Official Organ of the Sailors' Union of the Pacific

SAN FRANCISCO, CALIFORNIA Friday, May 22, 2009

Coast Guard directs U.S.-flag vessels to increase security while transiting Somali waters

Volume LXXII No. 5

In response to pirate attacks on the American vessels *Maersk* Alabama and Liberty Sun, the U.S. Coast Guard issued a mari-Ltime security directive on May 11, in response to the rise in piracy in the waters of the Gulf of Aden and the Horn of Africa and in light of recent pirate attacks on U.S. flagged vessels.

Maritime Security Directive 104-6 (rev. 2) issued by the Coast Guard under the Maritime Transportation Security Act of 2004 provides the maritime industry with specific, risk-based measures to take to deter, detect or disrupt piracy. Prior to entering high risk waters, U.S. flagged vessels should establish an anti-piracy plan that includes the hardening of rigging and operating vessels in a manner to prevent attacks and subsequent boarding. Ships shall also use established transit lanes, erratic ships maneuvering, increased speed and cooperation with military forces patrolling the area. During transits through high-risk areas, it is the ship's responsibility to maintain a vigilant anti-piracy watch and ensure all shipboard anti-piracy precautions are in force.

Vessel security plans for U.S. flagged vessels that operate in high risk waters must have security protocols for terrorism, piracy, and armed robbery against ships that meet the performance standards in this directive by May 25. An annex to the directive provides further specific measures required for vessels transiting in the Horn of Africa and Gulf of Aden high risk waters. All vessel security plans must be approved by the U.S. Coast Guard. [Editor's note: The annex referred to in the directive was not made public according to Rear Admiral James Watson citing "sensitive security information". However, informed maritime sources indicate that the annex does not specifically order armed security teams aboard, but great latitude as to how those teams will be armed and what strategies they may employ.]

"Piracy presents a multifaceted threat to the United States, our international partners and the maritime industry and the seafarers who make their living on the global maritime transportation system," said Rear Admiral Brian Salerno, assistant commandant for marine safety, security and stewardship. "The Coast Guard has a unique role to play in response to this threat and we remain committed to working with our governmental, defense and industry partners to bring pirates to justice and to help provide for the safety of mariners upon the high seas."

In addition to working with the maritime industry to help vessel owners and operators develop plans to deter, detect and respond to

acts of piracy, the Coast Guard Periodicals' postage paid at San Francisco, CA (USPS 675-180) 30 suspected pirates. SUP-contracted APL Marine

is actively engaged in counter piracy operations under Combined Task Force 151, in which Coast Guard Law Enforcement Detachments and cutters are working with the U.S. Navy to deter piracy and apprehend criminals. Coast Guard units, working with U.S. Navy Visit Board search and Seizure teams, have made four interdictions, resulting in the apprehension of

Services, Ltd. has six vessels that currently transit the Gulf of Aden and the Horn of Africa: President Adams, President Jackson, President Polk, President Truman, APL Agate and APL Japan.

World War II merchant mariner benefits bill passes House of Representatives

ob Filner (D-California), Chairman of the House Committee on Veterans' Affairs, announced on May 12, that the full House of Representatives by voice vote, had passed legislation to assist U.S. merchant mariners of World War II. This is the fifth time the bill has been submitted to Congress by Chairman Filner.

Again called the "Belated Thank You to the Merchant Mariners of World War II Act of 2009," the bill (H.R. 23) on January 6, was introduced in the House by Filner. Senator Ben Nelson (D-Nebraska) on March 19, brought companion legislation (S.663) before the Senate.

The bill's purpose is: "To amend title 38, United States Code, to direct the Secretary of Veterans Affairs to establish the Merchant mariner Equity Compensation Fund to provide benefits to certain individuals who served in the United States Merchant Marine (including the Army Transport Service and the Naval Transport Service) during World War II."

If adopted and signed into law. the act would establish the Merchant Mariners Equity Compensation Fund in the U.S. Treasury. This fund would facilitate payments by the Secretary of Veterans Affairs of a \$1,000 monthly benefit to each individual who -between December 7, 1941 and December 31, 1946— was a documented member of the U.S. Merchant Marine (including the Army Transport Service and the Naval Transport Service). Such individuals during World War II must have served as crew members aboard vessels that were operated in U.S. waters by the War Shipping Administration or the Office of Defense Transportation and under contract to, or the property of, the United States.

In remarks to fellow members of Congress in 2004, while reflecting on the contributions of mariners, Filner in part noted, "World War II Merchant Mariners suffered the second-highest casualty rate of any of the branches of services while they delivered troops, tanks, food, airplanes, fuel and other needed supplies to every theater of the war. Compared to the large number of men and women serving in World War II, the numbers of merchant mariners were small, but their chance of dying during service was extremely high. Enemy forces sank over 800 ships between 1941 and 1944 alone."

Taking his case further when offering H.R. 23 before the present Congress, Filner said, "The Merchant Mariners were dealt a grave injustice at the close of World War II when they

were denied veteran status and benefits. This bill helps rectify that wrong, and shows the Merchant Mariners that their bravery is still appreciated. "Throughout World War II, the Merchant Mariners played an essential role...Merchant Mariners courageously transported goods, materials and personnel to various theaters of war."

He added, "I am truly grateful for the services that these individuals provided during World War II and I will fight to have this bill passed into law. Our entire nation needs to give them the thanks they deserve."

Upon passage of the bill, Chairman Filner stated, "I have been fighting for more than a decade to provide Merchant Mariners of WWII the thanks they deserve for their forgotten service—not just in words, but in deeds. This Congress is once again on the precipice of correcting a grave injustice heaped upon the gallant men of the Merchant Marine of World War II. These heroes were not granted veteran status until 40 years after the War. We are here today to rectify the improper denial of G.I. Bill benefits and to find a way to compensate them, more than 60 years later, for their heroic deeds."

As the West Coast Sailors went

continued on page 2

Profits for Matson tumble and APL's plummet

The first quarter of this year **I** was brutal for the bottomlines of two SUP-contracted companies.

Alexander & Baldwin, parent company of Matson Navigation Company, reported a profit of \$3 million for the first three months of 2009, as compared to \$42.1 during the same period of 2008. Matson experienced an operating loss of \$500,000 compared to profits of \$16.4 million in 2008.

According to Alexander & Baldwin's chairman and CEO Allen Doane, "The severity of the drop in freight volumes at Matson has no modern parallel." Hawai'i container volumes declined 14% and auto volumes 44%. At the same time, the wrenching reduction in world trade has taken its toll on the company's China trade where container volumes were down 18% as compared to the same period last year.

Profits were nonexistent at Neptune Orient Lines, parent company of APL, Ltd. The Singapore-based carrier swung deep into the red in the first quarter with a loss of \$245 million compared to a net profit of \$121

million in the same period of 2008. Revenue from container shipping was down 36% to \$1.3 billion as APL volumes dropped by 27% to 962,0900 teu. Average revenue per container was down 16%, with CEO Ron Widdows warning that the company anticipated adverse business operations for the rest of the year and expected to post "a significant full year loss".

NOL/APL reported a net loss of \$149 million for the fourth quarter of 2008, but earned a profit of \$83 million for the full year.

SUP Quarterly Finance Committee Report

SUP QUARTERLY FINANCE COMMITTEE REPORT FOR THE QUARTER ENDED MARCH 31, 2009

The Quarterly Finance Committee, duly authorized to act by the regular meeting at Headquarters on April 13, hereby submits the following report:

SUMMARY OF CASH AND INVESTMENTS

General Fund	\$726,055.46
Political Fund	\$3,110.94
Strike Fund	\$1,293,730.99
Total Cash & Investments 1st Qtr. 2009	\$2,022,897.39

GENERAL FUND

Dues, Initiation, Assessments	\$119,886.25
Interest	21,274.11
Donations - West Coast Sailors	2,025.00
Tanker & Joint Committee, Hiring Hall	75,724.07
Advertising & Promotion	145.00
Miscellaneous Income, Reimbursements, Fines	1,917.95
Reimbursed Administrative Expenses	8,000.01
Reimbursed Field Expense	6,731.05
Contributions - General Fund	<u>4,530.56</u>
Total Income	\$240,234.00

Expenses:

Income:

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Accounting (Audit)	3,000.00
Rent	16,726.62
Postage, Printing & Office	6,892.82
Telephone & Telegraph	3,989.76
West Coast Sailors Publishing Expense	10,436.35
Per Capita	15,765.00
Salaries & Payroll Taxes	212,428.17
Office Workers' Pension	7,462.00
Insurance	41,481.84
Field Expense	6,131.47
Committee & Neg., Conference & Convention	2,987.91
Investment Expense	1,246.65
Advertising & Promotion	421.91
Officials Pension	2,443.65
Contributions	1,484.99

Flowers & Misc.	284.67
Legal	3,716.80
Subscription	<u>4,121.64</u>
Total Expense	

BUILDING CORPORATION

Income:	
Assessments	\$2,912.00
Rents	104,693.40
Building Utilities & Service Reimbursement	<u>1,315.47</u>
Total Income	\$108,920.87

Expense:

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Building Services & Utilities	\$25,987.37
Repairs & Maintenance	3,245.26
Salaries & Payroll Taxes	14,005.18
Pension	383.13
Filing Fee	491.00
Office	288.45
Insurance	<u>6,005.08</u>
Total Evnonco	\$50,405,47

POLITICAL FUND

ncome:	
Contributions	\$3,110.00
Interest	
Total Income	\$3,110.60
Expense:	
Contributions	\$4,950.00
Total Expense	\$4.950.00

/s/Romaine Dudley	/s/Mark Pfaff
/s/Kaj Kristensen	/s/Arthur Thanash

Net Income 1st Quarter.

ACTION BY THE MEMBERSHIP May 11, 2009. M/S/C—That we concur in the report of the SUP Quarterly Finance Committee and, as per past practice, publish in the **West Coast Sailors**. Carried unanimously.

Health care reform, revived economy best RX for Social Security, Medicare

With release of the Social Security and Medicare trustees' annual reports on May 12, showing the nation's sinking economy has had an impact on the Social Security Trust Fund, doomsayers will be crying for drastic medicine that's not needed.

The trustees 2009 report on Medicare paints a compelling case for comprehensive health care reform to rein in the skyrocketing health care costs that are driving Medicare closer to the financial brink and weighing down the entire economy.

A closer look at the Social Security 2009 report shows the program continues to run large surpluses and remains capable of paying scheduled benefits in full for the next three decades. The trustees reaffirm that the Social Security system is sound and faces no immediate danger, says AFL-CIO President John Sweeney. "No doubt, Social Security alarmists and doomsday prognosticators will use these projections to justify dramatic "reforms" such as benefit cuts and raising the retirement age. However, the Social Security system remains structurally sound. Radical changes are not necessary to bridge short-term revenue decreases or to address the program's longterm solvency."

According to the report, the recession has marginally reduced the size of the Old-Age, Survivors and Disability Insurance (OASDI) trust funds in the near term, but Social Security continues to run significant surpluses to meet its projected obligations for years to come.

