Bush’s MarAd nominee backs strong U.S. merchant marine

Captain William G. Schubert, President Bush’s nominee for Maritime Administrator, told a Senate panel this month that “the task of rebuilding the U.S. merchant marine is a mission; it’s in my blood.”

In a confirmation hearing before the Commerce, Science and Transportation Committee on November 15, Schubert said, “A strong maritime industry is essential to our national defense in time of war or declared emergency. The Maritime Administration is the promotional agency for the U.S. maritime industry. I am committed to managing the administration’s position.”

Schubert voiced strong support for the Jones Act, the Title XI Ship Loan Guarantee Program and the Maritime Security Program (MSP). Regarding MSP, Schubert said, “I will strive to achieve a consensus among the stakeholders for a renewal of the Maritime Security Act sufficient to meet our national security requirements.”

During the hearing, Senator John Breaux (D-LA) stated that the next maritime administrator must eschew empty talk and take bold, decisive action.

Schubert replied by saying, “I want to remind you that the motto of the Merchant Marine Academy is acta non verba—deeds, not words. I have tried to live my entire 27-year career in the maritime industry by this approach.”

Senator Breaux also put Schubert on notice that Congress expected him to be a strong advocate for Title XI in the face of a White House that wants to eliminate it.

“This is going to happen on your watch. It’s going to be tough, because you’re going to be in the middle,” Breaux told Schubert. “You have a Congress that supports this, and an administration that could rule on it. You conflict with the administration, but you also have to follow the laws of Congress. Congress has hinted very strongly that the Title XI program is going to be supported.”

“I would be a strong advocate of the industry, that includes labor and all the stakeholders. I will make the best arguments that I can,” Schubert replied. But when pressed, he said he would “respectfully” support the administration’s position.

“My question to you is, if the President says, ‘Captain, what do you think about the Title XI program?’ Are you going to be a yes-person?” Breaux asked. Schubert said he would not, and noted that Title XI historically had a default rate of 3 percent compared with default rates for small-business programs of 12-13 percent.

Breaux said that there is a role for the government in supporting a U.S. maritime industry. While the U.S. may support free enterprise, the maritime industry has to compete in a world where ocean carriers work closely with their governments, in some cases, the government owns the carrier. “It’s a very un-level competitive field our industry must face as we ply the oceans of the world,” Breaux said.

The Commerce Committee is expected to approve Captain Schubert’s candidacy, and the Senate will vote on his confirmation shortly after the Thanksgiving recess.

Legislation to aid U.S.-flag fleet introduced in the House

A move to liberate the U.S. Merchant Marine from restrictive and damaging federal tax and regulatory burdens, Congressman James L. Oberstar (D-MN), introduced on November 8, H.R. 3262, the Merchant Marine Cost Parity Act of 2001.

In his remarks for the Congressional Record, Representative Oberstar detailed the erosion of the U.S.-flag fleet, and placed the blame for that decline on the shoulders of unfair government policies that cripple the Merchant Marine’s competitiveness.

“By 1951 there were 1,238 privately owned U.S.-flag vessels navigating the oceans of the world,” Oberstar, the Ranking Member on the House Transportation and Infrastructure Committee, said. “Unfortunately, it has been all down hill from there. Today, there are 94 U.S.-flag vessels in the U.S. foreign trade.”

“The question is: Why has this happened? The answer: The higher cost of operating a vessel under the U.S.-flag due to various federal requirements.”

Specifically the bill, co-sponsored by Transportation and Infrastructure Committee Chair- man Don Young (R-AK), identifies four areas where hindering government policies place the American merchant fleet at a distinct competitive disadvantage vis-a-vis foreign ships.

First, the legislation would charge U.S.-flag vessels with a flat tonnage tax, instead of the income tax now in place. Oberstar contends this flat rate would attract more ships to the American fleet, thereby reducing operating costs without costing the U.S. Treasury a large amount of revenue.

Additionally, Oberstar’s legislation grants tax exemption status to U.S. mariners working at sea on American ships. Currently, U.S. citizens employed overseas are not required to pay tax on the first $80,000 of income. However, this does not apply to merchant mariners. The bill would change that.

The Merchant Marine Cost Parity Act also exempts U.S. vessels from unique and exacting Coast Guard design standards. As long as a ship is in accordance with International Maritime Organization (IMO) parameters, it can participate in trade. Oberstar believes this will reduce costs and allow greater competitiveness with foreign-flag vessels not subject to Coast Guard rules.

The final provision of the bill reduces insurance costs by allowing the shipowner and union to agree to a mutually agreeable policy that covers all necessary contingencies. The bill allows the U.S. Transportation Secretary to establish a minimum amount of coverage required so policies adequately cover mariners injured or killed while on the job. Oberstar hopes that easing stringent insurance requirements and costs will increase the ability of American ships to compete with foreign vessels.

“For more than 100 years, the United States Government has placed financial burdens on the U.S.-flag vessel shipowner that has driven these vessels from our shores,” Oberstar said. “I cannot accept the United States Government continuing to allow the decline of our fleet until there are no privately owned U.S.-flag vessels engaged in our foreign trade.

“The United States must develop a long-term and integrated strategy that will adequately address all of the cost issues that drive capital investment away from the U.S.-flag shipping industry. I believe that H. R. 3262 can provide the foundation for that strategy."

The Minnesota lawmaker based his bill on a British model that triggered a 40% increase in the UK merchant fleet over an 18-month period.

“The help the Administration, maritime industry, and labor, we can ensure that Old Glory is raised on the sterns of hundreds more U.S.-flag vessels,” he said.

The bill was referred to the House Transportation and Infrastructure and Ways and Means Committees.

Source: American Maritime Congress Washington Letter

Foreign-flag vessels targeted in new port security measure

While the Port, Maritime and Rail Security Act of 2001 (see the October West Coast Sailors and this issue’s President’s Report on Page 10) remains under consideration by the Senate, Commerce, Science and Transportation Committee, new legislation was introduced that targets lax security standards in foreign-flag vessels, expands the sea marshal program and establishes a network of sea pilots to monitor ports and seacanes for suspicious activity.

On October 30, Senator John Kerry (D-MA) introduced the Port Threat and Security Act (S.1587) cosponsored by Senators Ernest Hollings (D-SC) and John Breaux (D-LA).

In remarks on the Senate floor, Kerry stated that his legislation is intended to supplement the Port, Maritime and Rail Security Act (S.1214) “by improving our ability to detect and prevent maritime

See New Port Security Bill … continued on Page 5

Medical benefit increases for Sailors’ Union pensioners

SUF pensioners received good news this month when it was announced that the yearly medical allowance was boosted from $2,000 to $3,500. This improved benefit will also, for the first time, permit dependents of pensioners to use the annual fund for medical bills. The increase will help to defray rising medical costs.

For full details, see the President’s report on Page 10.
Screen Actors Guild expels scabs

The Screen Actors Guild (SAG) has expelled three members who scabbled during the Union’s six-month strike against the advertising industry last year.

The three were identified by the Union as Southern California area members Gerry Donato and Mario Cecchini and New York area member Robert Kalomeer.

Each was expelled after an internal union trial meeting.

SAG spokesman Greg Kriman said, “Our membership has been firm in its resolve to provide member benefits only to those who stood in solidarity with the guild during the strike.”

Attend your Union meetings!

**SUP Meetings**

These are the dates for the regularly scheduled SUP meetings in 2001/02:

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SUP ballooning begins next month
By secret mail-ballot, all eligible members of the Sailors’ Union of the Pacific will elect officers for the 2002-2004 term and decide on proposed amendments of the Union’s Constitution and Shipping Rules.

The two-month election period begins on December 1, 2001, and concludes on January 31, 2002, with the ballots tallied on February 1, 2002.

