



West Coast Sailors

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Friday, November 19, 2004

APL deploys U.S.-flag ships to new Trans-Pacific service

This month APL inaugurated a new run from San Pedro to East and South Asia with four C-10 type vessels (*Presidents Adams, Jackson, Polk and Truman.*)

The forty-nine-day trip calls for stops at Yokohama, Kaoshiung, Hong Kong, Chiwan (China), Laem Chabank (Thailand) and Singapore before returning to Southern California.

American Ship Management (ASM) which operates APL's nine Maritime Security Fleet vessels plus two J-10 type vessels, indicated that the stay in San Pedro is tentatively scheduled for 12 days due to port congestion in Los Angeles and Long Beach.

With the sailing of the *President Jackson* from Seattle on December 4, no APL U.S.-flag vessels will call at that port for the time being.

Matson's profits soar in first three quarters of 2004; A&B stock surges to a record high

For the first nine months of this year, the operating profits of Matson Navigation Company, a subsidiary of Alexander & Baldwin, was \$83 million and 37% higher by \$22.6 million than the first three quarters of 2003. Operating profit for the third quarter of 2004 released on October 28, was \$33 million or 31% higher than the same quarter last year.

Allen Doane, President and CEO of A&B said, "Matson is achieving results that have exceeded our expectations." Doane added that Matson's results always should be considered in light of the "substantial amount of capital" committed to the business.

"With the addition of two new ships to the Matson fleet in the past year, our net property committed to the shipping business increased by 40%," Doane said. "Although recent results are quite favorable, the capital invested to achieve those results have grown significantly."

Matson's parent, Alexander & Baldwin (A&B), once called a "hidden gem" by one of the analysts who covers the company, appears to have been discovered.

A&B stock has surged more than 39% over the past six months and rose 4.4%, to close at an all-time high of \$41.16. As the *West Coast Sailors* goes to press, A&B's previous high was \$39, which it reached in 1989.

A&B spokesman John Kelley said there was not one event that contributed to the rise, but he said in a meeting that company officials had with investors early this month in New York, might have contributed to the general enthusiasm for the shares. A&B's stock, which began the year at \$33.75, has risen 22% this year. Including its 2.2% dividend yield, the shares have risen more than 25%.

In other Matson news, the company announced on November 13, that it was going to raise its "service" rates by 3.5% effective January 3, 2005. Fees for containers will increase by \$100 and \$25 for cars. The terminal handling fee will be raised to

Matson

continued on page 4

USNS Shughart crew cited for heroism in fighting fire



Accepting a plaque on behalf of the crew of the *USNS Shughart* for heroism in New York City at the Admiral Ocean Sea Award ceremony on November 5, was SUP member Tim Hill, who was bosun aboard the vessel at the time of the fire. Presenting the award is Captain William Schubert, Maritime Administrator (left) and former Congresswoman Helen Delich Bentley (not pictured). The *Shughart*, a Large Medium Speed Roll-On/Roll-Off vessel, is operated by Patriot Contract Services for the Military Sealift Command. The citation on the plaque reads:

AOTOS MARINERS' PLAQUE

Officers and crews of Military Sealift Command Kuwait ships *USNS Shughart*, *USNS Sisler* and *USNS Red Cloud*, and the Maritime Administration's Ready Reserve Force ships *M/V Cape Ducato* and *M/V Cape Douglas*

Port of Ash Shuaybah, Kuwait

March 5, 2004

During Operation Iraqi Freedom II, the crews of three Military Sealift Command ships and two Maritime Administration Ready Reserve Force ships worked in unison with shore side support to put out a fire aboard the USNS Shughart. The crews banded together under extremely difficult conditions and demonstrated a level of heroism that is often trained for but rarely called upon to successfully prevent a major catastrophe.

While unloading cargo for the U.S. Army's 1st Cavalry Division in Kuwait on March 5, 2004, crew members working

the auxiliary machinery room area on board USNS Shughart detected smoke. Reacting immediately to the thick, black smoke billowing from the room, Shughart's crew battled the blaze with fire extinguishers, water hoses and the ship's carbon dioxide fire fighting system.

Sister ships USNS Red Cloud and USNS Sisler quickly responded to requests for assistance. Ready Reserve Force ship's Cape Douglas and Cape Ducato also reacted and sent several crew members to lend a hand. Fire trucks from Kuwaiti port offices drove on board and

began fighting the smoke and cooling the area while tugs pulled up alongside the Shughart to spray water on her hull to cool the metal.

About six hours after the smoke was discovered, the fire was declared to be out and the spaces were left to cool. Stevedores worked quickly to finish off-loading the remaining cargo. Then, without warning, 12 hours later, the fire flashed again.

Crew members and fire fighters again sprang into action, as flames were now visible from the starboard side of the ship. They worked quickly to cut holes in the deck above the auxiliary machinery room to allow fire trucks to pump foam into the space. Twenty-four hours after its initial discovery, the fire was declared out. The combined, unrelenting efforts of five crews saved the ship and her valuable cargo and, most important, many lives.

In addition to Brother Hill, the other SUP members who fought the fire in the *Shughart* were Derek Zirkle (AB), Jerry Masticola (AB), Kenneth Farley (AB), David Johnson (AB), Michael English (AB), Kendrid Jackson (AB), Scott Carson (OS), and Jason Beckwith (OS).

The other members of the ship's complement that were involved in battling the blaze were:

Peter Strez (Master), Eric Erving (Chief Mate), Steven Kravitz (2nd Mate), Matthew Tanner (3rd Mate), Jeremiah Turner (3rd Mate), Bo Karlsson (REO), John Kuhr (Chief Engineer), Michael Finley (A/E Day), Matthew Bennett (A/E), Timothy Rourke (A/E), Laurence Sprague (A/E), Kerry Augustine (QMED), Charles Hoey (QMED), Hector Balderach (QMED), Jason Rymel (QMED), Thomas Clinger (Storekeeper), Paul Galyean (Wiper), Shafiq Abdul-Rafi (Wiper), Fernando Guity (Chief Steward), Michael Lulley (Chief Cook), George Miller, (Ack/Util), Carlos Bonilla (Stwd/Asst), Sammy Ward (Stwd/Asst), and Jessie Espiritu (Stwd/Asst).



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SUP Honor Roll

Voluntary contributions from the membership to the following funds:

Organization/ General Fund

Abe Acosta	50.00
Steven Crute in memory of Doug Crute	50.00
Steven Crute in memory of Paul Caldwell	50.00
Dan Dinsmore	50.00
Juan Gonzalez	10.00
Rex Harper	30.00
Dennis Howard	20.00
Tony Jones in memory of Ronni Mae Hilton	100.00
Tony Jones in memory of my son, Johnny	100.00
Gunnar Lundeberg	100.00
Gary Rynel	20.00
John Svane	20.00
Doug Taylor	20.00*

*In lieu of dues increase.

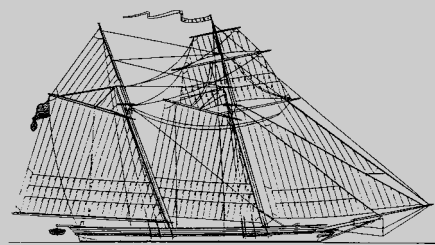
Political Fund

Abe Acosta	50.00
Noel Balaguer	40.00
Brian Burns	10.00
James Buster	30.00
Gene Castano	20.00
Kevin Conroy	25.00
Linda Cramp	20.00
Dan Dinsmore	50.00
Edgardo Franco	10.00
Roberto Garcia	10.00
Daniel Gonzales	100.00
Rex Harper	30.00
Michael Henderson	90.00
Tony Jones in memory of Charlie Russo	100.00
Norman Kurtz	20.00
Ruben Loza	40.00
Gunnar Lundeberg	50.00
William McAndrew	10.00
Michael McLavy	100.00
Terry Monroe	140.00
Paul Monti	50.00
G. Moreno	10.00
Tim Patricio	50.00
Joseph Plant	20.00
Elmer Rank	50.00
Ralph Senter	20.00
Mike Soper	20.00
Colin Walker	20.00
Grant Wegger	20.00

Dues-Paying Pensioners

Abe Acosta	50.00
Archie Aki	50.00
Karl Andersen	25.00
Thomas Basford	25.00
Joseph Bracken	25.00
Douglas Crute	25.00
Dan Dinsmore	75.00
Romaine Dudley	20.00
Thomas Faraola	25.00
John Gladstone	25.00
Rex Harper	25.00
Ruben Loza	40.00
Sven Ottersten	100.00
Edward Pardo	25.00
John Pedersen	25.00
Dean Smith	40.00
Ivan Thorjornsen	20.00
Rene Valles	30.00
Mike Worth	25.00

Romaine Dudley	Book #2593
Duane Hewitt	Book #5748
Knud Jensen	Book #3940
John Jewett	Book #4291
Tony Jones	Book #4305
Kaj E. Kristensen	Book #3120
Eli Lulich	Book #4062
Gunnar Larsen	Book #3516
Orson Larsen	Book #4095
John McKeon	Book #6456
Joseph Napier	Book #2299
John Pedersen	Book #3834
John Perez	Book #3810
Cliff Rouleau	Book #3144
Ralph Senter	Book #7323
Jack Stasko	Book #7430



Attend your Union meetings

SUP Meetings

These are the dates for the regularly scheduled SUP meetings in 2004/05:

	Hdq.	Branch
December	13	20
January	10	18*
February	15*	22*
March	14	21
April	11	18
May	9	16
June	14*	20
July	11	18
August	8	15
September	12	19
October	11*	17
November	14	21
December	12	19

*Tuesday

Final Departures

Babe Collings, Book No. 3967. Born in Colorado in 1927. Joined SUP in 1946. Died in Salida, Colorado, October 22, 2004. (Pensioner)

Joseph Bunich, Book No. 5510. Born in Washington in 1920. Joined SUP in 1949. Died in Seattle, Washington, October 12, 2004. (Pensioner)

Anton Christensen, Book No. 4707. Born in Denmark in 1924. Joined SUP in 1951. Died in Marston, North Carolina, October 24, 2004. (Pensioner)

Donald F. Klos, Book No. 3170. Born in Connecticut in 1929. Joined SUP in 1947. Died in Scottsdale, Arizona, October 25, 2004. (Pensioner)

Lindy E. Eby, Book No. 1833. Born in California in 1928. Joined SUP in 1948. Died in Kennewick, Washington, October 26, 2004. (Pensioner)

John A. Johnston, Book No. 3911. Born in Sweden in 1915. Joined SUP in 1944. Died in Santa Rosa, California, July 20, 2004. (Pensioner)

William J. Quinlan, Book No. 77. Born in New Hampshire in 1920. Joined SUP in 1944. Died in Santa Rosa, California, November 2, 2004. (Pensioner)

Greek captain admits being drunk on duty

Barred from U.S. waters for one year and a \$5,500 fine was the penalty imposed on a Greek captain on November 4, who pleaded guilty to operating his vessel while intoxicated. Nikolaos Zografos pleaded guilty before a U.S. magistrate in New Orleans and admitted to being drunk while at the helm of the 27,223dwt bulker *Winner* on October 28, in waters near Reserve, Louisiana.

Acting on a tip from a contract cleaning crew, the Coast Guard boarded the Cyprus-flagged vessel and noting that the captain appeared intoxicated, they administered a breathalyzer test that confirmed Zografos was drunk. "I am very pleased with the outcome of this case," said Captain Frank Paskewich, captain of the port in New Orleans. "How a licensed master, a professional mariner, could allow himself to become intoxicated while in a position where he is solely responsible for the safety of a large commercial vessel and the crew onboard that vessel is inconceivable to me." The *Winner*, built in 1975, is owned by the Greek company Yellow Rose Shipping.

Obesity tied to brain decline

People with substantial waistlines may run an elevated risk of cognitive decline as they age, according to a study at the San Francisco Veteran's Affairs Center.

The study which appears in the current issue of the Journal of the American Medical Association shows the brain may be affected if one is an "apple-shaped person."

Grounding closes Suez Canal for three days

On November 6, the Suez Canal was closed, halting the passage of approximately 60 ships either awaiting or in transit, after the Liberian-flagged tanker *Tropic Brilliance* went aground near the city of Ismailiya 84 miles northwest of Cairo.

