

# West Coast Sailors

Official Organ of the Sailors' Union of the Pacific

Volume LXIII No. 7 583

SAN FRANCISCO, CALIFORNIA

Friday, July 21, 2000

## MarAd requests comments on Maritime Security Program:

### Unions and companies respond

In response to a request by the Maritime Administration to submit comments to assist the agency in its evaluation of the Maritime Security Program (MSP) and the Voluntary Intermodal Sealift Agreement (VISA), several maritime Unions (including the SUP), U.S.-flag shipowners and operating companies and maritime industry associations sent the following statement to the Department of Transportation last month.

#### BACKGROUND

At the outset, we wish to emphasize that our companies, unions and associations enthusiastically supported the enactment of Public Law 104-239, the Maritime Security Act of 1996, as an important first step in the revitalization of the United States merchant marine. Prior to the enactment of this Act, and due both to the phaseout of its predecessor operating differential subsidy program authorized by Title VI of the Merchant Marine Act, 1936, as amended, and to the myriad of United States-government imposed rules, regulations and tax obligations that adversely affect United States-flag vessel competitiveness, it was becoming all too clear that American-flag vessel operators were being increasingly forced to consider removing their vessels from our flag and operating them instead under foreign flags with foreign crews. If allowed to happen, this flagging-out of American vessels would precipitate a commercial sealift capability shortfall in terms of both the vessels and their crews that would severely threaten our nation's economic and military security.

As noted by the Senate Committee on Commerce, Science and Transportation in 1995 in its

#### See Comments on MSP

Continued on page 8

## U.S. cruiseship bill prompts company to arrange financing for vessel construction

In the wake of the passage of the United States Cruise Vessel Act (S.1510) by the Senate Commerce Committee last month (see the June *West Coast Sailors*), Voyager Holdings announced on July 18, that Bank of America Securities LLC has arranged and structured financing for a project that would enable Voyager to acquire and construct cruise vessels for the U.S. domestic trades.

Voyager signed an agreement last year with SUP-contracted

American Ship Management (ASM) to provide crews and management services for cruise vessels the company plans to operate if S.1510 is passed by Congress and signed by the President.

In addition to the SUP, MFO, and SIU-Marine Cooks, which comprise the SIU Pacific District, ASM has agreements with the MM&P and MEBA.

Voyager Holdings is a subsidiary of the D'Arcinoff Group, a U.S. corporation. It was formed

to acquire large cruise vessels for operation under the United States-flag in the domestic cruise trades, and to construct replacement cruise vessels in an American shipyard for operation between American ports, specializing in the business convention market. According to company president Al Wallack, the legislation approved by the Commerce Committee on June 15, would allow Voyager and the American companies to proceed with and implement a strategy that allows for the temporary operation of foreign built United States-flag cruise vessels while replacement cruise vessels are being built in American shipyards." This bridge strategy, Wallack said, "is the most tried and true means for developing a viable, successful cruise vessel operation. It gives a company the opportunity to establish a market presence, a brand identity, and to raise capital—all necessary to support the construction and operation of American built cruise ships."

As approved by the Senate Commerce Committee, S.1510 would allow a company to operate a foreign built U.S.-flag cruise vessel in the domestic trades provided the company has first entered into a contract to build at least two replacement cruise vessels in an American shipyard. Its enactment into law, Wallack stated, "will give us the chance to put Americans to work onboard American cruise ships, in American ship repair and construction facilities, and in a wide range of shoreside positions. It will allow us to offer American business and vacation travelers new and expanded cruise options and itineraries, including those that involve American ports that are rarely served, if at all, by foreign cruise ships."

Bank of American and Voy-

#### See Cruiseship Bill

Continued on page 5

## Bloody Thursday



SUP members flank the Union banner on July 5, outside the ILWU Local 10 hall in San Francisco to commemorate "Bloody Thursday"—July 5, 1934.

On that date during the coastwise maritime strike, the shipowners backed by the police and National Guard decided to "open the port" which had been shut-down tight by striking sailors, firemen, cooks, longshoremen and teamsters. The resultant attack on the strikers by the police and National Guard left two men dead (Nick Bordoise, MC&S San Francisco and Howard Sperry, ILA San Francisco) and scores of striking workers injured. Besides Bordoise and Sperry, five other Union men were killed during the '34 strike: Ole Helland, SUP, Seattle; Bruce Lindberg, SUP Seattle; S. Daffron, ILA, Seattle; J. Knudsen, ILA, San Pedro; and R. Parker, ILA, San Pedro.

Pictured are: Top row: James Cunningham, Terry Lane, Dick Cummings, Lige Midkiff, Terry O'Neill, Gilbert Wilson. Middle row: SUP Vice President Dave Connolly, Tom Gatnaitan, Doug Taylor, Charles Smith, Ed Drake, Fritz Minder. Lower row: Art Thanash, Exxon Seamen's Union Secretary/Treasurer Kevin Conroy, Tom Koppel, Rolando DeGuzman, John Crockett, Sol Berger, and Walter Kopatz.



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# SUP Honor Roll

Voluntary contributions from the membership to the following funds:

## Organization/ General Fund

Gerald Allen .....	50.00
George Castege.....	500.00
Rafael Cooper .....	120.00
Lee Dancer .....	30.00
Bill Esselstrom.....	3.00
Edward King .....	40.00
George Lua .....	20.00
Gunnar Lundeberg .....	50.00
Leo Moore.....	20.00
Ricky Pangan.....	35.00
Steven Ross .....	100.00
Whitey Secrest .....	50.00
Charles Smith, in memory of Jim Dimitratos .....	50.00
Charles Smith, in memory of Tommy Egan.....	50.00

## Political Fund

Gerald Allen .....	50.00
James Anderson .....	20.00
Richard Cahill in memory of Donald Gervasio .....	25.00
Steven Clemens .....	30.00
Dave Connolly .....	25.00
Lee Dancer .....	30.00
Romaine Dudley .....	20.00
Mike Duvall .....	40.00
Joseph Eckert .....	20.00
Danny Gonzales.....	100.00
Mark Hargus .....	20.00
James Hearn .....	20.00
Phil Howell .....	50.00
Peter Johnsson.....	20.00
James Kolm .....	50.00
Joe Lopez .....	10.00
Gunnar Lundeberg .....	25.00
John McCarthy .....	50.00
Gabe McDonald .....	11.00
Mike McLavy .....	50.00
Fritz Minder .....	25.00
Remiro Montoya.....	20.00
Vincent Nieva .....	20.00
Donald O'Halloran .....	20.00
Terrance O'Neill .....	25.00
John Palenapa .....	10.00
Ricky Pangan.....	35.00
Mike Parenteau .....	50.00
Mike Pfleegor .....	50.00
Jack Post .....	25.00
Don Potts .....	10.00
Ray Ramirez .....	20.00
Ira Reitzel .....	30.00
Douglas Taylor .....	20.00
Colin Walker .....	30.00
Grant Wegger .....	10.00
Richard Wilson .....	20.00

## Wall of Honor (San Pedro Merchant Marine Memorial)

Gunnar Larsen .....	25.00
Jack Post .....	25.00
Ira Reitzel .....	30.00
Whitey Secrest .....	25.00

## West Coast Sailors

Jerry Ahsam .....	10.00
Gerald Allen .....	50.00
Frank Amavisca .....	25.00
Gilbert Bento .....	25.00
Martin Birdsell .....	10.00
Richard Cahill, in memory of Ed Patron .....	25.00
Joseph Castege in memory of Frank Castige .....	500.00
Lee Dancer .....	10.00
James Fernandes .....	25.00
Joe Gladstone in memory of Henry "Blackie" Jackson and Jacob Brose .....	50.00
Arne Jakobsen .....	20.00
James Kawasaki .....	20.00
Woodrow Leiter .....	25.00
Joe Lopez .....	10.00
Fritz Minder .....	10.00
Bill Minster .....	20.00
Jack Post .....	25.00
Don Potts .....	10.00
Richard Price .....	50.00
Edward Sabo .....	40.00
Jackie Silva in memory of Ernie Silva .....	25.00
Ivar Thorbjornsen .....	20.00

## Dues-Paying Pensioners

Archie Aki	Book #3791
John Battles	Book #5512
Richard Cummings	Book #4666
Knud Jensen	Book #3940
John Jewett	Book #4291
Alfred Kerns	Book #3167
Kaj E. Kristensen	Book #3120
Gunnar Larsen	Book #3516
Peter Paul Liptay	Book #3725
Frank Parks	Book #3798
John Perez	Book #3810
Charles Rafael	Book #3141
Kai Sorensen	Book #7479
William Tice	Book #3239

## SUP Halls Close for holidays

The SUP Halls will be closed on July 28, in observance of an ILWU holiday (Harry Bridges' birthday).

This is a recognized holiday under the American Ship Management Maintenance Agreement, the Matson Maintenance Agreement on the Pacific Coast,

the Matson Offshore Agreement for vessels in Pacific Coast ports, and the San Francisco Bar Pilots Agreement for runboats in San Francisco Bay.

The Honolulu Hall will be closed for Admission Day, Friday, August 18.

## Rosie the Riveter/World War II National Park for Richmond, CA

A new national park to be located in Richmond, California, named Rosie the Riveter/World War II Home Front National Park, will commemorate the men and women who struggled through the years of World War II on the "Home Front."

The proposed national park will have several parts to it along the Richmond waterfront including the old Ford plant where hundreds of tanks were constructed and the Richmond shipyards which produced more ships faster than any shipyard in the history of the world.

In the center of the proposed national park will be the Rosie the Riveter National Monument. This monument will honor the hundred of thousands of women who picked up the tools of various trades to build our ships, tanks, and aircraft for the war. On October 14, 2000, the monument will be dedicated.

A trust fund has been set up to support the cost of operating the proposed national park as well as the memorial. Those organizations that give \$5,000 will have their names placed on a plaque on the memorial with special recognition for those who contribute \$10,000 or more.

## Wall of Honor gets a boost from California state government

On July 29, 2000, California Governor Gray Davis signed the state budget for the 2000-2001 fiscal year. Included in the budget is \$100,000 for the American Merchant Marine Memorial Wall of Honor to be erected in San Pedro, California, adjacent to the existing American Merchant Marine Veterans Memorial dedicated on National Maritime Day, May 22, 1989.

The Memorial Wall will honor all the American Merchant Mariners who sacrificed their lives during World War II and subsequent conflicts, and list the names of the ships and the mariners lost on those vessels. The request for funding was submitted by a joint committee of the California State Senate and Assembly, introduced by Senator Betty Karnette, California 27<sup>th</sup> Senate District, and Assemblyman Alan Lowenthal, California 54<sup>th</sup> Assembly District.

Major contributors to the memorial fund include the SUP; MFOW; MM&P; James H. Ackerman; the Max and

Victoria Dreyfus Foundation; U.S. Merchant Marine Veterans of World War II-*s/s Lane Victory*; Council of Master Mariners - Los Angeles/Long Beach Chapter; Nancy and Ted Kedzierski and Leroy Wright.

The membership of the SUP has collectively donated through voluntary contributions over \$18,000 toward the construction of the Wall of Honor. The Union's goal is to donate \$25,000.

Contributions can be made at or mailed to any SUP office.

## Shipping Rule correction: Matson Agreement

On Page 48 in the Agreement book between the SUP and Matson Navigation Company there is a typographical error.