In a statement, the Center for Economic and Policy Research (CEPR) said: "It is not surprising that Social Security's annual financial picture deteriorates in a

downturn....This short-term falloff in revenue has a relatively limited effect on the program's finances as indicated by the limited movement in the projected date of the Trust Fund's depletion." ...Retirees and near retirees have lost more than \$10 trillion in housing and stock wealth in the last two years. It would be incredibly malicious policy to amplify the impact of these losses by cutting Social Security benefits, especially since people in these age cohorts already paid for these benefits through their Social Security taxes.

But Medicare faces a more troubled future. The costs of the Medicare program are expected to grow fivefold over the next 75 years, driven in large part by surging health care costs.

President Obama repeatedly has said that bringing health care costs under control through comprehensive health care reform is vital to rebuilding the economy. The same holds true for Medicare, says Sweeney. "Skyrocketing Medicare costs cannot be brought under control without national comprehensive health care reform. We urge the president and Congress to move swiftly to address this great crisis."

Source: AFL-CIO

SUP Meetings

These are the dates for the regularly scheduled SUP meetings in 2009:

	Hdqs.	Branch
June	8	15
July	13	20
August	10	17
September	14	21
October	13T	ues. 19
November	9	16
December	14	21

World War II benefits

/s/John Perez

continued from page 1

\$(44 617 45)

to press, there were 24 cosponsors to Senator Nelson's bill: Sherrod Brown (D-Ohio); Sam Brownback (R-Kansas); Benjamin Cardin (D-Maryland); Robert Casey, Jr. (D-Pennsylvania); Thad Cochran (R-Mississippi); Susan Collins (R-Maine); Kent Conrad (D-North Dakota); Richard Durbin (D-Illinois); Charles Grassley (R-Iowa); James Inhofe (R-Oklahoma); Edward Kennedy (D-Massachusetts); John Kerry (D-Massachusetts); Frank Lautenberg (D-New Jersey); Joseph Lieberman (I-Connecticut); Blanche Lincoln (D-Arkansas); Robert Menendez (D-New Jersey); Lisa Murkowski (R-Alaska); Patty Murray (D-Washington); Pat Roberts (R-Kansas); Charles Schumer (D-New York); Arlen Specter (R-Pennsylvania); Debbie Stabenow (D-Michigan); Sheldon Whitehouse (D-Rhode Island) and Ron Wyden (D-Oregon).

If your Senator is not yet a supporter of this legislation, contact them to get onboard.

For more information on H.R. 23 and S.663, see President Lundeberg's report on page 10.

Support the SUP Political Fund

Final Departures

Arthur Almer, Book No. 3749. Born in Wisconsin in 1934. Joined SUP in 1951. Died in Edmonds, Washington, April 20, 2009. (Pensioner)

Hubert Hull, Book No. 5290. Born in Colorado in 1923. Joined SUP in 1944. Died in Pueblo, Colorado, April 12, 2009. (Pensioner)

Thomas Vail, Book No. 855. Born in California in 1937. Joined SUP in 1959. Died in Hawai'i, April 13, 2009. (Pensioner)

West Coast Lailors

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Foss Maritime Co. had zero losttime injuries in S.F. Bay last year

The San Francisco Bay Area division of SUP-contracted Foss Maritime Company on January 28, completed an entire year without a lost-time injury (LTI), an accomplishment that drew praise for employees, Union leaders, safety and environmental staff and the company's Marine Assurance Team.

The most recent LTI, defined as an injury that requires a worker to miss time on the job, was on the same date in 2008, when a leverman in Foss' sand dredging operation injured his hip. The LTI-free year represented 350,000 man hours. It was one-day longer than normal, because 2008 was a leap year and had 366 days.

"When we talk about a push to zero, if there is any question of our ability to achieve it, we need only look at the men and women of the San Francisco Bay Region to know it can be done," said Senior Vice President Operations Scott Merritt. He gave credit to the leadership of the Sailors' Union of the Pacific and the Inlandboatmen's Union, "who have embraced our vision of a place where injuries are not accepted as a cost of doing business." Merritt also congratulated Foss safety, environmental and Marine Assurance personnel. "While this success comes at the beginning of our journey, not the end, it serves as clear evidence we are on the right path," Merritt declared.

San Francisco Regional Operations Manager Dan Massey said the Bay Area team "pulled together to achieve the common goal of sending everyone home safe after the job is done." He added, "This is no small task and relied on vessel masters, crews, labor Unions and our alliance partners, the marine assurance group, the risk department and our local shoreside staff to work collectively with one goal in mind, 'always safe.'"

Oakland joins LA/Long Beach in offering shipping discounts

Oakland, California's third-biggest container port, is matching Long Beach and Los Angeles with incentives and discounts, with the aim of keeping customers and maintaining cargo volume.

Lawrence Dunnigan, the port's marketing chief, said that a discount of \$5 per teu will be given to terminal operators for intermodal cargo, retroactive from January 1, and ending on December 31. Shipping companies will get \$20 for each teu they send through the port by rail, above the level for 2008, from next month to April 30, 2010, added Dunnigan, who is also the port's business manager.

Volumes for the first quarter fell 15 percent from the 2008 period. Dunnigan said a similar drop is expected for the full year. "Latest indications are that business should bottom out at the end of this year and start improving from 2010."

Pilot Boat crew praised by USCG

U.S. Department of Homeland Security United States Coast Guard

U. S. Coast Guard Sector San Francisco 1 Yerba Buena Island San Francisco, CA 94133-9309 Phone: (415) 399-3492 FAX (415) 399-3521

16670 09/0298 April 16, 2009

Captain Peter McIssac San Francisco Bar Pilots Pier 9 East End San Francisco, CA 94111

Dear Captain McIssac,

Please accept my sincerest appreciation for the assistance that the crew of the Pilot Boat California provided on March 28, 2009 in the rescue of two sailors from the capsized 26-foot sail boat "Heat Wave".

On March 28, 2009 at 20:23 local, the Pilot Boat California responded to a distress call from the capsized S/V Heat Wave with two people on board approximately 8 NM West of the Golden Gate Bridge. The California quickly diverted to assist in searching for the capsized sailors who had only a handheld VHF radio and a dim flashlight to aid in finding them. By 21:06, the California located the drifting capsized boat after using their searchlight to vector the exact direction of the boat and within minutes expertly recovered one of the sailors from the water in 40+ knot winds over 13-ft swells. Moments later, a Coast Guard helicopter and 47° Motor Lifeboat arrived onscene to recover the second sailor from the water. Despite needing to maintain the pilot station for inbound and outbound ships, the California quickly brought the rescued hypothermic sailor to awaiting EMS at Fort Baker, and rapidly returned to the pilot station with no disruption of service.

The crew of the California is highly commended for their vigilance and unparalleled seamanship skills demonstrated in locating the Heat Wave and the rescue of one of the two sailors. The local sailing magazine Latitude 38 commented that "locating a capsized, keel-less, dark blue, 26-ft hull in 13-ft seas eight miles offshore on an ebb tide in the pitch dark is an amazing rescue." I could not agree more. Without the assistance provided by the California, the sailors from the Heat Wave would likely have remained in the water an additional hour before our motor lifeboats or helicopter would have been able to locate them, greatly reducing their chance of survival. The California's decisive action and keen seamanship are in keeping with the highest traditions of the United States Coast Guard and the lifesaver ethos. Bravo Zulu!

P. M. Gugg
Captain, U.S. Coast Guard
Sector Commander, Sector San Francisco

SUP aboard APL Japan



The SUP boarded the APL Japan on May 18, in Charleston, South Carolina, after she was reflagged to U.S. registry from Singapore registry. Pictured from left to right are

AB Chris Bunheirao, Bosun Robin Colonas, AB and Delegate Allen Gonzalez, AB Remigio "Charles" Noble, and Roger Berioso. Missing from the photo is STOS Durling Adric. The Japan, a C-11 class vessel, joins the APL Agate and Presidents Adams, Jackson, Polk and Truman on the APL's Suez Express Service.



Government must take lead in combating piracy, House panel told

A Subcommittee of the House of Representatives has hinted that lawmakers might take matters into their own hands and introduce legislation requiring military personnel on U.S.-flag ships in piracy-prone regions, if government officials do not come up with a similar plan by June.

Elijah Cummings, (D-Maryland) turned up the heat on the Department of Defense, the Navy, and the Coast Guard, demanding to know why US mariners are being left to fend for themselves against the scourge of piracy.

The Coast Guard and Maritime Transportation Subcommittee, chaired by Cummings, met for the first time since the beginning of February with piracy on the agenda on May 20.

Chairman Cummings spearheaded a spirited discussion, by demanding to know why the Navy or the USCG are not providing "embarked military personnel" on the few U.S.-flag ships that continue to transit the Horn of Africa. "While I have no doubt that the navy would respond immediately if another attack occurs against a U.S.-flagged vessel, the timeliness of their response could be hindered if navy assets are far from the scene of the attack," Cummings said. "And sadly, in the time that it takes the navy to respond to an incident, another hostage situation may have been created, putting another U.S. mariner at the mercy of pirates who have already announced their intention to take revenge against U.S. mariners for the deaths of their pirate colleagues in the *Maersk Alabama* incident."

Taking a dig at a recent USCG maritime security directive that recommends that U.S. shipowners take "specific, risk-based measures" to deter piracy but does not commit any USCG help in this regard, Cummings asked whether "instructions on how to protect themselves" was the best that mighty America could offer its merchant mariners. "I don't believe the Department of Defense would really argue that U.S.-flagged vessels are safer if they are left to protect themselves. Nor do I think the DOD would argue that it is preferable to respond to an incident rather than to prevent an incident from occurring," he added.

The tone of the House hearing was in stark contrast to a similar hearing on May 5 before the Senate Surface Transportation and Merchant Marine Infrastructure, Safety and Security Subcommittee, which took a rather handsoff attitude when it came to questioning the involvement of the US government itself.

As he did before the Senate Subcommittee, Liberty Maritime chief executive Philip Shapiro, whose vessel *Liberty Sun*, was attacked by Somali pirates, asked the House to consider speedily passing a law that would legalize armed self-defense by U.S.-flag crews. Erik Johnsen, Waterman Shipping president, the operator of the *Maersk Alabama*, took an opposing view, preferring a multinational, multi-pronged solution to the arming of crews.

SUP Honor Roll

Voluntary contributions from the membership to the following funds:

Organization | General Fund

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Pete Benavidez 20.00
Charles Bulmer40.00
Scott Carson 20.00
Mike Dirksen 100.00
David Green 40.00
Phil Howell 50.00
Jan Peter Johnsson 20.00
Hannu Kurppa 50.00
Gunnar Lundeberg 50.00
Ray Minor 11.19
Harry Naeole 20.00
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Mike Sposeto 100.00
Robert Taylor 20.00
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West Coast

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John McKeon	Book #6456
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Joseph Moitoso	Book #6517
Joseph Napier	Book #2299
Duane Nash	Book #2437
John Pedersen	Book #3834
John Perez	Book #3810
Alex Romo	Book #3193
Cliff Rouleau	Book #3144
Ralph Senter	Book #7323
Richard Sexton	Book #203

National jobless, employment rates rise

The ranks of Americans looking for work continued to swell in April, as the nation's unemployment rate rose to 8.9 percent, the Labor Department reported on May 8.

Although it is the highest jobless rate since September, 1983, the pace of job losses slowed appreciably last month compared to February and March.