Sequoia Voting Systems (formerly Sequoia Pacific Systems) was selected by the membership as Impartial Balloting Agent and will be responsible for the entire election process.

Fourteen SUP members have been certified as eligible candidates, by the membership, to run for office. All positions are contested, except the Branch Agent’s job at Seattle, Wilmington and Honolulu: President/Secretary-Treasurer, Vice President/Assistant Secretary, San Francisco Business Agent, five trustees of the SUP Building Corporation and four delegates to the SIUNA Convention.

Charlestown 5 win: victory and vindication
The case of the Charlestown 5 that has galvanized the labor movement has been won. On November 8, South Carolina prosecutors dropped felony rioting charges after the five defendants pleaded no contest to misdemeanor charges and fined $100. The plea of no contest was not an admission of guilt.

The longshoremen, known as the Charlestown 5, were charged with inciting to riot following a January 20, 2000 protest. Their 150 members of ILA locals 1422 and 1771, picketed a marine terminal using nonunion labor to discharge a Danish ship, they were attacked by 600 Charleston police and South Carolina riot police. The union locals were fined $1.5 million and the five longshoremen placed under house arrest while awaiting trial which was scheduled to begin the week of November 12.

Los Angeles Harbor security zone
On October 24, the Coast Guard established three temporary security zones—one in the waters surrounding the Coast Guard Base-ISC San Pedro at Reservation Point in Los Angeles Harbor, the second one in the waters surrounding the Los Angeles Harbor and the third zone is in waters adjacent to the Diablo Canyon Nuclear Power Plant. The Coast Guard is asking the maritime industry to agree on ship loan funding and vessels from entering, transiting through or anchoring within the security zones unless authorized by the Captain of the Port or his designated representative.

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U.S. fears container nuclear bomb
The U.S. government believes a packaged nuclear bomb smuggled via a container into the U.S. last month and that it is now being tracked by remote control while en route by rail into the U.S. heartland is “still very much a threat,” a leading U.S. security expert says. American Science and Engineering CEO Ralph Sheridan, who has participated at high-level policy and development strategies in Washington since the terrorist attacks, says the government has identified U.S. customs loopholes. Undersecretary of Homeland Security and Border Protection Norman Mineta last month spoke of security concerns about the 17M marine containers handled annually via U.S. ports. “With very few exceptions we cannot track the money on those program.

House economic stimulus rewards wealthy
IBM Corporation stands to reap a $1.4 billion windfall and 13 other big corporations more than $100 million each in tax breaks under a so-called economic stimulus plan that was proposed by 87th Congress. The House of Representatives by a near party-line (216-214) vote October 24. But the nation’s workers, who are bearing the brunt of the economic fallout from the September 11 terrorist attacks, will receive virtually no guaranteed help.

More than six weeks after the attacks, House Republicans showed nearly 90 percent of a $100 billion stimulus package on tax breaks for corporations and the wealthy. AFL-CIO President John Sweeney called the Republican-led package a “rigging and results” approach to economic stimulus that is full of “twisted priorities.” The bill’s backers claim it sets aside $12 billion for unemployment insurance and health care subsidies. But the money is in the form of block grants to the states—with no requirement that states actually spend the money on those programs.

The families of more than a half-million workers who lost their jobs in the attacks’ aftermath need immediate help to pay rent, buy groceries and afford health insurance. But under the terms of the bill, it’s unlikely that those who get the biggest breaks, an average of $27,000 for the top one percent.

The AFL-CIO has proposed a stimulus package that includes extended unemployment benefits to an expanded pool of workers, health care assistance, job retraining, help for struggling states and cities and other investments that will speed the economic recovery. The Senate Administration sought to eliminate the program, “We’d obviously hoped for more funding but it appears law enforcement, security and anti-terrorism funding took precedence over Title XI in this particular bill.”

Title XI has helped finance more than $5 billion in Shipbuilding projects over the past decade. An additional $3 billion in Title XI projects, including such projects as double-hull tank vessels, high-speed ferries and liner vessels are pending approval by the Maritime Administration.

ChevronTexaco becomes official
Last month Chevron and Texaco stockholders separately voted to approve the proposed merger between the two companies and to adopt the new name: ChevronTexaco.

“ChevronTexaco,” said Condon, chief executive David O. Reilly, “is a company we can all be proud of. We have very pleased with the outcome of this vote and wish to thank our stockholders for the confidence they have expressed in our plans to merge with Chevron.” The final vote concludes the deal, first announced in October 2000.
Ciao to the Italian fleet without tonnage tax system

The 2002-2004 budget proposed to the Italian parliament, by Silvio Berlusconi’s government, does not include the renewal of the existing 80 percent relief of social security costs for the crew of Italian ships and has destroyed any hope for the introduction of a tonnage tax system.

“If the budget is approved as it is, this government will make history to have sunk the Italian fleet,” said Paolo Cherci, chairman of shipowners association Confartiguma. Shipowners are angry at the news, however, remain hopeful that some of these measures could be amended before the three-year budget is voted by parliament. The total cost of the two measures for the government would be $182 million per year.

Both a tonnage tax system and extension of the social security relief for cabotage tonnage has been promoted by the center-right coalition during last spring’s electoral campaign and confirmed in June by Pietro Lunardi, minister for infrastructure and transport.

Alaska fines foreign-flag cruise lines for pollution

Seven cruise line has paid over $400,000, in fines, and had $175,000 more in suspended penalties, for smokestack emissions that violated Alaska air standards during the 2000 and 2001 cruise seasons. Alaska is also discussing technical issues with lines on other alleged violations this year.

Holland America and Carnival Cruise Line were among the offenders, which also included Crystal Cruises, Princess Cruises, World Explorer and Norwegian Cruise Line, according to the Department of Environmental Conservation (DEC). Royal Caribbean’s Celebrity Cruises already paid $500,000 in September in penalties for 2000 violations. DEC Commissioner Michele Brown said Princess and Crystal Cruises had “made considerable progress” in abating emissions.

The DEC suspended some penalties for Crystal Cruises, Princess Cruises, World Explorer and Holland America on the condition that no further violations were recorded in the 2002 season. The DEC also said sampling during the 2001 also revealed “serious problems” with black water and grey water pollutants, with lines unable to discharge black water in Alaskan waters as a result.

President Bush signed to bill to federalize airline security

The legislation which passed the Senate in October 100-0 had been blocked by a handful of GOP congressmen led by Majority Whip Tom Delay (R-TX) who feared the security worker would unionize.

The airline security program will be directed by the Department of Transportation.

Instead of foreigners, British mariners will crew United Kingdom defense vessels

Six RO-RO ferries that are being built for the British Defense Ministry will be permanently crewed by British merchant seamen.

The RMT (National Union of Rail, Maritime & Transport Workers) which represents unlicensed personnel and NUMAST (National Union of Marine, Aviation & Shipping Transport) Officers secured this assurance this month in negotiations with the government.

RMT national shipping officer Tony Santamenni, whose union has lobbied the government-established shipping task force for better job opportunities, said that, “It’s gratifying to see our campaigning action bear some fruit.”

The British government had previously agreed that four of the ferries would be crewed by U.K. nationals, but had wavered over the other two vessels which will be used commercially but subject to defense ministry recall.

The RMT successfully argued that it would be insulting for British crews to be used only when their lives were endangered in times of conflict.

When the six vessels are constructed and go into service, 180 unlicensed and licensed jobs will be created. The first vessel is expected to be in service by the end of 2002.

U.N. report says Liberian registry supports African rebels

A report issued by the United Nations last year gave further credence to International Transport Workers’ Federation (ITF) claims that Liberia’s Flag-of-Convenience (FOC) register has been linked to the “sponsoring” of terrorist activity in Sierra Leone. ITF had called for a break with all links to Liberian-flagged shipping.

