, AFL-CIO, Legislative Office

Involuntary unemployment, whether expected or sudden, is often a financially

and emotionally devastating experience. To help workers and their families face the economic challenges following job loss, the unemployment insurance (UI) system provides partial wage replacement for workers unemployed through no fault of their own.

The UI system proved especially critical during the recent recession, as countless jobs vanished from every industry across the state and unemployment rates skyrocketed. Hundreds of thousands of working families survived on little other than UI benefits, and as the economy recovers, many more will continue to rely on this critical lifeline.

The recession dealt a heavy blow to the overall health of our unemployment insurance program, but even more concerning are structural deficiencies endemic to the California

system. Chronic underfunding guarantees ongoing solvency risks as well as sudden taxes on employers during tough economic times. Only drastic measures, like raiding the worker-funded Disability Insurance program, have kept the system afloat. As a result of this highly irresponsible and shortsighted funding structure, our UI trust fund currently owes \$9.7 billion to the federal government.

BACKGROUND

Unemployment insurance is a social insurance program designed to help workers meet their core financial obligations after losing a job. The federal government sets basic rules to administer the program, and each state determines its own eligibility rules, benefits and tax levels.

The state UI system is funded by employer contributions. Premiums are experience rated, meaning that employers who lay-

off more workers are supposed to pay higher rates, but premiums are paid on a small percentage of overall wages—the "taxable wage base." In California, the taxable wage base is \$7,000, so employers only owe premiums on the initial \$7,000 of wages. Other states maintain taxable wage bases of \$20,000-\$30,000, or more. This means that employers in these states face UI tax bills several times larger than those paid by California employers.

Workers qualify for unemployment benefits only if they are unemployed through no fault of their own, meet certain earnings standards, and are actively seeking new employment. Workers are generally eligible for up to 26 weeks of state benefits per claim, depending on their prior earnings. In times of particularly high unemployment, the federal government has typically enacted an extension of unem-

ployment benefits that varies depending on the unemployment rate in the state.

The current federal program is called Emergency Unemployment Compensation (EUC) and took effect in July 2008. EUC now provides California and other high unemployment states with an additional 47 weeks of federally-funded benefits. Until January 1, 2014, California's unemployed will qualify for up to 73 weeks of federal benefits—26 state-funded and 47 federally-funded.

California's current benefits range from \$40-\$450 a week, with each worker's benefit amount based on his or her prior earnings. Weekly benefits currently average \$297, and the same weekly benefit amount is paid regardless of whether a claimant is receiving state or federal benefits. A common metric

continued on page 6

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SUP Quarterly Finance Committee Report

SUP QUARTERLY FINANCE COMMITTEE REPORT FOR THE QUARTER ENDED DECEMBER 31, 2012

The Quarterly Finance Committee, duly authorized to act by the regular meeting at Headquarters on January 14, 2013, hereby submits the following report:

SUMMARY OF CASH AND INVESTMENTS

General Fund.....	\$992,067.84
Political Fund	\$14,842.78
Strike Fund	\$1,293,730.99
Total Cash and Investments 4th Qtr. 2012	\$2,300,641.61

GENERAL FUND

Income:	
Dues, Initiation, Assessments	\$104,704.50
Interest	12,655.30
Donations - <i>West Coast Sailors</i>	1,825.00
Tanker & Joint Committee, Hiring Hall.....	134,242.43
Advertising & Promotion.....	530.00
Miscellaneous Income, Reimbursements, Fines.....	625.00
Reimbursed Administrative Expenses.....	11,090.01
Contributions - General Fund	2,710.00
Total Income:.....	\$268,382.24

Expense:	
Auto & Travel.....	\$593.47
Rent.....	32,010.57
Postage, Printing & Office	6,115.45
Equipment Purchase	3,846.26
Telephone & Telegraph.....	4,617.84
<i>West Coast Sailors</i> Publishing Expense	12,512.76
Accounting	2,000.00
Per Capita	12,495.00
Salaries & Payroll Taxes.....	186,526.35
Office Workers Pension.....	8,996.10
Insurance.....	39,101.90
Field Expense.....	4,395.41
Committee & Neg., Conference & Conv.....	8,603.63
Investment Expense.....	1,224.58
Advertising & Promotion.....	360.00
Officials Pension.....	441.00
Miscellaneous.....	(0.41)

Contributions	2,500.00
Subscriptions.....	2,339.45
Legal.....	3,150.00
Total Expense:.....	\$331,829.36

BUILDING CORPORATION

Income:	
Rents	\$159,622.92
Bldg. Util. & Service Reim.	1,614.65
Total Income:	\$161,237.57

Expense:	
Building Services & Utilities.....	\$27,918.40
Repairs & Maintenance	1,132.84
General Tax	13,589.76
Insurance.....	16,770.65
Salaries & Payroll Taxes.....	18,494.97
Officials Pension.....	198.00
Auto	182.15
Office	488.14
Accounting.....	2,000.00
Total Expense:	\$80,774.91

POLITICAL FUND

Income:	
Contributions	\$4,480.00
Total Income	\$4,480.00

Expense:	
Contributions	\$0.00
Total Expense:.....	\$0.00

Net Income 4th Qtr.	\$21,495.45
Net Income YTD:.....	\$298,024.35

/s/ Robert Copeland /s/ Kaj Kristensen
/s/ David Larsen /s/ John Perez
/s/ Arthur Thanash

ACTION BY THE MEMBERSHIP February 11, 2012. M/S/C—That we concur in the report of the SUP Quarterly Finance Committee and, as per past practice, publish in the West Coast Sailors. Carried unanimously.

New San Francisco TWIC Enrollment Center

Effective February 19, the TWIC Enrollment Center in San Francisco was relocated to:

**703 Market Street, Suite 808
San Francisco, CA 94103**

Hours of operation are: Tuesday: 9:00 A.M. - 1:00 P.M.
Thursday: 1:00 P.M. - 5:00 P.M.

Final Departures

Jack Oakes, Book No. 2365. Born in Arkansas in 1927. Joined SUP in 1945. Died in Bentonville, Arkansas, December 28, 2012. (Pensioner)

Ted Ochoa, Book No. 2454. Born in Texas in 1939. Joined SUP in 1964. Died January 11, 2013. (Pensioner)

Vincent Melito, Book No. 6430. Born in New York in 1927. Joined SUP in 1956. Died in Parrish, Florida, February 5, 2013. (Pensioner)

Louis Filipovich, Book No. 2030. Born in California in 1922. Joined SUP in 1947. Died in Castro Valley, California, January 21, 2013.

SUP Meetings

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

	Hdqs.	Branch
March	11	18
April	8	15
May	13	20
June	10	17
July	8	15
August	12	19
September	9	16
October	Tues. 15	21
November	Tues. 12	18
December	9	16

SUPPORT THE SUP POLITICAL FUND

Five mariners killed in lifeboat fall

Five crew members have been killed in a cruiseship lifeboat disaster in Spain's Canary Islands, Thomson Cruises announced on February 11.

Three Indonesians, one Filipino and one Ghanaian plunged over 60 feet into the sea after a winch cable apparently broke during a routine drill on the British-operated cruiseship *Thomson Majesty*. Three others were also injured, added Thomson, which said the ship was docked in Santa Cruz on the island of La Palma at the time with 1,498 passengers aboard.

The 20-year-old vessel is leased by Thomson Cruises from Cyprus-based Louis Cruises. It is registered under the Maltese flag. *Thomson Majesty* operates between Spain's Canary Islands and the Portuguese island of Madeira.

In September 2012 the world's largest cruise industry bodies—Cruise Lines International Association and the European Cruise Council—introduced guidance requiring lifeboats to be launched with a full complement of crew at least once every six months.

The International Maritime Organization (IMO) has also brought in new regulations to ensure that all lifeboat hooks meet a minimum standard of safety by 2019. Under Safety of Life at Sea (SOLAS) cables must be inspected once a week and turned end-to-end at least every 30 months. They must be replaced every five years.

A 29-year-old Indonesian crew member was killed in similar circumstances aboard Holland America cruiseship *Volendam* in January 2011. He and a shipmate were carrying out routine maintenance when a winch cable broke, sending both into the sea at Lyttelton, New Zealand.

West Coast Sailors

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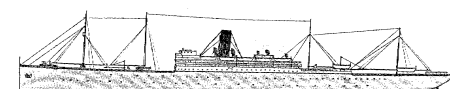
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PENSION PLAN OFFICE
(415) 764-4987



Congressional Maritime Caucus established

Congressmen Cedric Richmond (D-Louisiana) and Michael Grimm (R-New York) on February 7, announced the establishment of the Congressional Maritime Caucus. The Caucus will work to raise awareness among members of Congress on a broad range of maritime-related topics.

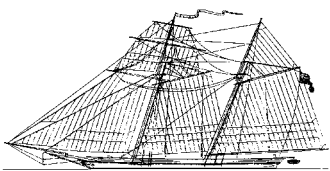
"The maritime industry is the unsung hero of our nation's economy," said Richmond. "From Alaska to Puerto Rico, Louisiana to New York, every day this industry facilitates trade and delivers energy resources that support millions of jobs and pays billions in state and federal taxes every year. I also look forward to highlighting the role other industries play in supporting maritime commerce, be it in the fields of law, engineering, shipbuilding or insurance."

U.S. ports employ 13.3 million workers while international trade accounts for more than 25% of America's gross domestic product. Activities at U.S. seaports help generate more than \$3.15 trillion in annual economic output, with \$3.8 billion worth of goods moving in and out of seaports every day around the country.

"The maritime industry is at the heart of New York City's economic vitality, from our thriving shipping industry to the Staten Island Ferry," said Grimm. "As the representative of Staten Island and Brooklyn, I am proud to have the New York Container Terminal in my district that employs hundreds of hard-working men and women."

"I am confident that this Caucus will be a voice for the entire maritime industry, one that stresses how critical this industry is to sustaining our economic recovery," Richmond concluded. The formation of the Congressional Maritime Caucus was applauded by maritime industry groups.

"The announcement that Congressmen Richmond and Grimm will form a Congressional Maritime Caucus means that every member of Congress will have an opportunity to better understand the crucial role that the U.S.-flag maritime industry and its workforce of 'maritime Americans' play in strengthening our nation's economic, military and homeland security," said SUP President Gunnar Lundeberg.



Proposed cuts in international food aid would devastate U.S. Merchant Marine

The Washington, D.C.-based publication *Politico* reported this month that the Obama administration was proposing to cut overseas food aid in the 2014 budget. This was confirmed when OXFAM, an international confederation of 17 organizations networked in 90 countries to eradicate poverty, came out strongly in favor by stating that those cuts would make the foreign aid programs "more efficient and better run." OXFAM's solution is to give cash to buy food from overseas and local providers.

The OXFAM "solution" would be devastating to the U.S.

merchant marine. The statutory U.S.-flag share of international food aid cargo (P.L. 480/Food for Peace) was slashed last year from 75% to 50%. If this essential program is completely cut out of the federal budget it will mark another black chapter in the decline of the U.S. merchant marine. No cargo, no ships, no jobs.