Rule 56. Trip Off Procedures and Relief Rules should read:

- c. A member shall take at least thirty (30) continuous days off on Coastwise articles during his **200** days of employment.
- d. A member shall be required to take one (1) trip off during his **200** days of employment on a foreign voyage (articles).

## Final Departures

**Richard S. Bynum**, Book No. 15421. Born in Louisiana in 1930. Joined SUP in 1968. Died in Seattle, Washington, November 1999. (Active)

**Herbert T. Dockter**, Book No. 2456. Born in North Dakota in 1924. Joined SUP in 1946. Died in Bismarck, North Dakota, May 18, 2000. (Pensioner)

**Frederick Ockerhausen**, Book No. 2412. Born in Indiana in 1924. Joined SUP in 1947. Died in Wilmington, California, June 14, 2000. (Pensioner)

**Walter L. Bullock**, Book No. 4726. Born in Washington in 1926. Joined SUP in 1944. Died in Seattle, Washington, June 20, 2000. (Pensioner)

**George Robert Conley**, Book No. 4515. Born in California in 1925. Joined SUP in 1948. Died in San Miguel, California, June 29, 2000. (Pensioner)

## SUP Meetings

These are the dates for the regularly scheduled SUP meetings in 2000:

	<i>Hdq.</i>	<i>Branch</i>
August	14	20
September	11	18
October	10*	16
November	13	20
December	11	18
*Tuesday		

## West Coast Sailors

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## Kiwi dockers reach agreement with employers after taking strike vote

Members of the New Zealand Waterfront Workers Union voted this month to strike over wages and conditions.

The basis of the dispute arose more than six months ago during bargaining with shipowners, when both the Union and the companies were trying to anticipate changes to working conditions for longshoremen that the soon to be introduced New Zealand Employment Relations Act will bring.

The legislation, introduced by the country's Labor government, is expected to give Unions greater access to worker and improve bargaining power.

The main issue in contention is over the use of casual labor which is increasing as New Zealand's privatized ports strive to improve efficiency and lower cost by reducing ship turnaround time.

Dennis Carlisle, president of the Auckland Waterfront Workers Union, said the union recognized it had to "bite the bullet" and agree to casual workers being used for some unskilled work.

However, the union had organized most of the Auckland casuals and was now seeking to improve their pay and conditions.

Carlisle said negotiations had reached an "impasse," and a strike was the only way to get the port company to listen. He said there were fewer workers, working more efficiently, but claimed the port was more interested in keeping its shareholders happy.

As the *West Coast Sailors* went to press, it was learned that a strike planned for July 17, and 18, was cancelled after the Union reached a tentative agreement with Auckland employers.

The terms of the agreement are not known as of this date and subject to ratification by the Union's 280 members.

## RMT votes to continue industrial action against British Royal Auxiliary fleet

The unlicensed mariners represented by Britain's Rail Maritime and Transport (RMT) Union working in the Royal Auxiliary Fleet voted late last month to escalate industrial action after management had intimidated members with threats of being thrown off ships.

Speaking at the annual RMT conference in Great Yarmouth, union general secretary Jimmy Knapp announced that the vote was 495 to 128 in favor of continuous industrial action short of a strike.

The RMT earlier this year launched limited industrial action on Mondays and Tuesdays after it rejected a 3.25 percent wage increase for 1999. The dispute has now escalated to include the disparity in leave between officers and unlicensed seamen.

A statement from the union said that the Royal Fleet Auxiliary's response had been to "threaten seafarers with being thrown off ship, which could result in them being marooned a long way from home anywhere in the world."

Knapp said that this constituted a blatant attempt to intimidate members involved in a legitimate industrial dispute despite the union providing exemptions for ships in conflict zones.

The Royal Auxiliary Fleet is the equivalent of this country's Military Sealift Command.

## Greenpeace calls for abolition of flags-of-convenience system

The international environmental group Greenpeace last month at a conference in London called for the abolition of the flag-of-convenience system and for European Union (EU) countries' fleets to operate under EU shipping regulations.

Greenpeace spokesman Paul Horsman said that European ports should be closed to ships flagged under known flag-of-convenience nations and closing markets to products primarily imported using flag-of-convenience vessels.

# USNS Seay in Baltimore



Photo by Archie Carlisle, MFO

Looking forward in the Large Medium Speed Roll-on/Roll-off (LMSR) USNS *Seay* are O.S. Dave Pangan, AB Robert Schindler, SUP President Gunnar Lundeborg and Bosun Joe Moniz, Jr. The *Seay* is currently homeported in Baltimore after sailing from Avondale Shipyard. Lundeborg made the ship while in town for the Masters, Mates and Pilots Convention.

## Matson profits increase in second quarter

Alexander & Baldwin, Inc., parent company of Matson navigation Company, reported this week that its second quarter 2000 net income increased 21 percent to \$28,243,000, and that its second quarter earnings per share increased 28 percent, to 69¢ per share. Net income in the second quarter of 1999 was \$23,249,000 or 54¢ per share.

"Results for the second quarter were very good," said W. Allen Doane, president and chief executive officer of A&B. "Matson had a solid gain over its prior year performance despite a significant increase in fuel prices. Our real estate business benefited from a large property sale in the quarter, as well as double-digit growth in property leasing income. As we had expected, the negatives in the quarter were low sugar prices and a continuing drought in the state of Hawaii, which hurt food products results.

"Hawaii's economy continues to show improvement and the outlook for next year indicates moderate growth in the State, after years of little, or no growth. The strength of the U.S. economy appears to be the principal contributor to Hawaii's reemerging economic growth."

In the second quarter of 2000, ocean transportation operating profit as \$27.9 million. That was an increase of \$2.6 million, or 10 percent, from \$25.3 million in the second quarter of 1999. The improvement was made in spite of a virtual doubling of bunker fuel prices from the year-earlier quarter, and it was due primarily to higher Hawaii auto volume, an improved mix of cargo and better results for non-Hawaii operations. Second quarter 2000 Hawaii service container volume was about the same as in the 1999 second quarter, but automobile volume was 34 percent higher.

In the first half of 2000, ocean transportation operating profit was \$47.8 million. This was an increase of \$4.2 million, also 10 percent, from \$43.6 million in the first half of 1999. Matson's first half 2000 Hawaii service container volume was two percent higher than in the 1999 first half, but automobile volume was 49 percent higher.

## Danish ferry company to use Polish crews to cut costs

The Danish ferry company DFDS has begun to hire Polish mariners on its passenger ferry routes between Amsterdam and Newcastle, and between Copenhagen and Oslo.

According to DFDS chief executive Thorleif Blok, the company has become "very cost conscious." Block said that if a Danish crew member quits his job, he will be replaced by a Pole.

Those affected by this policy decision are unlicensed deck and engine personnel.

## MarAd to institute U.S. citizen requirements for fishing vessels

The Maritime Administration is implementing a final rule which will require U.S.-flag fishing vessels of 100 feet or greater in registered length that are operating in U.S. waters to meet current citizenship standards. The final rule would also phase out the operation of many of the largest foreign fishing vessels, and establish new criteria to be eligible to hold a preferred mortgage on vessels of 100 feet or greater with a fishery endorsement to the vessel's documentation.

The regulations set out which transactions are permissible, which transactions will require prior approval and which transactions are impermissible and, to the extent practicable, minimize disruptions to the commercial fishing industry, to the traditional financing arrangement of such industry and to the opportunity to form fishery cooperatives.

Vessel owners and mortgagees are required to comply with the new citizenship requirements by October 1, 2001, in order to obtain a fishery endorsement to the vessel's documentation. The rule requires owners to submit an affidavit of U.S. citizenship by June 1, 2001, so that MarAd can make render citizenship decisions by the compliance date.

The final rule establishes regulations pursuant to the American Fisheries Act of 1998. The AFA raises the U.S. citizenship ownership and control requirements for U.S.-flag fishing vessels, fish processing vessels, and fish tender vessels, operating in U.S. waters from 51 percent to 75 percent.

## FOC wages to increase over four years

Negotiations between the International Transport Workers Federation (ITF) and the International Maritime Employers Committee have resulted in a wage increase of \$200 spread out over four years for sailors working in flag-of-convenience vessels.

A joint statement by the ITF and the shipowners group issued in London this month stated:

"The proposals resulted from delicate negotiations lasting seven months, during which both sides showed a genuine desire to reach a mutually acceptable solution and to deal with difficult issues in a way which would provide a long-term and lasting improvement in the industrial relations scene.

"The text of a model collective bargaining agreement has been agreed, including wage scales, which provides for staged increases to the AB benchmark to \$1,400 over four years from the current level of \$1,200. The first increase, which takes effect from January 1, 2001, takes the benchmark to \$1,250."





## Tax environment must be addressed to expand the U.S. merchant fleet

This is the fourth in a series of articles examining the maritime policy initiatives recommended by the Working Group on Maritime Policy. This month's emphasis is to take action to encourage growth in the U.S.-flag merchant marine.

The report, "Maritime Policy Initiatives 2000," was produced by the Working Group on Maritime Policy, consisting of Vice Admiral Albert J. Herberger, USN (ret.), and representatives of major U.S.-flag ocean carriers, maritime labor unions and maritime associations. These articles were originally published in the *American Maritime Congress Washington Report*.

"No country in the world has a greater interest in maintaining a viable national-flag commercial fleet of sufficient size and capacity to support its national interests than does the United States," the report states.

"As the world's only remaining military superpower, a global economic power, and the largest maritime trading nation, our national interests, military and economic, are international and maritime by definition.

"These imperatives make it crucial for the United States to not only maintain the U.S.-flag commercial fleet in the international trades operating today, but to take actions that encourage new investment and bring new shipping tonnage into the U.S.-flag registry," the report continued.

The challenge, according to the report, is to offset the significant economic advantage accruing to foreign-flag ships. Many foreign countries subsidize their fleets and provide favorable tax policies for vessels registered under their flags.

"The challenges facing U.S. maritime policy under these circumstances are difficult, but not impossible," the report said. "Other countries in much the same situation as the United States as regards to their merchant fleets have reversed the same unfavorable trends as are occurring with the U.S.-flag fleet in the international trades.

"Nor are major investments of scarce budget resources necessarily required to make the needed changes," the report states.

In fact, the opposite may be true because if the United States fails to act to ensure the continued availability of private-sector U.S.-flag commercial vessels and merchant marine manpower to support U.S. defense needs, the resulting cost to the U.S. government of meeting those needs would be extreme.

The report recommends creating new incentives to invest in U.S.-flag vessel operators. Among the cost factors faced by U.S.-flag carriers and not be foreign-flag operators are the 50 percent ad valorem duty on ship repairs performed outside the United States, significantly higher regulatory costs, taxes on crew earned income that raise U.S. crew costs, and higher costs for insurance.

"U.S.-flag shipping companies operate in a high-tax environment compared to their foreign competition, who typically are able to take advantage of either offshore tax havens or tax shelters offering favorable depreciation and other incentives to reduce or eliminate tax exposure," the report said.

The report noted that the United Kingdom has been successful in reversing the decline of its national registry by instituting a tonnage-based, flat corporate tax. Other European countries have experienced similar gains.

The "tonnage tax" is attractive to ocean carriers because it allows investment decisions to be driven by market forces rather than tax considerations, the report noted. Although such a tax regime represented a significant departure from the United Kingdom's earlier tax policies, when faced with the decline of its shipping fleet it took only two years for the United Kingdom to completely revise the basis upon which it taxes corporations engaged in shipping operations, the report continued.