The number of private sector jobs fell by 611,000 the report said, but that loss was offset somewhat by the addition of 72,000 government jobs—most of them connected with the 2010 census. The total of 539,000 jobs lost was slightly less than the 600,000 expected by analysts.

Some experts predicted the jobs report would beat expectations after the ADP (Automatic Data Processing and Macroeconomic Advisers) Employment Report released earlier this month showed a job loss of 491,000 in April, far lower than the 600,000-plus tallies seen in prior months. But the Labor Department confirmed businesses were still in cost cutting mode in April.

The number of Americans who are officially unemployed now stands at 13.7 million. The Labor Department also revised its estimates to show steeper job losses in months leading into April: 681,000 non-farm jobs lost in February, up from an earlier estimate of 650,000 and 699,000 few jobs in March, compared to the initial estimate of 663,000.

To be counted an unemployed in the jobs report, a person must not be working currently and must have looked for work in the past four weeks. An alternative measure of unemployment includes other groups, such as people who have become discouraged and stopped looking and people who are working fewer hours than they would like for economic reasons. If those groups are included, the unemployment rate in April was 15.8 percent, up slightly from 15.6 percent in March.

The jobs report showed it has become increasingly more difficult to find employment, with the median amount of time out of work edging up to 12.5 weeks from 11.2 in March.

Philippines Appeals Court issues bum decision on mariner disability rights

The Philippines Court of Appeals is upholding decisions that a mariner is permanently disabled after 240 days of continuous treatment, rather than 120 days.

For three years, Philippine crewing agencies have fought Supreme Court rulings that declared a seafarer automatically 100% permanently disabled after 120 days of treatment, entitling the mariner to compensation ranging from \$50,000-\$250,000, depending on the employment contract.

Last October, the industry won a concession from the courts when Associate Justice Arturo Brion ruled that the 120-days ruling did not hold in all cases, and treatment could be continued for a further 120 days before permanent 100% disability was declared. The court of appeals has now started to uphold this ruling.

In the case of seafarer Eusebio Malvar and the National labor Relations Commission (NLRC), the attorney for Malvar said in a client circular: "The court disregarded [the] seafarer's argument that his sickness went beyond 120 days and thus he should be considered permanently disabled." The court upheld the decision by the company-appointed physician that the mariner was fit to return to work within a 240-day period treatment.

In the case of seafarer Eduardo Cortez and the NLRC, the court of appeals upheld the new ruling on 240 days, declaring the seafarer was permanently and totally disabled as his disability went beyond 240 days. Cortez was granted disability benefits of \$16,795 and not the permanent disability benefit of \$120,000 under the collective bargaining agreement.

Steamship company officials sentenced for price fixing

A U.S. District Judge on May 12, sentenced three former Horizon Lines officials and one firmer Sea Star Line manager to prison terms ranging from seven to 34 months for their roles in a price-fixing case in the U.S. mainland-Puerto Rico trade. A fifth former carrier executive, Peter Baci, formerly senior vice president of yield management at Sea Star, was sentenced in January to four years in prison for antitrust conspiracy, the longest jail sentence ever imposed for a single antitrust charge.

U.S. District Judge Timothy Corrigan sentences are as follows: Gabriel Serra, former Horizon senior vice president and general manager for Puerto Rico, to 34 months, a \$20,000 fine and two years' supervised release; R. Kevin Gill, former Horizon vice president of marketing for Puerto Rico, to 29 months, a \$20,000 fine and two years' supervised release; Gregory Glova, former Horizon marketing and pricing manager for Puerto Rico, to 20 months, a \$20,000 fine and two years' supervised release; and Alexander Chisholm, former assistant vice president, yield management, at Sea Star, to seven months, a \$4,000 fine and two years' supervised release.

Serra, Gill and Glova pleaded guilty to antitrust conspiracy. Chisholm pleaded guilty to obstructing justice by attempting to destroy evidence. All are cooperating with the Justice Department in what prosecutors have described as a continuing investigation into alleged collusion among carriers in Jones Act trades between the U.S. mainland and offshore states and territories. The Justice Department said the antitrust conspiracy lasted from 2002 until last April, when the investigation became public with federal raids on the offices of Jones Act carriers.

Serra's attorney said in court filings that his client had cooperated in multiple interviews with federal agents and had reviewed thousands of documents with them and even alerted them to documents that Justice Department investigators had not known about.

Prosecutors said in their pre-sentencing memorandum that Serra "was one of the leaders and organizers of the charged conspiracy and, in fact, was one of the principal architects of the illegal agreement underlying the charged conspiracy. ... Given his senior position at his company and integral role in dealing with other senior executives involved in the conspiracy, the information provided by (Serra) has been useful in building cases against co-conspirators who remain to be charged for their roles in the charged conspiracy and other offenses."

Matson's Kauai shifts in Seattle



The *s/s Kauai*, in idle status for several months at Seattle's Terminal 69, shifted on May 2, to Terminal 46, a Todd Shipyard layberth. The shifting gang were from left to right: John Peterson; Bosun Gerry Marshall; Joe Ginez; Mike Orosz; and Jerry Komoto.

Piracy Update

The following acts of piracy were committed since the April West Coast Sailors was published:

Patriot: Hijacked by pirates in the Gulf of Aden, this Maltese-flagged, Germanowned 31,000 dwt bulkcarrier was released by Somali pirates on May 20, after an undisclosed ransom was paid.

Dubai Princess: Australian warships foiled an attack on this United Arab Emirates 115,485 dwt tanker on May 20, in the Gulf of Aden. Half a dozen pirates on a speedboat and armed with guns and rocket-propelled grenades were firing at the ship and trying to board the vessel by force. A second pirate skiff joined the attack, the company said, but the frigates HMAS Sydney and HMAS Ballarat, which were patrolling the area, came to the rescue by deploying a Sea Hawk helicopter. "The situation de-escalated once Sydney and Ballarat asserted their presence at the scene, and from the reports we have, no injuries were suffered by merchant sailors," the Navy said.

Amira: This Egyptian-flagged cargo ship was being pursued by pirates in the Gulf of Aden on May 13, when her distress call was answered by the South Korean destroyer Cheonghae. The Korean warship dispatched a helicopter to ward off the pirates.

Malaspina Castle: This ship was released by pirates on May 11, after a ransom of \$2 million was paid. The 32,600 dwt Panama-flagged bulkcarrier was hijacked on April 6, and held off the Coast of Somalia.

NS Spirit: Russian-flagged tanker was approached by pirates in a speedboat in the Gulf of Aden on May 10, the vessel's master radioed the Russian navy destroyer Admiral Panteleyeu, then 15 nautical miles from the tanker, and a helicopter gunship was dispatched and the pirates fled.

Marathon: While being escorted by naval vessels, this 2,579 dwt Netherland Antilles-flagged general cargo ship was captured by Somali pirates on May 7. Maritime sources indicate the vessel had a freeboard of only two meters "and the pirates jumped aboard."

Victoria: The 10,683 dwt general cargo ship was hijacked by eight pirates on May 5, in the Gulf of Aden while enroute to Jeddeh, Saudi Arabia. The vessel is German-owned, Romanian-crewed and flagged in Antigue and Barbados.

Al Mezaan: Panama-flagged, United Arab Emirates-owned vessel was seized by pirates on May 2, 11 miles off the coast of Somali.

Ariana: A 69,000 dwt British-owned bulk carrier was captured by pirates on May 2, 250 nautical miles southwest of the Seychelle Islands.

Khairpur: Pakistan-flagged vessel carrying rice and cement evaded a pirate attack on May 1, while transiting Somali waters.

Jolly Smeraldo: The 33,000 dwt Italian-owned ro-ro containership was attacked on April 29, in the Gulf of Aden by a speedboat manned by five pirates armed with assault rifles a bazooka. The vessel took some bullet holes, but the master took evasive action and succeeded in escaping the pirates. On April 30, the ship was attacked again, but escaped

Saldanha: Greek-owned 75,707 dwt bulk carrier was released April 27, by pirates after a \$1.9 million ransom was

Sea Princess II: Yemeni-owned tanker captured on January 2, was released by pirates on April 27. Whether a ransom was paid was not disclosed.

Qana: Yemeni-flagged tanker seized by Somali pirates on April 27, but released when the hijackers discovered there was no cargo.

MSC Melody: The Italian-owned, Panama-flagged cruiseship fended off an attack by gun-firing pirates near the Seychelle Islands on April 25. At approximately 7:30 P.M., six pirates approached the vessel and began firing at the bridge, which was returned by Israeli private security personnel onboard. Water hoses were also deployed and some passengers threw deckchairs at the pirates as they tried to attach a ladder to the ship. *Melody*, with 1,000 passengers and 500 crew aboard, was enroute from Durban to Genoa when the attack occurred. The vessel was escorted through the Gulf of Aden by the Spanish warship Marques de la Ensenada.

Pirates of the Caribbean

Pirate suspects were held on May 1 in Sao Vicente near Santos after Brazilian police arrested them in Operation Captain Jack, after the tipsy "Pirates of the Caribbean" hero Jack Sparrow.

The six men arrested were the first pirate suspects seized in Santos for a year. A police spokesman said the men are suspected of operating in two teams in trying to board a container ship bound for Europe to hide cocaine inside containers.

Among those arrested was Marcelo Florentino da Costa, who police said led the smugglers and called himself O Lobo (Wolfman in English).

Operation Captain Jack had the smugglers under surveillance for more than a year, police said. Police found 27 kilos of cocaine in a similar container a few weeks earlier but could not prove how it got there. The vessel (so far unnamed) was due to unload the designated container in Antwerp, with the cocaine to be distributed around northern Europe. The amount of contraband found is also as yet unknown.

In March last year, six armed pirates boarded the Hamburg Süd-operated ro-ro *Independente* in Santos and made off with cargo from 10 containers.

"We have to fight both in the economic and political fields, because what you win on the picket line, they take away in Washington if you don't fight on that front." Walter P. Reuther (1907-1970)

President of the United Automobile Workers in 1947

Cape Jacob in Korea



SUP gang aboard the Ready Reserve Force vessel Cape Jacob in Gwangyang, Korea on May 8, 2009 from left: OS Jake Driskell, AB Kyle Londagin, AB Keith Adams, AB Dan Moran, OS Jack Sheldon, AB James Bailey, OS Ryan McLaughlin, AB Ruben Loza, AB Chris Roblee and Bosun Mark Reed. The *Jacob* is operated by Matson Navigation Company for the Maritime Administration.

Profits dive for Japan's big three ocean carriers

Japan's three largest shipping operators unveiled sharp falls in 2008 earnings, and predict worse to come in 2009-2010, as profits are forecast to fall by up to 80 percent.

NYK, Japan's largest shipping operator, announced on April 27, that its net profit fell 50.8 percent to ¥56.1 billion (\$581 million) in the year to March 31.

Profits at K Line, which is the smallest container fleet of Japan's big three, slid the most, at 60.9 percent, to \fomation 32.4 billion.

Mitsui OSK Lines (MOL), which operates the largest dry bulk fleet among its closest competitors, was the least affected but still posted a fall in net profits of 33.3 percent to \(\frac{1}{2}126.9\) billion.