The new UN report states that the Liberian International Ship and Corporate Registry (LISCR), based in Virginia, made four payments to non-governmental accounts in 2000, at least two of which were used by rebels to buy arms. A state department official noted that no sanctions would be forthcoming against LISCR because the payments were halted in early 2001 after the Liberian registry realized its mistake.

Neighboring Liberia has voiced its support for rebels in Sierra Leone even though these insurgents have been tied to numerous atrocities during that country’s eight-year old civil war.
New Port Security Bill

terrorism and crime before it has the chance to sail into U.S. ports."

Kerry said the legislation is a result of the testimony given by the Coast Guard Commandant James Loy on October 11, to the commerce Committee. "The hearing brought to light the challenges presented to the Coast Guard in securing our maritime border from such threats. The Port Threat and Security Act is focused on giving the Coast Guard the tools and information they need to do the job right."

The full text of Senator Kerry’s remarks introducing S.1587 follows:

First, we need to improve our base of information. We need to identify bad actors throughout the maritime realm. This legislation would help us identify those nations whose vessels and vessel registration procedures pose potential threats to our national security. It would also require the Secretary of Transportation and State to prepare an annual report for the Congress that would list those nations whose vessels the Coast Guard has found would pose a risk to our ports, or that have presented our government with false, partial, or inadequate information concerning cargo manifests, crew identity, or registration of the vessel. In addition the report would identify nations that do not exercise adequate control over their vessel registration and ownership procedures, particularly with respect to security issues. We need hard information like this if we are to force "flag of convenience" nations from providing cover to criminals and terrorists. Mr. President, this is very important as Osama bin Laden has used flags of convenience to hide his ownership in various international shipping interests. In 1998 one of bin Laden’s cargo freighters and another for suicide bombers who later destroyed the embassies in Kenya and Tanzania. To that end, the bill requires the Administration to report on actions they have taken, or would recommend, to close those loopholes and improve transparency and registration procedures, either through domestic or international action—including action at the International Maritime Organization.

My legislation would also establish a national Sea Marshal program to protect our ports from the potential use of vessels as weapons of terror. A Sea Marshal program was recently established in San Francisco, and is supported strongly by the maritime pilots who, like air pilots, are on the front lines in bringing vessels into U.S. ports. Sea Marshals would be used in ports that handle materials that are hazardous or flammable in quantities that make them potential targets of attack. The Coast Guard took a number of steps including boarding a液化天然气 LNG tanker to escort the Liquid Natural Gas, LNG, tanker into Boston last evening. This was the first delivery of LNG to Boston since September 11 and a number of people were concerned about the safety of bringing LNG into the port. Prior to September 11 these vessels were escorted by Coast Guard vessels into the port but no armed guards were present on the vessel. I strongly believe that having armed personnel, such as Sea Marshals, on these high interest vessels is very important and will considerably increase security in our nation’s ports, including Boston. The ability of terrorists to board a vessel and cause a deliberate release of LNG or gasoline for that matter is very real. Sea Marshals will make it much more difficult for this to happen. The Secretary of Transportation would be responsible for establishing qualifications and standards for Sea Marshals who could be comprised of Federal, State or local law enforcement officials.

This legislation also aims to make use of unarmed pilots as yet another way to combat terrorism in our ports. Nearly every vessel that enters a U.S. port is boarded by a sea pilot to assist the crew in navigating the harbor. Many times these pilots are the first set of U.S. eyes on vessels that may be headed to our ports bearing criminals or contraband from overseas. They are also eyes unique, but cannot be expected to be a line of physical defense, that is the job of the Sea Marshals. This legislation would require the Secretary of Transportation to use these “eyes and ears” effectively in the war on terrorism. The Secretary would be directed to investigate discrete ways in which sea pilots can provide in formation to warn of a possible terrorist attack or other crime. It is important that we explore secure mechanisms to allow these pilots to contribute to our national domain awareness, including notifying law enforce ment officials of suspicious activity on a vessel. I am convinced there are a number of ways that these pilots could safely provide the authorities with information that can thwart illegal activities without alerting the vessel’s captain or crew, or potential terrorists.

This legislation would also require the Secretary of Transportation to conduct 25 foreign port vulnerability assessments each year, and places on foreign ports the same reporting and assessment requirements we use for foreign ports. This is essential to ensure that our citizens are protected from harm in foreign ports, and are informed of any risks before leaving U.S. soil. It is also absolutely necessary to use foreign ports as our first defense against threats to U.S. ports. We cannot expect to protect U.S. borders by erecting a fence only at our own ports. As one of our witnesses said, "the leading edge of our boundary for homeland defense is, in fact, foreign ports." In many instances, such defenses would be fruitless because of the sheer volume of cargo that passes through our ports daily. We need advance warning long before these vessels appear at our harbor entrances. Critical information that can help the Coast Guard identify these risks can only be collected at foreign ports where cargo and persons are first placed aboard the vessel. Despite this obvious need, we have fallen behind on our assessments of foreign ports. I firmly believe that the only way we can make U.S. ports and harbors safe is by going to the source and ensuring appropriate measures and facilities are in place to guarantee the safety of U.S. citizens visiting foreign ports as well as the safety of cargo bound for the United States.

In order to pay for these inspections this legislation authorizes the Secretary of Transportation to collect a 50 cent user fee on all cruise passengers that depart the United States for a foreign port. Quite frankly, 50 cents is a small price to pay for the peace of mind that comes with knowing that a port vulnerability assessment has been completed prior to a cruise ship with as many as 5,000 U.S. citizens or passengers, docks in a particular country. U.S. citizens should not be disinclined in ports that have not been scrutinized for security violations. One witness pointed out that in many circumstances U.S. cruise ship passengers are passing through ports that could not be assessed because they were deemed too dangerous for military personnel! This is ludicrous. I am sure those passengers had no idea of this potential danger, and we need to make sure that they are both safe and informed.

Lastly, this legislation would allow the President to prohibit any vessel, U.S. flagged or foreign, from entering the United States if the vessel has embarked passengers or cargo from foreign ports that do not have adequate security measures as determined by the Secretary of Transportation. Recently inspectors in Italy checking a container bound for Canada discovered a member of the al-Qaida terrorist organization hiding in a shipping container equipped with a bed and makeshift bathroom. The suspect, an Egyptian in a business suit, had with him a Canadian passport, a laptop computer, two cell phones, an air-port maps, security passes for airports in three countries and a certificate proclaiming him an airline mechanic. We cannot allow any country to have such lax security such that terrorists can stow away in a shipping container. I would like to remind everyone that a similar provision exists in the airline industry and I see no reason why the President should not have the power to suspend commerce from a port with inadequate security, just like he can now do with international airports.

I believe that these provisions, when combined with the strong port security program of S.1241, will ensure that the United States has the tools, the information, and the personnel to guard against waterborne threats to our nation and our citizens.

Matson Navigation Company name new COO

Raymond L. Smith has joined Matson Navigation Company, Inc. (Matson), this month, as chief marketing officer (COO) in San Francisco. Smith is responsible for all marketing and operations activities, as well as safety, quality and environmental affairs. He reports to President and Chief Executive Officer (CEO) C. Bradley Mulholland.

Smith has served as CEO of Fritz Companies, United States Fleet Leasing and Ampeut. His most recent position was CEO of Ampeut in San Francisco, a high-tech start-up company focused on financial supply chain management. As the company’s leader, Smith was responsible for all business development, systems software design, and investor relationships.