Accordingly, the USA Maritime Coalition, of which the SUP is a member, has been lobbying members of Congress and sent the following letter to the Senate Agricultural Appropriations Subcommittee:



February 2013

The Honorable Mark L. Pryor
Chairman
Senate Agricultural
Appropriations Subcommittee
Dirksen Senate Office Bldg., SD-129

The Honorable Roy Blunt
Ranking Member
Senate Agricultural
Appropriations Subcommittee
Dirksen Senate Office Bldg., SD-190

Dear Chairman Pryor and Ranking Member Blunt:

USA Maritime seeks sustainable funding for the PL 480 Food for Peace and Food for Progress programs and therefore strongly opposes proposals to cut deeply or eliminate program funding. Since FY 2008, Food for Peace funding has already been cut 35 percent.

Unlike other foreign aid programs, these time-tested programs do more than just send aid overseas. Food for Peace is a point of pride for the 44,000 American farmers, shippers, processors, port workers, and merchant mariners whose jobs depend upon the program. Food for Peace is not just a handout. It's the sharing of American bounty and American know-how to help rescue those less fortunate from starvation and chronic food insecurity. By creating a uniquely sustainable public-private partnership among American faith-based organizations and charities, US industry, and the US Government, Food for Peace leverages private and public resources to make a meaningful difference for millions of people in a way that Government alone or cash handouts simply cannot.

In 2011, General Duncan McNabb, as Commanding General of the US Transportation Command, stated that the availability of food aid cargoes is essential to maintaining the US Merchant Fleet, and therefore essential to maintaining our Nation's national defense sealift capability. We agree with General McNabb's military assessment that any decrease in food aid tonnage would lead to increased federal expenditures elsewhere in order to maintain that essential sealift capability.

Proposals to slash funding for food aid and the tonnage of food aid shipped, or to shift to purchases of food aid from foreign (sometimes called "local and regional") suppliers instead of American farmers will be harmful to our US Merchant Marine, harmful to our national defense sealift capability, and bad for our economy. USA Maritime strongly encourages Congress to sustain PL 480 Food for Peace and Food for Progress funding, ensuring that these programs continue to focus on the reliable export of safe and nutritious US-grown commodities to those in need overseas.

Sincerely,

James L. Henry
Chairman

Board of Directors

James L. Henry, Chair
Transportation Institute

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American Maritime Congress

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Clint Eisenhauer
Maersk Line Limited

Matt Dwyer
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Association

C. James Patti
Maritime Institute for Research
and
Industrial Development

Klaus Luhta
International Organization of
Masters, Mates & Pilots

Augustin Tellez
Seafarers International Union

Gunnar Lundeberg
Sailors' Union of the Pacific

Clifford Johnson
United Maritime Group

R. Christian Johnsen
Waterman Steamship Corporation

USA Maritime
1700 K St. NW Washington D.C. 20006
www.usamaritime.org

ILA tentative agreement from page 1

acceptance by the ILA membership.

- The new Master Contract will expire on September 30, 2018.
- The new Master Contract will not take effect until an local bargaining is concluded.
- There will be a \$1.00 per hour wage increase on October 1, 2014; another \$1.00 increase on October 1, 2016 and another \$1.00 increase on October 1, 2017.
- New employees will start at \$20.00 per hour.
- The wage progression formula, which was in the Master Contract extension. has been shortened from 9 years to 6 years.
- MILA which provides health care coverage at no cost to eligible employees will continue.
- There will be a minimum coastwise guarantee of \$211 million in container royalty for each year of the contract.
- In addition, up to \$14 million of administrative expenses will also be covered.
- All container royalty over these amounts will be evenly split between USMX and ILA.
- Container royalty will be centrally collected according to a plan that has yet to be finalized.

- CR5 will continue with some changes to the amounts that can be received without application.
- The Container Freight Station Fund will continue for both the operation of container freight stations and training with a contribution of 25; per ton in the first three years and subject to review in the last three years and a CFS subsidy adjustment in each of the six years.
- The local fringe benefit contribution will increase by \$1.00 per hour.
- Random drug testing will be used in New York and New Jersey only if the Waterfront Commission agrees to stop testing ILA members.
- New language has been negotiated to protect those who have been displaced due to new technology and automation.
- Additional language has been negotiated to preserve chassis maintenance and repair work.
- New language has been negotiated to beef up enforcement by the Jurisdiction Committee of ILA jurisdiction including a \$10,000 fine in certain circumstances.
- Additional jurisdiction language has also been negotiated.
- Major damage criteria and maintenance jurisdiction have been expanded.

SUP Honor Roll

Voluntary contributions from the membership to the following funds:

Organization/ General Fund

Apolinario Aguirre 50.00
Joseph Castege in memory of
Francis John Castege and
George Pierre Castege... 4000.00
Clinton Gregg 100.00
Gabriel McDonald Sr... ..10.00
Rich Reed. 25.00

West Coast Sailors

Mike Bailey. 35.00
Don Bohle. 25.00
Stanley Branch. 25.00
Richard and Bertha Chung.. 25.00
Hector DeAragon 25.00
Gary McDevitt10.00
Reynold Minoli. 25.00
John Perez 25.00
George Pope 25.00
Jack Post 25.00
John Rescino..... 25.00
Joseph Suire 30.00
Vincent Sullivan..... 50.00
Robert Taylor 25.00

Political Fund

Apolinario Aguirre 50.00
J. Anderson-Kaisa 20.00
Rogelio Berioso. 25.00
Brendan Bohanon 100.00
Kevin Conroy 50.00
Mike ElMobdy 20.00
Dave Garcia 15.00
P. Tattoo Gardiner in memory of
the two Harry's 100.00
Justin Jackson 50.00
Jan Johnson10.00
Tony Jones 50.00
Mike Koller. 50.00
Dale Lindquist.....10.00
Gunnar Lundeberg 50.00
Duke Maringer..... 50.00
Josef Markou 50.00
Jesper Pfeil..... 20.00
Knud Rasmussen. 50.00
Rich Reed. 25.00
Suzie "My Suzie" Jones. 50.00
Julian Torre10.00
Erick Weiss 100.00
Peter Winter 100.00
Elston Wong 20.00

Dues-Paying Pensioners

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

Egyptian unrest hurts Suez Canal traffic

Traffic through the Suez Canal reportedly dropped 16% last month, compared with transits of January 2012.

Suez Canal Authority figures said 1,311 ships traversed the 120 miles canal, from 1,559 previously, according to Bloomberg. Tanker numbers dropped to 267, from 318 in January 2012 and 331 in December.

"Almost one ship in five avoided the Suez Canal in the last week of January, as the violence rages," Michael Frodl, founder of C-LEVEL Maritime Risks of Washington, D.C., told Bloomberg. "The riots in the last week of January really hurt transits and revenues, that's the unavoidable conclusion," he added.

One port agent temporarily suspended services to ships transiting the canal in late January because of safety risks at canal ports, which earned \$5.13 billion in tolls in 2012, the authority indicated.

Italy's failure to produce a final *Costa Concordia* disaster is "unacceptable"

Italy's failure to complete its accident investigation into *Costa Concordia* is "simply unacceptable," according to the International Chamber of Shipping (ICS).

At the ICS board of directors meeting in London this month, the Chamber reviewed the continuing response at the International Maritime Organization (IMO) to the *Costa Concordia* casualty. The ICS said it welcomed the measures that had been taken forward relating to passenger safety and evacuation procedures. ICS Chairman Masamichi Morooka said: "The response of IMO so far has been measured and reasonable and we have been impressed by the commitment among governments to avoid knee-jerk reactions. "But IMO is under increasing pressure to take forward far more radical steps in advance of Italy publishing the complete results of its accident investigation, which it has still singularly failed to do. "Given the seriousness of the disaster, which happened over a year ago, failure by Italy is simply unacceptable. We still have no official understanding of what the underlying causes were with respect to an accident that really should never have happened."

The ICS said the case of *Costa Concordia* had highlighted the seemingly inadequate obligations on the part of the flag states to submit the results of accident investigations to the IMO. "The impasse created by the failure of Italy to report definitively on such a serious casualty indicates that action may be needed in an area where other flag states are also commonly guilty with respect to less high-profile incidents, which are nevertheless serious and from which important safety lessons could be learned," the chamber said.

Court rejects appeal from pirates

The U.S. Supreme Court on January 22, rejected an appeal from Somali pirates who were the first people convicted on federal piracy charges in nearly 200 years. Court officials made no comment in its refusal to go into the convictions and life sentences.

The five defendants were prosecuted in a series of government trials targeted at slowing the spread of piracy off Africa. It was the first piracy conviction in a U.S. courtroom since 1819.

In this instance, the *USS Nicholas* was mistaken for a merchant ship because the U.S. Navy used a lighting display to disguise the warship and attract pirates. Three pirates in a skiff fired rocket-propelled grenades (RPGs) at the vessel, as well as barraging it with AK-47 fire in the Indian Ocean. Fortunately, no sailors were injured in the attack.

Defense lawyers for the Somalis claimed that the men were innocent fishermen who had been kidnapped by pirates and forced to fire their weapons at the Virginia-based *USS Nicholas*. The government counteracted those allegations by stating that the Somalis had confessed to attacking the naval ship.

The court also rejected a separate appeal from another group of Somalis who have yet to be tried on piracy charges. In that case, a judge had dismissed charges against five alleged pirates in an attack on the *USS Ashland*, ruling since the men had not seized or robbed the ship, their actions did not rise to the definition of piracy. However, a federal appeals court later ruled that an armed attack on a U.S. vessel constituted piracy. That ruling sent the case back to U.S. District Court for trial.

U.S. judge dismisses *Costa Concordia* claims

A Florida judge has handed down a landmark decision involving the *Costa Concordia*, telling members of a Massachusetts family who were on board the ill-fated cruiseship that they must sue Costa Cruises and Carnival Cruise Line in Italy because that was the condition printed in their tickets to which they agreed when they booked and paid for their cruise. This is said to be the first such conclusion reached among the slew of lawsuits launched in the United States by American citizens against the Miami-headquartered cruise group in the aftermath of the tragic casualty in January 2012. However, the verdict replicates a similar conclusion reached in a U.S. lawsuit brought by business owners on the Tuscan island of Giglio, where *Costa Concordia* capsized. Another judge in Florida similarly ruled in September last year that these plaintiffs must sue in Italy. The Giglio case is currently on appeal.

According to maritime experts, the fact that a lawsuit in Carnival's home state mounted by U.S. citizens has now reached a similar culmination carries great significance. They believe this decision could end up as important case law as similar lawsuits brought by other U.S.-domiciled passengers are processed through the system.

In upholding Carnival's motion to dismiss the lawsuit filed against it by *Costa Concordia* passenger Wilhelmina Warrick and members of her immediate family, U.S. District Judge William Dimitrouleas held that the cruise company's contention of "forum non conveniens" was valid. Judge Dimitrouleas pointedly referred to a clause in the ticket titled "Choice of Forum", which reads in relevant part: "All claims, controversies, disputes, suits, and matters of any kind whatsoever arising out of, concerned with or incident to any voyage or to this contract if issued in connection with such a voyage, shall be instituted only in the courts of Genoa, Italy, to the exclusion of the courts of any other county, state or nation. Italian law shall apply to any such proceedings." Judge Dimitrouleas noted: "The plaintiffs did not attempt to cancel their voyage and did not complain about any of the terms and conditions."