The 1992-built, 154,972 dwt, double-hulled vessel—owned by the Russian company Soudcomflot—was enroute from Singapore to an undisclosed discharge port with a full load of crude oil.

After being lightered by the *Al Nabila 4*, an Egyptian-flagged tanker, the *Tropic Brilliance* was successfully refloated on November 9, and towed to an anchorage for an underwater inspection. All cargo tanks were reported to be undamaged.

The Suez Canal, opened in 1869, was last closed in 1967, when Israel captured the Sinai Peninsula. Reopened on June 5, 1975, the 101-mile waterway links the Mediterranean and the Red Sea.

Initiative to scrap harbor tax on short-sea shipping wins support

Supporters of financial incentives to stimulate U.S. short-sea shipping are rallying around a legislative tax on coastal shipping.

Port Carnaveral authority executive director Malcom McLouth has a "firm commitment" from Congressman Dave Weldon (R-FL) to initiate such legislation in the House of Representatives when the new Congress convenes in 2005.

Proponents of short-sea shipping have discussed legislation in order to secure financial incentives that could help jump-start new services.

The latest effort—in the form of an amendment to the Water Resources Development Act—reflects growing disappointment in the domestic shipping industry that despite strong backing from the Maritime Administration, short-sea shipping has yet to secure the attention and help it needs from the Bush administration.

Currently the harbor maintenance tax is a disincentive to marine transportation. Cargo moving between U.S. ports is subject to the tax, while imported cargo is a hit twice, once at the port of entry and a second time when it is moved by water to another U.S. port.

Since cargo moved by road or rail is not taxed in this way, the tax represents a major block to progress in stimulating short-sea shipping.

Industry sources indicate that exempting short-sea shipping from the tax could be worth a savings of \$50 to \$100 per container.

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DOT official hails enactment of maritime tax reform; stresses importance of "SEA-21" review

Legislation signed by President Bush as part of the American Jobs Creation Act of 2004 (PL 108-357) which, among its provisions, reforms the way U.S.-flag carriers in the nation's foreign trades are taxed each year by the federal government, was hailed by the Department of Transportation's Under Secretary for Policy Jeffrey N. Shane on October 28 as a "landmark law" that will strengthen the U.S. merchant marine.

"At the Department of Transportation, we are very excited about this landmark law, which will help level the playing field for U.S.-flag shipping, strengthen our merchant marine by providing more American jobs, enhance our national security through increased U.S. military sealift, expand the competitiveness of U.S.-flag carriers in the world market, and reduce ship construction costs," Shane said in an address before the 15th Annual Breakbulk Conference sponsored by the *Journal of Commerce*.

Noting that U.S.-flag international ocean carriers will now have the choice of being taxed on the basis of the tonnage of their fleets, rather than paying the traditional corporate income tax, Shane said that the new tax regime will provide an important incentive to bring more tonnage under the U.S. flag, and will eliminate a significant competitive disadvantage that has faced American-flag carriers for years.

The reformed tax system, "will make it much more attractive to flag U.S., and will remove a major competitive disadvantage since most major trading nations,

especially in Europe, have already adopted a tonnage tax regime," Shane told the conference.

The tax reform measure "can be expected to put more people to work, make our economy more efficient, and provide shippers with more effective options to move goods into and out of the United States," the DOT Under Secretary predicted.

Shane also underscored the importance of Secretary of Transportation Norman Mineta's "SEA-21" review as a vital tool to strengthen the nation's maritime transportation system, by integrating the maritime sector with other transportation modes to form a national intermodal transportation network.

"As we see it, a SEA-21 package would help pave the way for a far more competitive and efficient maritime sector and improve connections between the various [transportation] modes," Shane said. "It would emphasize leadership and coordination across the federal government, with DOT and MarAd playing a leadership role." To this end, Shane disclosed that DOT policymakers are looking into the possibility of elevating the interagency committee on the Marine Transportation System "to create a coordinated mechanism that is much more robust than what we have at present." And, "to be successful, the participating agencies must be represented at a much higher level in the bureaucratic pecking order to ensure maritime issues receive the sustained, meaningful attention that they deserve," he said.

APL liner division responsible for doubling Neptune Orient Line earnings

Neptune Orient Line (NOL) has announced a new operating profit of \$588 million for the first nine months of 2004. This is almost double the amount the company made in the same period last year.

APL, the liner shipping division of NOL, remained responsible for the vast majority of NOL's profits. The group's profit before interest and taxes for the third quarter of 2004 were \$254 million, with APL contributing \$244 million.

"Liner profits continued to benefit from effective asset utilization and tight cost

control combined with higher average revenues and higher trade volume," said Ron Widdows, chief executive of APL.

Looking ahead, NOL Chairman Cheng Wai Keung said the outlook for the rest of the year remains buoyant, and that its liner business is expected to benefit from continuing strong growth in demand.

NOL bought American President Lines in 1997 and now operates more than 90 ships under the APL house flag. Eleven of those ships are under the U.S. flag and crewed on deck by the SUP.

Maritime Administration signs bank deal to aid U.S. ocean transport

The Maritime Administration has signed an agreement with the Export-Import Bank of the United States aimed at providing a financial boost to U.S. shipping logistics and other companies involved in ocean freight transportation.

Under the terms of the agreement, the bank will provide capital loans to export service providers, allowing them to extend credit terms to their export clients. In addition, the bank said it would extend its existing working capital guarantee from 90% to 95% for American companies shipping on U.S.-flagged vessels, while raising the threshold for guaranteed U.S. export deals that must use U.S.-flag tonnage from \$10 million to \$20 million.

Bank officials said the deal would provide "greater flexibility" for American exporters seeking financing. It would also allow the bank "to offer expanded working capital support for export service providers and U.S. exporters that ship on U.S.-flag vessels. Maritime Administrator, Captain William Schubert, stated that the agreement makes U.S. exporters and their logistic providers more competitive and generate jobs in the process.

"Buy Union Week" this month

The AFL-CIO is promoting "Buy Union Week" November 26-December 5 to encourage shoppers to "Give the Gift of Good Jobs" by buying union-made gifts for the holidays.

Consumers will spend more money in the ten days after Thanksgiving than any other time of the year. The goal is to have as many dollars as possible supporting union jobs. You can download publicity materials at www.shopunionmade.com/press.phtml. Also, an all-union internet shopping site (www.ShopUnionMade.org) has been created to make it easy for shoppers to find and purchase union-made items.

U.S. Ship Management wins injunction halting transfer of MSP vessels to Maersk

Federal Judge Graham Mullen of the Western District of North Carolina on November 9, issued a preliminary injunction halting the transfer of 15 Maritime Security Fleet vessels from United States Ship Management, Inc. (USSMI) to Maersk Line.

The court agreed with USSMI that the ships should not be transferred until an arbitration on the issue which began in October is completed.

The ruling is the latest chapter in a long battle between USSMI, Maersk, and the Maritime Administration that broke out in 2002 when Maersk asked MarAd to award the MSP contracts directly, thus cutting out USSMI.

USSMI is also involved in a separate case in Washington challenging MarAd's decision to approve the MSP vessels to Maersk.

USSMI, a Section 2-U.S. Citizen company as defined by the Shipping Act of 1916, was created to operate Maersk Sea Lands MSP fleet. The current MSP legislation requires Section 2-Citizen companies to operate MSP vessels, however in 1996, an exception was made for Maersk to operate four MSP vessels even though it was not a Section 2 citizen.

The new MSP, which begins October 1, 2005, generally does not require Section 2 citizenship.

A view of the election

by Art Pulaski, Executive Secretary-Treasurer of the California Labor Federation

Despite the outcome of the Presidential election, Organized Labor will continue to fight for America's working families and against the corporate interests that George Bush represents.

Governor Schwarzenegger targeted several union-supported legislators for defeat in this election. He failed at each. He has shown his colors as a partisan Republican. Voters in all of the challenged assembly districts recognized that the union-endorsed candidate was the one who would represent their interests.

Proposition 72 achieved 49.1% of the vote. This razor-thin margin shows that Californians know that we are in a health care crisis. One out of five Californians has no health insurance. And the problem worsens weekly. As the cost of health insurance increases and job security becomes rare, more Californians are losing the coverage they have and too many Californians are going without the coverage they need.

Health care isn't an option. Health care is a matter of justice. Health care isn't just for the wealthy. All Californians deserve health care.

Our failure to guarantee health care for working Californians is our greatest failure as a state. California cannot have the best work force in the nation if it does not have the healthiest work force in the nation. The best employers in this state understand that and stood with us in this fight.

The largest—and the most profitable—corporate special interests like Wal-Mart, McDonalds and others spent \$16.1 million to wage a deceptive campaign of misinformation, confusion and scare tactics to try to convince California voters that Proposition 72 would drive jobs and business out of the state.

The truth is that Proposition 72 would have made California businesses stronger and their workers more productive. Proposition 72 would not have cut jobs. Proposition 72 was not government-controlled health care.

Proposition 72 would not have hurt small businesses. They were exempt.

But big corporations are not the only ones who acted shamefully. Governor Arnold Schwarzenegger won office by promising to look out for all Californians. He broke that bond of trust by denying California's workers access to health care.

Governor Schwarzenegger said he was "the people's Governor." Instead he has backed those same special interests who fund his campaigns. He is rais-

ing more special interest money from corporations than his predecessor—and more money than any other governor in the country. He is becoming the biggest "special interest" governor in America. And he is leaving the interests of the working Californians behind.

The public deserved the truth from Governor Schwarzenegger and from these corporations and they didn't get it. Instead this governor and these corporations shirked their responsibilities to California workers. And California taxpayers like you and I are the ones who will pay the bill.

More of us will lose our health coverage. Most of us will pay more for it. And all of us will continue to subsidize Wal-Mart, McDonalds, and others through both higher insurance premiums and more taxes.

The corporate interests opposed our efforts, saying they support health care reform, just "not this health care reform." Now it is time for them to live up to their claims; we now challenge them to be part of a health care solution. They think they can return to business as usual. We are not going to let them.

We are being called to action as we have been called before at critical times in this state's history. Union workers are going to stand up for this basic and fundamental right, for this urgent need for all Californians to have affordable health care. We will hold corporations accountable to California's workers.

Protecting what we have is critical; helping others get what they deserve is even more so. We will do what is right until we win.

Top NO on 72 Campaign Contributors

CA Restaurant Association and Issues PAC: \$4.5 million
 McDonald's (McDonald's Corp. and franchise owners): \$1.5 million
 Wal-Mart: \$648,000
 Round Table Pizza (includes franchises): \$482,000
 Macy's: \$400,000
 CA Business Properties Association PAC: \$325,000
 Outback Steakhouse: \$323,000
 Sears: \$300,000
 Robinson May: \$300,000
 Best Buy Purchasing: \$300,000
 Jack in the Box: \$260,000
 CA Chamber of Commerce Business PAC: \$255,000
 Target: \$250,000

United Airlines seeks to eliminate pension plans

United Airlines announced this month that it has formally told its workers it will seek to terminate its pension plans and search for other wage and benefit cuts to slice another \$2 billion a year in costs.

Pension experts said they feared if a federal bankruptcy court allows United — which has been in bankruptcy for the past two years — to terminate its four plans, other troubled companies may do the same, putting into jeopardy the future of workers who depend on pensions for an income when they retire.

Before it can end the pensions, United will have to show a bankruptcy court judge that it cannot survive if it has to retain them. United wants to replace the pensions with less expensive 401(k) plans.

United's chief executive, Glenn Tilton, told employees in a phone message November 4, that the airline industry is troubled by mounting fuel costs and difficulty raising fares because of competition from low-cost carriers.

Tilton said United needs to cut another \$2 billion annually, on top of \$5 billion the nation's second-largest carrier has lopped off since it filed for Chapter 11 protection in 2002.

"One-third of these savings will come from non-labor cost reductions, one-third will come from pension replacements and one-third will come from labor costs," Tilton said.

United employs about 3,000 people at Kennedy, LaGuardia and Long Island MacArthur airports.

Joseph Tiberi, a spokesman for the International Association of Machinists and Aerospace Workers, said union officials are studying United's plans. Asked if eliminating pensions had sparked anger among union members, Tiberi said, "That proposal pretty much speaks for itself."