"Ray Smith’s experience makes him a particularly valuable addition to Matson’s executive team,” Mulholland said. "Equally important, he brings us valuable insights into the importance of professional and motivated employees and a strong commitment to customer service and efficient, cost effective operations. I am confident that he will make significant contributions in helping Matson further develop and grow our business."
Union files ULP against SeaRiver

On November 14, 2001, the Union filed an unfair labor practice against the Company with the Labor Board in San Francisco, CA. The Union charged the Company has changed the terms and conditions of employment for the Maintenance Seamen rating by requiring training in excess of what is required for certification by the United States Coast Guard. More specifically telling new hires that they must complete SeaRiver’s Navigation, Watchstanding, Assessment and Proficiency Checklist (NWP) within their first two seatries or face possible termination.

This issue is one where the Company is telling the Union one thing but telling the employee another. The Union made a formal request for information from the Company regarding the NWAP program and what new employees are being told about the program. New employees have told the ESU that SeaRiver instructors tell them the NWAP booklet must be completed within their first two trips, on their own time (outside normal work hours with no overtime) and if not completed within a year they could be fired from the Company.

The Company’s response to the Union’s request was there is no defined time limit to complete the booklet but their expectation is that employees will complete the program within their first two assignments. The Company did say in their letter that it is “a personal responsibility and choice,” which would seem to indicate the program is voluntary. However, the final statement of the letter uses SeaRiver’s heavy-handed tactics of “our way or the highway” mentality. “Finally, each new employee is hired as a probationary employee. When determining whether employment will continue beyond one year, consideration is given as to whether or not an employee has achieved the desired STCW certification.”

The Company says the employee has a choice but recently it was reported to the ESU that unfilled positions on the S/R American Progress were told something totally different by the Captain of the vessel. The Union made an attempt to address this issue during the 1999 wage reopener by proposing that Maintenance Seamen with the desired STCW certification would receive additional compensation.

The Company response to our proposal was a ridiculous 1% offer for the Maintenance Seamen and nothing for the rest of the untitled unlicensed group. This issue is just another example of the Company trying to get something for nothing.

In the past few months there have been numerous ESU members who have decided to retire from SeaRiver or who have other- wise left the company. Two ABs, Jose Aurelio and Lee Airriess have decided to retire and no less than five other members have left for various other reasons.

AB Jose Aurelio retired effective Octo- ber 15 after nearly 23 years of Com- pany service. A retirement certificate of appreciation was presented to him at a small ceremony held in honor of the occasion in his hometown of Pensacola, Florida. In attendance at the ceremony were his fellow ESU members and Pensacola natives Tom Thompson, Gerald Nelson and Mike Doyle. Jose plans on, among other things, to operate a small grocery store in Pensacola.

AB Lee Airriess decided to take early retirement in late October due to an un- fortunate illness in the family, which will require his ongoing attention. Before join- ing Exxon Shipping Company in 1987 he had previous retirement qualifying service with Exxon Navigation Com- pany. Lee will be remembered for his long time service to the ESU as ship’s repre- sentative on the S/R Baton Rouge and more recently on the S/R Baytown. Lee has had plans to start his own small business and has been contemplating ac- cepting employment with the Washing- ton State Ferry System, which would keep him closer to his home in Anacortes, Washington.

AB Stuart Smith resigned from SeaRiver in late October to accept a Third Mate’s position onboard a tankship oper- ated by American Heavy Lift Inc., a company with strong ties to the Masters Mates and Pilots. Stu earned his mate’s license earlier this year and received an excellent evaluation while stepping up onboard the S/R Hinchenbrook this sum- mer. He told the ESU that he joined the MM&P and left the company due to SeaRiver’s failure to promote him in- house. His plight along with the ex- tremely poor administration of the EREP program highlights the almost total lack of opportunity made available to Able Seamen at SeaRiver. We wish Stuart well in his new career.

James Williams a QMED who on sev- eral occasions had stepped up to Pumpman, resigned to return to college to study Com- puter Science. AB Darrel Ferguson who came over from Mobil in the American Progress acquisition and long time Main- tenance Seaman Nadeem Ayaz both left in late September. Neither Darrel nor Nadeem gave the ESU a reason for their departure. AB Jay Mortiz also resigned from the Com- pany on October 31, due to personal rea- sons. We wish them well with their future endeavors.

And finally, it was with great sadness that we learned of the passing of AB Ev- ing “Buddy” Touchstone on September 21, after a battle with cancer. Buddy was a fine man who was liked and respected by everyone who knew him. Many of our members remember Buddy from his days with Mobil and with Sabine before that. The ESU extends its deepest condolences to his family and all his friends. He will be sadly missed.

Recent retirements, resignations and passings

On November 11, 2001, the 9th Cir- cuit Court of Appeals ordered a reduc- tion of the $5.3 billion jury verdict award against Exxon following the Exxon Valdez oil spill. The three-judge panel agreed there could be punitive damages but it agreed with Exxon’s argument that the award was too high and sent the case back to the trial court for adjustment.

In vacating the $5 billion award the panel applied a yardstick established by the U.S. Supreme Court that punitive damage awards should use a ratio rela- tive to the actual damages. The judges thought a ratio in the neighborhood of 4-1 would be in line. The ratio applied to the Exxon punitive damages award was more than 17-1. Using the court of appeal’s number, it would appear the verdict could be reduced to an amount of somewhere between $1.2 billion and $2 billion.

Whatever the amount, the award would be shared by the 34,000 fishermen, 4,000 Native Alaskans, and several thousand other state residents who claimed they were financially damaged by the spill. ExxonMobil has said it spent more than $2 billion on cleaning up the spill and does not deserve further punishment.

Ultimately, this case may end up be- fore the U.S. Supreme Court, which means it may be a long time before we know the final outcome.

Remember to VOTE!

As of November 14, 2001 the elections office of the American Arbitration Association has received a total of 115 ballots for the election of ESU Officers. The total number of eligible voters for this election is 279. As of the 14th less than 41% of the voting pool has cast a ballot.

You still have time to exercise your right as an ESU member, the deadline is December 13, 2001 at 5:00 p.m. Should you need an extra ballot, please see your Ship Representative, ESU Board officer or contact either Union office. PLEASE VOTE!
On November 9, members of the ESU Executive Board and legal counsel Ms. Sharon Groth, met with company and BCBS representatives to review and consider Blue Cross and Blue Shield medical and dental insurance issues. The ESU Board has been concerned about the adverse direction of our benefit plans and consequently employed the services of insurance consultant John Micale to attend this meeting in an advisor capacity. Mr. Micale, from the Houston area, proved very knowledgeable about industry trends and offered insight and advice to ensure our members are receiving the best deal possible from BCBS.

Once again skyrocketing medical inflation will cause our Blue Cross Blue Shield Health Plan rates to increase on January 1, 2001. Overall, claims experience was below forecast but still above the prior year’s claims experience. Consequently, we did not have a good enough year to hold down increasing premiums.

Between 1995-1996 claims experience was below projected amounts and our plan accumulated surplus monies that can have been used to offset the employee out-of-pocket contribution. During 2001, we used surplus reserves (estimated at $260,000) to hold down the employee contribution and we will again use surplus monies to offset the employee contribution for 2002. Hopefully, next year’s claim experience will improve but if not, we may have enough reserves to help mitigate one more increase.

The principal factor for the unlicensed group not taking a big hit on the employee contribution is the “Me Too” clause of our Contract. Under Article XVII, any medical subsidy increase by the Company for the Deck and Engineer Officers will likewise be granted to the unlicensed group. As it turns out, the plan that the officers are in (ExxonMobil medical plan) is facing the same obstacles that we are. Similar to our plan, the ExxonMobil plan is using a medical trend factor of around 20% to calculate rates for next year. It is our understanding that ExxonMobil will be increasing the Company contribution to premiums. As a result of this, SeaRiver will increase the Company contribution for the Employee by $28.50, Employee +1 by $82.50 and the Employee +2 or more by $123.50 for the uninsured employees.