A sharp increase in the value of the yen compared with the U.S. dollar added to the woes of the three companies, as freight rates and shipping volumes went into steep decline in the period under review. In the past year, the yen appreciated to \\$100.8 per dollar, compared with an average rate of ¥115.29 per dollar during 2007.

All three companies took the opportunity to predict worsening results by the end of this fiscal year. K Line said net profit is expected to fall by as much as 80 percent to \(\frac{1}{4}6.5\) billion, on a net drop in sales of 24 percent to ¥950 billion. NYK predicts a 68 percent decline in net profit at ¥18 billion, off revenues of ¥1.9 trillion. MOL said it expected to profits to decrease by 69 percent to \{\pmu40\ billion by March 31, 2010, as revenue was expected to drop by 25 percent to \(\frac{\pma}{1}\).4 trillion.

As a clearer picture of just how difficult the business environment has become is revealed by NYK's fourth-quarter results, where the company notched up a loss of ¥54.1 billion, first time the company has fallen into the red since 2003. The difficult operating environment has spurred NYK to cut back on its fleet expansion program. The company had originally planned to boost the current 806-ship fleet to 1,000 units. This has now been cut back to 850 ships, a recent company announcement said.

Solis announces two key job safety and health rules

Labor Secretary Hilda Solis announced on April 30, that the Labor Department is moving forward to develop two new major workplace safety rules to protect workers form combustible dust explosions—such as the one that killed 13 workers at a Georgia sugar plant last year—and from a dangerous chemical that causes "popcorn lung," according to the Associated Press. The rules could take up to a year or two to finalize.

The new rules mark a major departure from the Bush Department of Labor's refusal to address serious workplace safety issues. As the AFL-CIO's just-released report "Death on the Job" point out: "For eight years, the Bush administration failed to take action to address major safety and health problems. Many OSHA (Occupational Safety and Health Administration) and MSHA (Mine Safety and Health Administration) rules were withdrawn or blocked."

Dangerous levels of combustible sugar dust at the Imperial Sugar refinery in Port Wentworth, Georgia, fueled the February 7, 2008, blast that killed 13 workers and seriously injured dozens of others.

More than 130 workers have been killed and hundreds more seriously injured in combustible explosions in the United States since 1980. In 2006, the U.S. Chemical Safety Board (CSB) urged OSHA to adopt combustible dust standards.

Diacetyl is the chemical flavoring additive in microwave popcorn that causes a severe and sometimes fatal lung disease known as "popcorn lung" and other respiratory illnesses. The Bush administration's OSHA refused in September 2007 to issue an emergency standard setting diacetyl exposure limits for workers. And in a last-minute move before leaving office, the Bush administration used a procedure known as an advance notice of proposed rule that could have, say safety experts, added two years to the diacetyl standard-setting process. In March, OSHA announced it was withdrawing the Bush order and fast-tracking a diacetyl standard.

ESU Office Assignments

For the month of June,

John Straley
will be in the Seabrook office



Official Publication of the Exxon Seamen's Union

ESU Ship Representatives attend biennial conference

he Exxon Seamen's Union biennial Ship Representative Conference was held during the week of May 11 through May 15, 2009, at the Boardwalk Inn in Kemah, Texas. For the first time since the new contract went into effect in September 1, 2008, all of the Ship Representatives were available for attendance along with all of the ESU Board Members. Wayne Dyment, Ship Representative to the *S/R Long Beach* was unable to attend due to a family commitment.

Tuesday, May 12

This day was dedicated to ESU Ship Representative's meeting with various SeaRiver managers from different departments of the company. Kicking off the day with a warm welcome to the participants was Stu McRobbie, Vice President of Operations. Mr. McRobbie spoke on numerous topics concerning operations

Safety & Quality

Basis/reasons for focus

Correct thing to do-protect people, environment, equipment and cargoes Clear Expectation (self, mgmt, customers, regulators and public)

License to continue to operate

Process and results reflect on total group

Illustrations and SRM focus

LPS- Permits were addressed by Rick Dunn, Bill Schaffer and Ron Floyd. After lunch Fleet Manager, Captain William Sheehy and Ron Floyd addressed the group about safety and leadership.

The day concluded with a small workshop on "Crucial Conversations by HR Manager Mary E. McComas and Captain Sheehy" on different ways to be able to have a dialogue when stakes are high.



In front of the new ESU Office in Seabrook, Texas, from left to right top row: Jeff Harris, Kurt Kreick, Frank O'Malia, Rudy Benavides. Middle row; John McCarthy, Joe Bernavich, John Straley. Bottom row; Tim Williams, Leo DeCastro, Thor Floreen and Pat Campbell.



ESU Ship Representatives and Executive Board participated in a workshop that dealt with handling conflict and grievances in the work place.

and fielded questions from the Union's Representatives. Below is an overview of topics reviewed during this portion of the day.

Commercial

Supply/Customer interface Allocation/Dispatch Chartering

Marine Services

Strategic Planning

Project Mgmt (SRM & EM)
Engineering, NavArch support
QA-Vetting, PSA, PIC, Dock Walker
Operations Safety & Security
LNG Support

HR

Business and personnel support

Operations/Fleet

Personnel balances

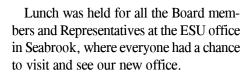
120's Kodiak & Sierra
American Progress
Baytown
Long Beach
Wilmington
OPA90 impacts, tonnage replacement/
reallocation strategies

Wednesday, May 13

This day's ambitious schedule of presentations was dedicated to ESU specific topics. The Executive Board presented Ship Representatives with a variety of specific subjects including the following:

- · Oath and swearing in
- · Status of the ESU
- $\cdot \ \textbf{Financial Reports and Review}$
- · Luncheon at ESU Office
- · Constitution and By-Laws Review
- · Ship Representatives Issues and Discussions

The day started with all Ship Representatives and ESU Board taking the Oath of the office as required by the ESU Constitution and Bylaws. This was followed by President, John Straley, giving a summary of the state of the Union looking back over the past couple of years. Vice President, Leo DeCastro presented and reviewed with the Executive Board and Representatives the year end 2008 Financial Statements and the first quarter 2009 Statements. The morning was closed out with a workshop on Ship Rep. responsibilities and how to handle grievances and conflict onboard the ships.



After lunch we reviewed the Constitution and By-Laws with the assistance of the ESU attorney Sharon Groth. The day concluded with an open forum, where the ESU Board heard and discussed different issues, questions and suggestions from the Ship Representatives.

Thursday, May 14

The final day of the conference began by a warm welcome from the Exxon Seamen's Union attendees to our esteem guests Dave Connolly, Vice President of the SUP and John Pitts, Chairman of the AMEU.

Mr. Connolly began the morning by conducting a presentation on industry related issues, State and Federal regulations that are happening around us, followed with questions and interaction among the attendees.

Pacific, the ees Union and contribution

Conference.

The ESU in the information are information.

John Pitts the Chairman of the Atlantic Maritime Employees Union, the union that represents our fellow sailors at Polar Tankers, delivered a very interesting presentation that covered a brief history

and background of the AMEU. Mr. Pitts also ended with a session of questions and answers from our representatives.

After lunch the ESU attorney Sharon Groth spent some time on a presentation about grievances, how the process on arbitrations work and the different small steps during the grievance process can have in the outcome of an arbitration de-

The day ended with all attendees and invited guests meeting in the evening for an appreciation dinner at Babin's Seafood House. Among the invited guests were AMEU Chairman John Pitts and ESU attorney Sharon Groth.

The Executive Board wants to express its gratitude to the Sailors' Union of the Pacific, the Atlantic Maritime Employees Union and Ms. Sharon Groth for their contribution and attendance at the 2009 Conference

The ESU membership will benefit from the information the Ship Representatives have gathered along with the dedication and hard work that they perform day in and day out, not only on board the ships but also during the exhaustive three days of meetings.



The ESU was very fortunate to have Dave Connolly, Vice President of the Sailors' Union of the Pacific, and John Pitts, Chairman of the Atlantic Maritime Employees Union attend our Ship Representative Conference. Pictured from left: John Pitts, Dave Connolly and John Straley.

ESU News

ExxonMobil pension plan lump sum rate lowered again

The interest rate for calculating the lump sum payments of ExxonMobil pensions for July-September 2009 will be lowered from the current second quarter April-June 2009 interest rate of 3.50% to 3.25%. If you are considering retirement and plan to take a lump sum pension, the lower interest rate should generate a larger lump sum pension payment. If the first day of retirement is July 1- September 30, 2009, and commencement of benefit is not deferred, the 3.25% interest rate and the ExxonMobil 2000 mortality table will be used to calculate the lump sum payment. The first day of retirement is the day after the last day on payroll.

The ESU advises all members that may be considering retirement in the near future to closely evaluate their financial position before deciding on retirement and whether to take the lump sum pension option or the monthly pension payment. Members deciding whether to continue employment or to retire should consider other factors that may affect their

financial security in retirement. For example, employees continuing to work will receive additional months of salary, additional months of Savings Plan contributions and additional months of age and service that will normally increase pension benefits.

Participants may request an Intent to Retire/Commence package from the ExxonMobil Benefits Service Center (EMBSC) as early as 120 days prior to the benefit commencement date (BCD). To request a package, eligible participants may contact the EMBSC at 1-800-682-2847 or the EMBSC website (www.exxonmobil.com/benefits). If an individual plans to retire in the second quarter, they should notify their supervisor 60 days before their retirement date to submit a Smart Form.

The ESU also recommends that everyone that is eligible or within a few years of his or her retirement to attend the Late Career Pre-Retirement Planning Course offered by the Company.

Contract Corner "Notice For Assignments"

Recently the ESU office has gotten some calls from members regarding when are they supposed to call in for an assignment (4 or 8 days?). "Below is the contract language from Article VII, Line 3, Paragraph A and B on page 24 that addresses this issue:

A. Prior to the end of a sea tour, the Company shall provide the employee with a written advance date of next assignment call in. The Company will also mail, e-mail or talk directly with the employee via telephone to remind such employee of the date, time and place to telephone the Company to receive such assignment. Any unlicensed employee may be required to report for active duty up to four (4) days before completion of the employee's earned paid leave.

B. Insofar as is practical and taking into consideration holidays and weekends, employees shall not be required to telephone for assignment earlier than eight (8) days prior to the scheduled end of paid leave. Any unused paid leave will carry over to the next scheduled paid leave period; and the employee shall be required to phone the office only one (1) time prior to the end of a paid leave period.

Ship reports

S/R American Progress

The vessel continues her regular run between the ExxonMobil Refinery in Beaumont, Texas, and Florida. Ein Cooley filling in as Ship Representative, reports all is well and a good crew onboard.

S/R Baytown

The S/R Baytown is back in service going between Valdez, Alaska, and the San Francisco Bay Area. AB Thomas Mallory filling in as Temporary Ship's Representative and staying in touch with the ESU office. A small issue with shore leave at one of the terminals in the Bay area, but it was resolved even before the ship got to the dock, everything else running smoothly.

Kodiak

The Kodiak continues in her Valdez to Puget Sound trade. AB Wen Tai is filling in as Temporary Ship Representative. The vessel was having some trouble with crew logging on to the Internet, but due to the new incoming Captain's help and some work it is back to normal. Thanks for the effort. All is well.