Ms. Warrick and her two siblings, along with their two parents, booked their *Costa Concordia* cruise in December 2011 through a California travel agency. The tickets were issued only in January 2012, after they logged their passport details following repeated reminders. The mother was unable to make the cruise because she lacked a visa, and the father stayed behind with her. Only the three siblings were actually on board. The parents nonetheless were suing Carnival because they were not allowed to board *Costa Concordia*.

The Warrick family also was suing Carnival for fraudulent misrepresentation, maritime negligence, gross negligence, intentional infliction of emotional distress, negligent hiring, fraudulent inducement, and deceptive trade practices. The lawsuit asserted vicarious liability and actual and apparent agency. Judge Dimitrouleas rejected all these allegations.

Iranian tanker crew on strike in India

The crew aboard the Iranian tanker *Crystal* have reportedly stopped unloading cargo in the Port of Managalore over unpaid wages.

Local officials confirmed that six crew members are on strike. About 70% of the crew was discharged, but all work has now ceased. The Ukrainian mariners are demanding four month's worth of pay that they have not yet received.

Iranian officials told the maritime press that payments to the sailors were made on December 31, but the crew has refused to continue unloading the cargo has not been received.

The vessel is owned by the National Iranian Tanker Company, which has refused to comment on the situation.

The *Economic Times of India* reported: "Indian refiners have been paying for 45% of their crude purchases in the rupee, which is restricted in trading on international markets, and the two countries have been trying to find goods that Tehran can buy to balance out the oil sales. But Indian traders are wary of striking fresh deals with Iran due to a number of problems, including delayed payments."

ATTEND YOUR UNION MEETINGS

SUP ELECTION RESULTS

CERTIFICATE OF ELECTION

Election held December 2012-January 2013. Tabulated February 1, 2013, by Pacific Election Services, Inc., Impartial Balloting Agent. This is to certify that the following are the true and correct results of the election:

PRESIDENT/SECRETARY-TREASURER

Gunnar Lundeberg 487 ELECTED

VICE PRESIDENT/ASSISTANT SECRETARY-TREASURER

David Connolly 481 ELECTED

SAN FRANCISCO BUSINESS AGENT

William Berger 318 ELECTED

Mike Worth 68

Colin Dewey 59

Remoni Tufono 56

Samuel Scott 18

SEATTLE BRANCH AGENT

Vince O'Halloran 500 ELECTED

WILMINGTON BRANCH AGENT

Mark Hurley 393 ELECTED

Paul Calais 126

HONOLULU BRANCH AGENT

Michael Dirksen 346 ELECTED

Robert Jones 89

Maea Loe 75

SUP BUILDING CORPORATION TRUSTEES

Gunnar Lundeberg 408 ELECTED

David Connolly 366 ELECTED

William Berger 326 ELECTED

Vince O'Halloran 305

Norman Christianson 192 ELECTED

Michael Dirksen 178

Paul Calais 159 ELECTED

Paul Fuentes 142

Michael Worth 117

Colin Dewey 88

Robert Jones 81

William Williamson 55

CONSTITUTIONAL AMENDMENTS

Amendment #1. Reduce quorums at Headquarters and Branch meetings:

PASSED	YES	312	68.6%
	NO	143	31.4%

Amendment #2. Dues increase:

FAILED	YES	116	47.3%
	NO	129	52.7%

Constitutional Amendments require two-thirds majority.

SHIPPING RULES

Publish membership committee's report in *West Coast Sailors*:

PASSED	YES	193	79.4%
	NO	50	20.6%

PACIFIC ELECTION SERVICES, INC.

By: Robbin A. Johnson, Manager, Non-Governmental Election Services
Election Services Inc.

BALLOTING COMMITTEE'S REPORT

SAILORS' UNION OF THE PACIFIC

February 1, 2013

We, the duly elected Balloting Committee, herewith submit our report on the Sailors' Union of the Pacific election of officers, Constitutional Amendments and Shipping Rule changes for the 2013-2016 term.

The Balloting Committee turned to at 0800 Friday, February 1, 2013, at SUP Headquarters, to check and to verify the standing of those eligible to vote in this election. We then met with the Impartial Balloting Agent from Pacific Election Services, Inc., picked up the mailed ballots from the U.S. Post Office in San Francisco and transported them to the SUP Headquarters library where the vote took place.

Your elected committee, acting as observers, was present throughout the entire process of opening the ballots and preparing them to be inserted into the equipment where the votes were counted and the results printed out on the tally sheet. During the entire procedure, we were joined by SUP members who wished to witness the count.

The election count took place only after all the ballots were cross-checked with the master mailing list for verification and eligibility. After all of this was completed the official vote was run and tallied at 12:14 P.M.

After completion of the ballot count, all balloting material was boxed, sealed, and signed in the presence of the Committee and Mr. Robbin Johnson of Pacific Election Services, Inc. The sealed boxes were then placed in a safe, and will be kept for one year, as required by federal law.

Your elected committee adhered strictly to the mail balloting procedure, Article XIII, Section 6 through 11, and proceeded with due caution in every respect. We can report that the tabulation ran smoothly and was handled in a first-class manner by Pacific Election Services, Inc.

Attached is a copy of the Certificate of Results for the SUP 2012-2013 Election.

Fraternally,

SUP BALLOTING COMMITTEE

Romaine Dudley
Romaine Dudley #2593

Diane Ferrari
Diane Ferrari #2251

Dave Larsen
Dave Larsen #19078

John C. Linderman
John Linderman #4094

Arthur Thanash
Arthur Thanash #3249



The crew from Pacific Election Services, Inc. begins counting the ballots in the library at Headquarters on February 1. Robbin Johnson, from Pacific Election Services, is standing.



The SUP Balloting Committee at the Headquarters Library on February 1. From left to right: Dave Larsen, Romaine Dudley, Diane Ferrari, Arthur Thanash, and John Linderman.

Certificate of Accounting of returned mailed ballots

We hereby certify that the following is the complete accounting of the official ballots which were voted and returned to the Post Office Box for this election.

Returned voted ballots	572
Ballots not counted	10
Ballots counted	562
Deceased	2

California Unemployment Insurance: underfunded and undervalued from page 1

used to measure the value of a state's UI benefits is the "weekly wage replacement rate," or average weekly UI benefits divided by average weekly earnings lost due to unemployment. For example, a worker earning \$1000 per week would likely collect \$450 in weekly UI benefits, producing a 45% wage replacement rate for that individual. The "wage replacement rate" is then the average for all UI claimants.

States usually work to achieve benefit levels that offer a 50% wage replacement rate. However, California's 29% weekly wage replacement rate is 7th lowest in the nation. In addition, these estimates don't account for differences in the cost of living. A percentage adjusted to reflect California's high cost of living would likely put our state at the bottom.

UI benefits not only help the unemployed worker through tough times, but they also provide a valuable boost to local economies. Economists estimate that for every \$1 spent on unemployment benefits, \$2 worth of economic activity is generated; creating a "multiplier effect" that means vital assistance for depressed communities.ⁱⁱ In California, the federal extension of unemployment benefits alone has pumped over \$40 billion into the state's economy, not counting the significant multiplier effect.

While states are not required to reimburse the federal government for EUC benefits, if a state has borrowed federal money to pay regular (state-funded) benefits, the state, must pay annual interest on the outstanding amount while the debt is being repaid. California's \$9.7 billion debt generates roughly \$300 million in annual interest expenses, and so far two of these annual interest payments have been made—both from the 100% worker-funded Disability Insurance (DI) fund. In other words, California's UI system is so broken that workers are now bailing out their employers.

PROBLEMS WITH CALIFORNIA'S UI SYSTEM

The recent downturn is clearly to blame for much of the fund's poor condition; however, longstanding flaws in the system's funding structure laid the groundwork for our current debt. Indeed, in 2007, California's trust fund had only enough reserves to pay benefits for four months at recession levels, the 9th lowest in the nation heading into the Great Recession. Absent a major overhaul, our system will continue to dip into insolvency as a matter of course—needlessly generating extra costs for employers and inspiring political attacks on workers.

Also, the UI benefits structure results in an erosion of the value of benefits over time and existing eligibility standards exclude many unemployed workers. Both the funding and benefits systems need to be updated to stabilize the program's finances and to better serve laid-off workers.

California's UI Funding System is Structurally Flawed

Low Taxable Wage Base: Since 1983, California businesses have only been paying UI taxes on the first \$7,000 of each worker's earnings. In 1983, that represented about 1/3rd of the earnings of the average California worker. Today, it's less than 1/7th.ⁱⁱⁱ This wage base is the minimum allowed by federal law and ties California for last in the nation with seven other states. However, taking into account the state's relatively high average wage, California's taxable wage base ranks last in the nation.

Across the country, the average wage base for UI taxes is nearly twice that of California^{iv}, and our neighboring states maintain much larger taxable wage bases. For example, Nevada and Oregon charge UI taxes on the first \$26,900 and \$34,100 of wages, respectively, and Washington's \$39,800 taxable wage base is well over 500% of California's. As inflation and wages rise, our UI fund will be perpetually underfunded unless the taxable wage base is increased and indexed. By way of comparison, seventeen other states have indexed their taxable wage bases and all of those states enjoy a much healthier UI fund than California. These seventeen states, including Oregon and Washington, were also far less likely to borrow from the federal government to finance their state unemployment benefits.

Weak disincentives to lay off workers: Another concern is that the tax rate structure faced by California's employers insufficiently discourages employers from laying off workers. The rates vary according to a schedule that charges 'all employers higher taxes in times of lower fund reserves. Employers currently pay at the maximum allowable tax rates, called the F+ schedule. An additional 15% "emergency solvency" surcharge is also in place.

An individual employer's rates are then experience rated to reward employers who've managed to avoid laying off workers. However, experience rating in practice does not seem to be adequately discouraging layoffs. While some difference does exist between what the highest and lowest layoff-producing employers pay under the F+ schedule, the gap is insufficient to create a real disincentive against layoffs—especially for employers already paying the maximum rates. Higher top rates and additional steps in the tax schedule would strengthen the financial incentives for employers to avoid layoffs.

Tax rates rise when the economy goes down: The current pay-as-you-go mechanism for maintaining the UI fund balance runs counter to economic logic. By ratcheting up tax rates during economic downturns (when claims rise and the fund balance falls), the system requires employers to contribute more when it is the most difficult to do so. Other states, including Oregon and Washington, use a forward-funding, or counter-cyclical, mechanism for their UI funds, which fills the funds during better economic times to ease pressure during downturns. Without addressing these structural flaws in California's unemployment insurance funding system, the state fund will routinely face insolvencies during economic declines and the intended disincentives of an experience rated system will be blunted, undermining job stability for California workers.

Federal loans generate massive interest costs: In addition, the \$9.7 billion debt generates a federal tax increase on employers to pay back the principal on the federal loan and hundreds of millions in interest each year. To reduce the principal, California employers will face a federal tax increase averaging about \$84 for each worker in 2013. This amount will increase each year until the outstanding loan amount is fully repaid.