"If for no other reason, the success being realized by other maritime countries that have adopted tonnage-based, flat rate corporate tax regimes for shipping — including many traditional maritime powers faced by similar situations as now exist for the U.S.-flag fleet in the foreign trade — should commend its study to U.S. policymakers," the report said.

## North Korean trade restrictions Eased

The U.S. government last month publicized interim rules easing U.S. economic sanctions against North Korea. The interim rule, effective immediately, no longer bans U.S.-flag ships from engaging in transportation to and from North Korea.

According to the Maritime Administration, North Korea's oceangoing fleet as of October 1, 1999, consisted of 97 vessels of 554,000 grt. These vessels include three tankers, five dry bulk vessels, one passenger cruise ship and 88 other vessels.

## Gore announces Social Security supplemental benefits plan

Vice President Al Gore June 20, announced details of his retirement savings plan that would allow individuals to save up to \$2,000 a year in privately managed retirement savings accounts, with individual investments matched by the government.

Gore promoted his market-based personal savings accounts proposal as a way for low and middle income families to build a retirement nest egg to supplement Social Security benefits.

"I am proposing a plan to give families the real help they need to build better lives for themselves and their children," Gore said in a speech in Lexington, KY. "My plan for private savings and investment is very different from what others have proposed in this election. It doesn't come at the expense of Social Security. It comes in addition to Social Security," he said.

Gore proposes and tax-free savings account similar to individual retirement accounts and tax code Section 401(k) plans. His proposal would allow workers to use their savings without penalty after five years to pay for a new home, education expenses, catastrophic medical expenses.

He proposes using a portion of the federal budget surplus, approximately \$200 billion over 10 years, to fund the government match to the saving accounts. Under this proposal, the federal government

would match individual contributions with tax credits, with the most needy getting the largest tax credits.

This means that a married couple making up to \$30,000 annually, each spouse could contribute \$500 annually to his or her account. The refundable tax credit would add another \$1,500, providing a total of \$2,000 per person, aides said.

Couples making between \$30,000 and \$60,000 would receive a \$1,000 matching tax credit, and couples earning up to \$100,000 would receive a \$500 matching tax credit. Single filers would be half those for married couples and individuals could contribute less than the maximum.

Ari Fleischer, a spokesman for Texas Governor George W. Bush, Gore's Republican opponent in the presidential race, denounced Gore's proposal as marred. "Al Gore's latest proposal is flawed: low-income workers living paycheck to paycheck cannot afford it, and it doesn't stop Social Security from going broke," Fleischer said in a statement. "In contrast, Government Bush's plan allows all low income workers to invest a portion of their own payroll taxes to save for retirement and it provides a blueprint for bipartisan Social Security reform. While Al Gore's belated support of investing in the stock market is encouraging, his proposal is a change in position so he can follow Governor Bush's lead."

## Retired Navy commander stresses need for U.S. to make commitment to U.S.-flag fleet

Former Commander of the Navy's Military Sealift Command, Vice Admiral Perkins III (ret.) said America needs a renewed commitment to maintain a viable U.S.-flag fleet to support the nation's economic and national security. In an opinion piece published in *The Times of Trenton*, New Jersey, he wrote: "I recommend a balance of government promotional programs and private sector competitiveness initiatives that will help level the maritime playing field. As it is, U.S.-flag vessels must compete against foreign state-owned ships, subsidized shippers and shipyards, and the industrial cartels of America's strongest economic competitors."

Vice Admiral Perkins continued to say Americans need to know that in times of war or international crisis, 95 percent of the weapons, supplies, and equipment needed by U.S. Armed Forces overseas must be carried by ships, primarily commercial vessels.

"To accomplish this mission, the military uses privately owned commercial vessels flying the United States flag — the U.S. Merchant Marine — to supplement its own transportation assets," he said. "There is very good reason why the U.S. Merchant Marine is called 'the vital fourth arm of national defense'."

"The next president and Congress must adopt maritime policies which ensure a U.S.-flag fleet fully capable of providing crucial commercial shipping assets," he continued. "Without such action, maintaining smaller inventories and moving more supplies via merchant ships exposes military distribution channels to critical shortfalls — which could cost lives.

"To avoid such an unacceptable possibility, a comprehensive program must be developed to ensure survival and encourage growth of the U.S. Merchant Marine. The economic benefits and enhanced defense capabilities far outweigh incidental and nonrecurring costs."

Vice Admiral Perkins called for: Sustained funding for the Maritime Security Program (MSP), which provides federal support for a fleet of 47 militarily useful U.S.-flag commercial vessels; strict compliance with U.S.-flag cargo preference laws; and new tax incentives designed to encourage investment in U.S.-flag vessels.

"A solid partnership with the commercial U.S.-flag fleet is not just the best way, it is the only way to get the job done and answer the bell when the next crisis arises — as it will," said Perkins. Vice Admiral Perkins is Senior Military Advisor to the American Maritime Congress.

## Foreign-flag cruise vessels must comply with ADA

Foreign-flag cruiseships must meet American Disability Standards, ruled a federal appeals court earlier this month.

An appeals court in Atlanta reinstated a case filed by a passenger against one of the foreign lines.

The Justice Department took the unusual step of arguing the appeal in support of the complaining passenger, a woman who was unable to use her cabin's bathroom because it was not wheelchair accessible.

"The cruise industry hoped to avoid a

blanket decision dictating compliance with the law. It says it prefers a voluntary approach until the Transportation Department writes a set of rules for ships."

Gary Davidson, the attorney for Premier, said that the decision improperly "stretched the reach of the ADA. This is a remarkable decision. Premier believes the court of appeals has gone too far."

Foreign cruise vessel do not have to comply with a number of U.S. laws and all but one of the world's cruiseship companies are registered abroad.

# Army general says MSP and VISA successful and necessary

Lieutenant General Daniel G. Brown, Deputy Commander in Chief of U.S. Transportation Command (USTRANSCOM), said the U.S. sealift capability has developed significantly since the Persian Gulf War. The Military Sealift Program (MSP) and Voluntary Intermodal Sealift Agreement (VISA) ensure the availability for militarily useful U.S.-flag ships and their trained U.S.-citizen crews for defense use.

“This is victory,” he said, “A large portion of our capability is projected to sealift —85 to 90 percent.”

The Armed Forces will be increasing their emphasis on afloat pre-positioned ships to rapidly deploy equipment, General Brown said. These vessels are operated by the Navy's Military Sealift Command and crewed by U.S.-citizen civilian merchant mariners.

“We do not have the transport to do two major theater wars,” he said. Our priority would be to have efficient transportation between U.S.-flag carriers and the military. “We have proven it works at peace time,” Brown said.

In addressing transporters, he warned: “You need to be able to deploy anywhere in the world, quicker than you did in Desert Storm.”

# Senate passes oceans commission bill

The Senate passed S. 2327 on June 26, a bill to establish a Commission on Ocean Policy, made up of representatives from state and local governments, ocean-related industries and public interest groups. The bill calls for an action plan for the 21st century to explore, protect, and make better use of oceans and coastal waters.

The Senate-passed bill establishes an independent national Ocean Commission this year which would comprehensively evaluate concerns that cannot be viewed effectively through current federal processes or through privately-commissioned studies. These include concerns about providing appropriate priority and funding for critical ocean conversation and management issues, as well as whether the ocean management regimes that have developed over the last 30 years are duplicative and uncoordinated, resulting in costly or time-consuming requirements that may provide little incremental environmental benefit.

The essential elements of the bill remain the same as the committee-report version, which includes examination of ocean and Great Lakes issues, protection of marine environment, prevention of marine pollution, enhancement of maritime commerce and transportation, response to natural hazards and preservation of the U.S. role as a leader in ocean and coastal activities.

## Cruiseship bill

Continued from page 1

ager have agreed on a financing structure that would enable Voyager to acquire at least three existing cruise vessels that the company would document under the American flag and operate with American crews. In addition, according to Carl Salas, Bank of American Securities LLC, managing director, “Bank of America has arranged financing of the contract price that, in conjunction with the ship construction loan guarantees issued by the United State Maritime Administration, will enable Voyager to build cruise vessels in the United States.” Salas further stated that “a financing structure has been arranged which will enable Voyager to meet the requirements of the maritime Administration’s loan guarantee program.”

“We are extremely pleased and proud that bank of America Securities LLC has worked with us and our partners to develop a United States-flag cruise vessel fleet, and to build technologically advanced and environmentally sound cruise vessels in American shipyard with the enactment of cruise fleet development legislation, Voyager will be able to provide the American consumer and American ports with a vibrant, attractive, economical American flag presence in America’s domestic cruise trades,” Wallack said.

## Support the SUP Political Fund

# Foreign-flag cruiseships blasted for inadequate fire safety standards

Passengers and crew could risk death in smoky fires if cruiseship operators do not install smoke detecting alarms in sleeping quarters, federal safety regulators said this month.

The National Transportation Safety board (NTSB) issued urgent recommendations to cruiseship operators that they install smoke detectors with alarms that sound in sleeping quarters as well as in a central control center.

Current international rules do not require local-sounding smoke alarms, and the safety board said that six deaths from ship fires in the past nine months could have been prevented if alarms had awakened sleeping crew members when smoke

entered their quarters.

“The safety board believes that had local automatic smoke alarms sounded when smoke began to enter the accommodation areas, the victims in these accidents would have been alerted before conditions became life-threatening,” Safety Board Chairman Jim Hall wrote in letters to Commodore cruise Line, Cunard Lines and the International Council of Cruise lines.

The recommendations come nearly four weeks after the second fatal cruiseship fire in less than a year. One crew member was killed April 6, on a Cunard operated ship bound for the Azores.

# Kudos for SUP gang in USNS Fisher



Crew in the *USNS Fisher*: Back row: ABs Carl Smith and Louie Urbano; Middle row: AB Lynn Gador, Bosun Peter Selivanoff, ABs Chris Rogers and Jura; kneeling: OSs John Warit and Richard Crowell, AB James Bailey

July 19, 2000

Dave Connolly, Vice President  
Sailors' Union of the Pacific

Dear Mr. Connolly:

I made your acquaintance when you boarded the *USNS Fisher* in May and I thought I would drop you a line regarding the performance of the deck crew over the past month and a half.

During Operation Roving Sands 2000, the vessel needed to be ready for passage, to have gear and additional equipment rigged for cargo operations, to provide additional support during the cargo operation itself, and to keep the vessel clean.

The personnel the SUP provided, both as the ROS-modified crew and the additional crew shipped for the activation, performed all the tasks asked of them at all times. The expert assistance supplementing the U.S. Army cargo handlers was appreciated by all.

As the cargo operation turned into readying the vessel for tours for the NATO dignitaries and the Fisher family in New York, the crew put in additional hours for cleaning in the holds and living spaces. The vessel worked and looked great—a tribute to all hands aboard.

The crew included Bosun Peter Selivanoff, A.B.s Steve Swinton, Jura, Louie Urbano, Chris Rogers, Carl Smith, Lynn Gador, James Bailey, and O.S.s Dennis Belmonte, Richard Crowell and John Warit.

Regards, W.J. Westrem,  
Chief Mate, *USNS Fisher*



*USNS Fisher* at anchor in Chesapeake Bay with stern ramp deployed and all gear flying during Operation Roving Sands 2000 this month.

Last July, five crew members died of smoke inhalation aboard the Commodore operated Panamanian-flag *Universe Explorer* traveling near Juneau during a cruise though Alaska's Inside Passage.