S/R Long Beach

The Long Beach after a long trip all the way around South America was able to discharge her cargo at the LOOP. All of the unlicensed crew got relieved and AB Mike Harrison is now filling in as Temporary Ship Representative. The vessel is to stop at the St. Eustatius Islands for bunkering and then head east to Singapore for cleaning tanks, debunkering and removing some of the equipment on board. Current plans are looking more like the vessel will enter lay up in June.

Sierra

An ESU Board member visited the Sierra on April 26, at anchorage 9 in San Francisco. The vessel continues to rotate discharge ports between the Bay Area and the Puget Sound. AB Cory Conroy took over for Thor Floreen as Ship Rep. and reports everything is running smooth.

S/R Wilmington

The Willy is in the shipyard in Gdansk, Poland, where it's expected to stay until the end of May before heading back to the United States. AB Mike Gore filling in as the Temporary Ship Rep. and staying in touch with the ESU via e-mail. He reports everything's going smoothly and the ship is coming along with the crew working hard. Once the vessel returns to the United States it's supposed to enter cross-gulf gasoline service.

Newly elected Board Member at Large



Recently elected Board Member At Large, AB Frank O'Malia on the Sierra before assuming his watch at anchor in San Francisco, CA.

ExxonMobil first quarter 2009 results

ExxonMobil posted solid first quarter ciplined approach to capital investment. results despite the slowdown in the global market place and sharply lower commodity prices. ExxonMobil first quarter earnings were \$4.6 billion, down 58% from the first quarter of 2008. Earnings per share were \$0.92, down 54% reflecting the lower earnings and the benefit of the share purchase program.

In a news release on earnings, ExxonMobil's chairman Rex W. Tillerson commented in part, "In spite of the dramatic changes to the global economic environment, ExxonMobil is maintaining its long-term focus and dis-

In the first quarter, capital and exploration project spending increased to \$5.8 billion, up 5% from last year. We are committed to investing in our world-class inventory of projects to develop new energy supplies which are vital to economic growth."

The Board of Directors of Exxon Mobil Corporation also declared an increase of the quarterly dividend to 42 cents from 40 cents per share on the Common Stock, payable on June 10, 2009, to shareholders of record of Common Stock at the close of business on May 13, 2009.

Final Departure - Charlie Pollard

Former ESU member Charles E. Pollard, 54, passed away peacefully in his sleep at home in Starkville, MS, on April 18, 2009.

Charlie began his career with Exxon Shipping Company/SeaRiver Maritime, Inc. in December 1975 and retired in 2006 after 31 years of service. He sailed as Pumpman in the fleet and also served as the Ship Representative of the S/R Wilmington. He was always a strong union supporter and served on the ESU Executive Board as Engine Department Trustee from 1994 through 2001.

Services were performed at Meadowview Baptist Church, followed by burial at Fellowship Baptist Church Cemetery in Mathiston, MS. His daughters, Caroline and Lauren Pollard both of Starkville; mother, Joy Pollard of Starkville; sister, Rita Gallagher of Bartlett, TN; brothers, Bob



Pollard of Starkville and John Pollard of Dallas; and one grandson, survive Charlie. He will be greatly missed by his family and many others who knew and loved him. Memorials may be made to: St. Jude Children's Research Hospital in Memphis, TN; or to the American Diabetes Association of Alexandria, VA.

The ESU and membership extends our heartfelt sympathy and prayers to Charlie's family and friends during this time of sorrow.

EXXON SEAMEN'S UNION

Founded March 28, 1941

Affiliated with the Sailors' Union of the Pacific 913-A Hardesty Avenue, Seabrook, TX 77586 Tel (281) 474-2430

> Fax (281) 474-2463 E-Mail: esusea@sbcglobal.net

President/Secretary John Straley

Vice President/Treasurer Leo DeCastro Board Member at Large Frank O'Malia **Board Member at Large John McCarthy** **Deck Trustee Pat Campbell Engine Trustee William Ackley Steward Trustee Kurt Kreick**

SUMMARY ANNUAL REPORT FOR SIU PACIFIC DISTRICT SEAFARERS' MEDICAL CENTER FUND

This is a summary of the annual report of the SIU Pacific District Seafarers' Medical Center Fund, EIN 94-2430964 for the year ended June 30, 2008. The annual report has been filed with the Employee Benefits Security Administration, as required under the Employee Retirement Income Security Act of 1974 (ERISA).

Benefits under the plan are provided by the SIU Pacific District Seafarers Medical Center Fund, a trust fund.

Basic Financial Statement

The value of Plan assets, after subtracting liabilities of the Plan, was \$(24,014) as of June 30, 2008, compared to \$(134,986) as of July 1, 2007. During the Plan year, the Plan experienced an increase in its net assets of \$110,972. During the plan year, the plan had total income of \$616,512 including employer contributions of \$483,529, earnings from investments of \$228 and other income of \$132,755.

Plan expenses were \$505,540. These expenses included \$411,528 in administrative expenses and \$94,012 in benefits paid to or for 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. Financial information and information on payments to service providers; and

3. Assets held for investment.

To obtain a copy of the full annual report, or any part thereof, write or call the office of SIU Pacific District Seafarers' Medical Center Fund, 730 Harrison St., Suite 400, San Francisco, CA 94107, (415) 392-3611. The charge to cover copying costs will be \$2.75 for the full annual report, or \$.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, at 730 Harrison Street, Suite 400, San Francisco, CA 94107, and at 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, Room N1513, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210.

SUMMARY ANNUAL REPORT FOR SIU PACIFIC DISTRICT SUPPLEMENTAL BENEFITS FUND, INC

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, 2008. The annual report has been filed with the Employee Benefits Security Administration, as required under the Employee Retirement Income Security Act of 1974 (ERISA).

Benefits under the Plan are provided by the SIU Pacific District Supplemental Benefits Fund, Inc., a Trust Fund.

Basic Financial Statement

The value of plan assets, after subtracting liabilities of the plan was \$327,255 as of July 31, 2008, compared to \$677,570 as of August 1, 2007. During the plan year the plan experienced a decrease in its net assets of \$350,315. This decrease includes unrealized appreciation or depreciation 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. During the plan year, the plan had total income of \$7,639,604, including employer contributions of \$7,543,674, gains of \$1,912 from the sale of assets and earnings from investments of \$94,018.

Plan expenses were \$7,989,919. These expenses included \$446,264 in administrative expenses, and \$7,543,655 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. Financial information and information on payments to service providers;
- 3. Assets held for investment; and
- 4. Transactions in excess of 5% of plan

To obtain a copy of the full annual report, or any part thereof, write or call the office of SIU Pacific District Supplemental Benefits Fund, Inc., at 730 Harrison Street, Suite 400, San Francisco, CA 94107, telephone number (415) 764-4990. The charge to cover copying costs will be \$12.25 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 at 730 Harrison Street, Suite 400, San Francisco, CA 94107, and at 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, Room N1513, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210.

Welfare Notes

May 2009

Reminder: The SUP Welfare Plan has an EAP (Employee Assistance Program) that offers counseling and assistance. The plan is administered through Health Management Center. Their phone line is open 24 hours 7 days per week. Your call is completely confidential and your privacy is protected. HMC's phone number is 1-888-215-8903.

The HMC Employee Assistance Program is a professional evaluation, counseling, and educational program. An EAP counselor will discuss the nature of the problem and outline a plan of action for consideration.

The SUP Welfare Plan also offers a program that will provide alcohol and drug abuse rehabilitation services for eligible members at a designated treatment center. Benefits are limited to one rehabilitation admission per active member not to exceed a period of 28 days of rehabilitation treatment during the member's lifetime. Pre-authorization from the plan office is required.

Chemical Dependency Services are also available through your medical plans such as Kaiser, Health Net, and Group Health. Contact your plan for information on treatments available to you or covered dependents.

Keep Us Informed

Please be sure to keep the Plan office informed of changes: New Address, Dependent Changes (marriage, divorce, or children to be added) New dependents must be added to the HMO or PPO Plans within 30 days of the marriage, birth, or adoption. Dependents not added within 30 days will not be eligible to be added to the Plans until the next open enrollment period.

Michelle Chang, Administrator mcsupsiupd@sbcglobal.net
Patty Martin martinpatty59@sbcglobal.net
Virginia Briggs Claims vbriggs80@sbcglobal.net
Michael Jacyna Eligibility mjacyna67@sbcglobal.net
Training Representative Berit Eriksson 415-957-1816
berittrainrep@sbcglobal.net

SUP Welfare Plan, 730 Harrison St., Suite 415, San Francisco, CA 94107 **Phone Numbers**: 415-778-5490 or 1-800-796-8003 Fax: 415-778-5495 SIU-PD Pension 415-764-4987 — SIU-PD Supplemental Benefits 415-764-4991

SUMMARY ANNUAL REPORT FOR SIU PACIFIC DISTRICT PENSION PLAN

This is a summary of the annual report for SIU Pacific District Pension Plan, 94-6061923 for the fiscal year ended July 31, 2008. The annual report has been filed with the Employee Benefits Security Administration, as required under the Employee Retirement Income Security Act of 1974 (ERISA).

Basic Financial Statement

Benefits under the plan are provided by the Trust. Plan expenses were \$9,810,009. These expenses included \$1,022,768 in administrative expenses and \$8,787,241 in benefits paid to participants and beneficiaries. A total of 2,819 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 plan assets, after subtracting liabilities of the plan, was \$122,240,712 as of July 31, 2008, compared to \$130,306,177 as of August 1, 2007. During the plan year the plan experienced a decrease in its net assets of \$8,065,465. This decrease includes unrealized appreciation or depreciation 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 \$1,744,544, including employer contributions of \$32,420, losses of \$885,495 from the sale of assets, earnings from investments of \$2,588,830 and other income of \$8,789.

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. Financial information and information on payments to service providers;
- 3. Assets held for investment;
- 4. Transactions in excess of 5% of plan assets; and
- 5. 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, who is the administrator, 730 Harrison Street, Suite 400, San Francisco CA 94107, (415) 764-4990. The charge to cover copying costs will be \$17.25 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 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 at 730 Harrison Street, Suite 400, San Francisco, CA 94107 and at 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, Room N1513, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, DC 20210.

The Andrew Furuseth School of Seamanship Training Trust Training Benefit Guidelines

he Andrew Furuseth School of Seamanship Training Trust ("the School") provides a training benefit to all qualified participants and apprentices. The Training Benefit is funded through manday contributions as defined in certain of the collective bargaining agreements negotiated by the Sailors' Union of the Pacific and other sources such as government grants, etc. The purpose of the Training Benefit is to enable all qualified Plan participants and qualified apprentice registrants the opportunity to access training courses required under Domestic and International regulations to either become or remain an active mariner in the United States Merchant Marine.

The School is charged with the responsibility of administering the Training Trust Benefit. The mission of the School is to assist all eligible participants in identifying and accessing the appropriate training to fulfill all existing regulatory requirements and remain active in our industry. The School has final decision making authority over all training and training related issues. The School is responsible for the selection and identification of the training needs of Plan participants, the selection of training providers and the rules governing all aspects of the training process.