Federal law prohibits DI funds from covering the interest charges by these loans. To pay the interest in 2011, that year's general fund budget borrowed \$303.5 million from the State Disability Insurance (DI) Fund. In 2012, an additional \$308.2 million loan was necessary^v. The DI fund is generated entirely from worker contributions and

designed for paid family leave or disability insurance claims—not unrelated general fund shortfalls or interest payments to the federal government. (Note that the 2013 budget plans to avoid another DI fund loan by using general funds.)

The two DI fund loans were necessitated by the fact that California, unlike other states, operates with no system in place to automatically handle these interest charges. These interest payments come due in September of every year in which loans are outstanding, leaving policymakers and budget writers to cover massive interest bills by a very strict annual deadline.^v So far, the solution has been to borrow from our DI fund, but this method is as unsustainable as it is unfair. Twenty other states levy special surcharges on employers to deal with this interest, California should join them and end this irresponsible cycle of borrowing.

California's UI Benefits Structure Fails Unemployed Workers

Like the taxable wage base, California's benefit allowances for unemployed workers are static. As a result, when wages and the overall cost of living rise, benefits fail to keep pace. California already ranks 43rd in the nation for the percentage of the state's average weekly wage that is replaced by its UI benefits—just 29%. Most of the 36 states that automatically index their benefit amounts do so in relation to the state's average weekly wage, guaranteeing that benefits won't be eroded over time. Without indexing UI benefits, California's benefits will continue failing to meet workers' needs.

California's unemployment insurance benefits also do not account for the size of a family dependent on UI payments. While individuals receiving benefits are somewhat more flexible in reducing costs in times of unemployment, families with children often face fixed costs—such as education and child care—that are difficult to offset or suspend during a job search. To acknowledge this variation in family needs, thirteen other states have created a dependents' allowance, making benefits more progressive for working families.

FIXING CALIFORNIA'S BROKEN UI SYSTEM

It is clear that changes are needed to get the unemployment insurance fund in balance and to make the benefits work better for laid off workers. To meet these goals, the California Labor Federation recommends the following:

Fixes for Fund Solvency

- Increase and index the taxable wage base. To bring the UI fund into balance and keep up with rising inflation and wages, the taxable wage base must be adjusted upward now and should be indexed to automatically rise over time.

- Expand the tax rate schedule. Without changes to the VI tax rates, especially the top tax rates, the value of an experience-rated system will be lost along with the incentive to keep workers working.

- Move to a forward-funded system. Rather than waiting for an economic downturn to replenish the fund, California should use economic booms to grow the balance of the UI fund when it is financially easiest for employers to pay more.

- Establish an employer surcharge to repay federal loans. California should join the 20 other states who levy a special assessment on employers to cover the cost of federal loans.

Fixes for Unemployed Workers

- Index benefits to account for rising wages and inflation. By pegging benefits to a percentage of the state's average weekly wage, California can ensure that benefits will track wages and provide a similar value to workers over time.

- Create a dependents' allowance. Adding a dependents' allowance helps the unemployment insurance system keep families out of poverty during periods of job loss.

i EDD. [Unemployment Insurance-Quick Statistics](#). Last accessed 14 December 2012.

ii Vroman, Wayne. [The Role of Unemployment Insurance As an Automatic Stabilizer During a Recession](#). Impaq International. Jul. 2010. Last accessed 17 Feb. 2012.

iii BLS. [May 2011 State Occupational Employment and Wage Estimates California](#). US Bureau of Labor Statistics, 27 March 2012. Last accessed 14 December 2012. .

iv USDOL. [Significant Measures of State Unemployment Insurance Tax Systems](#). November 2012. Last accessed 14 December 2012.

v EDD. [October 2012 DI Fund Forecast](#). Last Accessed 14 December 2012.

Subcommittee chairmen for Commerce Committee announced

Senator John D. Rockefeller (D-West Virginia), Chairman of the Senate Committee on Commerce, Science and Transportation, this month announced the Chair and Ranking Members for the seven Subcommittees in the 113th Congress.

Senator Frank Lautenberg (D- New Jersey) will Chair the Subcommittee on Surface Transportation, Merchant Marine Infrastructure, Safety & Security with Senator Roy Blunt (R-Missouri) serving as the Ranking Member.

Senator Maria Cantwell (D-Washington) will Chair the Subcommittee on Aviation Operations, Safety & Security with Senator Kelly Ayotte (R-New Hampshire) serving as the Ranking Member.

Senator Mark Pryor (D-Arkansas) will Chair the Subcommittee on Communications, Technology and The Internet with Senator Roger Wicker (R-Mississippi) serving as the Ranking Member.

Senator Amy Klobuchar (D-Minnesota) will Chair the Subcommittee on Competitiveness, Innovation & Export Promotion with Senator Tim Scott (R-South Carolina) serving as the Ranking Member.

Senator Claire McCaskill (D- Missouri) will Chair the Subcommittee on Consumer Protection, Product Safety and Insurance with Senator Dean Heller (R-Nevada) serving as the Ranking Member.

Senator Mark Begich (D-Alaska) will Chair the Subcommittee on Ocean, Atmosphere, Fisheries and Coast Guard with Senator Marco Rubio (R-Florida) serving as the Ranking Member.

Senator Bill Nelson (D-Florida) will Chair the Subcommittee on Science and Space with Senator Ted Cruz (R-Texas) serving as the Ranking Member.

ESU Office Assignments

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

ESU NEWS

FEBRUARY 2013

Official Publication of the Exxon Seamen's Union

ExxonMobil 1st quarter dividend

The Board of Directors of ExxonMobil Corporation declared the quarterly dividend to remain at 57 cents per share on the Common Stock, payable on March 11, 2013, to shareholders on record of Common Stock at the close of business on February 11, 2013. Through its dividends, the corporation has shared its success with its shareholders for more than 100 years and has increased its annual dividend payment to shareholders for 30 consecutive years.

There are three ways to receive your dividend if you are a shareholder of ExxonMobil stock. Direct Deposit:

1. The dividend payment is transferred by electronic funds on the dividend payable date directly to your checking or savings account.

2. Check: You may have your dividend checks sent directly to your residence or bank.

3. Dividend Reinvestment: You may automatically reinvest all or part of your dividends in additional shares of ExxonMobil stock through the Computershare Investment Plan for ExxonMobil Common Stock.

ESU 2013 Officers Election

In the fall of this year several ESU Executive Board and Ship Representative positions are up for election. On December 31, 2013 the term of office for the Vice President/Treasurer, Deck, Engine, Steward's Department Trustees and the Ship Representative on the S/R American Progress come to an end. Therefore, in accordance with our Constitution and By-Laws a general election for these positions will be held from mid-October through mid-December, 2013.

To be eligible for an Executive Board position including Trustee, a candidate must be a member in good standing and have at least two years of continuous service with the company. He/She must be a qualified driver possessing a valid driver's license and have been a member of the ESU for at least one year.

A "Candidate Intent Form" (CIF) for the particular office is due to the ESU office no later than October 1st 2013. Candidate Intent Forms are available from you Ship Representative or by contacting the ESU office.

A complete list of all the requirements can be found in Article V of the Constitution and Bylaws. It is a good idea that CIFs be sent via certified mail with return receipt requested as forms received after October 1 are ineligible.

Once a CIF is received in the ESU office it will be reviewed and if all is in order the candidate's name will be placed on the ballot. Ballots will be mailed out to the membership during the first part of October. To ensure fairness and oversight the ballots will be counted by the American Arbitration Association in New York which is among the oldest and most reputable organizations of its kind.

The ESU is a modern operation that is equipped with the same office equipment found in any office environment today. Computer use and document control comprise a major part of the everyday work routine. It is important that the Vice President/Treasurer be familiar with or be able to learn how to use computer accounting software and become familiar with Tax filling regulations with state and federal agencies. The volume of communication documents generated is significant and therefore at least a basic level of computer skill is needed to perform the necessary duties. Verbal and written communication skills are essential as well. Executive Board Officers use written communication through email and formal business letters almost every day. The ability to write is also necessary for the production of this ESU News which is written monthly by the Executive Board member in office.

Job descriptions for all offices are described in our constitution and By-Laws.

Ship reports

S/R American Progress

The *Progress* continues to trade between Valdez and the Puget Sound. Pumpman James Bird filling in as Ship Rep. and reports all is well.

Kodiak

ESU Board officer made a visit while the vessel was at Tesoro 86 in Long Beach, CA on February 16, 2013. AB Jeff Harris filling in for Regular Ship Rep. Joe Butler and reports everything going well with no problems. The ship is starting to get ready for its upcoming shipyard period. Looks like the vessel will make another El Segundo trip before heading to Port Angeles for tank inspections before departing for Singapore at the end of next month.

Sierra

The vessel continues the run between Valdez and southern California Long Beach El Segundo Sea Terminal and San Francisco Bay area. Regular Ship Representative Thor Floreen is aboard and reports everyone is doing well and no problems. Vessel completed a split discharge between El Segundo and the San Francisco Bay area. The *Sierra* is scheduled to make another discharge next month between southern California and Puget Sound.

ACL announces a multiyear agreement with SeaRiver Inc.

On January 30, 2013 American Commercial Lines (ACL) announced in a news release that it had entered into an agreement with SeaRiver Maritime Inc., to provide petroleum barge transportation services on the U.S. inland waterways.

As of January 1, 2013, ACL started the multi-year agreement with SeaRiver to transport liquid cargoes via its mainline service and in unit tows.

Mark Knoy, President and Chief Executive Officer of ACL stated. "We look forward to partnering with SeaRiver to transport ExxonMobil cargoes on the inland waterways, this is an exciting opportunity as we continue to diversify our business with a focus on liquid cargoes and add the highest shippers to our customer portfolio. To meet the needs of SeaRiver and all of our valued customers, we have condensed our traffic patterns for maximum efficiency, refurbished our boat fleet for improved reliability, and are adding liquid capacity with new 30,000-barrel tank barges built with the highest quality craftsmanship by our manufacturing division Jeffboat."

This announcement has no impact on current SeaRiver Ocean fleet operations. This type of business arrangement has been common for SeaRiver/ExxonMobil for inland waterways transportation needs since the sale of the SeaRiver Inland fleet ten years ago to Kirby Corporation.

Dom Gomes retires

Able Seaman Domingo Gomes has elected to retire effective January 31, 2013 with over 22 years of service with the company. Dom was hired in June of 1990 and started



his seagoing career aboard the *Exxon Philadelphia* where he filled a Maintenance Seaman billet.

During Dom's early years with Exxon he served on a number of vessels in the fleet and quickly moved up the ranks to the position of Able Seaman in early 1991. During Dom's seagoing career he practically sailed on every vessel in the Company's fleet including frequent assignments in the chemical trade with the *Exxon Wilmington*. His last vessel assignment was the *Kodiak*.

Throughout Dom's employment he was a steadfast supporter of the Exxon Seamen's Union and dedicated member. Always a good shipmate ready to help anyone, the ESU membership will truly miss Dom's experience and presence aboard ship. The Union extends its best wishes to Dom and his family for a long, healthy and enjoyable retirement.

2nd quarter lump sum pension rate 2.75%

The interest rate for calculating the lump sum payments of ExxonMobil pensions for April-June 2013 will be going up from the current 2.50% to 2.75%. If you are considering retirement and plan to take a lump sum pension, the lower interest rate should generate a larger lump sum pension payment.