The Universe Explorer blaze also injured 73 of the 733 passengers and 274 crew members. “Had the fires started in areas closer to passenger accommodations, the absence of a timely alert could have resulted in multiple passenger deaths as well,” Hall said. “All accommodation areas should be equipped with automatic smoke detectors that sound locally. Generally, heat detectors require more time than smoke detectors to activate because a minimum level or minimum rate of heat

must occur in the area of the device's heat sensor before the detector activates,” Hall added.

The danger is that smoke will cloud escape routes and asphyxiate passengers and crew before they can find safety, Hall said.

Smoke detectors are required under rules to take effect in October, but regulations will not require the alarms to sound in sleeping quarters.

Hall also has asked the Coast Guard to propose that the International Maritime Organization require passenger ships to install the smoke alarms. Coast Guard spokesman Captain Bud Schneeweis said the Coast Guard was reviewing the recommendation.

# SIU PACIFIC DISTRICT SUPPLEMENTAL BENEFITS FUND, INC

## SUMMARY ANNUAL REPORT For the Year Ended 7/31/99

This is a summary of the annual report of the SIU Pacific District Supplemental Benefits Fund, Inc., EIN 94-1431246, for the year ended July 31, 1999. The annual report has been filed with the Internal Revenue Service, as required under the Employee Retirement Income Security Act of 1974 (ERISA).

### Basic Financial Statements:

The value of the plan assets, after subtracting liabilities of the plan, was \$4,490,436 as of July 31, 1999, compared to \$3,143,615 as of July 31, 1998. During the plan year the plan experienced a decrease in its net assets of \$58,379. During the plan year the plan had total income of \$5,780,303, including employer contributions of \$5,610,854 and earnings from investments of \$169,449. In addition, the plan re-stated its beginning net assets to appropriately reflect the provisions of AICPA Statement of Position 92-6 resulting in adjustments to benefit obligations of \$1,405,200.

Plan expenses were \$5,838,682. These expenses included \$274,045 in administrative expenses, and \$5,564,637 in benefits paid to participants and beneficiaries.

### Your Rights to Additional Information:

You have the right to receive a copy of the full annual report, or any part thereof, on request. The items listed below are included in that report.

1. An accountant’s report;
2. Assets held for investment;
3. Transactions in excess of 5% of plan assets.

To obtain a copy of the full annual report, or any part thereof, write or call the office of SIU Pacific District Supplemental Benefits Plan, Inc., at 522 Harrison Street, San Francisco, CA 94105-3104, telephone number (415) 495-6882. The charge to cover copying costs will be \$2.50 for the full annual report, or \$0.25 per page for any part thereof.

You also have the right to receive from the plan administrator, on request and at no charge, a statement of the assets and liabilities of the plan and the accompanying notes, or a statement of income and expenses of the plan and accompanying notes, or both. If you request a copy of the full annual report from the plan administrator, these two statements and the accompanying notes will be included as part of that report. The charge to cover copying costs does not include a charge for the copying of these portions of the report because these portions are furnished without charge.

You also have the legally protected right to examine the annual report at the main office of the plan, 522 Harrison Street, San Francisco, CA 94105-3104 and the U.S. Department of Labor in Washington, DC, or to obtain a copy from the U.S. Department of Labor upon payment of copying costs. Requests to the Department should be addressed to: Public Disclosure Room, N5638, Pension and Welfare Benefit Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, DC 20216.

## Fire retardant paint approved

NoFire Technologies announced successful completion of fire tests and approval for NoFire A18 Marine Paint in response to the new and stricter fire codes of the SOLAS regulations of the International Maritime Organization (IMO) for all civilian ships. NoFire A18 Marine Paint has now been approved by the USCG, the American Bureau of Shipping (ABS), Det Norske Veritas (DNV) and Lloyd's Register.

Meanwhile, two container ships will ply the Atlantic Ocean this year with a unique paint job: sections of their hulls will be striped with test sections of a new antifouling coating that is not toxic to sea life.

The tests will help to provide a substitute for Tributyl Tin (TBT) and other toxic biocides. The IMO is pushing for a ban on TBT use by 2003.

## ‘Black boxes’ onboard ships

The chief inspector of marine accidents for the UK's Marine Accident Investigation Branch (MAIB) has called for urgent action to make ‘black box’ data recorders mandatory on board ships.

Rear Admiral John Lang, writing in the MAIB's annual report, said that investigations into accidents at sea were being badly delayed by the lack of such devices. He said he wanted to see “the International Maritime Organization take the necessary measures without delay to ensure that the equipment is fitted in all new vessels.”

His investigators are overworked, causing delays in the completion of reports, and that the ‘black boxes’ would help in determining the reason for many accidents.

## Record of SUP Shipping June 2000

	Hdqs	Seattle	Wilm	Hono	Total
Bosun	5	1	4	0	10
Maint. Man	2	0	0	0	2
A.B. Dayworker	0	0	12	0	12
A.B	27	12	6	8	53
O.S.	1	1	4	1	7
Standby	50	32	122	19	223
Messman	0	1	0	0	1
Cook	1	0	0	0	1
TOTALS	86	47	148	28	309

# SIU PACIFIC DISTRICT PENSION PLAN

## Summary Annual Report for the Fiscal Year Ended 7/31/99

This is a summary of the annual report for SIU Pacific District Pension Plan, 94-6061923 for the fiscal year ended July 31, 1999. The annual report has been filed with the Internal Revenue Service, as required under the Employee Retirement Income Security Act of 1974 (ERISA).

### Basic Financial Statement

Benefits under the plan are provided by the Plan. Plan expenses were \$13,560,893. Then expenses included \$892,001 in administrative expenses and \$12,668,892 in benefits paid to participants and beneficiaries. A total of 4,560 persons were participants in or beneficiaries of the plan at the end of the plan year, although not all these persons had yet earned the right to receive benefits.

The value of the plan assets, after subtracting liabilities of the plan, was \$147,907,172 as of July 31, 1999, compared to \$156,888,193 as of July 31, 1998. During the plan year the plan experienced a decrease in its net assets of \$8,981,021. This decrease includes unrealized appreciation or depredation in the value of plan assets that is, the difference between the value of the Plan’s assets at the end of the year and the value of the assets at the beginning of the year or the cost of assets acquired during the year. The plan had total income of \$4,579,872, including employer contributions of \$29,212, and earnings from investments of \$4,549,539, and other income of \$1,121.

### Minimum Funding Standards

An actuary’s statement shows that enough money was contributed to the plan to keep it funded in accordance with the minimum funding standards of ERISA

### Your Rights to Additional Information

You have the right to receive a copy of the full annual report, or any part thereof, on request The items listed below are included in that report:

1. An accountant’s report;
2. Assets held for investment
3. Transactions in excess of 5% of plan assets;
4. Actuarial information regarding the funding of the plan

To obtain a copy of the full annual report, or any part thereof write or call the office of SIU Pacific District Pension Plan at 522 Harrison Street, San Francisco CA 94105-3104. The charge to cover copying costs win be \$2.50 for the full annual report, or \$0.25 per page for any part thereof.

You also have the right to receive from the plan administrator, on request and at not charge, a statement of the assets and liabilities of the plan and accompanying notes, or a statement of income and expenses of the plan and accompanying notes, or both. If you request a copy of the full annual report from the plan administrator, these two statements and accompanying notes will be included as part of that report. The charge to cover copying costs given above does not include a charge for the copying of these portions of the report because these portions are furnished without charge.

You also have the legally protected right to examine the annual report at the main office of the plan, 522 Harrison Street, San Francisco, CA 94105-3104 and the U.S. Department of Labor in Washington, DC, or to obtain a copy from the U.S. Department of Labor upon payment of copying costs. Requests to the Department should be addressed to: Public Disclosure Room, N5507, Pension and Welfare Benefit Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, DC 20210.

## Former chairman of the FMC heads new associaton in Washington

A new maritime association representing container shipping lines is being established in Washington, D.C. Chris Koch, the former chairman of the Federal Maritime Commission and general counsel for Sea-Land Service Inc., will head the association.

Sher & Blackwell, the association’s attorneys, made the announcement earlier this month on behalf of the 26 carriers that form the group, and said the group plans on becoming active by the fourth quarter of this year.

“The first task is simply to have a coherent voice to make sure there is a better appreciation for what the industry has done

and continues to do,” Koch said. “It is not going to be a single-issue group.”

Container shipping lines have a number of issues on their plate in Washington, though none appears imminent for a vote in Congress.

Carriers are part of a coalition including ports and other shipowners fighting a plan by the Clinton administration to impose a \$980 million-a-year tax on shipowners to pay for maintenance dredging and new deepening projects.

They are opposing an effort by Rep. Henry Hyde, (R-IL) to repeal antitrust immunity for carriers to discuss and set freight rates.

## Passengers and crew poisoned in Disney foreign-flag ship

Over 200 vacationers and 38 crew members got ill from bad shrimp served during the lunch buffet aboard the *Disney Magic*.

On June 2, the Disney Magic left Port Canaveral for a four-day trip to Nassau, Bahamas. Throughout the weekend passengers and crew members reported illness. About 100 passengers were treated in the ship's hospital.

The U.S. Centers for Disease Control and Prevention reported that the illnesses stem from bacteria from tainted shrimp. Disney is handling complaints and refunds on a case-by-case basis.



## ESU Office Assignments

For the month of August, Tom Thompson will be in the Baytown office and Jerry Patterson will be in the Benicia office.



JULY 2000

Official Publication of the Exxon Seamen's Union

## Early return waivers

The Union sent the following notification to Fleet Manning Head Ms. Tracy Gunnlaugsson June 29, 2000, concerning the issuance of waivers to return to work early.

"Effectively immediately, the Union will not consider waiving Article VI, Section 4 of our agreement unless the employee first contacts the ESU Baytown office. This applies to any unlicensed employee, regardless of whether it is the Company's request or the employee's request..."

This measure was taken to not only ensure that our contract language be adhered to, but to help ensure that waivers be issued in a fair and equitable manner that is beneficial to all members. The Union recognizes that there are sometimes extenuating circumstances which occasionally arise that may require a member to request a waiver but it is important that the Union monitor this deviation from the intentions of our contract language.

Members, it is important to understand that the issuance of waivers is a very sensitive issue and a procedure that should not be used except in cases of extreme personal hardship. It is not now, nor has it ever been, a contractual right to have a waiver granted. The granting and denying of waivers must remain at the discretion of the Union. If the company were to have total domain over early assignments we could expect wholesale violations of our paid leave and sea tour language as well as a continued reluctance on the company's part to promote and hire in an appropriate manner.

All waivers to return to work early from paid leave are to be administered from the Baytown, Texas office and the individual desiring the waiver must make the request him or herself.

## Retirements announced

Four more ESU members have decided to retire since our last publication.

On June 30, Fleet Chef Randal Ballment retired with 20 years of Union service. Randy sailed in the Stewards Department his entire career since joining the company in 1980.

Peter Bakke also took retirement effective June 30, after nearly five decades of broken service. Pete sailed in the Engine Department and most recently as Pumpman.

Frank Feeger, who sailed as QMED Oiler took early retirement effective June 19, and QMED Oiler Stanley Hughes who just recently left the *S/R Long Beach* for paid leave, will retire effective August 31, 2000. Stan had also sailed as third assistant engineer.

The ESU thanks these members for their loyal support and wishes them the best of luck in their retirement.