There will be no change to the prescription drug coverage and the mail in prescription drug program will remain the same with no change in co-pays. We discussed switching to a prescription drug card and there are pros and cons to this feature but overall the Board believes at this time it would be better to keep things the way they are. Indeed, a prescription drug card would eliminate the hassle of dealing with BCBS for reimbursements and plan experience should improve by getting the agreed upon rates with network pharmacies, however we do believe there is a downside to this option. The prescription drug card offered to us by BCBS has a 3-tier structure for your copayment. They are as follows: $10.00 co-pay for generic drugs. $15.00 co-pay for preferred brand name drugs. $30.00 co-pay for non-preferred brand name drugs. Furthermore, the same type of payment structure would apply to maintenance medications through the mail-in prescription drug program and co-pay amounts are for a 30-day supply. If you opt for a 90-day supply you would have to make three co-payments.

We had a lot of discussion about the difference between a preferred and non-preferred medications and considering there are so many drugs on the market a physician may very well not know the difference between preferred and non-preferred. You may end up filling your prescription and pay $30.00 for the non-preferred brand when you expected the $15.00 medication. Considering the average cost of a prescription (we were told around $65.00) and the current plan reimbursement level of 90%, the Board did not see a clear advantage of changing to the drug card program.

Certainly, it looks like a reduction in benefit to those employees that use the mail-in prescription program considering the co-pay is currently $5.00. We will most likely revisit this issue again next year since prescription drugs are a significant part of the plan’s claims experience and use of a drug card program could offer some cost savings and hold down increasing premiums.

Revised monthly contributions are shown in the table below. The Company contributions reflect the current maximum amounts available under the agreement between the Company and the Exxon Seamen’s Union. The Company will contribute up to the amount indicated for each participant.

### BCBS Medical/Current Rates

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### New Rates Effective January 1, 2002

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BCBS Dental plan premiums unchanged

### BCBS Dental Current Rates

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### New Rates Effective January 1, 2002

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### Open Enrollment for BCBS Dental Plan

The BCBS Dental plan now has an open enrollment period for unlicensed employees. This will normally occur during the pre-tax and open enrollment for the medical plan. Unlicensed seamen in the SeaRiver Ocean Fleet and their eligible dependents who are not currently enrolled in the Blue Cross Health Benefits or Dental Plans would be eligible to enroll during the open enrollment period.

### Open Enrollment Extended to December 7, 2001

Since the finalized rates for renewal of the health plans were somewhat delayed, the Union requested that the open enrollment period for Pre-Tax, Medical and Dental plans be extended. If you would like to enroll and have not, the final deadline is December 7, 2001. If you haven’t taken advantage of the Pre-Tax savings plan in the past, you really should start this year. At a minimum you should declare the amount of your premiums for your Medical and Dental coverage. If you are expecting additional out of pocket expenses for medical or dental services you can deduct that amount in and out of pockets, pay with un-taxed dollars.

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**ESU News**

Taking a moment to pause for the camera on the deck on the S/R Benicia at the Valero dock in Benicia, CA. On the left is ESU Ship Representative Joe Gracia and fellow seaman Dave Frank. Joe has served as Ship Rep. on the S/R Benicia for several years and will continue in that capacity until the ship is retired from service in 2002. The ESU would like to thank Joe for his hard work and devoted service to the Union and the membership.
Sailors’ Union of the Pacific/Training Resources Ltd
Schedule of Course Offerings for 2001

STCW 95 Basic Training
This course is mandatory under international law for those planning to continue going to sea after February 1, 2002

- Basic Fire Fighting
- Basic First Aid
- Personal Survival
- Personal Safety and Social Responsibility

Nov. 26-30 Dec. 10-14 Jan. 7-11 Jan 28- Feb. 1
Dec. 3-7 Dec. 17-21 Jan 22-26

LMSR Vessel Training (MSC approved)
Jan. 8-18 Additional classes for 2002 will be posted in December.

Small Arms Training (MSC approved)
Jan. 22-24 Additional classes for 2002 will be posted in December.

Survival Craft (Lifeboatman)
Dec. 10-13 Jan. 7-10 Jan. 22-25

Training Information and Enrollment

Contacts
Dave Connolly, SUP Vice President Rich Reed, SUP Welfare Plan Rep
c/o Andrew Furuseth School of Seamanship SUP Welfare Plan
450 Harrison Street, San Francisco, CA 94105 450 Harrison Street
Tel: (415) 777-3400 San Francisco, CA 94105
Fax: (415) 777-5088 Tel: (415) 778-5490
E-mail: daveconnolly@msn.com Fax: (415) 778-5494
E-mail: supwelfarerep@hotmail.com

Welfare Notes
November 2001
Active members

The Money Purchase Pension Plan annual statement was mailed to all participants on October 31. This statement is for the fiscal year 2000/2001 which ended on July 31 2001. Any contributions after this date will appear on next year’s statement. This year’s statement will show the balance for your individual account as of July 31. The statement will also show the contributions placed in your individual account since the last valuation date. It will also show your share of the earnings for the fiscal year and your share of the expenses paid for the fiscal year preceding the valuation date. If you have not received your annual statement please contact the Welfare Plan office, and we can make arrangements to forward your statement. This would also be a good opportunity to make sure that the Plan Office has your correct address on file, and that you have filled out the beneficiary form for the Money Purchase Pension Plan.

Pensioners
Pensioners who incur expenses for medical, surgical, dental, prescription drug or vision care and treatment, the SUP Welfare Plan will pay a maximum benefit of up to $3500 in any 12 month period ending on July 31. The Plan will pay for any reasonable charges for actual expenses by any Hospital or Facility. The plan also reimburses monthly Medicare Part B premiums up to the maximum benefit. This Medicare benefit may also be used to pay for a spouses Medicare payment. The payment is added to your monthly pension check and deducted from your annual allowance. If you are not now participating in this benefit you should contact the plan office as soon as possible for more information.

SUP Welfare Plan
450 Harrison Street, San Francisco CA 94105

Telephone Numbers:
Main ...................................................................... (415) 778-5490
Eligibility active members/dependents ....................... (415) 778-5491
SUP Money Purchase Plan, SUP 401(k) Plan, ......... (415) 778-5493
Pensioner Medical Benefits .................................... (415) 778-5493
Toll Free Number ............................................. (800) 796-8003

Filipino sailors registered on internet

The Philippine government’s department of labor reports that it is developing an internet-based registry for unlicensed Filipino mariners.

“This registry would enable both local and international shipowners and ship managers to verify Filipino ratings’ training and professional credentials round-the-clock, anywhere in the globe,” labor Under Secretary Manual Imson told Lloyd’s List.

This fraud-proof system would be complemented by a database allowing comparison between the actual certificate and “stored digitized images,” Imson added.

He noted that 71,377 Filipino Able Bowed Seamen have taken the training required under the 1995 Standards of Training, Certification and Watchkeeping (STCW) Convention. This number represents about 70% of Filipino unlicensed mariners working in vessels worldwide.

The details of the training achieved by these mariners are now being entered into the electronic registry and will soon be available on-line. The website, now under construction, can be viewed at www.tesola.org/deck-rating.

Including officers, unlicensed engine and steward department personnel, the Philippines has over 200,000 mariners making the country the largest supplier of mariners in the world.

Tanker set ablaze by Tamil Tiger suicide attack

A Tamil Tiger suicide boat struck the tanker m/v Silk Pride off the northern tip of Sri Lanka on October 30.

“One suicide boat hit the tanker and it is on fire,” said military spokesman Brigadier Sarath Karunaratne, according to Reuters News service.

The vessel, carrying 275 tons of diesel fuel, was badly damaged. Twelve members of the crew and 13 military personnel were rescued. There were no reports of casualties. The attack came a day after a suicide bomber blew himself and three others in Colombo at the start of the campaign for parliamentary elections scheduled for December 5.