The ESU advises all members that may be considering retirement in the near future to closely evaluate their financial position before deciding on retirement and whether to take the lump sum pension option or the monthly pension payment. Members deciding whether to continue employment or to retire should consider other factors that may affect their financial security in retirement. For example, employees continuing to work will receive additional months of salary, additional months of Savings Plan contributions and additional months of age and service that will normally increase pension benefits.

The ESU also recommends that everyone that is eligible, or soon to be eligible to retire from the Company, you should consider attending a pre-retirement planning seminar that is offered by ExxonMobil. Scheduling is prioritized by age and/or definite retirement plans. Eligibility normally means within 3 years of the minimum age to retire for the unlicensed group (50) with a minimum 15 years of service at the time you elect to retire. Spouses are invited to participate in this class. The classes tend to fill up quickly; some may be filled up by the time we go to print and keep in mind there a fewer courses on the 2012 schedule than last year. If you are interested in attending and know the session you wish to attend, you should then notify Helen Wright at 713-656-2786 for enrollment, limited space is available.

EXXON SEAMEN'S UNION

Founded March 28, 1941

Affiliated with the Sailors' Union of the Pacific

P.O. Box 754, Seabrook, TX 77586

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E-Mail: esusea@sbcglobal.net

President/Secretary John Straley

Vice President/Treasurer Leo DeCastro

Board Member at Large Joe Bernavich

Board Member at Large John McCarthy

Deck Trustee Kevin Conroy

Engine Trustee William Ackley

Steward Trustee Kurt Kreick

Harbor maintenance bills introduced in Congress

Senator Carl Levin (D-Michigan) this month introduced the Harbor Maintenance Act of 2013 (S. 218), which would require the Harbor Maintenance Trust Fund (HMTF) to spend what it takes in each year on dredging and harbor maintenance. The bill had 28 cosponsors on the date of its introduction.

The Senate bill is companion legislation to the Realize America's Maritime Promise (RAMP) Act, which was introduced by U.S. Representative Charles Boustany (R-Louisiana) in the House in January. As the *West Coast Sailors* went to press, the RAMP Act had 67 cosponsors.

"The Great Lakes has 140 federally-authorized harbors and waterways, three federal lock facilities, 610 miles of federal navigation channels, 20 active confined disposal facilities, and 104 miles of federal navigation structures that include breakwaters, piers, and jetties," said Levin in testimony to the Senate Environment and Public Works Committee last week. "The system has been inadequately funded over the years, and the Great Lakes have a backlog in dredging of about 20 million cubic yards for commercial harbors, which is estimated to cost \$200 million to address."

"When channels and harbors silt in, harbors are threatened with closure, boaters are obstructed from getting to safe harbor which threatens lives, and vessels are required to light-load, causing shippers to lose millions of dollars of freight shipments, hampering our economic competitiveness," Levin continued. "The situation has been exacerbated by water levels that hit historic lows this past year. The Army Corps of Engineers reports that Lakes Michigan and Huron are more than two feet below their long-term average. Lake Superior is more than one foot below its long-term average. These low water levels require additional dredging and yet budget requests and appropriations have been declining over the past few years."

Currently, the HMTF spends only one of every two tax dollars it collects on dredging, according to the Great Lakes Maritime Task Force (GLMTF), creating a surplus of close to \$7 billion.

Let's finally end accounting gimmickry and boost maritime jobs

by Ed Wytkind, President/Transportation Trades Department, AFL-CIO

"Imagine that the government was sitting on a pile of money – billions, actually – that had been collected for a purpose that is critical to maintaining our nation's standing in the global economy. Now consider that, if this money were put to the use for which it was collected, it would create middle-class jobs and foster commerce. You'd think the nation's lawmakers, who read the same jobs reports we do, would have put that money right to work, wouldn't you? If you did, you'd be wrong.

In reality, you don't have to imagine the scenario I just laid out; incredibly, this is the fate of much of the revenue collected through the Harbor Maintenance Tax – money collected from shippers for the purpose of maintaining and improving the nation's ports and navigation channels.

The dollars collected through the tax go to the Harbor Maintenance Trust Fund (HMTF), which finances the work of dredging and taking care of the ports' infrastructure needs. Yet, even as many of our ports lack the necessary depths to properly accommodate the next generation of container ships that move freight, the HMTF has, year after year, racked up surpluses – at least in theory. In truth, about half of the money collected through the Harbor Maintenance Tax has been used for other purposes. The trust fund's current on-paper surplus weighs in at \$7 billion.

That's why TTD is supporting legislation introduced last week in both the House and Senate that would require the resources of the HMTF to be spent on port upkeep, dredging and other harbor maintenance projects. (Actually, we've been advocating this approach for a while now.) As Senator Barbara Boxer (D-California), chair of the Senate Committee on Environment and Public Works, said at a hearing on the matter this month: "Continued maintenance of port facilities is critical for the commerce and jobs that rely on these economic hubs..."

As if the current inadequate level of maintenance wasn't enough of a problem, U.S. ports now face the prospect of mega-vessels traveling through what will soon be the newly expanded Panama Canal that will bring super-sized container ships to our ports, or even worse, see them diverted to foreign ports. If we are serious about being the world's economic power we certainly can't permit technology and innovation to leave our freight transportation system and economy behind."

BizzVizz: New free iPhone app makes tracing corporate taxes and government subsidies easy

If you have an iPhone, make sure you take a minute to download the new free app: BizVizz. BizVizz tracks taxes paid, government subsidies and political campaign donations of major corporations.

Once you download the app, simply enter a company's name or snap a picture of its logo and then the company information pops up. Future developments include creating an Android version of the app (<http://asgoesjanesville.com/bizvizz/>) and expanding the catalog of corporate information. You also can browse corporate information without snapping a picture of a logo. Click "explore" and view the catalog.

Welfare Notes February 2013

Initial Active Eligibility & Coverage

Active members become eligible for coverage in the month after they complete 120 eligibility mandays within a 12-month period. Once a member becomes eligible, the member must enroll in a plan for coverage. The medical and dental plan choices are dependent upon your residence or the port from which you ship.

Continuing Eligibility & Coverage for Active Participants

After the initial eligibility requirements have been met, continuing eligibility requires the participant to work at least 60 eligible mandays within the eligibility period. The time worked for continuing eligibility may change the beginning and ending months for the new eligibility period because continuing eligibility is a rolling eligibility period. The new eligibility period starts in the month following the 60th day worked.

As an example, if a member with a Group One Eligibility period January 1, 2013 through December 31, 2013 ships 60 Group One Days in June and July 2013, the new Group One Eligibility period will be August 1, 2013 through July 31, 2014. A new rolling eligibility period begins in the month following the 60th Group One Day worked. The time worked does not add 12-months onto his previous eligibility.

If a member with a Group Two Eligibility period January 1, 2013 through June 30, 2013 works 60 Group Two Days in March and April 2013, the new Group Two Eligibility period will be May 01, 2013 through October 31, 2013. A new rolling eligibility period begins in the month following the 60th Group Two Day worked. The time worked does not add six months onto his previous eligibility.

Group One Mandays can count for Group One, Group Two, or Group Three eligibility. Group Two Mandays can count for Group Two, or Group Three eligibility.

Group Three Mandays can count only for Group Three eligibility.

Group One eligibility is good for 12-months of member and dependent coverage. Group Two eligibility is good for 6-months of member and dependent coverage. Group Three eligibility is good for 6-months of member only coverage.

Please contact the SUP Welfare Plan office for any eligibility or coverage questions.

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 415-957-1816 berittrainrep@sbcglobal.net

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

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

Seafarers Medical Center 415-392-3611

SUPPORT THE SUP POLITICAL FUND

Audit finds flawed nuclear screening

In an audit released this month, Department of Homeland Security (DHS) investigators found that neither Customs & Border Protection and the Domestic Nuclear Detection Office – both DHS units – could not accurately account for the ability of radiation detectors at the 22 largest U.S. ports to screen containers for materials that could be used as weapon components.

The two agencies, the DHS found, do not adequately oversee and monitor the 444 radiation detection portals used to screen 99% of inbound containers. Customs "does not consistently gather and review utilization information to ensure that it is fully utilizing all radiation portal monitors," the audit found, while customs workers do "not always monitor and promptly evaluate changes in the screening environment at seaports to relocate radiation portal monitors as necessary". Further, the two offices "do not accurately track and monitor their inventory of radiation portal monitors," it added. Customs personnel at one port could not explain why some radiation portals remained idle for years, the audit noted.

The agencies agreed with the audit's recommendation to develop an office for central management of the screening program.

Since the inspections began, workers have screened more than 679 million containers resulting in more than 2.8 million radiation alarms, said Customs, which added that about \$623 million was spent on the program in 2002-2011.

Filipino mariner dies from pirate gunshot

An unknown mariner was taken off the Singapore-operated chemical tanker *Pyxis Delta*, but died before he could reach a hospital, the Philippines foreign office said.

The Marshall Islands-flagged *Pyxis Delta* was reportedly hijacked on February 4, near the Niger Delta region. It had aboard nine Filipinos, seven Russians and five Georgians, according to *IHS Fairplay* data.

The circumstances of the death remain under investigation, foreign office spokesman Raul Hernandez told Manila's government news network GMA.

India begins trial of 120 pirate suspects

India has begun a trial of 120 suspected Somali pirates caught by the Indian navy. Among the charges against the suspects are kidnapping, murder and waging piracy against India.

A senior official from the Directorate General of Shipping said India has written to consulates of seven countries to summon seafarers to return and act as witnesses for the proceedings in Mumbai; 70 of these are former hostages. "Before these crew left India, they had agreed to come back to Mumbai and appear before the court whenever required during the pirates' trial," he explained. Crew members rescued in Indian naval actions against the suspects were from Turkey, Thailand, Iran, Philippines, Myanmar, Bangladesh and Pakistan.

Meanwhile, Delhi rejected an offer by a group of pirates to free 46 Indian hostages if the government frees pirate suspects in the same cases.

Former Sea Star executive convicted in Puerto Rico rate fixing case

The Justice Department announced last month that a federal jury in Puerto Rico convicted former Sea Star Line president Frank Peake of participating in a conspiracy to fix rates and surcharges for water transportation of freight between the U.S. and Puerto Rico.

"The coastal shipping price-fixing conspiracy affected the price of nearly every product that was shipped to and from Puerto Rico during the conspiracy," said Bill Baer, Assistant Attorney General in charge of the Department of Justice's Antitrust Division. "This successful prosecution shows that the division will hold accountable high-level executives who perpetuate these crimes."

Sea Star pleaded guilty to similar charges back on December 20, 2011 and was sentenced to pay a \$14.2 million criminal fine for its role in the conspiracy, which started as early as May of 2002 and continued until at least April of 2008.

According to evidence presented at trial, Peake and his co-conspirators carried out the conspiracy by agreeing to allocate customers of Puerto Rico freight services and to rig bids and fix the rates and surcharges to be charged to purchasers of water transportation of freight between the continental United States and Puerto Rico during meetings and communications. The department said the conspirators also engaged in meetings for the purpose of monitoring and enforcing adherence to the agreed-upon rates and sold Puerto Rico freight services at collusive and noncompetitive rates.