# SeaRiver management insults membership with pathetic wage offer

Wage talks collapsed in Galveston the week of July 10 when SeaRiver management refused to make a reasonable wage increase offer to the unlicensed employees. After several rounds of bargaining the company refused to do any better than a paltry 1.75% while the Union in a good faith effort to reach an agreement had come all the way down from a realistic 8% to just 5%. Last year's increase of 3% on base pay and continuous service bonus translated into just a 1.9% across the board increase and actually lost the members purchasing power when weighed against inflation. Most members had hoped management would respond this year with an offer that would compensate them for that injustice and had expected to be treated with some respect. What they received instead was the equivalent to a slap in the face.

At each successive round of negotiating the company continued to attempt to justify their meager offerings with meaningless 'competitive' statistics that likened SeaRiver, the wholly owned subsidiary of the worlds most profitable oil giant, to comparatively much smaller operations such as Hvide and ATC. ESU members don't care what the pay is at Hvide. They do care about their families and loved ones and the sacrifices and contributions they have made to this shipping company. They care that while the nation's economy as a whole has expanded dramatically over the last ten years their real compensation has actually declined despite increases in their workload and added regulatory requirements placed upon them.

Having learned of the company's insulting gesture the ESU membership has over-

whelmingly reacted with anger and disbelief. Previous murmurs of possible job action have turned to outright calls for immediate action unless the company returns to the bargaining table with a realistic offer. While the Executive Board does not want and does not encourage such action a grass roots movement from within the rank and file may be difficult to avoid under the current circumstances. An irreplaceable and angry membership emboldened and empowered by recently forged alliances within the labor community may prove unpredictable if provoked any further. The hope is that the company will wisely decide to return to the bargaining table this year and next with substantial and long overdue pay increases in hand.

## Union charges SeaRiver with unfair labor practices!

The Exxon Seamen's Union on Friday July 14, filed through our attorney Ms. Sharon Groth, two Unfair Labor Practice charges against SeaRiver Maritime, Inc. One complaint concerns the company's continued failure to respond to at least eight grievances dating as far back as March 1, 2000, and now more than one hundred (100) days overdue. The Union considers this non-action by the company as a serious infraction that in essence disallows the Union's ability to serve the membership by resolving differences in a fair and timely manner as mutually agreed to under the provisions of our labor contract.

The Executive Board has requested both verbally and in writing that the company respond to these grievances and has exhausted every attempt to rectify the situation through traditional procedures. SeaRiver management has not demonstrated any desire to resolve these matters in a proper and just manner leaving the Union with no other alternative but to ask for assistance from the National Labor Board.

A complaint was also filed with the National Labor Board concerning a request made to management to provide the ESU with information concerning company physical examinations. The request was originally submitted on February 25, 2000 and after numerous inquiries during the intervening time including a written follow-up letter sent on June 25, no information has yet been provided. The information requested is essential for the Union to investigate and ascertain whether the annual physicals that our members are being required to undergo are being administered properly and within the scope of the government regulations, and to ensure that personal information is being kept in a confidential manner. It is the Union's position that the company is compelled legally to provide this information and has for reasons yet to be determined, refused to comply with the Union's requests.

The Exxon Seamen's Union considers the disregard that SeaRiver management has demonstrated for both our Collective Bargaining Agreement and well-established labor law contemptible and unacceptable. The ESU will continue to seek any and all avenues available to represent the "rank and file" of your Union effectively.

## Prescription claim forms

All prescription reimbursements with the exception of the long-term maintenance prescriptions processed through Paradigm should be made using the standard Bluecross/Blueshield medical claims form. In several instances BC/BS has in error, provided other prescription forms that are not recognized for reimbursement when submitted.

## Clotter arbitration

The arbitration hearing concerning what the Union viewed as an improper and inappropriate issuance of a warning slip to Mr. Marcos Clotter while serving aboard the *S/R Galveston* was held June 27 in Newark, New Jersey. ESU President Jerry Patterson, Vice President John Straley, and our attorney in New Jersey, Mr. David Grossman, represented the Union. Additionally, Pumpmen Bob Ross and Bob Knight were on hand to serve as witnesses for the Union and Marcos himself was also present to testify on his own behalf.

The Union was pleased with the legal representation received from Mr. Grossman and remains optimistic that a favorable decision will be rendered in the case. The Arbitrator's final decision is not expected to be returned until the latter part of August.

Special thanks and recognition should be given to both Bob Knight and Bob Ross. These two longtime supporters of the Exxon Seamen's Union donated their paid leave time to come to the aid of a fellow ESU member. Their generosity and dedication to our Union is greatly appreciated and serves as an example of the type of member we should all strive to be.

The ESU genuinely thanks both Mr. Knight and Mr. Ross.

## EXXON SEAMEN'S UNION

Founded March 28, 1941

Affiliated with the Sailors' Union of the Pacific

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Vice President John Straley  
Secretary/Treasurer Kevin Conroy  
Recording Secretary Thomas Thompson III

Deck Trustee Ulrich Baur  
Engine Trustee Charlie Pollard  
Steward Trustee Gerard Nelson

# Comments on MSP continued

*Continued from page 1*

Report to accompany legislation establishing the maritime security fleet: "Without the continued availability of a program to offset the higher costs of doing business under United States law, it is expected that there will be little or no U.S.-flag container fleet by the year 2000." The Committee warned that "without an active U.S. commercial fleet, there would be an insufficient pool of U.S. mariners.... Relying on foreign flag commercial vessels to meet the United States' sustainment sealift needs would leave the nation's ability to support significant military operations in the hands of foreign interests [and] jeopardize our trading interests as U.S. importers and exporters would be completely dependent on foreign shipping interests."

In fact, failing to respond to the growing crisis in the maritime industry by not acting to retain vessels and their crews for the American merchant marine would render meaningless the long-standing national maritime policy contained in Title I of the Merchant Marine Act, 1936:

"It is necessary for the national defense and development of its foreign and domestic commerce that the United States should have a merchant marine: (a) sufficient to carry its domestic commerce and a substantial portion of the waterborne export and import commerce of the United States and to provide shipping service essential for maintaining the flow of such domestic and foreign waterborne commerce at all times [and] (b) capable of serving as a naval and military auxiliary in time of war or national emergency..."

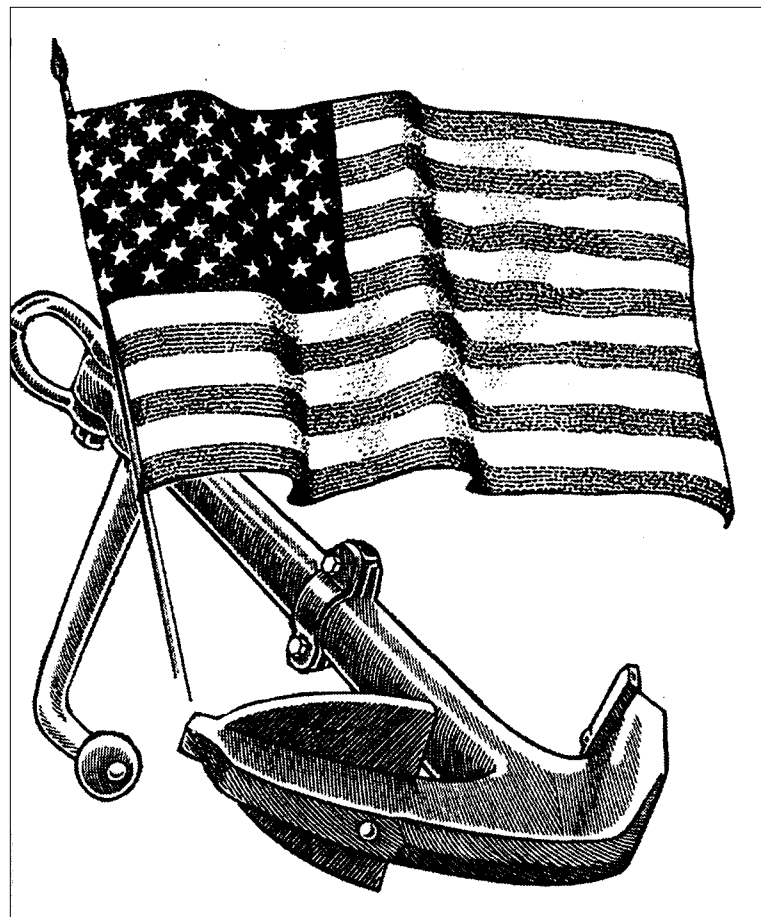
In response, industry and government came together to develop and enact a new maritime program: the Maritime Security Act of 1996. As enacted, this program recognizes that the United States-flag commercial fleet and its United States citizen mariners provide important national defense benefits, serving as a fundamental and increasingly important component of our nation's sealift capability. The United States-flag commercial vessels participating in the Maritime Security Program help ensure that American merchant mariners are available to crew the government's reserve fleet vessels which provide the surge buildup at the outset of military conflicts, and that American vessels and crews will be available to provide reliable, immediate sealift sustainment capability to support military operations overseas.

As stated to Congress by the American Security Council during consideration of the Maritime Security Act, "a strong American commercial merchant marine is the best and most cost-effective means of transporting supplies needed by our troops overseas. Without reliable commercial sealift, our nation cannot sustain our military forces in combat — from the food they eat, to the bullets needed to fight and win. Simply put, American soldiers depend on American shipping."

To this end, the Maritime Security Act of 1996 was intended to greatly enhance and increase the role played by the commercial maritime industry in national defense planning. The Act requires that the maritime security fleet be comprised of "active, militarily-useful, privately-owned vessels to meet national defense and other security requirements" and that each vessel must be covered by an Emergency Preparedness Agreement approved

by the Secretary of Defense. The Act further mandates that, through the Voluntary Intermodal Sealift Agreement (VISA) program, a company participating in the Maritime Security Program must make its "intermodal shipping services/systems, including ships, ship's space, intermodal equipment and related management services, available to the Department of Defense as required to support the emergency deployment and sustainment of U.S. military forces." This global, intermodal transportation network includes not only vessels, but logistics management services, infrastructure, terminals and equipment, communications and cargo-tracking networks, approximately 20,000 well-trained, professional U.S. citizen mariners, and more than 22,000 shoreside employees located throughout the world.

Finally, and especially significant during times of budgetary constraint, because the VISA program gives the Department of Defense access to a commercial worldwide shipping and logistics network, the United States government does not have



to spend enormous sums annually to replicate, operate and maintain a similar system. Instead, these funds can be used by the Department of Defense for a capability that cannot be provided by private industry. As noted by Senator Kay Bailey Hutchison during Senate floor debate on the proposed maritime security legislation, the new program "will provide a fleet of militarily-useful U.S.-flag commercial vessels and their American citizen crews for our Nation's defense sealift, as well as guaranteed access to modern intermodal transportation networks and management that can deliver cargo from Kansas to Kuwait and track it every step of the way. For DoD to duplicate this necessary capability, it would cost over \$800 million annually..."

Similarly, according to Senator Daniel Inouye, the Maritime Security Act "will save the Defense Department billions of dollars — because the DoD will be able to use modern, state-of-the-art commercial assets rather than buying and maintaining this capability on their own...and this point alone makes the Maritime Security Act a common sense bargain for America."

## MARITIME SECURITY PROGRAM - EVALUATION

By statute, the authorization for the Maritime Security Program expires on September 30, 2005. It is fitting, therefore, that at the halfway point of the Maritime Security Act, the Maritime Administration undertake an evaluation of the effectiveness of the existing program to determine the degree to which it has enhanced America's national maritime policy and strengthened the economic and military security of our nation in a cost-effective, efficient manner. It is equally fitting, necessary and timely, in our opinion, that the Maritime Administration begin now to discuss what can and should be considered to better implement America's national maritime policy beyond 2005.