Eligibility Requirements

- 1. Must have completed application on file with Andrew Furuseth School of Seamanship. All applications will expire one (1) year after receipt of application.
- 2. SUP member with Class A, Class B or Class C seniority, or a registered applicant subject to conditions outlined below.
- 3. Must be registered with the SUP, and current with all fees and dues.
- 4. Must be eligible for the SUP Welfare Plan medical benefits coverage through covered employment or be designated as an apprentice who the trustees believe will be covered by a collective bargaining agreement between a contributing employer to the School and the SUP following completion of training.
- 5. Applicants for training shall possess a valid U.S. Merchant Mariner Document.
- 6. Must be fit for duty and able to pass a sign on physical within one month of your scheduled training course.
- 7. In order to attend any government training required by SUP contract a participant must be able to pass an Military Sealift Command physical examination within one month of the scheduled commencement date.

Training Approval

The School must approve all individual training plans in advance. The failure to receive prior approval of the School shall result in the withdrawal of funding for the training. As the entity responsible for all training and training related issues, the School reserves the right of final approval of all training arrangements. This is done to allow the School to control the costs associated with training and protect the individual participant from making inappropriate training decisions. The School will advise and assist all participants with every aspect of the training process to insure the best options available are selected. In addition, the School will handle all the arrangements for any approved training if a participant wishes it to do so. However, in order for the School to properly fulfill its mission, individual participants shall inform the School in advance of their training plans and be willing to work with the School to reach a mutually acceptable solution in the event of a problem.

Training Categories Covered by the Training Benefit Mandatory Training:

Training that is required for all mariners under either Domestic or International regulations. In addition, mandatory training includes all training that is specified in applicable existing Sailors' Union of the Pacific collective bargaining agreements. Some types of mandatory training are recognized below:

- 1. STCW 95 Basic Training
 - a. Basic Fire Fighting
 - b. Basic First Aid
 - c. Personal Survival
 - d. Personal Safety and Social Responsibility

2. Government Vessel Training (Military Sealift Command (MSC) Training or Maritime Administration training for the Ready Reserve Force):

- a. CBRD
- b. Basic Damage Control
- c. Vessel Familiarization
- d. Anti-Terrorist Briefing
- e. Basic Forklift Operations
- f. Basic Explosive Materials Handling
- g. Small Arms Handling and Safety

Discretionary Training:

This includes any training that is not required by either domestic or international regulations. In general, this is training intended to enable an individual to upgrade his or her United States Merchant Marine Document (USMMD). However, the candidate for training must be eligible for employment for a position under applicable SUP collective bargaining agreement where such training is required. The candidate must also acquire a U.S. Coast Guard letter of sea time authorization for upgrade training approval. Presently, this category of training includes but is not limited to the following courses:

- 1. Lifeboatman
- 2. Able Seaman
- 3. Tankerman Assistant
- 4. Tankerman P.I.C. (Person in Charge)
- 5. Rating Forming Part of a Navigational Watch
- 6. Other training as necessary by SUP contract.

Funding Policy

Course Completion Requirement

In order for a Plan participant to receive funding from the School he or she must successfully complete their training course. Failure to successfully complete a training course will result in the withdrawal of funding for the course in question as well as any future training courses. The participant will be required to assume responsibility for all the costs associated with the uncompleted course. This includes the costs of transportation, lodging and food along with the tuition for the course. In addition, all future training courses for a participant who has failed a course will be handled on a reimbursement basis. The only proof of successful completion that the School will accept is a valid certificate from the training provider attesting to the participant's successful completion of the course. No other form of proof will be accepted.

Funding Provided for Mandatory Training

- 1. Tuition
- 2. Transportation: Subject to the provisions outlined in the transportation section.
- 3. Lodging: Subject to the provisions outlined in the lodging section.
- 4. Per Diem/Meals: Subject to the provisions outlined in the section concerning meals and receipts.

Funding Provided for Discretionary Training

- 1. Tuition reimbursement only for training courses approved by the School
- 2. For all Discretionary Training courses, the Plan participant is responsible for tuition and all additional costs. If the course is successfully completed the Plan participant is eligible for reimbursement of the tuition costs.
- 3. The School will offer all the assistance it can to any eligible Plan participant who wishes to upgrade his documents. This includes assistance in locating training providers, scheduling and enrollment. However, it remains the responsibility of the Plan participant to arrange all payments.

Funding Provided for Transportation to Mandatory Training Classes Approved By the School

- 1. In order to qualify for transportation payments a participant must live at least 100 miles from the nearest training facility.
- 2. The Training Fund will provide round trip airfare from the major airport nearest to the participant's U.S. mailing address to the training facility. This will be based on a 21-day advance purchase, coach fare. In cases of international travel, the School will pay the

cost of round trip travel between San Francisco and the training facility.

- 3. The Training Fund will provide van or shuttle transportation at the destination to take the Plan participant to and from his hotel on arrival and departure.
- 4. The Training Fund will not cover any additional costs resulting from the action or inaction of the participant. All additional costs are to be borne by the participant.
- 5. A participant may make his or her own travel arrangements. However, the Training Fund will only reimburse the participant up to the amount the School would have spent making similar but not necessarily the same arrangements in accordance with the abovementioned travel policy.

Funding Provided for Lodging

- 1. Lodging will only be provided if a Plan participant lives at least 100 miles from the nearest training facility.
- 2. The Andrew Furuseth School of Seamanship will only cover the cost of the room. All additional charges of any kind are the responsibility of the Plan participant.
- 3. An Andrew Furuseth School of Seamanship trainee may make his or her own lodging arrangements but the Training Fund will only reimburse him or her for costs that are in line-with the amount which would have been spent if the School had arranged his accommodations. In addition, reimbursement requires the same receipts and certificates as travel.

Allowance for Meals

The Training Fund will reimburse those Plan participants attending training away from their homes for actual expenses evidenced by receipt up to the amount specified in the Offshore APL and Matson Agreements, presently \$40.00 per day. This amount will only be paid for actual meals. This does not include:

- 1. Alcohol
- 2. Gratuities
- 3. Entertainment
- 4. Room Service
- 5. Transportation (i.e. taxi or bus fare) except as authorized by the Andrew Furuseth School of Seamanship.

Reimbursement Requirements

A participant will be reimbursed for certain out of pocket expenses associated with an approved training course. Depending upon individual circumstances these expenses may include:

- 1. Travel Costs
- 2. Lodging Costs
- 3. Subsistence Costs
- 4. Tuition Costs

In order to receive reimbursement the participant must complete a copy of the SUP Welfare Plan Trainee Expense Voucher and present it, along with a copy of his or her certificate of course completion and all receipts related to out of pocket expenses to the School in a timely manner. All receipts must be itemized and contain the following information to be considered for reimbursement:

- 1. Name of the establishment at which the expense took place.
- 2. The date of the expense. The Plan will only reimburse participants for the dates of the training. Travel days are not reimbursable.
- 3. A clear delineation between the various items on the receipt so that the Plan can make an accurate determination of which are suitable for reimbursement.
- 4. In the case of an airline ticket a copy of the ticket, a credit card receipt or a cancelled check will suffice as proof.

Appeal Process

If for any reason a trainee is dissatisfied with a reimbursement or selection decision, he or she can appeal the matter to the Board of Trustees for the Andrew Furuseth School of Seamanship Training Trust within 60 days of receipt of a denial of reimbursement or an application to attend a training class provided by the School. All appeals must be in writing addressed to the Board of Trustees, Andrew Furuseth School of Seamanship Training Trust, 450 Harrison St., San Francisco CA, 94105.



SUP President's Report

May 11, 2009

SUP ELECTION INFORMATION

The biennial election of SUP officers and referenda on proposed amendments to the SUP Constitution and Shipping Rules will commence on December 1, 2009, and will conclude on January 31, 2010.

Although nominations for elective office will not occur until September, the membership is reminded that in accordance with Article XXVII of the SUP Constitution, proposed Constitution and Shipping Rule changes must be submitted, in writing, to any Headquarters or Branch meeting by June.

Resolutions submitted will be referred to a rankand-file Committee on Constitution elected at the June coastwise meetings. The Committee, as per the Constitution, will consist of three members from Headquarters and one member elected at the Seattle, Wilmington and Honolulu Branch meetings.

SEATTLE BRANCH

At the annual Board of Trustees (or executive board) meeting of the Marine Firemen's Union in March, there was a recommendation made that was subsequently passed at the May MFOW coastwise membership meetings which has a positive economic impact on the SUP, well as the MFOW.

To further effect economies, the MFOW Seattle Branch will be closed effective January 1, 2010 and that MFOW President/Secretary-Treasurer Anthony Poplawski and your secretary will work out a Port Serviced agreement to share costs. The MFOW reserves the right to reopen the Branch if shipping in the port increases to a level that warrants a need for maintaining an MFOW agent. Under a Port Serviced agreement SUP Branch Agent Vince O'Halloran will handle business for both Unions with the result being that the expense of operating Seattle will be a substantial cost savings measure for both organizations.

Also due to declining revenues and increased costs, the MFOW approved a \$3.00 per manday allocation to the Joint Employment Committee (hiring hall fund) from the July 1 wage increase from Matson and the October 1 wage increase from APL. This issue will be discussed and acted upon at the June SUP coastwise membership meetings.

WORLD WAR II MARINER BENEFITS

As the membership will recall, legislation that would provide long overdue compensation to U.S. merchant marine veterans of World War II has been thwarted in several sessions of Congress. The bill, "A Belated Thank You to Merchant Mariners of World War II," passed the House of Representatives unanimously last year, but died in the Senate when Daniel Akaka (D-Hawai'i), Chairman of Senate Veterans' Affairs Committee, failed to put the measure up for a vote.

The bill (H.R. 23) was reintroduced with modifications in the House by Congressman Bob Filner, Chairman of the House Veteran's Committee, on January 6, and currently has 168 cosponsors. Companion legislation (S.663) was reintroduced in the Senate on March 19, by Ben Nelson (D-Nebraska) and has 23 cosponsors.

The bill would establish a Merchant Mariners Equity Compensation Fund to pay a monthly benefit of \$1,000 to certain veterans of the U.S. merchant marine who served between December 7, 1941, and December 31, 1946. Included are those who served in the Army Transport Service and the Naval Transport Service.

Chairman Filner, who has championed the legislation for years, requested that maritime labor again show its support. The following letter was sent to Representative Filner on May 5:

Dear Mr. Chairman:

We are writing on behalf of the undersigned American maritime labor organizations to express our strong support for H.R. 23, the "Belated Thank You to the Merchant Mariners of World War II Act of 2009" and to urge your Committee to favorably report this legislation. The organizations we represent have the privilege of including among our retired members individuals who served our country with honor and distinction during World War II. These World War II merchant mariners are truly representative of the "Greatest Generation", and we are extremely proud of them and the example they have set for all merchant mariners who continue to respond to our Nation's call whenever and wherever they are needed.

General Colin Powell, following the Persian Gulf War, said that: "Since I became Chairman of the Joint Chiefs of Staff, I have come to appreciate firsthand why our Merchant Marine has long been called our Nation's fourth arm of defense. The American seafarer provides an essential service to the wellbeing of our Nation as was demonstrated so clearly during Operation Desert Shield and Desert Storm..."