With this conviction, three companies and six individuals have pleaded guilty or been convicted at trial. The five individuals and three companies that had been previously sentenced have been ordered to serve a total of more than 11 years in prison and to pay more than \$46 million in criminal fines.

Peake was convicted of price fixing in violation of the Sherman Act, which carries a maximum penalty of 10 years in prison and a \$1 million fine for individuals. The maximum fine may be increased to twice the gain derived from the crime or twice the loss suffered by the victims of the crime, if either of those amounts is greater than the statutory maximum fine.

Leaders named for House maritime panels

The members of the House of Representatives who will be in charge of the Congressional panels with primary responsibility for maritime programs and policies have been named.

The Transportation Appropriations Subcommittee, which has jurisdiction over funding for the Maritime Security Program (MSP), will once again be led by Congressman Tom Latham (R-Iowa). In the past, Latham's efforts have helped achieve full funding for MSP. The ranking Democrat on this important subcommittee will be Representative Ed Pastor of Arizona. It will be the first time that Pastor, a long-time supporter of MSP and the U.S.-flag fleet, will be serving in this position.

The Transportation and Infrastructure Committee's Coast Guard and Maritime Transportation Subcommittee will have new leadership because Congressman Frank LoBiondo (R-New Jersey) and Congressman Rick Larsen (D-Washington) have assumed leadership positions on the Aviation Subcommittee. Replacing LoBiondo as Chairman of the Coast Guard and Maritime Transportation Subcommittee will be Congressman Duncan Hunter (R-California). Replacing Larsen as ranking Democrat on this subcommittee is Congressman John Garamendi (California). The Coast Guard and Maritime Transportation Subcommittee has primary responsibility over the Coast Guard, including policies that affect merchant mariners, as well as non-defense-related aspects of maritime programs such as the Jones Act.

The third key panel that has named its leadership for the 113th Congress is the Armed Services Committee's Seapower Subcommittee. This subcommittee has jurisdiction over the defense-related aspects of commercial maritime policies and programs, including MSP and the Jones Act. The newly appointed chairman of this subcommittee is Congressman Randy Forbes (R-Virginia) and the leading Democrat will once again be Congressman Mike McIntyre (North Carolina).

Transportation Secretary Ray LaHood to step down

Secretary Ray LaHood has announced that he will not be staying on for a second term as head of the Transportation Department. He made the announcement in an e-mail to DOT employees. "It has been an honor and a privilege to lead the Department, and I am grateful to President Obama for giving me such an extraordinary opportunity," he wrote. "I plan to stay on until my successor is confirmed to ensure a smooth transition for the department and all the important work we still have to do."

Carnival Triumph continued from page 1

Carnival Triumph saga was "just the latest example in a long string of serious and troubling incidents involving cruiseships. It is time the cruise line industry—which earns more than \$25 billion a year—pays for the cost they impose on the government since it is the U.S. Coast Guard that comes to the rescue every single time something goes wrong."

The cruise industry says shipboard fires are rare, but they are not rare. According to testimony before Congress, cruise expert and author Ross Klein said cruiseship fires broke out in 79 vessels between 1990 to 2010.

The *Carnival Splendor*, sistership to the *Triumph*, suffered a disabling engine room fire off the west coast of Mexico in 2010 and had to be towed to San Francisco. In the two years between the *Splendor* and the *Triumph* fires, more than 10 cruiseship fires were reported in the media. Several cruiseships were completely disabled, including the *Costa Allegra*, the *Bahamas Celebration*, and the *Ocean Star*. The *Azamara Quest* was partially disabled and had to crawl back to port in Indonesia. The *Allegra* and *Quest* broke down in waters where pirates frequent, to add to the drama. A fire aboard the *Queen Mary II* was later determined to have been caused by a "catastrophic explosion."

Other cruiseships experienced what the industry would either deny or call "minor fires," including the *Adventure of the Seas*, the *Crown Princess*, the *MSC Musica* and the *Allure*. But there is nothing minor about a cruiseship, filled with thousands of passengers, catching on fire on the high seas, even for a matter of seconds. Most of these fires received little coverage in the U.S. press. It is a topic that travel publications avoid and travel agents do not like to hear.

The cruise industry does a remarkable job advertising that cruising is a safe and affordable family vacation. It certainly is affordable, in large part because major cruise lines such as Carnival and Royal Caribbean are incorporated in foreign countries like Panama, the Bahamas, Bermuda and Liberia. Their ships fly the flags of foreign nations and thus avoid all U.S. federal taxes, labor laws and safety regulations.

In 2011, three-quarters of the nearly 16 million cruise bookings worldwide were made from the United States, according to the industry group Cruise Lines International Association, which represents 26 cruise lines, including the world's largest, Carnival and Royal Caribbean.

You can't find a cheaper vacation than spending a week on one of these "fun ships." But the vacation comes with a hidden price. The cruise lines are working their crew members excessively long hours and paying them extremely low wages.

The Cruise Lines International Association says its "crew members are provided wages that are competitive with international pay scales." But a cleaner aboard a Royal Caribbean ship, for example, will work 12 hours a day, seven days a week, for as little as \$156.25 a week with no tips. U.S. labor laws are not applicable to provide protection to crew members at sea, nor is there any real oversight of the cruise lines' operations.

The cruise industry insists that it is regulated and that the safety and security of its passengers and crew is its highest priority. Ships are subject to inspections by the countries they call on. In the United States, ships must pass initial and annual U.S. Coast Guard Marine inspections. But the Coast Guard is underfunded and understaffed and can't possibly conduct adequate inspections of the hundreds of cruiseships that call regularly on U.S. ports across the nation.

Cruiseships theoretically follow guidelines set forth by the International Maritime Organization and the recommendations in the Safety of Life at Sea. But the International Maritime Organization, a United Nations organization, does not have the authority to enforce its own guidelines, nor can it impose fines or criminal sanctions against cruise lines that flout Safety of Life at Sea recommendations. This obligation falls to flag states, like Panama. The result is that cruise lines are largely unregulated. They offer low-price cruise fares to get the passengers aboard and then make their profits from alcohol sales, casino, spa and photography activities and shore excursions.

The cruise lines operate their ships virtually 24 hours a day, seven days a week, 52 weeks a year. Cruiseships do not make money unless they are operating. The cruise lines push the ships just as hard as they push their crew members. A ship out of service for a week for routine maintenance means the loss of tens of millions of dollars and thousands of dissatisfied customers.

Cruiseships, like their foreign-based crew members, are treated as fungible goods. When crew members get debilitating injuries because of overwork and exhaustion, they are left in their home countries. The *Triumph*, sailing since 1999, will eventually end up being sold to the European market, renamed and abandoned as well.

The push to always keep the show on the road without long delays causes the same problems in investigations of passenger disappearances, shipboard crimes and gastrointestinal illnesses. These investigations are often rushed so the cruise is held up for as little time as possible.

When there is a norovirus outbreak on a ship, cruise lines are faced with the prospect of disembarking hundreds of ill passengers, sanitizing the ship and then reloading several thousands of passengers on board. It is an impossible prospect to locate and kill the virus on the massive ships given the short turnaround on an embarkation day. But the business model of the cruise industry is: Strike up the band and hand out the daiquiris, the cruise must go on.

It is also impossible for governmental entities such as the Centers of Disease Control and Prevention to conduct a thorough, painstaking epidemiology study to ascertain the type of virus and its origin. Cruise lines quickly blame the passengers for not washing their hands, but the CDC and the Food and Drug Administration concluded long ago that the most likely and common source of norovirus is contaminated food or water.

Crew members say that infected workers often do not complain of their illness out of fear of not being paid or of losing their jobs. Cruise lines tell the passengers to use hand sanitizers, but the culprit may be norovirus-laden salad.

Unlike the U.S. commercial aviation industry, the strict Federal Aviation Administration oversight that can ground a fleet of aircraft, the cruise industry is largely accountable to countries like Panama or the Bahamas, which may or may not want to offend their cruise line friends in Miami, who are the real owners of these flag-of-convenience vessels.



SUP President's Report

February 11, 2013

MATSON NAVIGATION COMPANY

In a report issued on February 7, Matson stated its fourth quarter of 2012 profit surged to \$15.6 million from \$1.6 million in the same period of 2011. Profit for all of last year was \$49.9 million, up from \$34.2 million in 2011. Company President and CEO Matt Cox, told stock analysts in a conference that Matson's earnings were solid yet unsatisfactory. "I think we can do better," he said.

Last year was historic for Matson which was spun off from Alexander & Baldwin on June 29. The fourth quarter was Matson's second full quarter as an independent company.

During the fourth quarter, Matson's biggest market for cargo—Hawai'i—was roughly flat. The company shipped 35,100 containers, up 0.3% from the same quarter in 2011. Automobile shipments declined 4.6% to 18,800 from 19,700. Cox said Hawai'i cargo demand stemmed from reduced construction activity, competitive rate pressure and shipments on foreign-flag carriers, while auto shipments were affected by the timing of rental car replacement fleets.

For Matson's China/Long Beach service, cargo volume dropped 11.4% to 14,000 containers in the fourth quarter from 15,800 a year earlier, but strong freight rates led to earnings growth.

In Guam, container volume jumped 27.5% to 6,500 containers from 5,100 as Matson continued to benefit from Horizon Line abandoning the trade in late 2011. Cox said he expects a new competitor will replace Horizon at some point but there have been no hints as to when.

One area of weakness for Matson in the fourth quarter was its logistics that deals with container movement on land. The company took a \$3.9 million charge related to the value and leasing arrangements for a warehouse operation in California.

As reported last month, Matson bought New Zealand-based Reef Shipping on December 26, for \$9.6 million. The deal included four ships, approximately 1,500 containers and charter agreements for two additional ships used to serve about a dozen South Pacific islands—including Fiji, Nauru, Tahiti and Samoa—mainly from New Zealand. All the vessels are foreign-flagged and foreign-crewed and are now being operated by Matson South Pacific, Ltd., a New Zealand registered company wholly owned by Matson, Inc. According to Cox, the acquisition isn't anticipated to immediately impact Matson's earnings, but gives the company a platform from which to further expand in the South Pacific.

Cox added the company anticipated operating nine U.S.-flag ships throughout 2013, and remained interested in Alaska. He added that the company was committed to new tonnage but stated that a final decision on how many ships to build would be deferred until 2014.

The day after the earnings report (February 8), Blackrock Inc., the largest investment company in the world with \$3.6 billion in assets, bought 3,363,704 shares of Matson stock for approximately \$88,297,000. This represents 7.9% of total Matson stock. This is ominous news, as it could be interpreted that the company is a buyout target. As of today's meeting, Matson has not commented on the Blackrock transaction.

Will keep a weather-eye on Matson, particularly since the SUP, MFOW and SIU-Marine Cooks collective bargaining agreements expire with the company on June 30.

AMERICAN PRESIDENT LINES

As reported last month, the Union was notified on December 12, by Bob Stephens, APL Vice President for Labor Relations, that the company intends to cease operations at Middle Harbor Terminal (MHT), also known as Golden Gateway Central (GGC) in Oakland.

On January 16, the SUP and the MFOW received a letter from Stephens dated January 14, confirming the December notice. Stephens stated that APL is currently completing negotiations of a terminal agreement with Stevedoring Services of America Terminals (SSAT) to perform many of the terminal services presently per-

formed by APL's subsidiary Eagle Marine Services. He also stated that Eagle Marine is completing negotiations with the Port of Oakland to terminate the existing Middle Harbor Terminal lease effective June 30, 2013.