In our opinion, the enactment and implementation of the Maritime Security Act has helped the United States to begin to achieve the goals and objectives of our national maritime policy in a number of important areas:

■The Maritime Security Program has

created and maintained a nucleus fleet of 47 militarily-useful United States-flag commercial vessels, comprised of containerships, Roll-On/Roll-Off vessels, and modernized barge carrying LASH vessels. In fact, as many as 14 modern commercial vessels, all less than 10 years old, were brought under the United States-flag to participate in the MSP. The establishment

of this fleet largely halted the wholesale exodus of United States-flag ships to foreign flags, thereby retaining for our country's economic and military security interests not only this minimum number of vessels but their United States citizen crews;

■The Maritime Security Program has enabled the Congress and the Department of Defense to dedicate a greater portion of available funds to the construction, maintenance and operation of military assets, equipment and vessels. National Defense Sealift funding for fiscal year 2000 is estimated to be between \$350-\$450 million and is intended to ensure that the United States has the ability to respond rapidly to threats anywhere in the world through the delivery of military unit equipment. These funds do not however support the commercial vessels or the civilian merchant mariners to crew and operate these vessels that are necessary to meet the sustainment needs of America's surge forces. Rather, the United States-flag commercial fleet — through the Maritime Security and VISA programs — provides these crews and connects the logistics pipeline to overseas forces; and

■The Maritime Security Act began important reforms in the regulatory framework governing the operation of United States liner vessels in the foreign trades. A number of antiquated statutory and regulatory requirements that disadvantaged United States-flag vessel operations and impeded their ability to respond to rapidly changing international trade and market conditions were changed or eliminated. For example, United States-flag vessels are no longer locked-in to arbitrary essential trade routes but rather are now free, like their foreign competitors, to "follow the cargo." While this is a positive start, more reforms are still required if the U.S.-flag fleet is to become competitive in the international trades.

As a result of these positive developments resulting from the establishment of the maritime security fleet, we continue to strongly support this program and believe that Congress should continue to fully fund its operation. At the same time, and notwithstanding these advances in national maritime policy, we believe that in order to continue to contribute to our national maritime policy goals and objectives, the Maritime Security Program must be extended, expanded and upgraded. It must become a vehicle for the growth of the United States-flag merchant marine and not simply a means to preserve an existing core fleet. We also believe very strongly that the Maritime Security Program cannot by itself solve America's maritime manpower and commercial sealift problems. Rather, it must not only be modified to better assist in improving the competitiveness of the United States-flag foreign commerce fleet but must also be accompanied by meaningful maritime-related tax and regulatory reform and by the full implementation of existing cargo reservation programs:

■The Maritime Security Program should be extended beyond its present expiration date of September 30, 2005. We believe that Congress should demonstrate its commitment to a strong national maritime policy and recognize the important contributions a strong United States flag commercial fleet makes to our country's sealift capability by statutorily extending the maritime security program for a period of at least 15 - 20 years. This change would give investors and lending institutions more confidence to provide the funds necessary for the replacement of vessels and the expansion of the United States-flag fleet. This extended Maritime Security Program should include contracts in effect for the length of the program and not predicated on annual appropriations.

■We believe Congress and the Administration should capitalize on the initial successes of the Maritime Security Program by expanding the size of the maritime security fleet. Not only will a larger militarily-useful United States-flag maritime security fleet ensure that the Department of Defense will have even greater capability at its disposal to meet the sealift manpower and sustainment needs of our Armed Forces, but it will provide a greater, much needed base of employment for American merchant mariners. Active United States-flag commercial vessels are fully crewed with trained, loyal American seafarers who must be — as they have always been — ready and available to crew the

*continued on page 9*



## Comments on MSP

Continued from page 8

government’s sealift vessels as well as the vessels operated by private industry for the government. It is important to remember that the United States Navy is facing recruiting shortfalls and dropping retention rates. It is estimated that the Navy missed its recruiting goal by 18,000 persons last year including, for the first time in many years, a shortfall in officer recruiting. Consequently, predicating a sealift strategy on government personnel to crew commercial sealift shipping is simply not a “liable option.

■Since the first full year of the Maritime Security Program, the base amount of financial support paid to an MSP-vessel operator has remained constant, at \$2.1 million per ship per year. Not only is this amount markedly below the differential between U.S. and foreign operating costs, but this amount has not been subject to an annual escalator clause as found in virtually every other government contract. We note that during the period beginning, with the commencement of the Maritime Security Program until now, the Producer Price Index has increased by approximately 10.8 percent.

We believe that an extension and expansion of the Maritime Security Program must be accompanied by a maritime security payment that more accurately and continually reflects the realities of shipping economics under the United States flag. This is a prerequisite for investors and lending institutions to have the confidence necessary to provide sufficient funds for the expansion, growth and modernization of the United States-flag fleet, and to generate the confidence on the part of shipowners and the investment community in the future of the United States merchant marine. Consequently, we strongly urge that the \$2.1 million annual payment be adjusted to reflect the true difference between U.S. and foreign operating costs, and be subject to an annual escalation clause.

■The Maritime Security Program must be supplemented by strict compliance with existing cargo preference laws that require that a percentage of military and non-military United States-government impelled cargoes be shipped on privately-owned United States-flag commercial vessels. The continued availability of preference cargoes represents one of the most important incentives for American operators in the foreign trades to keep their vessels under the United States flag. American vessel operators must have the assurance that this important base of cargo, along with both a maritime security program and, as set out below, necessary changes in existing tax laws, will be available to help them to survive in the intensely competitive international shipping arena dominated by foreign-flag fleets that are heavily subsidized and receive enormous tax benefits and incentives from their respective nations.

■The Maritime Security Program must also be accompanied by meaningful maritime tax reform. Without changes in the requirements and application of American tax laws as they pertain to United States-flag commercial vessels and their United States citizen crews, the American merchant fleet will have to continue to try to compete against foreign-flag vessels and crews that receive much more favorable tax treatment from their nations. The commercial maritime fleets in several foreign countries, for example, including those in the Bahamas, Cyprus, Liberia, Malta and Panama, are totally

exempt from taxation.

We support the pending National Security Sealift Enhancement Act (H.R.3225/S.1858). This legislation contains what we believe to be necessary tax incentives and changes in the tax laws for the United States-flag merchant marine. Among other things, this legislation would:

- Give American vessels a more internationally competitive depreciation schedule, allowing an owner of any United States-flag vessel engaged in foreign commerce to fully deduct the cost of that vessel in the year in which the vessel is acquired and documented under the United States-flag. The major maritime nations which, like the United States, do not exempt their fleets from taxation have, however, far more generous depreciation schedules than the 10-year depreciation America’s tax law extends to American ships;

- Expand and reform the existing Capital Construction Fund (CCF) to allow deposits of earnings from foreign built United States-flag ships to be contributed to a CCF for the construction of vessels in the United States. Also under this legislation, contributions to a CCF would no longer be treated as preference items under the corporate Alternative Minimum Tax (AMT), and owners of United States-flag ships would be allowed to deposit into a CCF the duty arising from foreign ship repairs;

- Extend the foreign earned income exclusion contained in section 911 of the Internal Revenue Code to American merchant mariners working aboard commercial vessels owned, operated or chartered by United States citizens and operating outside the territorial waters of the United States. Nations such as Denmark, the Netherlands, Norway and Spain already exempt their mariners from their national income tax, providing the operators of their flag vessels with a significant economic advantage over vessels including American-flag vessels that employ mariners whose wages are not exempt from taxation; and

- Repeal the Alternative Minimum Tax (AMT) with respect to shipping income. No foreign-flag fleet faces any such tax in any foreign country. Many of the tax reform proposals set-out in the pending National Security Sealift Enhancement Act would be rendered meaningless if the AMT would nonetheless continue to apply to shipping income.

We believe that a strong, competitive, privately-owned United States-flag merchant marine is an efficient, cost-effective means to provide the commercial sealift necessary to meet national defense and economic security needs, not only because history has repeatedly proven the importance of our industry to our nation’s security but because the alternatives are unaffordable and unacceptable. Without a sufficient number of militarily-useful privately-owned ships operating under the United States-flag, and without a sufficient cadre of trained, loyal American citizen merchant mariners, our country will be at the mercy of those whose economic, political and military interests may be contrary to our own.

The MSP and VISA programs have strong, bipartisan support in the Congress and the Executive Branch. As President Bill Clinton stated when he signed the Maritime Security Act of 1996 into law: “The American flag must always sail in the sea lanes of the world... [this legisla-

## The SUP rolls in Florida



George Jordinides’ Jeep with a customized SUP license plate.

### Letter to the editor:

Enclosed is a picture of my jeep with the SUP logo. It was a birthday present from my wife, Marcy. Even though the SUP does not have a hall in Florida, it is well represented.

Best of luck to the SUP on getting new ships.  
Smooth sailing to all.

George Jordinides (retired)  
Book #4300

tion] will ensure that the United States will continue to have American flag ships crewed by loyal American citizen merchant mariners to meet our Nation’s economic and sealift defense requirements.”

On April 5, 2000, Admiral Hugh Shelton, Chairman of the Joint Chiefs of Staff, summed up the attitude of the defense establishment towards the commercial United States-flag merchant marine in his remarks to the U.S. Merchant Marine Academy, 12<sup>th</sup> Battle Standard Dinner: “Ask any officer from any of the Services who has had the opportunity to serve on a Joint Task Force in the myriad of hot spots around the globe - just ask any of them if the U.S. merchant marine is important to their operations. You will not only get a ‘yes’, but a resounding ‘yes-and-can-I-have-more!’ As has long been said, ‘The Merchant Marine is our Nation’s fourth arm of defense.’ Quite simply stated, our National Security Strategy depends on a vital Merchant Marine, and the Joint Chiefs of Staff and I know it and so do our other leaders in Washington.”

We look forward to working with the Department of Transportation and the Congress to develop an expanded and updated maritime security program which, along with full enforcement of the cargo preference statutes and the implementation of necessary changes in existing tax

and regulatory laws, will create and support a more competitive and cost-effective United States-flag commercial fleet.

- Submitted by:
- AFL-CIO Maritime Committee
  - American Maritime Congress
  - American President Lines, LTD
  - American Ship Management, LLC
  - Automar International Car Carrier, Inc.
  - Central Gulf Lines, Inc.
  - Farrell Lines Incorporated
  - First American Bulk Carrier Corporation
  - First Ocean Bulk Carriers, I, II, III
  - International Organization of Masters, Mates, and Pilots
  - Labor Management Maritime Committee
  - Lykes Lines Limited, LLC
  - Maersk Sealand
  - Marine Engineers’ Beneficial Association
  - Maritime Institute for Research and Industrial Development
  - National Maritime Union
  - OSG Car Carriers, Inc.
  - Sailors’ Union of the Pacific
  - Seafarers’ International Union
  - Transportation Institute
  - U.S. Ship Management, Inc.
  - Waterman Steamship Corporation

## USNS Fisher hosts NATO VIPs

Top military leaders from the NATO member countries walked up Large, Medium-Speed, Roll-on/Roll-off ship *USNS Fisher's* side ramp June 22, from a landing craft which transported the visitors from the Virginia shore to the ship off the coast.