We agree wholeheartedly with you that the enactment of H.R. 23 is necessary "to correct an injustice that has been inflicted upon a group of World War II veterans, the World War II United States merchant mariners." We sincerely thank you, Mr. Chairman, for your initiative in working to address this injustice by sponsoring legislation to provide long-overdue recognition and benefits to World War II merchant mariners. We are also grateful to your colleagues who have cosponsored H.R. 23 and for their decision to add their names to the bipartisan supporters who are committed to working with you and with us for the enactment of H.R. 23 this year.

There is not, nor should there be, any debate as to the invaluable service given by American merchant mariners during World War II. In fact, World War II merchant mariners suffered the highest casualty rate of any of the branches of the Armed Forces other than the United States Marine Corps, as they delivered troops, tanks, food, fuel and other needed equipment and material to every theater of World War II. Enemy forces sank more than 800 merchant vessels between 1941 and 1944 alone.

As General of the Army, Allied Expeditionary Forces in Europe, Dwight David Eisenhower stated, "When final victory is ours there is no organization that will share its credit more deservedly that the Merchant Marine." Fleet Admiral Chester W. Nimitz, Commander in Chief, Pacific Theater, said that "The Merchant Marine...has repeatedly proved its right to be considered as an integral part of our fighting team."

General of the Army Douglas MacArthur, speaking of the merchant seamen who supported the liberation of the Philippines, stated that "With us, they have shared the heaviest enemy fire. On these islands I have ordered them off their ships and into foxholes when their ships became untenable targets of attack. At our side they have suffered in bloodshed and death...They have contributed tremendously to our success. I hold no branch in higher esteem than the Merchant Marine Service."

Finally, President Franklin Roosevelt eloquently and accurately summed up the contributions of World War II merchant mariners, telling the country and the world that they "have written one of the most brilliant chapters. They have delivered the goods when and where needed in every theater of operations and across every ocean in the biggest, the most difficult and most dangerous job ever taken."

Yet, despite this record of exemplary, indispensable service to America's war efforts, merchant mariners were not given the formal recognition and benefits granted other services by the Congress through the GI Bill of Rights in 1945. In fact, no legislation to recognize the contributions made by World War II merchant mariners was enacted until Congress extended limited veterans' status to these gallant American citizens in 1988.

We believe, as you have stated Mr. Chairman, that it is time to correct this injustice. We believe our country has an obligation to the remaining World War II merchant mariners, to fully acknowledge their service and to give them the measure of benefit called for in H.R. 23. We ask you and your Committee to take the first step in righting this wrong

by favorably reporting H.R. 23 to the House of Representatives for its consideration.

We note that during the consideration of HR.23 in the last Congress, changes were made to the legislation that would, among other things, reduce its overall cost. For example, it no longer provides any payment of benefits to survivors' spouses and revised the legislation so that it is no longer self-funded. Rather, it sets up a Merchant Mariner Equity Compensation Fund and leaves it to Congress to later determine funding within its spending caps. Finally, those who have received benefits under the Servicemen's Readjustment Act of 1944 (the GI Bill - PL 78-346) are not eligible for benefits under HR.23. The bill, with these changes, is the legislation that was adopted by the House of Representatives on July 7, 2007 and we continue to support HR 23 with these changes.

We again thank you and your colleagues for the support you have shown for the World War II merchant mariners and we stand ready to work with you for its enactment this year.

Sincerely,

Thomas Bethel, President, American Maritime Officers Timothy Brown, President, International Organization of Masters, Mates & Pilots

Don Keefe, President, Marine Engineers' Beneficial Assoc. Gunnar Lundeberg, President, Sailors' Union of the Pacific Anthony Poplawski, President, Marine Firemen's Union Michael Sacco, President, Seafarers International Union

On May 7, "A Belated Thank You to Merchant Mariners of World War II" was passed by the House Veteran's Affairs Committee. It now moves to the full House for consideration. [Editor's note: The bill passed in the House on May 12.]

A list of current cosponsors of H.R. 23 and S. 663 will be published in this month's *West Coast Sailors*.

MEDICAL REVIEW FOR MARINERS

Maritime labor has voiced strong support for a bill (S.685) introduced by Senator Frank Lautenberg (D-New Jersey), Chairman of the Commerce, Science and Transportation Committee's Subcommittee on Surface Transportation and Merchant Marine Infrastructure, Safety and Security that would bring much needed efficiencies to the medical review process that mariners undergo when renewing their documents.

The following letter offering support and suggested amendments was sent to Senator Lautenberg on April 22, by the SUP, AMO, IBU, MFOW, MM&P, Local 333 (ILA), Research and Industrial Development (MIRAID), SIU-AGLIWD and the Transportation Institute.

Dear Mr. Chairman:

On behalf of the undersigned American maritime labor and shipping organizations, we are writing to express our support for your legislation, S. 685, and in particular for those provisions contained in Section 4 of S. 685 relating to the establishment of a merchant mariner medical advisory committee, medical standards and medical requirements and those contained in Section 5 calling for a study of marine casualty causation. These provisions are extremely important to American merchant mariners and will, in our opinion, greatly enhance the health and well-being of American seafaring personnel and the safe operation of American vessels of all types.

As contained in Section 4 of S. 685, the merchant mariner medical program would help standardize the training of medical examiners and the reporting of medical examinations in conjunction with the issuance and renewal of Merchant Mariner Documents (MMDs) and licenses. As proposed, it would, in our opinion, provide greater quality control as well as the more timely administration of the medical review process by establishing a national registry of examiners similar to what is already in place for other modes of transportation. Most importantly, through the implementation of the procedures contained in your legislation, we believe the quality and efficiency of the medical review process

continued on next page

President's Report continued

will be enhanced, as the physicians who actually examine the individuals will again be playing a key role in determining the physical fitness of those seeking to continue or pursue a career in the maritime industry.

As you may know, the medical review procedures unilaterally put in place earlier this year by the United States Coast Guard have led to unconscionable delays in determining the physical fitness of mariners. The Coast Guard has taken the decision-making responsibility away from the physician and placed it instead under the control of individuals who have no personal contact with the individual. For the individual mariner, this has led to demands for multiple medical specialty consultations, additional laboratory tests and procedures, and numerous evaluations for each condition noted by the physician during the physical examination. As a result, mariners who have heretofore been able to pursue their chosen career at sea upon a clear demonstration and certification by their physician that their medical condition is not only controllable but poses no direct risk to the safety of the vessel, the crew or to himself are now subjected to multiple costly, time consuming and unnecessary medical interventions that are not deemed necessary by their examining physicians. For American mariners, the longer the delay in receiving merchant mariner documents or licenses, the longer they are literally unable to work.

All transportation modes rely upon the experience and discretion of "handson" medical examiners. In fact, the "hands-on" medical evaluation system that had been in place for the maritime industry prior to the current system implemented by the Coast Guard had served the maritime industry and the United States quite well. The previous system, and the system that will result through the enactment of your legislation, recognize that nothing can sufficiently replace the good judgment of a well-informed, knowledgeable physician who has the experience and the information necessary to evaluate and determine whether a mariner is physically able to work at sea. The physician will be able to obtain the individual's job description so he can better determine whether the individual is physically capable of performing his specific job functions and responsibilities. Equally important, the physician will be able to determine if and how individual's medical history and conditions are changing, whether he has been able to safely perform his job responsibilities while taking prescribed maintenance medications, and whether he can continue to work aboard ship. Relying on the individual's physician to do the fitness evaluation ensures that the individual's medical history will be given the attention and weight it should be given.

We do, however, have two proposed amendments to Section 4 that we would ask you to consider during the mark-up of S. 685. First, notwithstanding our strong support for the provisions in S. 685 that establish a national registry of medical examiners and which specify that "only examinations by persons on the national registry of medical examiners" shall be accepted as valid, we recognize that there may be individuals who do not reside in or near a location which has a physician who is on the national registry. Insofar as the recruitment and retention of qualified American seafaring personnel is clearly in the national interest, and since an unintended consequence of S. 685 as presently drafted may be to preclude otherwise qualified individuals from pursuing a seafaring career, we recommend that S. 685 be amended to add a new section that allows an individual to be examined by a medical examiner who is not on the national registry. Such examinations would, as we propose, be subject to the same standards and specifications as those applicable to examinations performed by medical examiners on the national registry, and would be subject to closer review by the Coast Guard before being accepted.

Second, as you know, the Merchant Mariner Documents and licenses held by American merchant mariners represent their ability to pursue their chosen livelihood. Without a valid license or MMD the individuals we represent cannot pursue a career at sea. Consequently, any proceeding in which a mariner's license or MMD is at stake, including a medical review proceeding to determine the mariner's fitness to work aboard a vessel, must guarantee the mariner all appropriate rights. Consequently, we believe that Section 4 of S. 685 should further be amended to provide that any individual found permanently unfit for duty aboard a merchant vessel, or who is found fit for only limited duty or restricted service or whose medical certificate is suspended for more than three consecutive months shall have a right of appeal to an independent medical referee who has been appointed by the medical review board.

With respect to Section 5 of S. 685 relating to a study of marine casualty causation, we are especially pleased that the Coast Guard is specifically directed to gather information that would help it assess the role that workload, fatigue, and manning play in marine casualty causation. We have long argued that the failure on the part of the government to address such factors is, at best, shortsighted and dangerous. Dramatically reduced manning levels, including those resulting in a one-man bridge operation, and the resulting increased workloads and lack of adequate rest and sleep for mariners should no longer be ignored by the Coast Guard when determining the cause of marine accidents and when making recommendations to prevent similar accidents and incidents in the future.

Once again, we thank you for the leadership you have shown by addressing these important health and safety issues. We look forward to working with you and your staff on these and other issues important to America's merchant mariners.

The Lautenberg bill is currently cosponsored by Mark Begich (D-Alaska), Barbara Boxer (D-California), Maria Cantwell (D-Washington), and John D. Rockefeller IV (D-West Virginia).

FOSS MARITIME COMPANY

At the request of the company, met with representatives of Foss Maritime on May 8, at Headquarters to discuss a new pilot project safety program for those employed in the San Francisco Bay Area.

Representing the Unions were Ray Shipway, San Francisco Branch Agent of the United Inland Membership Group of the MM&P; Marina Secchitano, San Francisco Regional Director of the IBU; and your secretary. In attendance for the company were: Kristie Chorny, Director of Labor Relations; Dan Massey, San Francisco Regional Operations Manager; and Paul Angelo, a consultant with Behavioral Science Technology, Inc.

The essence of the program is to reinforce safe working practices on the job through peer observation with the goal of attaining a safer workplace. The program is scheduled to begin on May 27, with SUP and IBU members employed by Foss undergoing three days of training to identify safe and risky work practices. The Unions agreed to participate in and support the project, but stated that it is the company's overall responsibility is to maintain a safe working environment.

MATSON NAVIGATION COMPANY

In the 2008-2013 agreement book between the SUP and Matson there is a printing error in Appendix "A" Manning.

The manning scale for the *Lurline, Matsonia* and *Mokihana* is 1 Bosun (dayworker), 3 AB (dayworkers), 2 AB (watchstanders) and 1 OS (watchstander). In the *Kauai*, there is 1 bosun (dayworker), 3 AB (dayworkers), 2 AB (watchstanders) and 1 OS (watchstander).