IMPORTANT! Get your STCW ’95
NO TRAINING, NO JOB AFTER FEB. 1, 2002

ATTENTION ALL MEMBERS
In a effort to update our records, please complete the form below and return it to:

Editor
Sailors’ Union of the Pacific
450 Harrison St.
San Francisco CA 94105

You may also e-mail your address to: editor_wcs@msn.com

Record of SUP Shipping
October 2001

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</table>

Table showing distribution of members within various positions.
Guam challenges ocean freight rates

The Surface Transportation Board (STB) denied a motion by Matson and Sealand to dismiss a complaint by the government of Guam challenging the rates charged by carriers in the U.S.-Guam trade.

The government of Guam challenged the rates, in effect since 1996, as being too high. The lines asked the Surface Transportation Board to dismiss the complaint on the basis that the government of Guam should not be able to challenge the rates since it has not paid the rates.

Alexander & Baldwin announced last month that profits from its subsidiary, Matson Navigation Company decreased 1.9 percent in the second quarter of 2001.

In the first nine months of 2001, ocean transportation operating profit was $60.4 million. This was a decrease of $15.5 million or 18 percent from $73.9 million in the first nine months of 2000.

Matson's profit dips in third quarter.

Alexander & Baldwin announced last month that profits from its subsidiary, Matson Navigation Company decreased $1.8 million in the third quarter of 2001, compared to the third quarter of 2000. Operating profit for 2001 was $24.2 million while third quarter results for 2000 was $26.1 million.

According to a company news release, the decrease resulted primarily from lower Hawaii and Guam cargo volume; higher than expected transition costs for terminal improvements costs at San Isla; and lower contributions from investments in a shipping operation in Puerto Rico and a stevedoring joint venture. These decreases were offset in part by the benefits of space charter revenues, the sale of a small subsidiary and slightly higher container yields. Third quarter 2001 container volume in the Hawaii service was four percent lower than in the 2000 third quarter and its automobile volume was 11 percent lower.

In the first nine months of 2001, ocean transportation operating profit was $60.4 million. This was a decrease of $15.5 million or 18 percent from $73.9 million in the first nine months of 2000. Matson's Hawaii Service container volume was two percent lower and its automobile volume was three percent lower.

Overall Alexander & Baldwin third quarter operating profits fell 19 percent due to the slumping U.S. and Japanese economies. The firm warned that the fourth quarter would be "difficult" as tourism in Hawaii suffers in the aftermath of September 11.

Alexander & Baldwin also said that it was unlikely that 2002, results would match this year’s results, at least for the first two or three quarters.

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The board rejected the lines’ request, stating that the government of Guam should “at least be offered a chance to present its case.”

Also, the carriers asked the board to dismiss the complaint because the lines are allowed under a “zone of reasonableness” ruling to raise their rates up to 7.5 percent a year. But Matson spokesman, Jeff Hull, said the carrier has not raised its rates since entering the Guam trade in 1996.

The Surface Transportation Board stated that the zone of reasonableness requirement applies to rate increases, but does not protect the carriers from being challenged on their base rates.

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USCG’s limited deferment of STCW certification in the near coastal domestic trades

At the Ship Operations Cooperative Program conference in Norfolk, Virginia, the USCG announced that it is temporarily deferring enforcement of possession of the STCW 95 certificate in the near-coastal, domestic trades until February 1, 2003. This means that although Basic Safety Training is still required by mariners employed in that trade, actual possession of the Coast Guard document is put off for a year. The deferment does not apply to ships on international voyages. Nor does it apply to vessels engaged in the domestic Hawaii trades because such vessels depart the 200-mile near coastal limits. We are still researching its application to the LMSRs and the RRF. The reason for this limited deferment is to allow the Coast Guard to prioritize the processing of STCW applications for mariners working in the international trades over those in the domestic trades. Mariners that are employed, or intend to be employed in the international trades, and who do not yet have their STCW 95 certificate, may apply for expedited service from the Coast Guard. The Union will assist members in obtaining a letter from the vessel owners or operators to receive the expedited service. On February 1, 2002 all U.S. mariners that apply for an upgrade or renewal of an existing credential, or the issuance of a new credential, must have Basic Safety Training and will be issued an STCW 95 certificate.

Andrew Furuseth School of Seamanship

Besides training for STCW, the Andrew Furuseth School of Seamanship has in the past two months tested a marlinspike instruction program at Headquarters. The program includes video, print, and hands-on demonstration of splicing, knots, hitches, whippings, rigging, etc. Rank and file professionals Frank Portanier, Sonny Cooper, and Romaine Dudley, have donated their considerable expertise. Now the program will be expanded on the same volunteer basis to the Branches. Anyone interested either as an instructor or a student should contact their Branch Agent. Once a list of interested members is generated, the Agents will announce the time and place of instruction. The School will supply all the necessary materials. I encourage every member to participate—either to hone the skills that comprise the fundamentals of your trade, or to pass them on to less experienced members. Marlinspike competence is the foundation of good seamanship, and skill in seamanship is the foundation of the Union.

LMSR Gangway Watch

On November 6, the Union received word that all LMSRs would be reduced to deep RO/RS and that a separate 24-hour watch would be called for security duties. After a series of e-mails and telephone conversations, the Company eventually agreed to the Union’s position to maintain status quo operations in the LMSRs. Although the Union would have experienced a small net gain in jobs, the potential financial impact on our members was serious. We objected, projected the negative impact, proposed alternatives, and ultimately prevailed. Despite this victory, however, it is clear that the Union cannot dictate the activation status of these ships to either the Company or the MSC, and it is certain that some LMSRs will eventually be relegated to deep RO/RS as in the RRF.

Chevron Mississippi

Made this ship on her last call at the Richmond Long Wharf. She sailed on No- vember 15, 2001 for the Panama Canal and the breakers in Brownsville, Texas. The “Dark Star” was a fine ship that provided gainful employment for our members for 29 years. She was forced out of operation by the requirements of the Oil Pollution Act of 1990. Mike Fox, bosun; Thor Erikson, delegate. No beews.

Dave Connolly

Sailors take a blow in USNS Yano

From the left: OS Joel Schor, SUP Representative Jack Stasko, AB Steve Swinton, AB Martin Shields, AB Anthony Collins, and Bosun Paul Gatewood. Photo by Dave Connolly, while the Large Medium Speed Roll-On/Roll-Off (LMSR) vessel was in Norfolk.
PORT MARITIME SECURITY LEGISLATION

The October issue of the West Coast Sailors carried a front-page article on pending port maritime security legislation. In the intervening month, the bill in question, the Port and Maritime Security Act of 2001 (H.R. 1214), has gone through several changes—including its name—since it is now the Port, Maritime, and Rail Security Act of 2001.

S. 1214 still contains provisions that provide for criminal background checks for maritime workers in “security sensitive” jobs. Whether the stipulated background checks apply to mariners is open to interpretation. A reading of the draft legislation seems to indicate that it does. However, counsel for the Senate, Commerce, Science and Transportation Committee indicates that it is not. This, as of this date, is still in committee and being reviewed by the Secretary of Transportation.

Given the tenor of the times, post-September 11, no one can argue against the necessity of increased security, but does one know that American workers have forfeited their jobs and civil liberties for minor criminal activity they committed in the past and for which they have since been rehabilitated?

Your secretary joined with representatives of the ILWU in expressing those concerns to Senator Barbara Boxer (D-CA) on October 25, along with ILWU International President Jim Spincoza, Coast Committeemen Ray Ortiz, Jr. and Joe Wenzl, Local 10 President Henry Graham and Secretary-Treasurer Clarence Thomas, ILWU San Francisco Regional Director Marino Secchitano and ILWU North Coast District Council Legislative Representative Lawrence Thibeaux, met with John Ormsby, Senator Boxer’s field representative in San Francisco.