Vice Adm. Gordon S. Holder, USN, Commander, Military Sealift Command, hosted the NATO visitors for the day aboard the LMSR. *Fisher* showed off her unique mission capability for her NATO visitors, performing joint logistics over the shore operations with U.S. Navy and U.S. Army personnel, lighterage and equipment. The *Fisher* is crewed on deck by the SUP.

## California labor link website

California Assembly Speaker Robert M. Hertzberg has unveiled a new website: the Labor Line at <http://democrats.assembly.ca.gov/members/a40/labor/default.htm>. The website will help members of the labor community track legislation, talk to their state representative and find information about the legislative process.

“The working men and women of California deserve access to this specialized labor forum.” The website is part of Speaker Hertzberg's ongoing effort to work with the labor community in California to achieve common goals.

# California Labor Federation's 23<sup>rd</sup> Biennial Convention

## —Union power: Changing the way California works—

Over 600 delegates from across the state gathered in Anaheim for the California Labor Federation's 23<sup>rd</sup> Biennial Convention from July 17-18.

John Sweeney, AFL-CIO President, first addressed the delegates to give recognition to the many recent gains for California labor. He applauded the trend-setting defeat of Proposition 226, and noted that the defeat of 226 effectively killed similar efforts around the country. He also recognized that California led the nation in organizing adding 132,000 new members to its ranks. Sweeney further congratulated the delegates for the winning seats in both the 1996 and 1998 election cycles. He closed by challenging the delegates to become even more involved in the upcoming election since the stakes are higher than ever. California can become the nation's most significant contributor of labor friendly candidates to the House of Representatives, through both the re-districting of seats and the victories of candidates that back the agendas of working people.

The delegates adjourned at noon on the first day of the convention for a demonstration in support of the Service Employees Local 1877 who were campaigning for a better contract for employees at the new Anaheim Convention Center.

Gray Davis, Governor of California, next addressed the convention, recounting the pro-labor legislation that he has signed and promising support for future legislation dealing with the right to organize. "You are the people who give work a voice, and make sure labor and government are working partners, not sparring partners," the governor said. He then held up his union-label business card to the delegates as proof of his support for labor.

Jack Henning, the Federation's Executive Secretary-Treasurer Emeritus, noted the leading role the SUP, MFOW, and ILWU played in organizing West coast support of the Maritime Union of Australia's recent fight against Patrick Stevedoring Co. Henning then introduced Michael Costa, representative of the New South Wales Labor Council of Australia. Costa spoke of the need to develop a global strategy to offset the globalization of business.

Next, John Burton, California Senate President Pro-Tem, once again reestablished his solid support for the issues that concern working people. Burton vowed to

gain an even greater Democratic majority in the State Senate, as well his support for a raise in California's unemployment insurance rates which are now the lowest in the nation.

Al Gore, Vice President of the United States, was the last speaker via satellite hookup. Gore positioned himself as being for the people, pledging his support for the right to organize, for raising the minimum wage, for strengthening social security, and opposed to cuts in Medicare. Gore promised a pro-labor administration in the White House, and said that if elected labor would stop playing defense and go on the offensive to improve wages and conditions

Under the theme "Union Power: Changing the Way California Works," the convention delegates voted to redirect the Federation's programs to build greater political power, develop economic power and support organizing.

Delegates approved several resolutions supporting workers struggles including construction of the Rosie the Riveter National Park in Richmond (Contra Costa County); to endorse 2001 as the year of labor education; to support reconfigured runways at San Francisco airport and fairness for immigrant and union workers in airport kitchens. Delegates called for justice for Mamia Abu Jamal, a Philadelphia journalist, and Wen Ho Lee, Los Alamos Labs scientist, rescission of the U.S. embargo of Cuba; and end to attacks on Korea hotel workers; and united labor action against unfair trade practices. Workers in organizing and contract campaigns asked for and received resolutions of solidarity, including Los Angeles county physicians (UAPD/AFSCME); AT&T-TCI cable workers (CWA); commercial actors, including CalExpo ads (SAG-AFTRA); and Loews Hotel, Santa Monica, workers (HERE).

The convention also went on record supporting a number of policy statements which reflect the analysis and direction of the Federation.

In its policy statement regarding the Global economy:

**The Federation reiterates its support for statutes that ensure that vessels engaged in the coastwise and international trades are built and crewed by American workers. The Jones Act, the Maritime Security act, the Passenger Vessel Services Act, and U.S. cargo preference laws are key to maintaining the U.S. Mer-**

chant Marine.

**The maritime laws of the United States should be an aid and not a hindrance to the development of the Merchant Marine. To that end the Federation calls for Congress to review existing tax policies and develop a tax program that will enable the American Merchant Marine to sail competitively in the global economy.**

**The Federation furthermore condemns the rotten "flag-of-convenience" system in which avaricious shipowners around the world register their vessels in phoney flag states (Panama, Liberia, Marshall Island, etc.), to evade labor, safety, environmental and tax laws. This corrupt system has resulted in the global exploitation of seagoing maritime labor. The Federation calls on California's congressional delegation to demand that the U.S. government end its support of the "flag-of-convenience" system.**

The full text of all resolutions and policy statement can be accessed on the Federation's website: [www.calaborfed.org](http://www.calaborfed.org).

The convention reelected Art Pulaski the Federation's executive secretary-treasurer, Tom Rankin as president and SUP President Gunnar Lundberg as one of the Federation's vice presidents.

The SUP delegates to the convention were rank-and-file members Tom Larkin, Duane Nash, Bob Burns (who replaced Charley Supple who shipped just before the convention started), Wilmington Agent Wayne Burgess (who could not attend due to Union business), Vice President Dave Connolly, and President Lundberg.

## A look astern... 100 years ago

July 25, 1900

### Honolulu Branch to open

On July 19, Peter Rasmussen sailed from San Francisco on the steamer *Rio de Janeiro* bound for Honolulu to establish a branch of the Sailors' Union of the Pacific.

### An editorial from the *Coast Seamen's Journal*

For years the seamen of the Pacific Coast, as well as all other branches of organized labor, have been trying to obtain better conditions and more wages. Still we have to beg for a legislation that we now have, or may have had, and we have secured very little legislation where we should have secured a great deal. The laws we have in our favor it is always hard to put in force, and we have only one out of one hundred in our interest, the other ninety-nine being in the interest of capitalists. It is our interest to get what we can for our labor, and the interests of our masters to get what they can out of us for as little as they can give us in return. Every time that we strike we are confronted by an army of unemployed and sometimes by an army of soldiers. To give employment to those that are unemployed we must have shorter hours ourselves, for whenever we work overtime we are doing some other fellow out of a job and making him our opponent when we go on a strike. Some men, who are union men, and pay their dues regularly, do not mind what hours they work, or how hard the work is, or what other impositions they are subjected to by their masters, so long as they have steady work and can keep their job. This is a great mistake, and the more you think of it the more you will become convinced that it is so. What we want is to live, not to exist for the benefit of a few ship-owners or capitalists.

## "Hang loose" in the Maui



Standing by to let go in Oakland, CA, is the gang in the Matson Navigation Company's s/s *Maui*. Standing left to right: Sonny Cooper AB, Lee Dancer AB, Colin Walker AB, George Simpier Bosun, and Tony Jones AB. Kneeling: Michael Soper AB, and Jerry Komoto OS. Photo by Lovey Perez.



# SUP President 's Report

July 10, 2000

## READY RESERVE FLEET AWARDS

The Union was notified last week by the Maritime Administration that the General Accounting Office (GAO) has tentatively scheduled a hearing in Washington during the week of July 24, to question MarAd on how the agency determined the Ready Reserve Fleet (RRF) awards.

As reported in May and June, MarAd released the names of companies that were awarded contracts to operate and maintain vessels in the RRF on May 3.

MarAd's decision prompted a wave of protests filed by ship operators, including Patriot Contract Services, a division of SUP-contracted American Ship Management. The result of these protests was that the GAO stayed the awards until June.

Those awards continued to be stayed, presumably until after the GAO hearing.

From our perspective, it is hoped that the GAO will discover that MarAd's processes and procedures in awarding the RRF contracts were flawed and that the May awards are voided and that a new round of bidding will award vessels on a more equitable basis, particularly as far as Patriot is concerned.

Until this issue is resolved, Patriot will continue to manage twelve RRF vessels on a status-quo basis.

## MILITARY SEALIFT COMMAND BIDS

As reported last month, the Military Sealift Command on the request of the Masters, Mates, and Pilots, and the Marine Engineers Beneficial Association postponed the deadline for bids to be submitted to operate the Large Medium Speed Roll-on/Roll-off (LMSR) vessels, the USNS *William A. Soderman* and the USNS LCPL *Roy M. Wheat*.

Both Matson Navigation Company and Patriot Contract Services plan to submit bids with MSC to operate these ships. As of today's meeting, the deadline has been extended to August 8.

## SUP WELFARE PLAN

The SUP Welfare Plan Trustees meeting on June 16, made two improvements to the Plan regarding the annual medical and hospital benefit for pensioners.

**Currently the Plan pays a maximum benefit to eligible pensioners up to \$1,850 in any 12-month period ending July 31, for hospital, medical, surgical, dental, prescription drug or vision benefits and amounts reimbursed for monthly Medicare Part B premiums for the pensioner and/or the pensioner's spouse.**

**Effective August 1, 2000, the annual medical and hospital is amended to include the following:**

- 1) Reimbursement of premiums paid directly by a Pensioner for coverage of each Pensioner under a policy providing for medical and/or prescription drug benefits. Such reimbursement shall be made on a quarterly basis, with the first quarterly reimbursement commencing August 1, 2000 and ending October 31, 2000. In order to be reimbursed under the Plan, the Pensioner must submit an invoice from the medical and/or prescription drug plan provider together with a copy of the cancelled check, money order receipt or any other proof of payment for such coverage; and**
- 2) Payment of hospital, medical, surgical, dental, prescription drug or vision care or treatment expenses incurred by a Pensioner outside of the United States. In order for benefits to be paid,**

**the Plan must receive a bill(s) translated into English, together with translated documentation of the services provided.**

**In addition to the benefit improvements for pensioners, the Trustees also amended the SUP 401(k) Plan agreement to allow for rollovers from qualified 401(k) Plans into the SUP 401(k) Plan. This will allow members who have participated in other qualified 401(k) Plans to shift their money to the SUP Plan.**

In other Trust matters, Plan auditors, Thomas Havey LLP, reported that they are nearing completion of their audit of the Plan in the wake of the termination of former Administrator Vern Johansen. The auditors are also continuing to audit the Plan regarding delinquent contributions for casual standby sailors to the SUP Money Purchase Pension Plan from American Ship Management which was reported to the membership in April.

Regarding the proposed housing benefit for pensioners to be funded by the proceeds from the sale of the SUP Welfare Plan parking lot adjacent to Headquarters, the matter is still being reviewed by the Internal Revenue Service.

## LAWSUIT: AMO v. MSC

As the membership will recall (see the April *West Coast Sailors*), on April 6, Judge William B. Bryant of the United States District Court for the District of Columbia heard oral arguments on the American Maritime Officers (AMO) pending motions to void the LMSR award made to Patriot Contract Services by the Military Sealift Command.

According to Frank Costello of the Washington, D.C. law firm of Zuckert Scoutt & Rasenberger in this case, Judge Bryant has not issued a ruling as of today's meeting.

The SUP and MM&P retained Mr. Costello to represent both unions in opposing the AMO motion for a preliminary injunction and to request that Judge Bryant allow the SUP and MM&P to intervene as defendants in the case.

Legal costs associated with protecting our rights in the LMSR award are currently over \$30,000 and have been split evenly between the SUP and MM&P.