Karen Friedman, policy director at the Pension Rights Center in Washington, D.C., described the United plan as "outrageous ... They're just using the bankruptcy court to fluff off their obligations so they can come out of bankruptcy healthy without having to meet their obligations. The long-term results of this is that other companies will want to shed their obligations as well."

If United is allowed to do away with its pensions, the federal Pension Benefit Guaranty Corp. would have to assume most of the carrier's unsecured debt, essentially laying the burden on the American public. United's debt is pegged at about \$8.3 billion. "We've expressed concern about a possible domino effect in the airline industry," said Randy Clerihue, an agency spokesman. "If things get bad enough, there's the concern Congress may turn to the taxpayers to" make pensions whole.

Flight attendant Union approves strike over contract nullification

The president of the nation's largest flight attendants union on November 16, vowed that its members would go on a nationwide strike if US Airways and United Airlines are allowed to nullify their labor contracts in bankruptcy court.

Patricia A. Friend, president of the Association of Flight Attendants, said the group's leaders voted at the union's annual meeting in Pittsburgh to authorize a strike if the two airlines do not withdraw their motions to terminate their existing contracts and replace them with less expensive ones. "We want them to withdraw their motions to terminate our contracts and agree to negotiate in good faith," Friend said. "But if that fails, on the day that the first flight attendant contract is thrown out by a bankruptcy court, we will exercise our right to self-help by withdrawing our services or going on strike."

Spokesmen for the airlines declined to say whether the carriers would withdraw their petitions to nullify the contracts. US Airways spokesman David Castelveter said a strike would "ground this airline and send approximately 5,400 flight attendants to the unemployment lines. That option would not be in anyone's best interest." United spokeswoman Jean Medina said the airline and the labor unions should continue negotiations to reduce the airline's costs. "This proposed action is not helpful to our employees or the success of our company going forward, or our industry," she said.

The union represents 46,000 flight attendants at 26 airlines, including two other carriers that are operating under bankruptcy protection: Indianapolis-based ATA Airlines and Hawaiian Airlines.

Flight attendants at carriers not represented by the union, such as American Airlines, Northwest Airlines and Continental Airlines, could be polled by their union officers to determine whether they would want to join in a job action. But their participation would be unlikely because they are bound by their existing contracts.

Any strike could face stiff obstacles. The union argues that nullification of the contracts in bankruptcy court would free the flight attendants from constraints imposed by the Railway Labor Act. Under the act, a labor action that disrupts the national transportation system must first be subjected to a federal mediator and a cooling-off period.

Washington-based airline attorney John J. Gallagher, who has done work for such carriers as Northwest, United and American, said the airlines would argue in federal court that even with a contract nullification a strike would violate the Railway Labor Act, possibly delaying any action for months. During the delay, however, the airlines could continue to lose money and may be forced to liquidate, Gallagher said.

The flight attendants' proposed action represents the most widespread response by a labor group in reaction to a series of industry-wide cuts in workers' pay and benefits. Friend said the union will mail out strike ballots to its members over the next two weeks. The union's goal, she said, is to have a vote count before the Christmas holidays. "We've had enough," Friend said. "We're tired of playing the victim. We will not sit here quietly and continue to be abused."



The jolly deck gang in the s/s Maui. From left: Mike Einman, Don Persian, Greg Schauf, Bosun John Hamann, Michael Soper, Steve Clemens and Ruta Tulenkun.

Port of Oakland seeks to increase business with rail link to Southland

Hoping to position itself as a gateway for Asia imports, the Port of Oakland (schedules) has signed a unique three-way deal that will make moving some containers to and from the hub easier and faster.

Oakland on October 28 signed off on an alliance with Northwest Container Services Inc., an intermodal operator, and the city of Shafter, which developed the California Integrated Logistics Center about 100 miles north of Los Angeles.

The intermodal rail service will carry containerized imports from Asia destined for the Central Valley and the Los Angeles area to the distribution complex in Shafter. When the imports are unloaded, the containers will be filled with agricultural exports from California's fertile Central Valley for export through Oakland.

Retailers have made the Shafter-Bakersfield area a popular location for distribution centers serving Southern California. Most of the containerized imports handled in the distribution centers move through the Los Angeles-Long Beach port complex.

But in recent months, increasing con-

gestion at LA-Long Beach has led carriers to divert vessels to Oakland, which up to now has made its living as an export center. Wilson Lacy, Oakland's director of maritime, said that due to recent expansion projects about 50 percent of the port's capacity is available to handle increased cargo flows.

Construction is underway at an intermodal yard near the Oakland Army base to handle the new Shafter shuttle.

Northwest Container Services will operate the intermodal rail service as well as a transfer yard at Shafter. The company, which has operated another shuttle in the Pacific Northwest for almost 20 years, will coordinate rail and truck transportation, railcar switching and the storage, handling and repair of containers and chassis in Shafter.

Dredging to deepen Oakland's harbor to 46 feet from 42 feet is scheduled for completion by mid-2005. This will allow some of the largest vessels in the trans-Pacific trades to call fully loaded, further enhancing the port's attractiveness for first-call inbound services from Asia.

British and Irish maritime Unions balloting members for strike action

The British National Union of Rail, Maritime & Transport Workers Union (RMT) on November 17, sent ballots to its members in Dover, Hull and Portsmouth on whether to take industrial action against P&O Ferries if negotiations collapse. P&O has proposed to cut 1,200 jobs from its services in Portsmouth and Dover. Balloting will continue for two weeks.

The Irish seafarer Unions, Services, Industria, Professional and Technical Union (SIPTU) and the Seamen's Union of Ireland, have started balloting their members for industrial action in response to Irish Ferries' plan to replace 150 licensed and unlicensed jobs on its Rosslare-Cherouge Service with management personnel.

Matson continued from page 1

\$265 from \$225 for each westbound box and to \$135 from \$115 for each eastbound box.

Matson said higher labor costs as well as capital investments prompted the increase.

The service rate is considered the base rate. Terminal handling includes the cost of dock labor, while the fuel surcharge is tacked on when oil prices rise.

The surcharge is calculated as a percentage of the service rate. In October, Matson and Horizon raised their fuel surcharge to 9.2% from 8.8%. They raised the surcharge to 8.8% from 8% in June after having raised it to 8% from 7.5% in March.

The service rate goes up nearly every year said company spokesman Jeff Hull. This year Matson service rates rose by 4.4% or \$125 per westbound container.

Hull said the charge is standard in the industry. In the past Matson has absorbed these costs until "it grew to a point that we can't absorb it," he said.

The fuel surcharge could see a decrease and even disappear, Hull said. The surcharge is added after Matson assesses trends in oil prices. Since crude oil prices have been falling, a dip is possible. Hull said Matson cancelled the surcharge in 1998 but has resurrected it since 1999, when it was 1.75%.

Why Shop Union Made?

It Matters How You Shop!

Personal consumer spending on everyday items like clothes, toothpaste, food, etc. accounts for 68 percent of all the wealth created annually in the United States. (That's \$6.8 trillion a year!) *Source: U.S. Department of the Census*

Every Job Counts (maybe more than you think)!

When a worker is hired, nearly five additional jobs are created somewhere else in the economy. And every time someone is laid off in the U.S., nearly five more people lose their jobs.

Wages buy groceries, gasoline, clothing and other goods and services that keep other people working. When companies hire, they order more supplies and raw materials, creating additional jobs for vendors. When companies downsize and lay off, spending and wages are slashed and jobs vanish throughout the economy. **It's Economics 101:** The fight for good jobs is *everyone's* fight.

When You Shop, "Vote with Your Dollars" for Good Jobs.

It is up to you, alone. Your shopping dollars can support products made by people earning good pay and benefits. Or your dollars can support products made by — who knows? Political prisoners in China? Child laborers in Haiti? Terrorized factory workers in a Mexican border town?

It really is simple: Buy union and take responsibility for what your dollars do. "Support Good Jobs. Shop Union!"

Look at the Price of Unjust, Unfair Trade

At \$100 a minute, you would need 9,151 years to pay off the current U.S. trade deficit. The U.S. owes foreign nations a whopping \$481,000,000,000 (That's \$481 billion!) That's the price of importing more than we export; of outsourcing to exploit cheap repressed labor overseas; of trade deals that ignore worker rights and the environment. That's why we say: "Shop Union! Invest in good jobs for your community." [Do the math: 1,440 minutes/day = 525,600 minutes/year. 525,600 min/yr x \$100/min. = \$52.56 million/yr. Dividing \$481,000,000,000 by \$52,560,000/year = 9,151 years.]

Union Jobs = Good Jobs = Strong Communities

The average union worker earns \$760 a week, compared to \$599 a week for non-union workers in the same occupations. That 27 percent difference in wages and salaries means more dignity and independence for working families. It also means more wages spent within the community, a stronger tax base and less drain on social services. "Support Good Jobs. Shop Union!" *Source: U.S. Bureau of Labor Statistics*

Union Jobs are "Ladder Up" for Poorest Workers

Unions provide a sure path out of poverty for the poorest workers. **African Americans earn 35 percent more** in wages and salaries when they unionize (\$665 a week, compared to \$491 a week for those without a union). **Latino and Latina** union members earn a whopping **51 percent more** (\$632 a week versus \$419 a week) and **wages for women of all races were 33 higher** for union members (\$696 a week compared to \$522 a week). "Support Good Jobs. Shop Union!" *Source: U.S. Bureau of Labor Statistics*

Unions Key to Health Care and Secure Retirement

Did you know 73 percent of union workers enjoy medical care benefits, compared with only 51 percent of nonunion workers? And 79 percent of union workers are covered by a pension plan versus only 44 percent of nonunion workers. The quality of benefits is also far higher for union-represented employees. For example, 70 percent of union workers have defined-benefit pension plans (which provide guaranteed minimum benefit payments) compared to 16 percent of non-union employees. *Source: U.S. Bureau of Labor Statistics*

Shopping Union Promotes Stable, Full-time Jobs

Fully 50 percent of union employees have worked at least 10 years for the same employer, compared to only 22 percent of nonunion employees. Not only are union members more satisfied with their jobs, pay and benefits; they also have contracts with grievance procedures to protect against unjust firings. (Nonunion workers are "employees at will" who can be fired at any time for any reason-or for no reason.) Full-time workers are also twice as likely to be represented by a union. Involuntary part-time employment (common among non-union workers) is a major cause of poverty. *Source: U.S. Bureau of Labor Statistics*

"Support Good Jobs. Shop Union!"

Mary Nour still anchored off Mexico

The Panamanian-flagged silo vessel *Mary Nour* has now been at anchor for over 126 days in the Mexican harbor of Alta Mira, forbidden to offload its cargo of Russian cement in the cross-bay port of Tampico.

Stuart Leasor, spokesman for the ship's owner CTI Group of Jordan, says a virtual stalemate exists between the vessel and the Mexican government which has now spawned an internal dispute between the country's customs and maritime departments with the maritime authority siding with the vessel.

In a recent letter to customs, Jose Tomas Lozano Y Pardinias, DG of the

Mexican merchant marine, admonished the customs department for violating numerous international agreements by continuing to hold the ship. Various reasons have been offered for holding the vessel, ranging from a suspicion of SARS among the largely Filipino crew to claims of migrant smuggling, but the general consensus among those familiar with the case is that Mexican cement giant CEMEX simply doesn't want the competition. A recent shipment of Russian cement into Mexico by truck from Texas was allowed to enter the country, and Leasor hopes this may pave the way to free the *Mary Nour*.

S.F. Bar Pilots elect new agent

Captain William Greig this month was elected Port Agent of the San Francisco Bar Pilots. Captain Greig relieves Captain Peter McIsaac who held the job for four years.

Mexican LNG terminal approval likely

The first LNG receiving facility on the West Coast of North America appears ready to move ahead. Sempra Energy LNG, a San Diego-based firm, has recently obtained all the necessary approvals and permits to build the Energia Costa Azul re-gasification terminal in Baja California, Mexico. Earlier this month the company announced that it had reached a 20-year agreement with Shell International Gas, which will provide Shell with half the initial capacity of the plant. Sempra Energy LNG, which is part of the Sempra group that includes Southern California Gas and San Diego Gas & Electric, will own, construct and operate the terminal. Opening is scheduled for 2008. Construction on the facility, with an initial capacity 7.5 million ton per year, is expected to begin early next year.