For seagoing maritime labor, Mr. Ormsby was informed that mariners were already subject to extensive background checks by the Coast Guard, particularly those employed or seeking employment in government vessels (Ready Reserve Fleet and LMSRs) and that further checks were not necessary.

As for port workers and for seagoing mariners in general, the bill currently concurred with the provisions advanced by the ILWU, that: 1) The bill should provide that criminal background checks specifically determine that an individual with a criminal record presently poses a security risk before disqualification from any work. Such determination should be based on considerations of the specific behavior, the past crime, the penalty, any mitigating factors, and the evidence of rehabilitation; 2) The bill should provide for an appeals process to allow full consideration of the above criteria before any disqualification is imposed; 3) The bill should provide that any disqualified worker may work for the covered employer in non-secure areas; 4) The bill should provide for reasonable security clearance requirements for all truck drivers and vendors who have access to marine terminals to enhance the security of the cargo, the marine terminal and the vessel. These individuals are typically unsupervised and poorly documented; 5) The bill should require security clearance requirements for all vessels, their owners, operators and crew before being allowed to enter a U.S. port—particularly flag vessels—outside the Golden Gate; and 6) The bill should require that cargo be fully documented and subject to on-site inspection, for cargo on the rail, at the marine terminal before allowed entry.

Mr. Ormsby stated that he would forward our position to Senator Boxer and Secretary Mineta.

Will keep a weather-eye on this legislation and on similar legislation pending consideration by the House through local and national sources.

As reported last month, the Internal Revenue Service, after a ten-month review, rejected the proposal by the Union Trustees (Dave Connolly and your secretary) of the SUP Welfare Plan to convert the $13 billion derived from the sale of the Plan-owned parking lot adjacent to Headquarters to a monthly cash housing benefit for eligible SUP pensioners. The proposal was initiated in 1998 by then Trustees Duane Hewitt and your secretary.

Given the legal restrictions imposed by the IRS, the Union Trustees, with input from retired and active members, evaluated the options available that would immediately benefit current SUP pensioners and those who will retire in the future.

The proposal formulated by the Union Trustees and ultimately accepted by the Employer Trustees (Dennis Herrera for ASM and Tom Percival for Matson) on November 9, is to significantly increase the existing yearly pensioner medical allowance.

The specifics of this improved benefit are as follows:

1) The annual pensioner medical allowance shall increase from $2,000 to $3,500 retroactive to August 2001 (the beginning date of the Plan year).
2) The annual pensioner medical allowance can be used by pensioners and their legal dependents (spouse, minor children, etc.),
3) Recipients of the improved benefit shall include the following:
   a. All retired SUP members who are receiving a regular or disability pension;
   b. All retired SUP members who are receiving a Chevron pension and were dues-paying members while so employed and had some covered employment from participating employers in the SUP Welfare Plan. Their benefit is limited to $150 per year; and
   c. All future retirees in any of the three preceding categories who are active SUP members, and who qualify under the five-year vesting rule as of the end of the fiscal year 1999 (July 31, 2000) which coincides with the sale of the lot.
4) Pensioners receiving less than a full pension benefit (20 years) shall receive a prorated amount of the total annual pensioner medical allowance;
5) The monies derived from the sale of the parking lot shall be segregated in a Special Fund within the SUP Welfare Plan. The monies in the Fund shall be used exclusively to provide additional medical benefits for pensioners;
6) The Special Fund shall be reviewed annually by the Trustees for the purpose of determining the size of the benefit; and
7) That any administrative costs associated with the Special Fund be paid out of the Special Fund.

In light of rising medical costs, the improved benefit will provide needed economic relief to the vast majority of pensioners and their dependents. Pensioners should note that in addition to paying for Medicare premiums, the SUP Welfare Plan will also reimburse bills submitted for medical plan premiums, prescription drugs, dental work, glasses, etc. from other plans. The specified medical allowance for pensioners and dependents.

Because it improves an existing benefit, the increased yearly pensioner medical allowance is not subject to IRS requirements. Therefore, the SUP Welfare Plan will notify eligible pensioners of the improved benefit by mid-December.

MATSON NAVIGATION COMPANY

Matson announced on November 7 that in response to the recent economic downturn which has hit Hawaii particularly hard, the company will reduce its fleet serving the Islands from eight to seven vessels in early December.

In response to an inquiry by the Union as to which vessel was slated for lay-up, Tom Percival, Manager Labor Relations Vessels Operations, stated, “At this point it is still undecided. Marketing will make the original call based on the anticipated cargo package/stream and the equipment required to carry that package. The cargo stream in December will be the deciding factor.”

SAN FRANCISCO BAR PILOTS

Shortly after the events of September 11, the U.S. Coast Guard initiated a first-in-the-nation pilot Sea Marshal program for vessels entering and exiting the Golden Gate. To ensure safe navigation and to protect the general public from terrorist attack, armed Sea Marshals board inbound and outbound ships along with the Bar Pilot.

As the Sea Marshals board or depart vessels from the seaports of California and San Francisco eleven miles outside the Golden Gate, it has greatly increased the workload for the steward/cooks in these vessels.

Accordingly after discussions with Captain Peter McEachan, Port Agent of the San Francisco Bar Pilots, signed the following addendum to the collective bargaining agreement on November 6, subject to membership approval.

Section 2. Watches and Hours of Work

B. Steward/Cook

1. The stewards/cook is required to serve meals to personnel that are not Sailors’ Union of the Pacific employees, San Francisco Bar Pilots or pilot trainees, they shall be compensated as follows:
   a. One (1) hour overtime per meal for every two or three additional meals served.
   b. Two (2) hours overtime per meal for every four or five additional meals served.
   c. Three (3) hours overtime per meal for every six or seven additional meals served.

2. Additional meals over seven shall be compensated in accordance with the standard rate.

3. It is understood that any meals served outside of regularly scheduled hours as defined in B.2 shall be paid at the overtime rate.

Recommend membership approval.

SUP MONEY PURCHASE PENSION PLAN

The 11th annual valuation statements of the SUP Money Purchase Pension Plan were mailed on November 2, to the address of record of participants.

Valuation statements include a participant’s account balance as of July 31, 2001, as well as information received from August 1, 2000 to July 31, 2001; interest income; total account balance as of July 31, 2001; and a summary of employment during the Plan year.

If a participant does not receive a statement in a timely manner, or has questions regarding it, contact Rich McClaskey, SUP Money Purchase Pension Plan Administrator, 450 Harrison Street, San Francisco, CA 94105; telephone (415) 778-5490.

As of July 31, 2001, the value of the Plan was $15,134,018. Since July 31, 2000, the Plan received $1,806,166 in contributions and $1,582,844 in investment income (net of management fees) while disbursing $785,532.70 in benefits. Plan administrative expenses were $131,267.

The SUP Money Purchase Pension Plan’s assets are managed by the San Francisco investment firm of Dodge & Cox under guidelines established by the Plan Trustees. The fixed income assets of the Plan are conservatively invested in high-grade U.S. government securities with an average rating of AAA.

Internal Revenue Services Form 5500, prepared by the Plan’s independent auditors, Thomas Havey, LLP, will be available by December 31, 2001. Plan participants have the legal right to examine or request a copy of this report from the Plan office.

The SUP Money Purchase Pension Plan was established as a result of bargaining with American President Lines and Matson Navigation Company in 1990 and went into effect in 1991. Companies currently making contributions to the Plan are American Ship Management (ASM), which assumed APL’s collective bargaining agreements on November 12, 1997, Matson and Foss Maritime Company.