According to Stephens, the principle reason for the relocation decision is "because APL is moving to upsize its fleet, and the GGC terminal is depth-constrained." The GGC Terminal is dredged to 42 feet while the SSA Terminal has a depth of 50 feet. Last year (see the April 2012 West Coast Sailors) Stephens stated that the GGC Terminal had the highest cost per container lift and is the least efficient terminal in APL's network. In addition to Oakland, APL operates terminals in Seattle, Los Angeles, Dutch Harbor, Yokohama, Kobe and Kaohsiung.

Stephens added that Eagle Marine was prepared to bargain on the effects of the job loss.

After receiving the letter, your secretary responded on the same day stating that neither the SUP or MFOW have collective bargaining agreements with Eagle Marine but with APL/APL Marine Services. Stephens was also asked as per Appendix VI of the SUP/APL Marine Services Agreement ("Middle Harbor Terminals Facility Jurisdictional Agreement") if Eagle Marine does terminate its lease, does the company plan to relocate its M&R work on containers, chassis, and/or refrigerated container units to any other facility in the San Francisco Bay Area. Stephens was further asked what SSA Terminal/berths APL vessels will call after June 30.

On January 21, MFOW President Anthony Poplawski wrote to Stephens asking that in light of the Middle Harbor Terminals Facility Jurisdictional Agreement who will be performing the M&R work currently done by the SUP, MFOW, and ILWU Local 10. In addition, Brother Poplawski requested if APL/APL Marine Services administrative personnel were going to be relocated.

On January 22, Stephens responded to the SUP and MFOW jointly, stating that:

1) "The company agrees that the SUP and MFOW Maintenance Agreements are with APL Marines Services, not Eagle Marine."

2) "It is not presently known where any APL Maritime Ltd. or APL Marine Services Management currently working out of MHT will be relocated after MHT lease is terminated."

3) "Following the termination of the Eagle Marine lease at MHT, neither APL nor Eagle Marine will have any covered maintenance and repair operations in the San Francisco Bay Area. The company is not going to relocate any such maintenance and repair work, nor will the company assign any such work to anyone."

4) "Following the termination of the MHT lease, APL vessels will call the Oakland International Container Terminal at Berths 57-59."

At Middle Harbor Terminal, four SUP members are employed washing/steaming containers, 22 MFOW members are employed as shoreside mechanics, an unknown number of ILWU Local 10 power mechanic jobs and a Carpenters Union billet. If APL does, in fact, have its vessels berth at the SSA Terminal, the jurisdiction for all the work mentioned is covered in an agreement between the International Association of Machinists (IAM) and SSAT.

Will keep the membership fully informed on this issue.

CALIFORNIA LABOR FEDERATION

As a Vice President of the California Labor Federation, AFL-CIO, participated in the Federation's Executive Council meeting on January 31, in Los Angeles.

Key to the meeting was a debriefing on the November election, focusing on California. The anti-Union, anti-worker Proposition 32, funded by billionaires, was soundly defeated. Spearheading the campaign was organized labor, led by the Federation. Unions rallied their members to not only work against this initiative, but to get out the vote: Union members voted 76% against Proposition 32.

Proposition 30, California Governor "Jerry" Brown's initiative to tax the rich to restore essential services while reducing the state's deficit was also strongly supported by organized labor. Proposition 30 passed with 70% of Union members voting in the affirmative.

On the November 6, 2012 election

"I salute the Unions, their members and their leaders. You showed what ordinary people can do when they are united and organized."

*California Governor "Jerry" Brown
State of the State Speech
January 24, 2013*

The Executive Council also reviewed last year's legislative record and Federation goals for 2013. Fifteen labor-supported bills that passed the State Assembly and Senate were signed by Governor Brown and six were vetoed. Only one bill (S.B. 1161) that labor opposed was signed by the Governor. This bill deregulates Voice over Internet Protocol (VoIP) telephone service which enables telecom corporations to cut jobs and erode worker safety measures. The Federation's strong presence in Sacramento and the goals achieved are due, in no small part, to the diligence of Legislative Director Angie Wei and her staff.

For 2013, the Federation has an ambitious agenda. To name a few issues that will be targeted are:

- **Initiative reform**— The initiative process was intended to give the people a voice against the powerful, not to allow a few billionaires to qualify ballot initiatives that dictate our elections. The Federation believes the initiative process must be returned to the people so that never again can it be hijacked by a wealthy and dangerous few.

- **Enterprise Zone Tax Giveaway reform**— This out-of-control tax giveaway program not only creates no new jobs, but it is being used to eliminate good Union jobs. The Enterprise Zone program is growing by 32% a year, eating away at state dollars that could be better spent. The Federation believes this program must be reformed so that it creates good, middle-class jobs for workers and the state's economy.

- **Fair share health care**— More and more employers are cutting worker hours to evade obligations under the federal Affordable Care Act (Obama Care). Their best case scenario—cut hours and pay so that their workers qualify for the publicly funded Medi-Cal program—at no cost to the employer. The Federation will pursue requiring the largest California employers to pay their fair share for dumping workers onto Medi-Cal.

- **Anti-retaliation protection for immigrant workers**— Too often, workers in an organizing drive face employer retaliation. For immigrant workers, retaliation is even more serious since it comes with the threat of federal raids and deportation. The Federation will pursue a legislative remedy to protect immigrant workers trying to organize from this type of retaliation.

- **Creating a publicly searchable database of labor law violators**— There isn't a system in California to track labor law violations by employer. This information is crucial to the state's Labor Commissioner to enforce the law, for the state's ability to contract with responsible businesses, and for the labor movement to know. The Federation will pursue the creation of such a publicly accessible database.

- **Crack down on misclassification**— Misclassification of workers is bringing down wages and working conditions in many key Unionized industries. It's also putting responsible contractors and other employers at a competitive disadvantage. Penalties have been increased, but improved enforcement is needed. The Federation will attempt to require that employers post the names of workers on their workers compensation policies so that it is clear when they are keeping workers off the books or misclassifying them as independent contractors.

In addition to the preceding, the Federation is working to improve California's Unemployment Insurance Program which is underfunded and undervalued. The current benefit ranges from \$40-\$450 per week, the seventh lowest in the nation.

continued on next page

SUP President's Report *continued*

INTERNATIONAL LONGSHOREMEN'S ASSOCIATION

On February 1, the International Longshoremen's Association (ILA) and the United States Maritime Alliance (USMX), an East and Gulf Coast employer group reached a tentative agreement for a new contract.

The agreement is subject to membership ratification.

More information will be published in this month's *West Coast Sailors*.

SUP ELECTION

The two-month, secret mail triennial balloting for Union officers and referenda on two proposed amendments to the SUP Constitution and one proposed amendment to the Shipping Rules concluded on February 1, with the tallying of the ballots and the certification of the election by the Impartial Balloting Agent (Pacific Election Services, Inc.) selected by the membership at the November 2012 Union meetings. In accordance with the Constitution, the results were sent to all SUP halls and posted. Full election results will be published in this month's *West Coast Sailors*.

All incumbent officers were re-elected with Wilmington Branch Agent Mark Hurley, Honolulu Branch Agent Mike Dirksen, and San Francisco Business Agent Bill Berger decisively besting challengers. The incumbent Building Corporation Trustees were also re-elected. It should be noted that voter turnout was low –approximately 40% of the active membership eligible to vote cast a ballot. For our Union's democracy to flourish, participation is required, by attending Union meetings and voting. It should be noted that the election cost was \$9,110.00.

Of the two proposed amendments to the SUP Constitution, one passed and one failed.

The amendment to reduce the quorum at Headquarters meetings from 30 to 15 members and reducing the quorum at Branch meetings from 13 to 8 members received the necessary two-thirds majority of the votes cast.

The amendment to raise Union dues failed miserably, not even garnering 50% of the votes cast. It is baffling why the membership rejected supporting their own organization, particularly given that since the last dues raise was passed in 2008, wages and benefits in all Union agreements have increased while the cost of operating the Union have also increased. The proposed amendment would have raised dues by \$50 per quarter or approximately 56 cents a day. Surely this was affordable to all working under SUP contracts.

The Shipping Rule change requiring the publication of the Membership and Ratings Committee report in the *West Coast Sailors* passed by the simple majority required.

The new term for Union officers begins on March 1, with the Constitutional change and the Shipping Rule change going into effect the same day.

BANKING COMMITTEE

In accordance with XVII of the SUP Constitution, a Banking Committee shall be elected at today's Headquarters meeting.

The duty of the Banking Committee in accordance with Article XVII, "...shall be to receive and receipt for any money ordered withdrawn from any savings account of the Union... for the payment of authorized current bills."

As the President/Secretary-Treasurer is a member of the Banking Committee in accordance with the Constitution, recommend that the balance of the Committee be comprised of Dave Connolly, Bill Berger, Knud Andersen, and Terry Lane.

The new Banking Committee will relieve last term's Committee on March 1.

HOLIDAYS

Lincoln's Birthday: All SUP halls will be closed on Tuesday, February 12, in accordance with the agreements with APL, Chevron, Matson and the San Francisco Bar Pilots.

Presidents' Day (Washington's Birthday): All SUP halls will be closed on Monday, February 18, in accordance with the agreements with APL, Foss, Matson and Patriot Contract Services. Branch meetings will be held on Tuesday, February 19.

Washington's Birthday: This holiday is observed under the Chevron and San Francisco Bar Pilots agreements on Friday, February 22.

ACTION TAKEN

M/S to approve the election of the Banking Committee to include Gunnar Lundeberg, Dave Connolly, Bill Berger, Knud Andersen and Terry Lane. Carried unanimously.

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

Gunnar Lundeberg

Vice President

February 2013

APL Singapore: Allen Gonzales, delegate. In at Oakland with no problems. Ernesto LeCarnaque is the relief bosun. Clarification on 12 x 4 standby work for two-man watch.

APL Japan: James Salera, delegate. Regular base wage good and payable for travel day.

APL Korea: Joe Wolff, delegate. New lifeboat preventer under investigation. Engine room hatch air winch needs replacement. Mike Henderson is the bosun.

APL Philippines: Gary Thompson, delegate. In at Oakland with no problems. Discussion contract improvements. Time back

APL China: Manny Roxas, delegate. Time back applies to daymen and watch below.

APL Agate: Joe Carson, delegate. Cargo ops a necessity for delayed sailing claims.

APL Coral: Roger Berioso, delegate. Clarification on Section 54 Deck Port Watches: higher rate payable only when sailors are assigned mate's work.

Mokihana: Bill Berry, delegate. Lively discussion on pension, contract bargaining, supplemental benefits, scope of work, STCW rest hours, and how to quit smoking.

USNS Waters: Wendy Joseph, delegate. Preparing for new mission from San Diego. In good shape with no beefs. Ordinary billets now require RFPNW certification.

APL Jersey Shore Gang: Collected a day's pay for the gang that turned to aboard the President Jackson but was knocked off because the stores had not arrived.