HOLIDAYS

All SUP halls will be closed on Monday, May 25, in observance of Memorial Day, a holiday under all SUP contracts.

All SUP halls will also be closed on Thursday, June 11, in observance of Kamehameha Day.

In accordance with the Matson agreement, Kamehameha Day is a paid holiday for all company vessels (except the *Moku Pahu*) at sea or in port and all members employed under the Maintenance and Extra Maintenance agreements. If the *Moku Pahu* is in a Hawai'i port on June 11, the holiday is observed as per the ILWU Local 142 agreement.

ACTION TAKEN

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

Gunnar Lundeberg

Vice President's Report

May 2009

APL Japan: Allen Gonzalez, delegate; Robin Colonas is the bosun. Boarded with the crew in Charleston, South Carolina. In good shape on deck and inside the house. Minor problems that will be addressed as we square the ship away. A sister ship to the APL China it is worthwhile to remember that during the 1990's the SUP vigorously protested the foreignflag waivers that the Maritime Administration granted APL to operate these two ships. There was even a massive demonstration protesting the point in Oakland in 1995 when the APL China first arrived. The same vigorous claim to our historical work was part of the lobbying effort to pass the Maritime Security Program (MSP) through Congress in 1997 replacing the Operating Differential Subsidy (ODS) program. Now, with the world a graveyard for ships, and with APL a foreign-owned brand name, the parent company repositions its assets to the MSP trade, the only profitable trade lane in the world. It is fitting then that one of those new ships, the APL Japan, once the subject of so much attention for being foreign-flagged, is now registered in Oakland, California. In this circuitous context, it is not unreasonable to suggest that both of these ships are SUP ships in part because we have routinely outlasted our enemies.

APL Agate: John Duran, delegate. Steve Swinton is the bosun. Boarded in Norfolk with the crew under intense scrutiny in exceptional circumstances. Signed on en masse, crew immediately began Coast Guard-supervised COI drills in the midst of security consultants and Company personnel. SUP crew did an outstanding job adapting to difficult circum-

stances. Many differences from the C-10's and C-11's, but this ship is clean and manageable. Email from the delegate in the Far East indicates most things okay.

President Polk: Nabil Hafid relieved Phil Fritts as delegate. Tim Hill, bosun. Clarification on watchstanding and overtime accounting. Checked out clean in New York. Sailors bravely facing routine danger in the Gulf of Aden.

Maui: John Hamann, delegate. In at Howard's Terminal in Oakland with no problems. Clarification on retirement vehicles. Sam Scott is the bosun.

Mokihana: George Simpier, delegate. California Voyager: Chad Avellar, delegate. Clarification on watchstanding in the shipyard. Vacation relief policy under investigation.

Mississippi Voyager: Scott Oliphant, bosun. Ship was diverted from her usual run to rescue cargo endangered by lava flows in Alaska. In SF at anchorage 9.

Washington Voyager: Tim Landers, delegate. Bill Berger made the ship at RLW. Calls from the delegate indicate most things okay.

Arizona Voyager: Jenn Corner, delegate. Email from the delegate indicates that the grueling run is straining sleep cycles and shore leave.

Colorado Voyager: Bill Fisher, delegate. Restriction at anchor due to possible flu virus exposure checked out and lifted shortly after inquiry and investigation with the Company.

Foss Maritime Company: delegates Mel Jackson, Tom Tynan and Sean Gaddis. Two members had disciplinary letters removed from the file after one year of service without incident as per the bargained item of Section 6.05.

Dave Connolly

SUP Branch Reports

Seattle

April 20, 2009

One boatswain shipped and filled with an A seniority member; 7 Able Seaman slots filled with 6 A-cards and 1 C-card. 2 Ordinary Seaman and 1 Steward Utility filled with 2C-cards and one Registrant. And 7 Standbys shipped to 5 Acards and 2 Registrants.

Registration for the period: 15 A cards for a total of 25;12 B cards for a total of 24; 4 C cards for a total of 9.

Ships Checked

Matson vessels *Maui* and *Manoa* in twice with little or no problems. *Kauai* shifted down to Terminal 46 for ongoing repairs; no word on when or if it will break-out. APL ships *President Jackson* and *President Truman* called in New York with all Seattle gangs.

I represented the SUP at the following meetings: the King County Labor Council Executive Board meetings; the Puget Sound Harbor Safety Committee meeting; the Washington State Labor Council's Economic and Transportation Committee meeting; the Seattle Master Shoreline Advisory Committee meeting; the Puget Sound Ports Council Maritime Trades Department AFL-CIO meeting; the Port of Seattle Commissioners Hearing in Ballard; and a fundraiser for Senator Patty Murray who sits on the Committee on Appropriations and is the Chair of the Sub-Committee on Transportation.

The SUP assisted the Deep Sea Fisherman's Union and the Fishing Vessels Owner Association in a meeting with Congressman Rick Larsen over the unforeseen hardship to fishing boat crew members not in possession of TWIC cards. You do not have to have a TWIC to work in these small family owned and Union businesses but you must have a TWIC to step onto many of the wharfs where they load stores, fuel, and off-load their catch. Congressman Larsen, who sits on the Committee on Transportation and Infrastructure which has oversight of the U.S. Coast Guard was very concerned about the economic impact to these fishermen and stated that he would seek a compromise with the Coast Guard in this matter.

The Final Departure rooster has the names of three Pacific Northwest sailors entered into its pages over the last two months: Bill Smith, Whitey Secrest, and Bob Almer. Bill Smith was the SUP Business Agent in Portland and then the Honolulu Branch Agent. Whitey Secrest was SUP Seattle Business Agent; and Bob Almer was SUP Seattle Dispatcher. These sailors spent most of their sea going careers in Alaska Steam bottoms where the SUP deck gang loaded and

Vince O'Halloran named Puget Sound Maritime Person of the Year

The Puget Sound Ports Council of the Maritime Trades Department named SUP Branch Agent Vince O'Halloran as its Maritime Person of the Year.

The honor was bestowed on Brother O'Halloran on May 21, at the annual Labor-Management Luncheon at the Catholic Seamen's Club in Seattle.

unloaded the ships cargo and you learned the value of a good shipmate, a good sailorman, and a good Union man. Bill and Whitey spent over 50 years in the SUP. Bob retired from the SUP with 25 years sea time and joined ILWU Local 19. All three continued to help the Sailors' Union until they showed up for their final watch. May these real "Union man" sailors rest in peace.

Vince O'Halloran Branch Agent

Wilmington

April 20, 2009

Registration: 48 A cards, 29 B cards, 10 C cards.

Shipping: 2 bosuns, 14 AB, 9 ABDs, 1 OS, total 88 jobs.

Ships Checked

Thailand, Manukai, Singapore, Manulani, Philippines, Lihue, China, Maunawili, Maunalei, Korea, Pfeiffer

Brothers, there are rules and the rule of custom/tradition and as for me rules of custom and tradition also need to be followed. When I would be the new AB on the ship I ask where is my seat at the meal hours. And that's where I sit till I get off the ship for my meals. These days it is getting to be common place to see sailors playing musical chairs. So respect our ways and sit in the same spot as SUP men have done in years gone by.

Brothers hooking up the potable water hose is out of our jurisdiction. So just like setting up staging for the refer man you put in for the penalty rate. This meeting we had the executives from the Pension and Welfare Plans and also Master Plan down for the meeting and they answered many question to satisfactory of the Brothers. Brothers Just another reminder that this is the 30th Anniversary of our Labor Day parade. We have a new president he is watching the American people so we need to be seen and heard. In order to show the president that the largest voting block is the working class. And all other parties are just dividing that vote up enabling our opposition. So you have a chance to do your part in our struggle to keep and earn a decent living. So where will you be on Labor Day? Brothers as for the financial state of our Union, the officials took a 5% cut in our wages for our Union. What will you do?

It's your turn to fight. The fight is ours. As always yours in struggle,

Paul Calais Branch Agent

Maritime Council meeting. Discussions on the recent *Maersk Alabama* piracy incident, an upcoming informational picket for the ILWU and the need to inform members to help push the politicians to pass the Employee Free Choice Act both the federal act and also a similar Hawai'i bill (includes agricultural workers).

On April 30, along with SUP brothers Phil Howell, Pete Benavidez, William Sullivan and John Lindsey joined with other Unions to picket the infamous Pacific Beach Hotel during the start of the Japanese "golden week" holiday. This hotel, with many pending NLRB violations, still refused to hire back longtime "laid off" ILWU hotel workers.

Mike Duvall Branch Agent

Honolulu

April 20, 2009

During the month of March dispatched the following: 4 ABDs, 1 ABD relief, 3 ABWs, 2 ABW reliefs, and 1 AB maint. These jobs were filled by: 3 A members, 5 B members and 3 C members.

Also shipped 13 standby jobs filled by 3 A members, 3 B members, 5 C members and 1 MFOW, for a total of 23 jobs shipped.

Registration for the month of March was a follows: 10 A members, 8 B members and 2 C members. To date registered are: 13 A members, 16 B members, and 5 C members, for a total of 34 members registered.

Ships Checked

Manulani, Manukai, Manoa, Maunalei, Maunawili, Mokihana, Mahimahi, R.J. Pfeiffer (boat falls beef) and Maui. All with few or no beefs.

On April 15, attended the Hawai'i Ports

San Francisco Business Agent

May 11, 2009

Visited and paid off the following ships:

Mahimahi— Tom Larkin, delegate; Tim Thomas, relief bosun: no disputes, running smoothly with Mark Hurley back on board.

Manoa— Gabe Sipin, delegate: In from Seattle. No disputes; good gang.

Maui— John Hamann, delegate: In from Seattle in good shape.

Mokihana— George Simpier, delegate; Izzy Idris, bosun: runs a good ship like his dad, "Singapore" Sid.

Moku Pahu— Bob Booth, delegate: In from Honolulu with a load of sugar. Will be going to Bangladesh with a load of wheat from Portland.

APL Thailand— Dennis Belmonte, delegate: Mate got off ship in Wilmington. Will take the disputed time up with APL labor relations, when he returns from the East Coast.

Washington Voyager— Made at Long Wharf. No disputes, good gang of SUP crew members.

Bill Berger

Maiden voyage under the stars and stripes



The SUP gang in the *APL Agate* on May 9, in the Arabian Sea enroute to Port Klang, Malaysia. From left: Bosun Steve Swinton, AB Darrell Palmer, AB Alex Relojo, AB Michael O'Boyle, AB and delegate John Duran, and STOS Mark Relojo. The *Agate* was reflagged to U.S. registry on April 24, in Norfolk, Virginia.

Dispatcher's Report

Headquarters—April 2009

Deck
Bosun 5
Carpenter 0
MM 5
AB10
OS 3
Standby <u>7</u>
Total Deck Jobs Shipped30
Total Deck B, C, D Shipped 13
Engine/Steward
QMED 0
Pumpman 0
Oiler 0
Wiper 0
Steward 0
Cook 0
Messman <u>0</u>
Total E&S Jobs Shipped 0
Total E&S B, C, D Shipped 0
Total Jobs Shipped - All Depts 30
Total B, C, D Shipped-All Depts13
Total Registered "A"
Total Registered "B"29
Total Registered "C" 3
Total Registered "D"