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For all ASM and Matson (except for the ITB Moku Pahu in the acquisition of ASML) LMSR vessels, the contribution rate is $17.00 per day for the bosun and the ABs, $15.28 for AB’s. These rates were funded, by membership action, by allocating wage increases to the bosun and $15.28 for AB’s. These rates were funded, by membership action, by allocating wage increases to the bosun and the ABs.

As reported in August, Wayne Burgess filed a complaint with the National Labor Relations Board in the United States District Court for the Central District of California, Western Division (Los Angeles) alleging that he was “unjustly and unfairly expelled” as Wilmington Branch Agent based on the internal Union charges that were brought against him by Duane Nash.

In September, Glenn Rothner of the Pasadena, California law firm of Rothner, Segall & Greenstone retained by the Union to defend the Union in this suit filed a complaint against Wright with the NLRB. The complaint states that Wright and other Union officials “violated the Act.” The complaint further states that Wright “has no jurisdiction.”

Supreme Court of California urge that the 50-member quorum—which has never been less than 27 members—be reduced the quorum at Headquarters meeting from 50 to 30 members. Regardless of who is elected to office, these propositions are key to the viability of this organization.

There are two important proposed Constitution amendments on the ballot: a dues increase and a measure to reduce the quorum at Headquarters meetings from 50 to 30 members.

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SUP Branch Reports

Seattle

October 15, 2001

Shipped the following during the period: 1 bosun, 2 ABs, 1 AB return, all filled by A cards; 1 O.S. filled by a C card; and 20 standbys, filled by 4 A cards, 12 B cards and 4 D registrants.

Registrations for the period is 8 A cards for a total of 29; 8 B cards for a total of 22; and 6 C cards for a total of 18.

Ships checked

APL Singapore and APL Korea returned from offshore voyages where SUP-spraying paints had been aboard. The ship’s gang, the shore-side standby gang and the rigging gang all reported good money for hard work. The Maui and Kauai in with little or no trouble. Rigging lost running smoothly.

Attended the King County Labor Council meeting, the “Charleston 5 Defense Committee” meeting and have been volunteering evenings and weekends with the “Labor to Neighbor” program.

Manoa to Neighbor is one union member calling another union member or household to talk about ballot issues important to labor, in general, but may not be of immediate concern to a particular craft union. Jones Act issues and Port Commissioners positions would be an example.

The Sailors’ Union of the Pacific has a long and proud history of political activism and all members are invited to participate by calling your local AFL-CIO Labor Council or asking your Branch Agent how you can help. A contribution of $100 a year to the SUP Political Fund goes a long way to help protect our livelihoods.

Vince O’Halloran
Branch Agent

Honolulu

October 15, 2001

During the month of September, dispatched the following jobs: 5 ABs, and 1 O.S, filled by 2 A members and 4 B members. Also shipped 29 standby jobs filled by 1 A member, 6 B members, 19 C members and 3 D registrants.

Registration for the month of September was: 2 A members, 1 B member, 7 C members and 3 D registrants. To this date, we have 11 A members, 7 B members, 11 C members and 9 D registrants, for a total of 38 registered.

Ships checked

APL Maui, Lurline, Chief Gadao, Matsonia, Lurline, Kauai, Manaulani and Ewa. All with few if any problems. Paint and rigging gang running smoothly with George Lua as bosun.

At our October 15 Branch meeting, Rich Reed SUP Welfare Plan Representative was in attendance. We had quite a large turnout and Rich was kept very busy administering paperwork and answering questions. All the members, both active and retired were quite pleased.

On October 24, attended Hawaii Port Maritime Council meeting. Most of the talk was about the economic slow down in Hawaii. As many of you might know by now, American Hawaii cruises, the U.S.-flagged interisland vessels have filed for bankruptcy. The ships probably won’t be running in the near future, a lot of unemployed seamen running around the island. Shipping is also very slow for us here in Honolulu.

The Honolulu SUP/MFOW annual Christmas party will be on Sunday, December 16, at 10:00 A.M. held at the Honolulu Hall.

Mike Duvall
Branch Agent

Norfolk Office

October 15, 2001

September 11 was a total shock to our nation and put the whole East Coast in fear and turmoil. Even with airports shut down, with the help of all the Branch Agents, the SUP/MFOW managed to FOS two ships and get them to sea on time.

As I continue to make my weekly rounds and check ships in the area, all crew members are in high spirits and stand ready to support our troops and country. I have been asked by Patriot to be on full alert and have crews ready as orders come down.

The USNS Phililauu has made a successful voyage and is homeward bound. The USNS Shughart sailed Sonny Point, North Carolina and is eastern bound, with top SUP gang.

The Mendonca, Yano, Gordon and Gilliland are all in good shape. The USNS Guy and Fisher, in Baltimore, undergoing sea trials. Registered for shipping 1 A, 3 B, 3 C, and 2 D members. Shipped 3 ABs, 1 B and 1 C cards.

I would like to remind all members to: When leaving, clean your rooms and get all your documents. When you are dispatched to a job, bring all your documents otherwise you will be turned away by the captain.

Jack Stasko
SUP Representative

San Francisco Business Agent

November 3, 2001

Chief Gadao - Charles Duke, delegate: No problems.

Kauai - Michelle Cahill, delegate: No problems. Gang wants to thank Sparks for setting up the AM antenna so they can have radio reception of the world situation.

Mahimahi - Tony Montoya, delegate: Routine.

Manoa - James Sparks took the ship from Ivar Thorbjorsen who got off sick down south. A dispute remains regarding Paul Calais’ restriction to ship in China.

Manoa - Jon Rose, delegate: Vessel came in to take cargo from the Matsonia. Vessel painted out like the s/s Monterey, good gang, all in good order. Questions on the Pension Plan referred to Chester Hazel.

Matsonia - Art Garrett, delegate: Vessel to go to dry dock for repairs. All in good order.

Mau Safety - Chuck Maringer, delegate: Things are better on this ship, but still need improvement in communications among the sailors, and the bosun.

Mokihana - Miguel Palacios, delegate: Vessel back from the yard in China, the regular gang was glad to be back aboard.

Moku Pulu - Dave Frizzi, delegate: Disputing cargo time isn’t payable. Cargo time is time spent working cargo. If the work is described in Section 4, then it is our work and only payable at the overtime rate during overtime hours. Long trip to North Korea coming up.

R.J. Pfeiffer-Duke Maringer, delegate.

San Francisco Bar Pilots - Everyone seems to have adjusted to having Sea Marshals coming and going in the Pilot’s operation.

Foss Maritime - Tom Tynan and Mike Worth, delegate: The Barge 210 renovation is completed to the satisfaction of the gang.

Chevron Colorado - Jeremy Meads took the delegate job from Dave McKenzie. This ship is still on her regular run up the Columbia River.

Chevron Missouri - Thor Erikson, delegate: OK.

Chevron Washington - Sam Elsayed, delegate: Gang complained that Rocky Ziembia didn’t do a proper job of squaring away his room before he left the ship.

Chevron Dock - Jack Stasko, delegate: The report is that the officers on his ship are in fear and turmoil. Even with airports shut down, with the help of all the Branch Agents, the SUP/MFOW managed to FOS two ships and get them to sea on time.

President Jackson - John Fernandez, delegate: Gang all up in arms because Allen Gonzalez didn’t do a proper job of squaring away his room before he go off. If you have any doubts about your room, get the delegate to give an independent opinion before leaving.

President Kennedy - Dan Gonzalez took the delegate’s job from Dave Berger who got off – time up.

President Polk - Ray Morgan, delegate: Everything smooth on this one.

President Truman - Ernest Stimmach, delegate: Minor clarification on the three o’clock knock-off.

President Wilson - Diane Ferrari, delegate: No problems.

Bill Henneberry