USCG Black List clears five countries

Five countries have been removed from the U.S. Coast Guard's 'Black List' and so vessels now arriving in U.S. ports from Kiribati, Serbia and Montenegro, Sierra Leone, the Solomon Islands and Suriname, will no longer be subject to heightened inspection criteria. Coast Guard spokesman Jolie Shifflet said these countries have now supplied the IMO with all information relevant to ISPS compliance and have immediately been cleared.

Still on the list are Albania, Benin, the Democratic Republic of Congo, Equatorial Guinea, Guinea-Bissau, Liberia, Madagascar, Mauritania and Nauru. Vessels arriving in the U.S with

one of these countries among its previous five port calls continue to be subject to increased port state control security measures. Shifflet explains that vessels coming from these countries can mitigate these controls by implementing measures as per the ship's security plan for a higher security level, executing a Declaration of Security, logging all security actions in the ship's log and reporting actions taken to the U.S. Coast Guard Captain of the Port prior to arrival. This month the National Port Security Committee will convene to discuss the range of future Port State Control measures to be taken against the vessels arriving from the above countries.

AFL-CIO President John Sweeney's letter to America's working families

We are deeply disappointed that the presidential candidate we supported did not win the November 3 election, but we all should be extremely proud of and energized by the work we did together.

Fifty-five million Americans voted for good jobs, health care, retirement security, workers' freedom to form unions, real homeland security and more. We made our voices heard, and they cannot be ignored.

Never have so many different unions done so much. Never have we been so unified, moving forward together. Hundreds of thousands of us phone banked, walked precincts, leafleted, educated and mobilized other working family voters in the largest-ever union movement political program. And in doing so, we built a lasting force to continue the fight against attacks on working families and the fight for the economic justice and fairness all working families deserve.

Our issues, education and get-out-the-vote efforts, worked. Union household voters made up a quarter of all votes cast, and by a strong two-to-one margin, union members voted for John Kerry. Members of WORKING AMERICA, the AFL-CIO community affiliate for workers without the benefit of union contracts, supported John Kerry by a 68 percent to 30 percent margin.

Our fight for working families will be harder than it would have been with John Kerry and John Edwards in the White House. But we didn't get into this fight because we thought it would be easy or because we wanted to elect the candidates. We got into it to win for working families—and we will.

We will take the energy and momentum, the technology and the field operation we developed throughout the presidential campaign and use it to turn our country around. We'll take the commitment, heart and solidarity of construction workers, teachers, janitors, engi-

neers, firefighters, nurses and others phone banking and walking neighborhoods together, and we'll turn them into success on the issues that shape working families' lives.

Contrary to the claims being made, this election was breathtakingly close. It did not give President George W. Bush a "mandate" to continue policies that have cost us good jobs, affordable health care and retirement security. Bush's re-election does nothing to change our need for policies that create and keep good jobs here rather than shipping them away, strengthen retirement security instead of privatizing Social Security and expand health coverage and lower costs rather than making drug and insurance companies even wealthier.

As it has over the decades, the union movement stands for the fundamental moral values that make America strong: quality education for our children, affordable health care for every person—not just some—an end to poverty, secure pensions and wages that enable families to sustain the middle-class life that has fueled this nation's prosperity and strength. Union members and other working family activists don't just vote our moral values, we live them. We fight for them, day in, day out. Our commitment to economic and social justice propels us and everything we do.

We believe hard work nourishes the soul and should nourish the body and support the family as well. We believe every one of us has an equal claim to the prosperity of America. And that it's our job to ensure a better life for the generations that come after us.

Thank goodness we are part of a movement that has a real base to fight for what we value. And fight we will!

Today, be proud of what you have done and who you are. This land really is our land. And we can make it work for working families.

ESU Office Assignments

For the month of December, Jerry Paterson will be in the Seabrook office and Leo DeCastro will be in the Benicia office.



NOVEMBER 2004

Official Publication of the Exxon Seamen's Union

Prescription drug plan changes for 2005

Members participating in the Blue Cross/Blue Shield (BC/BS) Medical Plan will see major changes in their Prescription Drug Plan for the coming 2005 benefit year, starting January 1, 2005. These changes were in large part made as a result of the spiraling medical costs resulting in large increases to the Medical Plan. With Prescription Drug purchases accounting for approximately 30% of the total medical claims for the 2004 reporting period, it became apparent that cost controls to this part of the medical plan would be necessary to reduce future increases to the participants' total health care insurance costs.

Changes to both the pharmacy purchase procedures and the prescription mail-in program will take place this coming year. Cost to the user of prescription drugs will, in most cases, increase in both manners of attaining prescription drugs. Under the new plan, members will be asked to take more responsibility in working with their physician and pharmacist to control prescription costs.

Under the present Prescription Plan, participants have had virtually no incentive or requirement to make a conscious effort to obtain the most economical drug appropriate for their particular medical needs. The new plan will offer significant savings to the purchaser of prescription drugs that research costs and elect, when available, generic equivalents to the prescribed drugs, or where non-formulary (non-preferred) drugs are prescribed the participant communicates with their physician the need to prescribe preferred (formulary) drugs when appropriate.

The following table illustrates the various co-pays for different categories of prescription drugs and the differences between purchases at the pharmacy and mail order purchases.

	Retail participant Co-Pay (up to 30 day supply)		Mail Order Participant Co-Pay (up to 90 day supply)
	Network Pharmacy	Non-network Pharmacy	Prime Mail
Generic Drugs	\$10	Participant re-imbursed 90% of Allowable Amount ²	Twice the Retail Co-Pay
Formulary Brand Drugs ¹	\$25		Twice the Retail Co-Pay
Non-Formulary Brand Drugs	\$40		Twice the Retail Co-Pay

¹ If a Formulary Brand Drug does not have an equivalent available Generic Drug, the Participant will pay no more than the applicable Formulary Brand Drug Co-Pay. If a Formulary Brand Drug does have an equivalent available Generic Drug, and the participant purchases the Formulary Brand Drug, the Participant Co-Pay amount will be the sum of (a) the difference between the Allowable Amount of the Formulary Brand Drug and the Allowable Amount for the Generic Drug, plus (b) the Formulary Brand Drug Co-Pay amount.

² Allowable Amount: Amount determined by BCBS that is typically below prices paid at retail pharmacies.

As of January 1, 2005 all prescription drugs will be purchased either with the newly issued Prescription Drug Cards or by mail order through Prime Therapeutics. Submission for reimbursement through the BC/BS Medical Plan as is now acceptable, will no longer be honored after December 31st of this year.

The Executive Board decision to agree to these changes to the Prescription Plan was made only after researching all available options to reducing significant increases in Medical Plan premiums (See Article: Medical Insurance to Experience Large Increases), consultation with the Union retained Benefits Consultant and considerable deliberation amongst the Executive Board. Faced with a projected huge increase in premiums for year 2005, and irrefutable data showing that not only are prescription drug costs expected to continue to increase, the existing BC/BS plan experienced a much higher percentage of total medical costs attributed to prescription claims than the insurance industry standard, changes were necessary to protect the medical plan as a whole.

These plan changes very much mirror most Prescription Plans offered today. These plans are designed to put the burden of managing medication costs on the user of the prescription drugs. Drug costs are increasing at such a rate that most plans can no longer afford to spread the expenses among all participants in the plan or to provide drugs through the plan at virtually no cost (i.e.\$5 co-pay for 90-day supply.)

Excerpts from an Aetna Insurance article quotes the following health care facts, "After several years of near-zero premium increases in the mid-1990s, employers have been experiencing double-digit increases in their health care costs for the past several years. The rising cost of prescription drugs is a primary reason behind the increase in health care costs, according to the annual Towers Perrin Health Care Cost Survey."

"Experts project that spending on prescription drugs will continue to increase an average of 11 percent per year through 2008 (Centers for Medicare and Medicaid Services). Currently, these costs account for 11-14 percent of total medical expenses." (Health Insurance Association of America). By 2010, 16 percent of what Americans spend each year on personal health care will be spent on prescription drugs.

Information Packets detailing changes in coverage and comprehensive explanations, as well as the new prescription drug cards will be mailed to all participants. It is important that all members read and understand these changes. Among the many changes will be the switch to a new company (Prime Therapeutics), which will handle the mail order Prescription Drug Plan beginning January 1, 2005. All members should examine these information packets, as it will contain important information that is essential to have in registering with Prime Therapeutics prior to submitting mail orders for prescribed medications and information to aid in finding Participating Pharmacies in the participants area.

Medical insurance to experience large increases

As previously reported in the September edition of the West Coast Sailors/ESU News members covered under the Blue Cross/Blue Shield (BC/BS) Medical and Dental Insurance Plans will experience large increases for the calendar year 2005. Additionally, participants in these plans will also see changes in costs to prescription purchases, which will result in higher out-of-pocket expenses (See article: Prescription Drug Plan Changes for 2005.)

Medical coverage rates will increase by \$27 (50%) per month on the employee only coverage, \$53 (53%) per month for an employee + one or \$80 (53%) monthly for an employee + 2 or more (Family). Payroll deductions for member's premiums will still be deducted in two separate deductions each month.

Below is a chart detailing first, premium rates for the current calendar year of 2004 and the second chart posting the rates that participants will be required to pay as of January 1, 2005. Funding for the plan comes from two sources; Employee (participant) contributions and ExxonMobil contributions. In past renewal negotiations the Union has, on occasion, had reserve monies in the plan funding available to draw from to "buy-down" a portion of proposed increases. For the 2005 coverage period no reserves were available.

Current Medical Monthly Rates

Class of Coverage	Total Rate ¹	Company	Participant
		Contribution	Contribution
Employee only	\$314.50	250.00	54.00
Employee+1	\$652.50	535.00	100.00
Employee+2 or more	\$943.00	770.00	149.00

¹Including a \$70,000 Plan surplus transfer.

New Monthly Medical Rates Effective January 1, 2005

Class of Coverage	Total Rate	Company	Participant
		Contribution	Contribution
Employee only	\$351.00	270.00	81.00
Employee+1	\$729.00	576.00	153.00
Employee+2 or more	\$1060.00	831.00	229.00

Executive Board Officers Jerry Patterson, John Straley, Leo DeCastro and Tommy Thompson along with Benefits Consultant Mr. Harry Chapman Ph.D., Chairman/CEO of Chapman/Schewe Benefits Consulting met with representatives from SeaRiver Maritime, Inc. and Blue Cross/Blue Shield of Texas on September 13, 2004. During this meeting it became apparent to the Union that significant increases were going to be required to the Medical Plan to maintain the plans solvency. At this meeting BC/BS presented estimated increases that would have resulted in much higher rates for all classes of coverage than were eventually negotiated. The initial estimated monthly increase to the participants' premiums would have been, for example, \$285.50 (91.6%) for the employee +2 or more (Family).

Initial Estimated Medical Rates Presented to the Union on September 13

Class of Coverage	Total Rate	Company	Participant
		Contribution	Contribution
Employee only	\$369.50	270.00	99.50
Employee+1	\$771.50	576.00	195.00
Employee+2 or more	\$1,116.00	831.00	285.50

Members experienced a decrease of \$13 (9%) in their Employee +2 or more (Family) premiums for calendar year 2003. For the present year, increases of \$25 (20.1%) (With a \$70,000 "buy-down") were passed on to participants in the Employee +2 or more (Family) coverage class.

Numerous factors, including medical cost inflation, claims experiences and the amount of increase, if any that the corporation, ExxonMobil elects to contribute influences the premium rates from year to year. Based on performances and projections looking forward to 2005 these factors were not advantageous to the setting of the premium rates.

Medical inflation rates are increases in total medical costs encompassing the full range of medical expenses including not only hospital and doctor care, but also all related expenses including prescription drug charges. Inflation rates are estimated to increase between 9% and 14% annually for the next five years.

continued on next page

ESU News

ESU Officers election ends December 10 — Vote!

War loss touches ESU member

The Union was saddened to learn that the nephew of ESU member Able Seaman Frank Simpson was killed in combat in the city of Falluja, Iraq during military operations code named "Al Fajr" that saw the ground forces enter the city on November 8th. This operation was ordered to break the stronghold that insurgent rebels had upon the civilians of that city as coalition forces pave the way for democratic elections that are scheduled to be held in January of 2005.