Dave Connolly

MM&P agrees to 10-year pact with shipowners with "hybrid" pension plan

The following is the text of a press release issued by the International Organization of Masters, Mates & Pilots, on February 14:

The Masters, Mates & Pilots Union (MM&P) announced that members of its Offshore Group have voted overwhelmingly to ratify a series of long-term collective bargaining agreements that implement a groundbreaking new "hybrid" pension plan with both a fixed and a variable component.

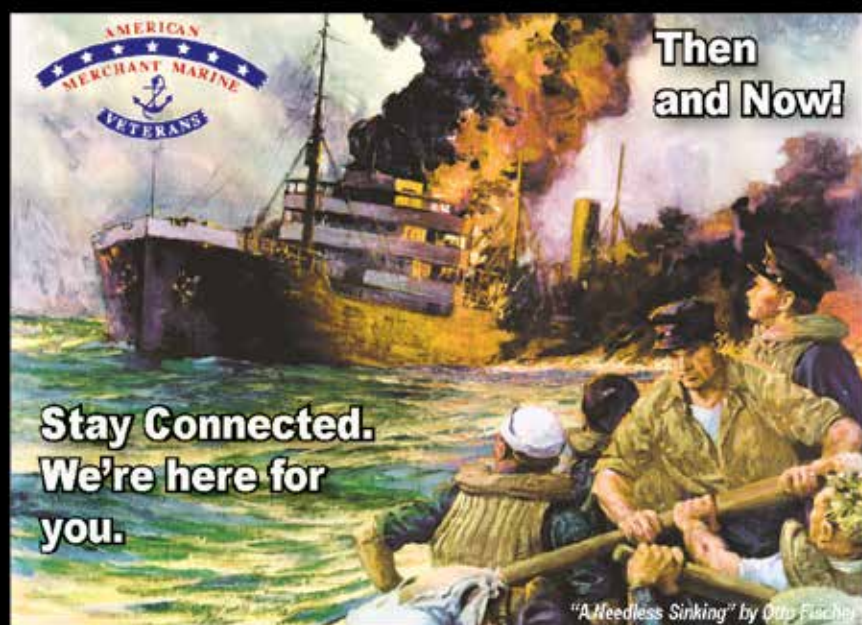
The new plan, which will replace MM&P's traditional defined benefit plan with all major deep-sea employers, will enhance the union's ability to compete for new jobs by making it easy for employers to forecast their all-in crewing expenses. The agreements that incorporate the new plan extend the duration of MM&P's current commercial-sector collective bargaining agreements for a minimum of ten years from their previous expiration dates.

"The newly ratified agreements will provide long-term job security to MM&P members and preserve industry-leading MM&P standards of wages and working conditions aboard our contracted vessels," said MM&P International President Don Marcus. "At the same time," he said, "the Adjustable Pension Plan (APP) will open new doors of employment."

MM&P members ratified the new collective bargaining agreements that incorporate the adjustable pension plan, or APP, by a margin of about 10 to 1. The agreements cover Licensed Deck Officers aboard approximately 80 deep-sea U.S.-flag merchant vessels.

The APP includes a baseline defined benefit and a variable component that can increase depending on the performance of plan investments. The traditional MM&P defined benefit plan will be frozen, with all vested benefits for current and future pensioners protected. There will be full reciprocity between the traditional plan and the adjustable plan, so that service in both plans will count toward all eligibility and vesting.

Calling all Merchant Mariners



Stay Connected.
We're here for
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The American Merchant Marine Veterans welcomes all active and retired seamen, spouses or decedents.

For general info, check out www.usmm.org or www.ammv.info

For all email inquiries, contact Sindy Raymond, National AMMV Office Administrator at: saaren@frontiernet.net or ph: 707-786-4554.

"The labor movement was the principal force that transformed misery and despair into hope and progress. Out of its bold struggles, economic and social reform gave birth to unemployment insurance, old age pensions, government relief for the destitute, and above all new wage levels that meant not mere survival but a tolerable life. The captains of industry did not lead this transformation."

Martin Luther King, Jr.

SUP Branch Reports

Seattle

January 22, 2013

Shipping during the period: 2 Boat-swains: 1 A-card to a steady and 1 B-card to USNS; 7 Able Seaman billets dispatched and filled with 5 A-cards and 2 B-cards. 11 standby's filled with 1 A, 4 B, 3 C's and 3 D registrants.

Registration for the period: 8 A cards for a total of 24; 9 B cards for a total of 28; 2 C cards for a total of 7.

Ships Checked

Matson vessels Manoa and Maui in Seattle with little or no problems. Matsonia called crew back.

The APL Coral and President Jackson; and Patriot Contract Services called for SUP/MFU crew replacements.

I represented the SUP/MFU at the following meetings: King County Labor Council Executive Board meeting. A meeting with the ILWU and the Manufacturing Council on the Arena location. A meeting with the Pacific Merchants Shipping Association and the Washington State Labor Council.

As King County Labor Council Maritime Section E-Board member I participated in a meeting between ILWU Local 19 and the King County Building Trades. The Building Trades are calling for a project labor agreement "understanding" for the Alaska Way Viaduct Replacement "tunnel spoils removal" that would extend over Terminal 46 in the Port of Seattle. The ILWU's position is loading and unloading cargo on the docks is their work. We concur with the ILWU's position.

We are now fully into the new year. Please review all documents for expiration dates and compare the dates on your TWIC, MMC and Passport. For many mariners these dates are not the same!

Vince O'Halloran
Branch Agent

Wilmington

January 22, 2013

Shipping during the period: Bosun: 5; AB: 4; AB Maint.: 5; OS: 1 and standby 46; for a total of 61 jobs shipped.

Registration for the period: A: 40; B: 23; C: 12; and D: 7.

Ships Checked

APL China, Mokihana, Manulani, APL Philippines, Maunawili, APL Singapore, Maunalei, Mahimahi, R.J. Pfeiffer (crane needs attention), APL Korea, Mokihana and APL Thailand.

On December 17, attended the L.A. Federation of Labor delegates meeting with Eli Wegger. On January 10, attended the MTD meeting. On January 17, MFOW's Bob and I were present at Congresswoman Janice Hahn's swearing in ceremony. Representative Hahn was given a fine introduction by L.A. Federation of Labor's Maria Elena Durazo and was sworn in by her brother, the Honorable James Hahn, Superior Court Judge.

Enjoyed seeing some retirees that I haven't seen for awhile, including Gary Hohn, Stan Lane, Joe Itson. Also, always enjoy seeing Duane Nash, Carl Ziegler and Barry Fisher.

Mark Hurley, Branch Agent

New location for Seattle Branch

The SUP Seattle Branch relocated to the Philip's Building near Fishermen's Terminal. There is ample parking and it's close to various bus routes. The phone and fax numbers are the same. The new address is:

4269 22nd Ave W
Seattle WA 98199

Honolulu

January 22, 2013

2 Bosun return, 1 AB Day return, 1 AB Watch steady, 3 AB Watch return, 1 AB Maintenance steady, and 1 OS steady. The shipping jobs were filled by 5 A cards, 3 B cards, and 1 C card.

Also shipped 20 standby jobs for the month of January. The standby jobs were filled by 5 A cards, 3 B cards, 6 C cards, and 6 D cards.

Registered in January: 7 A cards, 8 B cards, 2 C cards and 1 D card. To date totaled registered: 15 A cards, 10 B cards, 8 C cards and 3 D cards.

Ships Checked

The Manukai, Maunawili, Maunalei, Manulani, R.J. Pfeiffer, Manoa, Maui, Mokihana, Mahimahi, Matsonia, and the Paint and Rigging gang. All running with few or no problems.

I represented the SUP at the Hawai'i AFL-CIO Executive board meeting, where I learned that the ILWU Local 142 is planning on re-affiliating with the Hawai'i AFL-CIO. I also represented the SUP at the Hawai'i Port Maritime Council meeting.

On December 22, I attended the memorial service for U.S. Senator Daniel Inouye at the Hawai'i State Capitol building. Senator Inouye was a great man. Not only did he do great things for the state of Hawaii, he also did great deeds for our country as a whole. He will be missed. Aloha, Senator.

It's the beginning of a new year and now is a good time to check the dates on all of your documents and make sure that they do not expire this year. At a minimum you should check your passport, MMC, and TWIC dates. It wouldn't hurt to also check your annual physical and drug free card dates as well.

Mike Dirksen, Branch Agent

Dispatcher's Report

Headquarters—Jan. 2013

Deck	
Bosun.....	3
Carpenter.....	0
MM.....	4
AB.....	9
OS.....	4
Standby.....	7
Total Deck Jobs Shipped.....	42
Total Deck B, C, D Shipped.....	15
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.....	27
Total B, C, D Shipped-All Depts.....	8
Total Registered "A".....	30
Total Registered "B".....	25
Total Registered "C".....	20
Total Registered "D".....	49

SUP members join pension ranks

The following SUP members joined the rank of pensioner, bringing the total number of SUP members to 414:

Curtis Dowling, 69, Book No. 2738, joined SUP in 2004, 5 years seetime.

Joseph Moniz, 56, Book No. 6515, joined SUP in 1991, 20 years seetime.

Morris Thibodeaux, 62, Book No. 3287, joined SUP in 1990, 21 years seetime.

New visibility rules for vessels departing San Francisco Bay

The U.S. Coast Guard has promulgated new rules preventing outbound cargo ships and tankers from passing under the San Francisco-Oakland Bay Bridge during heavy fog conditions. These new restrictions aim to prevent marine casualties similar to last month's *Overseas Reymar* allusion, as well as the 2007 *Cosco Busan* disaster. Fog was a factor in both of these incidents; visibility was about a quarter-mile in each instance.

According to the *San Francisco Chronicle*, the USCG implemented the rules after the San Francisco Harbor Safety Committee, an advisory panel, voted unanimously to bar ships weighing more than 1,600 gross tons from sailing out of the bay when visibility is less than half a mile. Although the rules are classified as voluntary, the Coast Guard expects universal compliance of these guidelines. The committee imposed stricter measures for navigating in fog for nine areas near bridges after the *Cosco Busan* accident, but did not include the Bay Bridge due to concerns that it would cause shipping traffic jams.

Under the new rules, announced on February 14, ships have to radio their location and report any restricted weather conditions to the Vessel Traffic Service. If visibility is not severely restricted, vessels heading out to sea will be allowed to pass through the two widest gaps between towers. When visibility is less than half a mile, outbound ships will be kept in port, while inbound ships will be advised to use extreme caution.

The safety panel left out inbound vessels from the visibility rule because of worries that it could threaten the ships' safety outside the Golden Gate Bridge.

The San Francisco Harbor Safety Committee is comprised of 23 members from the shipping industry, governmental agencies and environmental groups.

"The test of our progress is ... not whether we add more to the abundance of those who have too much, it is whether we provide enough for those who have too little."

President Franklin Delano Roosevelt



SUP members who helped make the move to the new Seattle hall from left: Davis Ibarra; David Purganan; Chris Go; Duke Maringer; Norm Christianson; Greg Schauf; Vince O'Halloran; Jennifer Corner; Robert Jones



From left to right: Mike Thomsen, Louie Holloway, Waldemar Janczak, Ziggy Kaczor, Jack Forde, Ken Johns and Elisabeth Bishop, February 13, during a job call for the APL Cyprine in the new hall in Seattle.