## LMSR TRAINING

The next training class for those interested in working in the Large Medium Speed Roll-on/Roll-off (LMSR) vessels operated by Patriot Contract Services is scheduled to begin on August 14, at the SUP/Training Resources Ltd. site in San Diego.

No one can be shipped to the LMSRs without taking the Military Sealift Command training which is provided by the SUP's Andrew Furuseth School of Seamanship in conjunction with Training Resources Ltd.

Applications to attend training classes are available at every SUP hall, the Andrew Furuseth School of Seamanship and the SUP Welfare Plan.

By the end of this year, Patriot will be operating six LMSRs. Besides the *USNS Fisher* and *USNS Seay*, which are already under Patriot Management, the *USNS Gordon*, *USNS Gilliland*, *USNS Shugart* and *USNS Yano* are scheduled to be delivered in November and December.

In addition to the specialized LMSR training, all hands who intend to continue sailing after February 1, 2002, must have an STCW '95 certificate. A schedule of STCW '95 training courses for the remainder of the year was published in the June issue of the *West Coast Sailors* and reprinted in the July issue. These courses will also be offered by the SUP's Andrew Furuseth School of Seamanship in conjunction with Training Resources Ltd. in San Diego.

## QUARTERLY FINANCE COMMITTEE

As per Article XVII, Section 2 of the SUP Constitution, a Quarterly Finance Committee shall be elected at today's Headquarters' meeting to review the finances of the Union for the first quarter of 2000, and report back to the membership at the August coastwise meetings. In the event the Committee cannot be filled today, recommend that when the quarterly audit of the Union's funds is completed, which will be in about three weeks, necessary Committee members be shipped off the hiring hall deck as per past practice. The Quarterly Finance Committee will meet on Friday, August 11, at 9:00 A.M.

## LONGSHORE HOLIDAY

SUP halls on the West Coast will be closed on July 28, in observance of an ILWU holiday (Harry Bridges' birthday). This is a contract holiday for SUP members working under the American Ship Management and Matson Navigation Company shoreside maintenance agreements on the Pacific Coast, Matson vessels in West Coast port and for members working for the San Francisco Bar Pilots in San Francisco Bay.

## ACTION TAKEN

Quarterly Finance Committee: Motion made to ship off the hiring hall deck.

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

Gunnar Lundeberg



## Icelander sails again

The 73-foot replica of Viking longship, the *Ice-lander*, set sail in June from Iceland to North America. The voyage marked the 1,000th anniversary of the voyage of the *Ice-lander* shipped by Leif Eriksson. The *Ice-lander* will stop in Newfoundland before sailing to Halifax and Boston and reaching New York in October.

There will eight crew members and two tame ravens as it is understood that "Leif the Lucky" had some on board. The crew plans to dress in Viking-era clothing when they arrive in ports.



# SUP Branch Reports

## Seattle

June 19, 2000

Shipped the following for the period: 2 bosuns, taker by A cards; 12 ABs filled by 6 A cards, 2 B cards, and 4 C cards; 2 AB reliefs taken by 1 C card and 1 D card; 1 OS filled by 1 B card; and 1 Messman filled by a D card. Due to the repositioning of the *Manulani* and *Maui*, we had an upward spike in shipping for our junior members.

Registered for the period: 15 A cards for a total of 36; 12 b cards for 18, and 2 C cards for a total of 9.

### Ships checked

*APL Korea*, washdown beef on here. The captain decided to knock off all hands after the first day and just have the dayworkers continue the job. The union collected two days worth of overtime for all sailors not turned to! *APL Thailand*, fire and boatdrills on Sundays is payable at the overtime rate.

*APL Singapore*, bosun Randy Coady brings in a happy ship. *APL Philippines*, top to bottom the best ship in the fleet. *Manulani*, *Kauai* running smoothly. *Maui* last call at Seattle and will shift to San Francisco; Los Angeles; Honolulu run. APL Rigging Loft no problems.

Along with the Deep Sea Fishermen's Union and the Inlandboatmen's Union, attended a luncheon for U.S. Senator Patty Murray. Senator Murray is a strong supporter of labor issues and a staunch defender of the Jones Act.

Vince O'Halloran  
Branch Agent

## Wilmington

June 19, 2000

During the month of May, dispatched the following: 4 AB, 12 AB maint., 6 O.S., 4 util. and 122 standbys, for a total of 148.

Registration stands at: 26 A members, 21 B members, 7 C members and 7 D registrants.

### Ships checked

*APL Thailand*, *APL Philippines*, *APL Korea*, *APL Singapore*, *Presidents Polk* and *Adams*. Along with the *Matsonia*, *Lurline*, *Ewa*, *Lihue*, *Mahimahi*, *Manulani* and *Monoa*. With the exception of the *Adams* and the *Polk*, there were no problems.

On the *Adams* there was a problem regarding no acknowledgment to trash segregation and call out. Also on the *Polk* there was a complaint by the chief mate regarding a member that failed to clean the fo'c'sle. Other than that, there were no problems with the other ships visited.

Wayne Burgess  
Branch Agent

## SUP Members

### Timely Reminder

Third quarter 2000 dues are due  
and payable now!

## Honolulu

June 19, 2000

During the month of May, dispatched the following jobs: 11 AB steady, 1 AB relief, 1 AB P&R medical relief. These jobs were filled by: 6 A members, 5 B members, 1 C member and 1 D registrant. Also shipped 36 standbys filled by 3 A members, 9 B members, 9 C members, 9 D members, and 6 MFOW members.

Registered the following members in May: 9 A members, 6 B members, 2 C members, and 3 D registrants. To date we have a total of: 7 A members, 7 B members, 2 C members and 6 D members, for a total of 22 registered.

### Ships checked

*Kauai*, *R.J. Pfeiffer*, *Matsonia*, *Lihue*, *Maui*, *Ewa*, *Lurline*, and *Chevron Washington* with a few or no problems.

On May 17, attended the Honolulu Maritime Trades Council meeting. On May 21, Maritime Day, the Honolulu Port Council sponsored a memorial service aboard numerous tugboats off Waikiki, followed by a reception at an Aloha Tower establishment. We had a turnout of approximately 150 maritime union members and their spouses who greatly enjoyed the occasion.

Mike Duvall  
Branch Agent

## San Francisco Business Agent

June 10, 2000

**Chief Gadao** - Called her gang back; Ian McLeod, delegate, Jack Stasko, bosun.

**Kauai** - Joe Piscopo, delegate: All in good order with Frank Portanier relief bosun.

**Lihue** - Dave Hart is the new delegate. New bosun is Bill Berry.

**Lurline** - Dan McDonald, delegate: Running out of the port of Wilmington.

**Mahimahi** - Charles Mohun, delegate.

**Manoa** - Harry Naeole, delegate.

**Matsonia** - Pete Villanueva, delegate and Joe McDonald, bosun; all in good order.

**Maui** - Lee Dancer, delegate.

**Mokihana** - Ivar Thorbjornsen is the delegate; routine call.

**Moku Pahu** - Audra Tasa, delegate: In at Crockett on the sugar run; in good shape.

**R.J. Pfeiffer** - Leo Endries, delegate: Tony Figueroa is bosun. No problems on this ship.

**Chevron Arizona** - Scott Oliphant returns as bosun; Dave McKeithen is the delegate. Ship is in the yard.

**Chevron Colorado** - Peter Bragg is the delegate. Mike Fox is the bosun. In a Richmond Long Wharf; routine visit.

**Chevron Mississippi** - In at Richmond Long Wharf after a trip to Hawaii; Paul Seager is the delegate.

**Chevron Washington** - Dennis Sabagquit is the delegate and John McNeill is relief bosun; in good shape.

**Chevron Shore Gang** - Rick Wilson is the bosun. No problems.

**Polar California** - Made this ship in Richmond to talk to the gang regarding the SUP.

**San Francisco Bar Pilots** - Roy Tufono, delegate. No problems.

**Foss Maritime** - Tom Tynan, delegate.

**Ready Reserve Fleet** - Paul Calais, delegate: In good order.

**American Ship Management, Shore Gang** - Norman Kwak, delegate: routine.

**President Adams** - John Makaiwi, delegate: Gang wants it emphasized that we leave our rooms clean when we get off. Period.

**President Grant** - Ed Suguitan is the delegate on this one. Don Kruse relieved Don Potts down south; a number of clarifications.

**Pres. Jackson** - Rich Reed, delegate.

**President Kennedy** - Ernie Stimach, delegate: Lots of clarifications; overtime collected; good gang.

**President Polk** - Jose Angeles, delegate and Tom O'Dell returned as bosun.

**President Truman** - Robert Green is the delegate and Mark Hargus is relief bosun.

**President Wilson** - Art Pond is the delegate: Things settled down a little from last trip. Still a hard working ship.

**America** - Mitch Roseveare is bosun; Ted Ochoa is the delegate.

**USNS Fisher** - Peter Selivanoff, bosun; Louie Urbano, delegate.

**USNS Seay** - Joe Moniz, Jr. fills in for bosun Mick McHenry; Izzy Idris, delegate. In ROS in Baltimore.

Bill Henneberry

## Sailors' Union of the Pacific STCW 95 Basic Training Schedule for 2000

STCW Basic Training is comprised of several modules of training. All modules are certified by the U.S. Coast Guard and meet the requirements of 46 CFR and STCW for endorsement. Modules can be scheduled individually.

- 8-Hour Elementary First Aid. Day one of all scheduled classes.
  - 16-Hour Basic Firefighting. Days two and three of all scheduled classes.
  - 4-Hour Personal Safety and Social Responsibility. First half of day four.
  - 12-Hour Personal Survival. Last half of day four and all of day five.
- Students will be in the pool on Friday.

The courses are offered by the SUP's Andrew Furuseth School of Seamanship in conjunction with Training Resources Limited. All courses will be conducted at the SUP Training site in San Diego. For additional information on course offerings visit the Training Resources Limited web site, [www.maritimetraining.cc](http://www.maritimetraining.cc), or contact the SUP Welfare Plan at (415) 778-5490 or the Andrew Furuseth School at (415) 546-1537, for information on enrollment, etc.

### Schedule of class offerings for 2000:

August 7-11	October 30-November 3
September 11-15	November 6-10
September 25-29	November 27-December 1
October 16-20	December 11-15

## SUP Members Join Pension Ranks

Two SUP members have joined the ranks of pensioners, bringing the total number of SUP members now receiving a pension to 1,120. They are as follows:

**Rex E. Harper**, 70, Book No. 5808, joined SUP in 1967, 31 years of seetime.

**Johannes W. Kriesch**, 62, Book No. 3154, joined SUP in 1966, 27 years of seetime.

Attend your  
Union meetings

## Dispatcher's Report

Headquarters June 2000

### Deck

Bosun .....	5
Carpenter .....	0
MM .....	2
AB .....	27
OS .....	1
Standby .....	50
Total Deck Jobs Shipped .....	85
Total Deck B, C, D Shipped .....	20
Engine/Steward	
QMED .....	0
Pumpman .....	0
Oiler .....	0
Wiper .....	0
Steward .....	0
Cook .....	1
Messman .....	0
Total E&S Jobs Shipped .....	1
Total E&S B, C, D Shipped .....	0
Total Jobs Shipped - All Depts. ....	86
Total B, C, D Shipped-All Depts. ..	20
Total Registered "A" .....	89
Total Registered "B" .....	90
Total Registered "C" .....	9
Total Registered "D" .....	9