LCOP Abraham Simpson, age 19, lost his life during combat. Abraham, a member of the United States Marine Corp. was attached to the 3rd Battalion, 1st Infantry Weapons Company and 81st Platoon. In the sacrifice of his life serving this country, Abraham leaves behind his parents, Jim and Maria Simpson of Chino, California, two brothers and many relatives and friends.

The ESU extends our most heartfelt condolences to the family and friends of this fine young man and offers our sincerest gratitude to all the young men and women that are willing to pay the ultimate sacrifice to serve our country.

Slight increase for dental insurance in 2005

Recent Blue Cross/Blue Shield (BC/BS) Dental Plan claims experience indicates that current contribution levels need to be increased somewhat to meet expected Plan expenses for the coming year. An increase in company contributions will help absorb most of the needed additional funding. During the benefits negotiation meeting held September 13, and attended by Executive Board Officers, BC/BS Representative's confirmed data that indicated no large increase would be required.

After applying additional company contributions, monthly ESU member contributions for the plan year beginning January 1, 2005 will increase slightly. There will be no increase in the Employee Only coverage. Employee +1 coverage will increase by \$1.50. Employee +2 or more (Family) will see an increase of \$1.00 per month.

The majority of the increases required to maintain the Dental Plan was paid for by the monthly Company contribution increases. Increased Company contributions are Employee Only: \$2.00; Employee +1: \$2.00; and Employee +2 or more: \$4.00.

2005 monthly rates and contributions are shown in the table below:

New Monthly Rates Effective January 1, 2005

Class of Coverage	Total Rate	Company Contribution	Participant Contribution
Employee only	\$28.50	\$19.00	\$9.50
Employee +1	\$59.50	\$26.00	\$33.50
Employee +2 or more	\$84.00	\$39.00	\$45.00

Medical insurance continued

Claims experiences are defined as the total number of claims paid during any reporting period. Total claims paid for the 2004 reporting period showed an increase of 20% over the previous reporting period. Further aggravating the increased claims experience was a reduction in the number of participants in the plan from 344 (804 including dependents) in 2003 to the present number of 319 (750 including dependents). This reduction in numbers results in fewer participants (less revenue) funding the increased claims experience.

Company contributions pay by far the largest portion of the member's total cost of medical coverage. Note that for year 2004 the total cost of the Employee + 2 or more (Family) class of coverage is \$1,060. ExxonMobil paid \$831(78%). The Corporation, when considering what increase in premiums, if any, they will contribute, bases its decision on the performance of the ExxonMobil Health Care Plan. For 2005, ExxonMobil increased their contributions to the Employee +2 or more (family) by \$61. This increase in Company contributions, though defraying some of the needed increase, still left a considerable deficit that can only be funded through an increase in members' contributions.

Since the September 13 meeting, the Union has worked with its Consultant, the Company and BC/BS exploring numerous options to defray some of the huge premium increases that would be passed on to the participants. The Union was successful in reducing a large portion of the anticipated increase of 91.6% for the Employee +2 or more (Family) coverage by 38.6%. However, there are still other issues, mainly involving plan-funding concerns such as reserve allocations that the Union along with Mr. Chapman continues to review in respect to future Medical Plan negotiations.

"Workers' average monthly contribution to premiums for family coverage have more than quadrupled, rising from \$52 in 1988 to \$222 in 2004." This according to the "Average Monthly Worker Contribution for Single and Family Premiums, 1988-2003." Employer Health Benefits: 2004 Annual Survey, The Kaiser Family Foundation, 2004.

Securing and maintaining medical insurance has become a crucial issue that has garnered considerable news coverage nationwide. The rapidly rising medical costs along with funding issues specific to our plan is seriously taxing our abilities to maintain the present level of insurance. It was apparent to the Union during these negotiations that modifications in the plan were necessary immediately to provide relatively affordable coverage to the membership. Additionally, looking forward, it is inevitable that more cost controls and education are going to have to be implemented to continue to provide adequate health care coverage.

The ESU News is written and edited by the Exxon Seamen's Union.

AEO/DLC/ADO Training Course



ADO/DLC/AEO October 16 class takes a break for the camera. Pictured in the front row from left to right: AB Aaron Rathbun (ESU), AB Penney Joule (ESU), AB Diolo Bonifacio (ESU), QMED Rigoberto Bonilla (ESU), Rich Kessinger (S/R Training) and MS Douglas O'Neill (ESU). Pictured in the second row from left to right: AB Marion Borghese (ESU), MS James Schettler (ESU), Captain Tom Blanchard (DLC instructor), Unknown, QMED Sal Raul Plaza (ESU), PM Charlie Pollard (ESU), PM Jeffrey Straley (ESU), AB Nicholas Wise (ESU) and QMED Allen Cooper (ESU). Photo by: John Straley

Ship reports

S/R American Progress

Executive Board visit conducted November 7, at the ExxonMobil Dock in Beaumont, TX. PM Marcos Clotter representing the crew while Ship Representative Chuck Bell enjoys some paid leave. Vessel is anticipating a Texas Gulf Coast/Israel voyage the first part of December. No major beefs reported.

S/R Baytown

Vessel has been trading between Valdez, Alaska and the Puget Sound area. AB Gill Randall is serving as Temporary Ship Representative during Mark Myser's leave. Gill is in contact with the Union office and reporting all is well. Vessel scheduled to visit San Francisco next voyage.

S/R Columbia Bay

Vessel is currently in Port Angeles, WA conducting the CAIP survey and is due to return to her regular trade later in the month of November. PM Tim Williams filling in as Temporary Representative and Deck Trustee Pat Campbell is also on board. No beefs.

S/R Galena Bay

Vessel slated for ESU Executive Officer visit around November 26. Vessel continues on Florida/Texas "clean oil" run. Ship Representative George Taylor is on paid leave and AB Alan Roberts is subbing for George. Ship reports smooth sailing.

S/R Hinchinbrook

Ship at the time of print was in Hawaii discharging. AB Daniel McBride filling in as Ship Representative. Engine Trustee William Ackley also on board. No major issues reported, although the Executive Board is still receiving complaints about certain shipboard managers.

S/R Long Beach

The vessel was visited on October 23 and November 13 at the Valero dock in Benicia CA. Ship Representative Joe Graca going to paid leave this port and reporting everything running smooth, great gang on board. Thank you to AB Nick Wise for filling in for Joe.

S/R Mediterranean

Ship communicating frequently with Union via email. Vessel continues to perform flawlessly in International trade. Issue involving mandatory "Pirate watch" duties resolved shipboard. During ESU Representative Frank O'Malia's paid leave, PM John Munich and now PM Marvin Marcum have assumed the responsibilities as the Temporary Ship Representative.

S/R Wilmington

ESU Officer boarded vessel November 12 at the ExxonMobil Dock, Baytown, TX. PM Bob Knight serving as Temporary Representative during Ship Representative Charley Pollard's absence. All reported well shipboard.

Phone number correction!!!

SeaRiver inadvertently sent an incorrect phone number for Prime Therapeutics to some members. The number is the recommended way to contact the health care provider in regard to Network Pharmacy locations nearest to member's homes. The correct phone number is 877-357-7463

EXXON SEAMEN'S UNION

Founded March 28, 1941

Affiliated with the Sailors' Union of the Pacific

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President Jerry Patterson

Vice President John Straley

Secretary/Treasurer Leo DeCastro

Recording Secretary Thomas Thompson III

Deck Trustee Patrick Campbell

Engine Trustee William Ackley

Steward Trustee Gerard Nelson

Sailors' Union of the Pacific/ Training Resources, Ltd.

Schedule of Course Offerings for 2004

The following dates are tentative. Contact Steve Messenger (415 778-5490) for more information.

STCW 95 Basic Safety Training

- Basic Fire Fighting
 - Basic First Aid
 - Personal Survival
 - Personal Safety and Social Responsibility
- Nov 1-5 Nov 15-19 Dec 6-10 Dec 13-17

LMSR Vessel Training (MSC approved)

Nov 2-12 Nov 30-Dec 10

Small Arms Training (MSC approved)

Nov 15-17 Dec 13-15

Able Seaman (AB)

Nov 1-13 Nov 29-Dec 11

Survival Craft (Lifeboatman)

Nov 15-18 Dec 13-16

Training Information and Enrollment

Contacts

Steve Messenger, SUP Training Rep. SUP Welfare Plan 450 Harrison St., San Francisco, CA 94105 Tel: (415) 778-5490 Fax: (415) 778-5494 E-mail: supwelfarerep@hotmail.com	Dave Connolly, SUP Vice President c/o Andrew Furuseth School of Seamanship 450 Harrison St., San Francisco, CA 94105 Tel: (415) 777-3400 Fax: (415) 777-5088 E-mail: daveconnolly@msn.com
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Survey: Union members backed Kerry

Union members overwhelmingly supported presidential candidate Senator John Kerry (D-MA), and union households accounted for one of four voters, totaling 27 million union household voters in 2004, according to an Independent election night survey and the exit polls.

Union households provided a 5.8 million vote advantage for the Democratic candidate for president, a new exit poll finds.

Sixty-five percent of union members voted for Kerry, with an even bigger margin—68 percent voting for Kerry in battleground states, in sharply divided Ohio, 67 percent of union members voted for Kerry, according to the Section night survey conducted by Peter D. Hart Research Associates for the AFL-CIO. Overall, 62 percent of union members surveyed say they disapprove of President George W. Bush's job performance, with 67 percent saying they have only some or very little confidence Bush will look out for working families.

More than 90 percent of union members say they received information from their unions on issues in the presidential campaign crucial to working families. The survey among 1,135 active and retired union members included 400 additional members in Ohio and had a 3.5 percent margin of error.

Editor's Note: For those who want to receive the *West Coast Sailors* in a more timely manner, subscriptions **via first-class mail** are now available (one-year intervals only) for \$25 per year.

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San Francisco CA 94105



Welfare Notes

November 2004

Flu Season

Because of the shortage of flu vaccine, many people who normally get vaccinated were unable to do so this year. The CDC has suggestions for maintaining your health during the flu season.

To help prevent the flu: avoid close contact with those who are sick, if you become sick stay home if possible, cover your mouth and nose when coughing or sneezing, wash your hands often, and avoid touching your eyes, nose, or mouth.

If you get the flu, you should: rest, drink plenty of fluids, avoid using tobacco or alcohol, limit your contact with others, wash your hands frequently, and take medication to relieve symptoms of flu, but never give aspirin to children or teenagers who have flu like symptoms before checking with your doctor.

Enrollment

Active participants who lose their eligibility because of lack of sea time must re-enroll in their medical and dental plan choices once they become eligible again.

Initial enrollments for spouses and dependent children require the completion of enrollment forms and copies of marriage certificates and copies of birth certificates.

Please contact the plan office for enrollment forms or any questions regarding your coverage.

Claims

When submitting claims to the SUP Welfare Plan for reimbursement of your expenses, please be sure the information includes the patient's name, date of services, type of service, and charge. Inadequate information may delay the payment to you. If you have questions whether or not an expense is eligible for reimbursement to you, please contact the plan office.

SUP Welfare Plan Staff

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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,
Pensioner Medical Benefits (415) 778-5493
Toll Free Number (800) 796-8003

Fewer pirate attacks worldwide, but 30 mariners killed this year

Pirate attacks worldwide in the first nine months of 2004 dropped to their lowest levels in five years, helped by declines in hotspots such as Indonesia, Bangladesh and Nigeria.

Seafarers suffered 251 attacks globally between January and September, a 27% drop from the 344 attacks in the same period of 2003, the British-based International Maritime Bureau (IMB) said in a report released by its Piracy Watch Center in Kuala Lumpur. The figure was the lowest for this period since 1999, when 180 attacks occurred worldwide. However, the IMB warned law enforcement authorities against becoming complacent.

"We welcome the marked decrease in some numbers, but it's hard to determine whether the piracy situation is really improving," said Noel Choong, head of the piracy watch center. Choong noted that attacks sometimes spike in the last quarter of each year, often because countries lag in reporting earlier incidents.

Indonesia remained the most pirate-plagued nation, accounting for a quarter of the global total. But the 70 attacks it recorded during the first nine months of this year were down from 87 in the same period last year.

Many other nations also reported significant decreases during the period. Attacks in Bangladesh plunged to 15 from 37, India to 10 from 24, Nigeria to 18 from 28, Venezuela to six from 11, the Philippines to three from 12 and Vietnam to three from 10.

The number of attacks in the Malacca Straits, a key shipping lane that straddles Indonesia's Sumatra island and peninsular Malaysia, was nearly unchanged at 25, compared with 24 in the straits from January-September 2003. A few other areas grew more perilous. There were eight attacks in the Singapore Straits and another eight in the South China Sea, compared to none in both territories last year.

Casualties worldwide remained high. Thirty crew members were killed in the first nine months of 2004, compared to 20 at this point last year. Half the deaths occurred in Nigerian waters, where pirates armed with automatic weapons have preyed on commercial ships and passenger ferries.

Nature's Fury

I remember a turbulent sea, its rolling swells arising to heights.

A cold sharp wind lashed my face, by a fierce nor'easter in full flight.

The taste of sea spray filled my lips and a burning to my eyes.

In the shadow of the storm on this eve of failing light, Directed at my faithful craft Forceful waves did push and strike.

Alone to brave the gale force wind and liquid mountains high; Seabirds screeched to fly above others dove in fright.

When sea and sky turned black as pitch, And the stars a blanket hide; Landsend had disappeared, on this fearful guideless night.

As lightning cracked and flashed around me, Thor's thunder filled the void; the sound of his hammers pounding, like a thousand cannons fired.

It was then I pondered of shipmates past, Unspoken thoughts ran through my mind; The rocks and shoals to ships it takes where Neptune's locker lies.

Down deep below a watery grave, resting with moving tides, lay wooden ships and iron men Lost souls at sea denied.

A hope arose when I did see through the darkness of the night, Across the horizon broke a sweeping light, where land and sea divide.

As I yawed and pitched with oars in tack, rowing with heavy strides, Stroke upon stroke with blistered hands my body in agony cried.

Time passed quickly before my eyes A league closer to the sweeping light In full view a safe cove appeared to my homeward bound tonight.

The gale has passed its wind well spent And the waves no longer high, Yet soon to come another day A calling to sea and sky; Once again to tempt its fury When I cross her boundary line.

Ellis DeAngelo, Book #2669 (retired)

Shanghai will overtake Rotterdam as world's largest port

China's exports rose 36% to \$360.6 billion in the first eight months of this year. Imports increased 41 percent to \$361.5 billion. China's share of world trade has risen to about 7%, about triple that of ten years ago.

Shanghai's container business rose about 25 percent this year to an equivalent of about 14.5 million 20-foot containers (TEUs). The port will handle about 350 million tons of cargo this year. Rotterdam is expected to handle 350 million tons, and its container volume may reach eight million TEUs this year.



IMO urged to monitor ships' sulfur emissions

The International Convention for the Prevention of Pollution from Ships (MARPOL) is calling on the International Maritime Organization (IMO) to monitor the worldwide average sulphur content of fuel, once its Regulations for the Prevention of Air Pollution from Ships comes into force on May 19, 2005.

MARPOL Annex VI, which was ratified by Samoa this year, sets limits on sulphur oxide (SOx) emissions from ship exhausts and also forbids deliberate emissions of substances, such as halons and chloroflourocarbons (CFCs), which contribute to ozone depletion.

Besides putting a cap of 4.5% m/m globally on the sulphur content of fuel oil, it also contains provisions which allow for special "SOx Emission Control Areas" to be established, where more stringent controls can be placed on sulphuric emissions.

In these designated areas, the limit of sulphuric content of fuel oil used on board is not allowed to exceed 1.5% per m/m. Alternatively, ships also have to fit an exhaust gas cleaning system or use any other available technological methods to control and keep its SOx emissions to a minimum.

The Baltic Sea area is currently a designated SOx Emission Control area, and when the Annex VI comes into force next year, it will adopt the amendment approved by the Marine Environment Protection Committee (MEPC) in March, 2000 to include the North Sea as a SOx Emission Control Area as well.

According to Annex VI, new installations containing ozone-depleting substances are prohibited on all ships, but new installations containing hydrochloroflourocarbons (HCFCs) are permitted until the year 2020.

Besides curtailing SOx emissions, it also restricts the level of nitrogen oxide (NOx) emissions from diesel engines and bans the incineration on board ships of certain products, most notably contaminated packaging materials and polychlorinated biphenyls (PCBs).

Accumulated time off pay system upheld

In an unpublished decision, the U.S. Court of Appeals for the Fifth circuit upheld the validity of the accumulated time off (ATO) pay system. In the instant case, the employment contract provided that the maritime employee worked for 30 days and was then off work for 15 or 30 days. Part of his pay was deferred so that he was paid during time he was not working.

Plaintiff sued his maritime employer, alleging that he was entitled to interest on deferred wages or that his wages should not have been deferred. The court held the ATO pay system is well-recognized, that plaintiff signed an employment contract acknowledging the system, and that plaintiff had on various occasions withdrawn monies early from his deferment account as permitted under the ATO pay system. *Craven v. Canal Barge Company, Inc.*, No. 04-30379.

French mariners protest over replacing crew with Filipinos

Seafarers' unions at French national gas company Gaz de France (GDF) have threatened to intensify their protests against the replacement of some French seafarers with Filipinos. The protests will be held when GDF's LNG carrier *Gaz de France Energy* is delivered by Alstrom Marine's Chantiers de l'Atlantique.

"The delivery of the ship which will be attended by French finance minister Nicolas Sarkozy, will be affected by our members' action," a GDF union representative warned. "We want to meet Mr. Sarkozy to talk about this problem and find a solution to stop the move, which could lead to the complete disappearance of French seamen on French gas carriers."

To prevent potential action by union members, GDF and its affiliate Gazocean have ordered their two operational French-flagged LNG vessels, the *Descartes* and the *Tellier*, to stay at sea. The *Descartes* is currently off Marseilles/Foss and the *Tellier* is off Sardinia. Both vessels are fully crewed by French seafarers.

Make sure your current address is on file at Headquarters

Anthrax shot suspension

The Military Sealift Command is suspending anthrax immunizations for personnel embarked on MSC vessels including, but not limited to, civilian and contract mariners, until further notice.

Effective immediately, the decision was based on the Department of Defense directive to stop anthrax vaccines due to a recent order of the District Court for the District of Columbia. This decision is subject to immediate change pending additional guidance from the Office of the Secretary of Defense. As soon as MSC receives additional guidance, all affected parties will be informed.

Assistant Secretary of Defense for Health Affairs Dr. William Winkenwerder emphasized the injunction was not related to the safety or effectiveness of the vaccine, but rather to a technical issue as to whether the Food and Drug Administration followed a proper procedure when it issued a rule about the vaccine one year ago.

San Francisco hotels continue lockout

The San Francisco Multi-Employer Group on October 13 refused to allow members of UNITE HERE Local 2 to return to work, the date the union said it would end its "measured" strike of four member hotels. Instead, the employers expanded their lock out of workers at 10 hotels to include the four hotels that had been struck by the union late last month.

UNITE HERE members at the Mark Hopkins Inter-Continental, Crowne Plaza Union Square, Argent Hotel, and Hilton San Francisco went on strike September 29 over the issues of contract term, health care, and benefits. Ten other hotels in the San Francisco Multi-Employer Group, saying "a strike against one is a strike against all," then locked out their workers, putting a total of more than 4,300 workers off the job in the first multi-hotel strike since 1980.

Bartenders, room cleaners, wait staff, and phone operators were unsuccessful in their attempts to return to work October 13, the date the union said it would end its "measured" strike of four hotels. In addition to expanding the employer lockout to those employed by the four hotels that had been struck, the hotels October 13 continued to lock out UNITE HERE-represented workers at the other 10 hotels.

"This is now about our jobs. This about a return to work," Local 2 President Mike Casey said. While management is getting paid, locked out workers are not. "That's not an even playing field. It's our insistence that we should return to our jobs," Casey told BNA. "The mediator's called for them to return people to work. The mayor's called for them to return people to work."

But the hotels, which are operating using scabs and management trainees, voted October 5 to continue the lockout and not let union members return before a contract is reached. "They want an agreement," hotel employers' spokeswoman Barbara French said.

Matt Adams, vice president of the 14-hotel San Francisco Multi-Employer Group, in a statement said without an agreement, "there is no assurance that union leadership won't call additional strikes. That's unacceptable."

Adams, vice president and managing director of the Hyatt Regency Hotel, said the roadblock is not health care and wages, but the two-year deal UNITE HERE is seeking for contracts in San Francisco, Los Angeles, and Washington, D.C., to coincide with expiring contracts in other North American cities.

Both sides met with a federal mediator October 8 in the first negotiating session held since the strike began.

Union members now will seek unemployment benefits, Casey said. Workers are receiving \$200 a week in strike benefits from the local strike fund.

The 10 hotels that locked out Local 2 October 1 are: the Fairmont San Francisco; Four Seasons Hotel San Francisco; Grand Hyatt San Francisco; Holiday Inn Civic Center Hotel; Holiday Inn Express & Suites Fisherman's Wharf; Holiday Inn at Fisherman's Wharf; the Palace Hotel; Hyatt Regency San Francisco; Omni San Francisco Hotel; and the Westin St. Francis.

As the *West Coast Sailors* goes to press, the workers of Local 2 are still locked-out.



SUP President's Report

November 8, 2004

MATSON NAVIGATION COMPANY

As reported for the last two months, the SUP, MFOW and SIU-A&G Marine Cooks, met with Matson regarding the company's proposal to operate three or four vessels to Guam after the APL/Matson Alliance for the Guam trade ends in February, 2006.

After the October 8 meeting (see the October issue of the *West Coast Sailors*) in which Matson proposed that if the company was successful in gaining Maritime Security Program operating agreements for the prospective vessels, wages and manning would be the same as the *Manukai*-type CV2600 vessels or if they were not successful in acquiring MSP "slots" and the \$2.6 million per vessel subsidy, then an ITB *Moku Pahu* wage structure would be proposed.

The Unions response in an October 13 letter to Captain Jack Sullivan, Matson's Vice President for Vessel Operations and Offshore Labor Relations, stated that since the proposed vessels would replace existing vessels in the same trade, the new vessels should be covered under the terms and conditions of the current collective bargaining agreement.

Matson responded on October 20, by stating in part: *To operate such a new service Matson would have to incur not only significant capital expenditures but also the economic risks inherent in such a new venture. Matson is prepared to do so only if the projected costs, including labor costs, can be determined on a predictable and acceptable basis.*

Your letter reflects that you are unwilling to agree on the terms and conditions that we have proposed. While the time frame for making a decision is extremely short, we are prepared to meet with you at a convenient time and place if you have further thoughts on this matter.

Since that date, various representatives of Matson, including Ron Forest, Senior Vice President for Vessel Operations, have told your secretary that if an "acceptable" agreement cannot be concluded for the new Guam service vessels with the incumbent Unions, the company will time-charter the vessels to another operator. Reliable sources outside of Matson have indicated that Marine Transport Lines, TOTE and other SIU-AGLIWD/NMU contracted companies have submitted proposals to Matson to operate the proposed new Guam service ships.

Given the real threat in 2003 when Matson was on the brink of time chartering the *Manukai*, it is apparent that Matson—despite the fact that it is one of the most profitable steamship companies in the world—is fully prepared, again, to outsource our work by running a double-breasted operation.

The stakes are again high. If the company runs four ships, it amounts to six SUP jobs per vessel or 24 total. Over the course of a year, the number could reach 72 given a crewing ratio of three sailors to fill one job.

Anticipate more meetings with Matson. Will keep the membership fully informed.

In other news regarding Matson, the Union was informed on October 22 by Tom Percival, Manager for Labor Relations and Vessel Operations, that the company was pursuing a five-month charter opportunity for the *Chief Gadao* which is currently in idle status.

Percival proposed that in order to submit a competitive proposal for the charter, total crew cost would have to be reduced by \$2,000 per day, which represents a reduction of 13% in Total Labor Cost (TLC) for each of the contracted Unions, unlicensed and licensed. For example, Matson stated that current SUP TLC is \$2,144.04 per day including overtime. The 13% proposed would reduce that number to \$1,867.98 or \$276.66 less per day.

Since the proposal was made, Percival has indicated that Matson has stowed the idea of chartering the *Chief Gadao* for the time being.

AMERICAN SHIP MANAGEMENT

At the request of the company, the SUP and MFOW met with ASM at MFOW Headquarters on November 3 to discuss the operation of APL's nine Maritime Security Program vessels after September 30, 2005. Representing the Unions were MFOW President Whitey Disley, MFOW Vice President Bobby Iwata, MFOW San Francisco Port Agent Tony Poplawski, SUP Vice President Dave Connolly and your secretary. ASM Chief Operating Officer Captain Saunders Jones and attorney Tim Gill represented the company.

Captain Jones stated at the outset that the company wants to continue managing and operating APL's MSP vessels when the new program begins on October 1, 2005. In that regard, he stated that ASM has submitted a proposal to APL regarding management fees for continued ASM management of the fleet that are considerably less than what ASM currently receives. So far APL has not responded.

Jones explained that unlike 1997 when APL, after being purchased by Neptune Orient Line, was required to use a Section 2 citizen company; that is not the case under the new program. APL has several options, including retaining ASM as the ship manager, designating American Automar which is an APL subsidiary with contracts with the SIU-AGLIWD/NMU and the AMO, or operating the vessels themselves.

As previously reported, APL's decision will be made strictly based on costs.

Although Jones made no specific proposals regarding a post-September 30, 2005 collective bargaining agreement—except stating that he desired a ten-year contract to coincide with the length of the program—he stated that he wants to be able to submit a total cost proposal, including labor costs, by the end of the year to APL as APL must sign its MSP operating agreements with the Maritime Administration as well as designate an operator by January 13, 2005.

Anticipate there will be more meetings with ASM on this issue.

LMSR PROTEST UPDATE

The Government Accountability Office (GAO) continues to review the Patriot Contract Services protest of the Military Sealift Command's August 31 award of nine Large Medium Speed Roll-On/Roll-Off (LMSR) vessels to American Overseas Maritime Corporation (AMSEA).

The GAO has until December 27, 2004 to issue its decision. In the meantime, MSC's decision to extend Patriot Contract for all eleven LMSRs into the second quarter of 2005 remains in effect.

Will keep all hands fully informed on this important issue. For more information on the protest and the efforts made by the SUP, see the September and October issues of the *West Coast Sailors*.

SUP MONEY PURCHASE PENSION PLAN

Participants of the SUP Money Purchase Pension Plan were made aware in a Plan mailing on September 13, 2004, that new distribution rules will take effect on January 1, 2005. Because of a change in federal tax law, participants who are over age 70½ who elect to payout their Money Purchase Pension benefit shall after January 1, 2005, be required to surrender their seniority shipping rights and retire from the industry, just like all other pensioners.

However, those members who are over age 70½ who elect distribution before January 1, 2005, shall be eligible to receive the payout and continue working under the old rules. Additionally, a member who is over age 70½ must also work a minimum of 62 days per calendar year or else be considered "retired" under separate Internal Revenue Service rules adopted by the SIU-PD Pension Plan. If deemed "retired" by IRS rules, the member's pension benefit will be frozen at the current

amount. If a member has not taken a distribution from SUP Money Purchase Pension Plan after January 1, 2005, there is no prohibition on the member's ability to continue working despite working less than 62 days.

Once again, after January 1, 2005, all members who elect distribution of their SUP Money Purchase Pension Plan account shall be required to surrender seniority shipping rights and retire from the industry. Any distributions before the end of this year (2004) for this group shall be treated as before and the member can continue working. Members who elect distribution should be aware that they will be taxed on the distribution as income.

The reasons for this change are rooted in the IRS guidelines related to a change in the tax code.

OLD WILMINGTON HALL

As the membership will recall, the SUP Building Corporation sold the old Wilmington Branch building at 505 Marine Avenue on April 2, 1999.

The building sold for \$312,500 with the buyer putting up \$71,749.09 in cash. After real estate fees and legal expenses totaling \$23,250.91 were paid, the Building Corporation carried a Deed of Trust note on the remaining balance of \$217,500. The interest on the unpaid principle was at a rate of eight percent per year payable in installments of \$2,078.54 per month, from May 2, 1999 through June 6, 2009, with the buyer having the right to pay off the note early.

Since May of 1999 through October 2004 the Building Corporation has received \$137,183.64 in interest and principal payments.

In late October, the Union was notified that the buyer desired to pay off the remaining principal and interest of \$166,780.92. On November 2, the amount was received by the Union and deposited in the Building Corporation account.

As a recap, the total amount received for the old Wilmington hall was \$375,713.65, excluding real estate fees and legal expenses.

QUARTERLY FINANCE COMMITTEE

In accordance with Article XVII, Section 2 of the SUP Constitution, a Quarterly Finance Committee shall be elected at today's Headquarters meeting to review the finances of the Union for the third quarter of 2004, and report back to the membership at the December coastwise meetings. In the event the committee cannot be filled today, recommend that when the quarterly audit of the Unions funds is completed, which will be in about three weeks, necessary committee members be shipped off the hiring hall deck as per past practice.

The Quarterly Finance Committee will turn to on Friday, December 10, at 9:00 A.M.

HOLIDAY BENEFIT

For the fifteenth year, the SUP and MFOW will co-sponsor a holiday lunch for participants of the respective Union Welfare plans and invited guests.

As approved by the Union and employer Trustees of both Plans, the cost of catering the lunch is prorated by the number of participants in each of the respective Welfare Plans.

In San Francisco, this year's lunch will be at MFOW Headquarters, 240 Second Street, on Friday, December 17, from 11:30 A.M. to 3:00 P.M.

The schedule for the Branches is as follows:

Seattle: Saturday, December 11, from 11:00 A.M. to 2:00 P.M. at the Seattle Hall.

Wilmington: Saturday, December 11, at Noon at the Wilmington Hall.

Honolulu: Sunday, December 12, from 10:00 A.M. to 3:00 P.M. at the Honolulu Hall.

Jacksonville: Friday, December 10, 1:00 P.M. at Masters, Mates & Pilots' Hall.

President's Report continued

THANKSGIVING

All SUP Halls will be closed on Thursday, November 25, for Thanksgiving Day, which is a holiday under all SUP collective bargaining agreements.

ACTION TAKEN

Nominated to the Quarterly Finance

Committee: Diane Ferrera, Art Thanash, Bob Copeland and Lou Frazier. Ernie Stimach was nominated but declined.

M/S to authorize the president to continue bargaining with Matson on Guam vessel replacement service. Carried unanimously.

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

Gunnar Lundeberg

Vice President's Report

November 2004

LMSR activations ahead

Operation Iraqi Freedom 3 is underway. As we have mentioned before, the Military Sealift Command (MSC) expects this wave of activations to be staggered at a steady pace through the holidays. All LMSR sailors should check their documents, notify the Union about their availability, update phone numbers, and make plans to assist in yet another massive sealift operation. The Andrew Furuseth School of Seamanship is conducting the last LMSR class of the year in San Diego beginning the end of this month. For mariners committed to sailing under SUP contract in the LMSRs, we're taking applications for a small arms recertification class beginning on December 13. Space is limited.

Foss Maritime Company

Immediately following the conclusion of our negotiations in May of this year with Foss, the Union and the company plunged into a seemingly bottomless pit of problems. One by one, the grievances mounted and accumulated, many without resolution. These issues and grievances, numbering at one time more than two dozen were steadily and relentlessly addressed by the Union and co-delegates Mike Worth and Tom Tynan. Brothers Worth and Tynan investigated claims; they queried members and management in innumerable interviews both in person and on the phone; they collected, sorted and wrote volumes of documents; and in the end they answered the questions and analyzed the logic of the company in meeting after meeting after meeting after meeting. A full test of the grievance procedure was ultimately necessary, but the tide has turned, and relations have gradually improved with this employer.

Upon completion of a document that formalizes an existing training program, all formally outstanding grievances will be resolved in a manner satisfactory to the Union. We will be discussing the outcome of these grievances with all members employed by Foss over the next few weeks. In the meantime, specific information on each individual issue is available by contacting the Union or the delegates. Nothing is perfect, but the membership should take note: the ability of two intelligent and committed and experienced SUP delegates to recognize problems as they arise, to help manage the Union's response to these problems, to communicate effectively with the membership in the unit, and to resist, deflect, or overturn company maneuvers is to change the world in favor of the SUP. Kudos to Tynan and Worth and to all delegates like them.

National Labor Relations Board Conference

Attended this conference in San Francisco three days after the election. The chairman of the National Labor Relations Board, Robert J. Battista, spoke about the issues that the Board has recently faced and is currently facing. The Board decided in a case involving IBM, that a non-union employee who asked that a co-worker attend a disciplinary meeting did not have the right to any representation. Weingarten rights, the Board said, do not extend to workers in a non-union workplace. In a case involving Brown University, the Board decided that graduate students do not qualify for union representation under the National Labor Relations Act because they have a primarily academic and not economic relationship with the university, despite many precedents of representation in that field, and despite the wishes of the graduate students to join a union. In the Levitz Furniture case, now pending before the Board, the NLRB will decide whether or not an employer can unilaterally withdraw recognition from a union based on its own good faith assessment of whether or not the union has lost the support of its members. In other words, the ability of workers to collectively bargain to improve their workplace wages and conditions could be determined by the company alone.

This type of decision-making is openly anti-union, and is only one example of how bad things can get. This activist, anti-labor Board is reaching decisions in breathtaking defiance of precedent and stands as good indicator of the political climate we can expect for the next four years.

Ships checked

Maui. Delegate Greg Schauf. Lodging claim no good. Questions on MMD renewal policy.

USNS Bob Hope. Delegate Mike Orton. Back to ROS from shipyard sortie.

USNS Gordon. Delegate Mike Boyle. Clarification on painting jurisdiction for de-watering pump room on F deck: it's our work.

USNS Benevidez. Delegate Julio Guerrero. Clarification on penalty meal during gangway watchstanding: everyone deserves one unbroken hour to eat.

USNS Yano. Delegate Barbara Shipley. Questions from the ship on interaction between the bosun and the delegate: obviously, they should work together for the benefit of all.

Colorado Voyager. Delegate Earl Eastmark. Clarification on 4 hour weekend shift—payable the same as other minimums.

USNS Seay. Delegate David Dodge. Crewing up for surge voyage on Thanksgiving Day.

Dave Connolly

Jacksonville report continued from page 12

the delegate and Martin Dempsey is the bosun. No beefs. It is amazing how much smoother everything operates since Captain Faulkner was relieved.

USNS Shughart- Visited at Lamberts Point in Norfolk, VA, on October 12, but was denied access at the gate because clearance had not been requested although I had asked for it several days prior. Ship had shifted here from Baltimore. Did meet with Deek Tracy, the bosun, outside the gate and no beefs were reported. Angel Lopez is the delegate.

USNS Mendonca- Boarded in Philadelphia, PA, on October 14. Bill Brannon is the delegate and Dan Dinsmore is the bosun. Spoke with Captain Harrington regarding past OT problems and reached an agreement about working within the provisions of our labor contract. No new beefs.

USNS Seay- Boarded in Philadelphia, PA, on October 14. Paul Harsany is the bosun/delegate. Only one AB and one OS aboard due to ROS status. No beefs.

USNS Yano- Boarded in Baltimore, MD, on October 16. Jennifer Corner is the delegate and Steve Huggins is the bosun. Ship put into FOS status and leaving on Sunday, October 17 to load in Beaumont, TX, for deployment.

USNS Benavidez- Boarded in Jacksonville, FL, on October 23 and again on October 25. Linnett Whitamore is the delegate and Ken Dooley is the bosun. After discharge the ship will shift to Corpus Christie, TX, and go into ROS status awaiting further orders. Although morale was high there were problems with salt water in the fresh water system and the toilets were not operating and haven't since October 16. Engineers received spare parts in Jacksonville and will repair the problem. Advised the crew of procedures for filing lodging claims.

All of the LSMR's are expected to be deployed over the next several months. If you are on the beach, it is advised that you check your documents for currency and get registered. The Jacksonville office will have a joint Christmas party with the MM&P on December 10 at 1300. Call in and let me know if you will attend.

Teamsters Union organizer murdered

Angry members of the International Brotherhood of Teamsters Union are demanding that Salvadoran officials step up the search for the men who killed a union representative sent in to organize port drivers. Jose Gilberto Soto was shot in the back and killed on November 5, in Usulután, El Salvador by what Teamsters president James Hoffa describes as a "death squad". He says local police have done little to investigate the crime and has written to U.S. Secretary of State Colin Powell, asking for help in finding the 49-year-old Soto's killers. Soto, usually based at the ports of New York and New Jersey, was sent south to meet port drivers in El Salvador, Nicaragua and Honduras. Hoffa said there was no robbery in this case and said Soto was not involved in any illegal activity. He added that "the Teamsters Union will do everything within its power to bring the killers to justice."

U.S. longshoremen sue over ID cards

Miami dockworkers, who were barred from the port in the summer when more than 6,000 worker passes were confiscated during a security probe, filed suit against the port and the state of Florida on November 10, seeking the return of the ID cards and compensation for lost work.

The lawsuit filed by the International Longshoremen's Association should be resolved within a month, according to

sources involved in the matter, and the ILA thinks they have a good case to have the cards returned.

The county attorney has said the cards were not taken improperly and that the stevedores have no case.

The summertime security probe revealed that a number of cards had been improperly issued or given to workers with criminal histories. So the port began to reissue cards to all employees—but only after they passed a background check, a process that takes from three to seven days. Since then, long lines have queued at the credentialing office, often starting as early as daybreak and continuing until closing. Port director Charles Towsley has apologized for the time-consuming process, but stresses the new credentials are needed to bolster port security.

Attend your Union meetings

SUP members join pension ranks

The following SUP members joined the rank of pensioner, bringing the total number of SUP members to 820:

Graciano Guevarra, 74, Book No. 3022, joined SUP in 1990.

John Rescino, 65, Book No. 3145, joined SUP in 1958, 28 years seetime.

William Whoriskey, 65, Book No. 3639, joined SUP in 1985, 10 years seetime.

Record of SUP Shipping October 2004

	Hdqs	Seattle	Wilm	Hono	Total
Bosun	7	4	2	1	14
Maint. Man	6	0	0	0	6
A.B. Dayworker	0	0	9	3	12
A.B.	20	15	11	1	47
O.S.	4	2	1	1	8
Standby	13	25	39	32	109
TOTALS	50	46	62	38	196

SUP Branch Reports

Seattle

October 18, 2004

Shipped during the period: 1 Boatswain to a Navy bottom filled by a B-card; 14 Able-Seaman berths shipped to 3 A-cards going back after trips-off, 4 A-cards to relief's, 1 B-card to a steady and 5 B and 1 C-card to Navy bottoms. 2 Ordinary Seaman jobs filled with 1 B-card and 1 C-card. 16 standby's shipped to 3 A and 13 B members.

Registered during the period: 11 A cards for a total of 30; 17 B cards for a total of 54; 10 C cards for a total of 28.

Ships checked

President Adams, President Polk and the *President Truman* back from the Far East; questions about posting a sailing board in Yantian, China; the sailing board must be posted! The *Maui* and *Kauai* called twice and running smoothly. A member who shipped to the *Kauai* lost his job because he did not retrieve his drug card before the clinic closed on a Friday. It is the mariner's responsibility to maintain and hold documents that are current. Please check your drug cards and your STCW certificates; upgrade your Able Seaman tickets as soon as you are able; renew your small arms certifications. Failure to do so may disqualify you from employment opportunities when you most need them.

During the month I attended the King County Labor Council's Port Coalition meeting. Along with several sailors and MFOW members, we honored Father Tony Haycock of the Seattle Catholic Seaman's Club mission. Father Tony is always ready to help both seaman and fisherman in distress and has been a great help to our members over the years.

I met with Congressman Norm Dicks who is on the House Appropriations Committee; I attended the Puget Sound Area Maritime Security Committee; and the Puget Sound Maritime Trades Department AFL-CIO meetings.

Vince O'Halloran, Branch Agent

Wilmington

October 18, 2004

Shipped the following during the period: 2 bosuns, 9 ABs, 6 AB maints. and 46 standby jobs for a total of 63 jobs shipped. Registered during the period: A: 39 B: 28 C: 6

Ships checked

APL Singapore, Frank Salvatierra, delegate; *RJ Pfeiffer*, Jim McGee, delegate; *Maunawili*, Tommy James, delegate; *Ewa*, Bob Burns, delegate; *Mokihana*, Chris Bujnowski, delegate; all okay. *APL Korea*, Paul Calais, delegate, problem with washers boiling clothes and breaking down. *Manoa*, Juan Magana, delegate; *Matsonia*, Dave Gillis, delegate; *APL Philippines*, Jose Angeles, delegate; a few questions asked. *Manukai*, Jim Clay, delegate; *Mahimahi*, Joe Morris, Jr. delegate; *APL China*, Teo Rojas, delegate.

We were happy to have President Lundeberg attend our meeting. He read his report and explained in full about the status of the LSMR vessels, Matson, and ASM. Thanks to President Lundeberg and Vice President, Dave Connolly for all their hard work on these issues. Be-

cause of the Unions' work in Washington Patriot Contract Services got a stay of turnover of the LSMR vessels until the second quarter of 2005.

Changed banks for the Wilmington Branch from Bank of America in Wilmington to United Labor Bank in Long Beach, the only Union-owned and operated bank in California.

On September 24, attended a rally for the IBU with several SUP members and MFOW members and Bill O'Brien. Clean Coastal Water has been the oil spill response company for the L.A./L.B. harbors from Point Dume to the Mexican border since 1972. In 1998, those workers chose to join the Inlandboatmen's Union of the Pacific Southern California Region. Earlier this year, another company took over and refuses to recognize the IBU as the workers' representative despite the fact that the majority of the workers are IBU members, who still want their union. We rallied and marched in Long Beach. Union busting is not tolerated in the harbor area.

The first time anywhere in America, a Central Labor Federation convened a delegates congress. Mark Hurley, Bill O'Brien, Steve Callahan and I attended this event (September 30) at the L.A. Convention Center. This congress brought together 1,000 union delegates to join in solidarity to strengthen labor by speaking in one voice, to fight against Bush and for health insurance, build a union defense fund and organize for the future of our community colleges. The initiative will tax big business about 1% on energy usage to raise 59 million dollars and give a \$1000 grants to college students to pay for books and make education affordable. Speakers included AFL/CIO President John Sweeny and L.A. County Fed.'s Miguel Contreras.

Attended the church service for Mr. Jose McDonald at Mary Star of the Sea in San Pedro, who is Joe and Gabriel McDonald's father. Mr. McDonald was 92 and came from Peru to San Pedro in 1942. He was a merchant marine in the NMU from 1943 to 1975, then worked at Todd Shipyard for 10 years. He had 11 children and had a Merchant Marine Veterans burial with a 21 gun salute at Green Hills Cemetery in San Pedro.

Keith Miller, Branch Agent

Honolulu

October 18, 2004

During the month of September, dispatched the following: 1 bosun, 3 ABs, 1 ABW return, 1 AB maint., 2 ABD, 2 ABD reliefs, and 2 ABD returns. These jobs were filled by 3 A members, 8 B members and 1 D registrant.

Also shipped 28 standby jobs filled by 2 A members, 9 B members, 4 C members and 13 D registrants, for a total of 40 jobs shipped.

During the month of September, registered the following: 10 A members, 9 B members, 9 C members, and 4 D registrants. To date registered are: 10 A members, 9 B members, 9 C members, and 5 D registrants, for a total of 33 registered.

Ships checked

Maui, Lurline, Lihue, Matsonia, Kauai, Ewa, R.J. Pfeiffer, Maunawili and Manukai. All with few or not beefs. Paint and rigging gang running smoothly with Monte Kalama as bosun.

On October 20, attended the Hawaii Ports Maritime Council meeting. Election year political activities wrap up and preparation for the Honolulu Harbor Festival.

On October 21, held a surprise 90th birthday party at the hall for SUP pensioner John Goveia, our Union historian here in Honolulu—cake and champagne for all hands. On the evening of October 21, Patrick Weisbarth and gang attended an informational demonstration with the UFCW Union against the Sams Club/Walmart store opening in downtown Honolulu. This predatory anti-union corporation should be unwelcome in anyone's neighborhood. On November 2, Hawai'i voted a majority for the democratic ticket but we still have a coat tail riding 2nd District Congressman Ed Case, the anti-Jones and Passenger Service Act guy to be on guard against for the next two years. National elections were a disaster!!! We are all going to have to stick together and fight against this Bush administration agenda if you want to maintain your current life-style or end up working at Walmart.

Mike Duvall, Branch Agent

Jacksonville

October 2004

For the month of October one Bosun, four AB's, and two OS's were dispatched to USNS ships. These jobs were filled with five B cards and a C card. During this month have made every ship in the LSMR fleet and the Chevron Arizona Voyager as well.

Ships checked

Chevron Arizona Voyager- Boarded in Pascagoula, MS, on October 1. Douglas Alexander was the delegate and Thor Eriksen is the bosun. Met with Captain Bivens regarding beef about breaking anchor/security watches on September 18 through September 21 when in Port Arthur, TX. Have forwarded complaint to headquarters for clarification on the intent of Article XI, D(e) before filing grievance.

USNS Piliiaau- Boarded in Violet, LA, on October 2. Jeff Hagendorn is the delegate and Dale Gibson the bosun. No beefs.

USNS Brittin- Boarded in Violet, LA, on October 2. Steve Garrett is the delegate and Sam Scott the bosun. Quality and variety of food here was an issue. Patriot advised and stores were forthcoming.

USNS Bob Hope- Boarded in Violet, LA, on October 2. Karl Babl is the delegate and Robin Colonas was the bosun. Ship preparing to return to the yard in Mobile, AL, because of leaking shaft seals. No beefs.

USNS Fisher- Boarded in Mobile, AL, on October 3. Jonathan Branch is the delegate and Kelly Eggers the bosun. There has been a problem with yard workers chipping outside the house beginning at 0600. Delegate is preparing lodging claims.

USNS Gilliland- Boarded in Newport News, VA, on October 12. Mike Boyle is the delegate and Lou Hathaway is the bosun. Gang continues to endure continual air conditioning outages. Patriot notified numerous times about the problem and lodging complaints have been filed.

USNS Gordon- Boarded in Norfolk, VA, on October 12. Dennis Belmonte is

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Dispatcher's Report

Headquarters—Oct. 2004

Deck	
Bosun	7
Carpenter	0
MM	6
AB	20
OS	4
Standby	13
Total Deck Jobs Shipped	50
Total Deck B, C, D Shipped	21
Engine/Steward	
QMED	0
Pumpman	0
Oiler	0
Wiper	0
Steward	0
Cook	0
Messman	0
Total E&S Jobs Shipped	0
Total E&S B, C, D Shipped	0
Total Jobs Shipped - All Depts. ...	50
Total B, C, D Shipped-All Depts. .	21
Total Registered "A"	67
Total Registered "B"	58
Total Registered "C"	9
Total Registered "D"	9

San Francisco Business Agent

November 8, 2004

Visited and paid off the following ships:

Kauai— William Wood, delegate, John Peterson, bosun: Hawai'i run, no disputes.

Lihue— Manny Roxas, delegate, Chris Bright, bosun: Squared away disputes. Will be running for a few more months.

Lurline— John Gabourel, delegate: Van and car carrier. No disputes. Bosun returned from trip off.

Mahimahi— Joe Moniz, Jr., delegate: Voyage pay off. Over stayed in San Pedro for a week. No disputes, made her on a Sunday.

Maui— Greg Schauf, delegate: Coastwise from Seattle; lodging not payable. Made twice during month.

President Grant— John Kerlin, del-

egate: Voyage pay off. Good crew with all book members.

President Jackson— Mike Dirksen, delegate: In from Seattle, no disputes.

President Truman—Richard Goen, delegate: Voyage pay off. Squared delayed sailing in China; otherwise in good shape.

President Wilson—Dave Kaupiko, delegate: Voyage pay off. Crew had a problem with bosun. Otherwise no disputes.

APL Philippine— Jose Angeles, delegate, Lee Dancer, bosun: Voyage pay off. Question on Columbus Day holiday.

APL Thailand— Vince Estrada, delegate: Voyage pay off. Clarify what is necessary work after 3:00 P.M.

ASM Shoregang—Running smoothly. Also worked in the front office during the month.

William Berger

