



West Coast Sailors

Official Organ of the Sailors' Union of the Pacific

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SAN FRANCISCO, CALIFORNIA

Friday, August 20, 2010

Mississippi Congressman champions Jones Act

U.S. Representative Gene Taylor (D-Mississippi) sent the following letter regarding the Jones Act, on July 20, to all members of the House of Representatives. Congressman Taylor is a member of the House Armed Services Committee and is Chairman of the Subcommittee on Seapower and Expeditionary Forces. He is a member of the Transportation and Infrastructure Committee, where he serves on the Water Resources and Environment, Coast Guard and Maritime Transportation, and Highways and Transit Subcommittees.

Dear Colleague:

The Deepwater Horizon oil spill is an unprecedented crisis. The extraordinary nature of the spill has raised questions regarding the adequacy of the response. During the past month, much has been said in the press and various social media about the Jones Act and the oil spill, most of it by people who are only vaguely familiar with U.S. maritime law. I am writing to you

today to set the record straight about the Jones Act.

What role does the Jones Act play in the response to the Deepwater Horizon oil spill? The Jones Act does not apply to the recovery, transporting, or unloading in a U.S. port of spilled oil in waters outside of the U.S. territorial sea, which extends three miles from shore.

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Matson initiates foreign-flag service from China to the Pacific Coast

SUP-contracted Matson Navigation Company has expanded its China service, but without American mariners or U.S.-flag, U.S.-built vessels. Instead, the company has chartered five foreign-flag 3,500 TEU vessels to operate between Hong Kong, Shenzhen, Shanghai and Long Beach.

Since 2006, Matson has operated a string of five U.S.-flag, U.S.-built and U.S.-crewed vessels (*R.J. Pfeiffer*, *Manukai*, *Manulani*, *Maunawili*, *Maunalei*) from Xiamen, Ningbo, and Shanghai to Long Beach. The vessels each have a capacity of 2,600 TEUs. This service has been exceptionally profitable for

Matson which touts it on its website as “proudly operated by American officers and crew.” These vessels call Hawai’i and Guam enroute to East Asia and are required to conform to the Jones Act, while the foreign-flag vessels will not as they will not trade between U.S. ports.

The first foreign-flag vessel began operating this month. Renamed *Kaimoku*, she is the former Cypriot-flagged *CSL Stepanie* originally built for the Japanese carrier K Line 17 years ago as the *Seto Bridge*. Industry sources indicate Matson chartered her in from Cyprus Sea Line for \$18,500 a day. The other vessels, named

Kainalu, *Kailua*, *Kohala* and *Kailani*, are expected to go into service within the month and are presumably chartered from the Cyprus company.

SUP President Gunnar Lundeberg deemed Matson’s foreign-flag operation “an affront and insult to American mariners who made the China run a success.” He also called it a dangerous precedent given the attacks on the Jones Act. (See Lundeberg’s report on page 10.)

Matson currently charters three foreign-flag vessels operating between Guam and Micronesia: *Mell Siloso*, *Mell Sentosa* and *Mell Springleaf*.

Federal judge dismisses piracy charges against Somalis

On August 17, in Norfolk, Virginia, U.S. District Court Judge Raymond Jackson threw out piracy charges against six Somali nationals, saying prosecutors failed to prove that an attack on a U.S. navy vessel off the African coast in April was piracy “as defined by the law of nations.”

Defense attorneys argued that their clients were not guilty of piracy because they did not try to rob or board the ship.

Judge Jackson agreed, ruling that “the government has failed to establish any unauthorized acts of violence or aggression committed on the high seas constitutes piracy as defined by the law of nations. Following the government’s assertions would subject defendants to an enormously broad standard under a novel construction of the statute that has never been applied under U.S. law, and would in fact, be contrary to Supreme Court case law.”

According to evidence in the case, a small skiff in the Gulf of Aden, about 330 miles off Djibouti, approached the Whidbey Island-Class dock landing ship *USS Ashland* about 5:00 A.M. on April 10. As the skiff pulled even with the *Ashland*, at least one person aboard the skiff opened fire. The *Ashland* responded by returning fire, destroying the skiff and killing one of its passengers.

But, Judge Jackson noted, “At no time did defendants board or attempt to board the *USS Ashland*.” Rather, Jackson said, the skiff burned and Navy sailors took the Somali nationals into custody.

Prosecutors in Norfolk were quoted in the commercial press

as “reviewing the opinion and considering our options.”

As knowledgeable maritime observers have noted, the problem in this case and others is how piracy is defined.

It may seem strange there should be doubt about an offense as old as this one. Piracy was the world’s first crime with universal jurisdiction, meaning that any country had the right to apprehend pirates on the high seas.

The Romans took piracy so seriously they overrode a cautious senate and gave near-dictatorial powers to an up-and-coming general named Pompey, who soon swept away piracy in the Mediterranean.

In more recent centuries, European countries such as Britain cracked down on pirates — except when busy enlisting certain ones, dubbed “privateers,” to help them fight their wars by raiding enemy ships.

Pirates even spurred the creation of the U.S. Navy, after Thomas Jefferson erupted over the cost of paying tribute to the Barbary Corsairs for safe passage of U.S. merchant ships. At the time, the United States was paying about one-tenth of the federal budget to the pirates.

Supplied with warships, President Jefferson waged war on the Barbary pirates (whence the line “to the shores of Tripoli” in the Marine Hymn). By 1815, the North African pirate kingdoms had been subdued.

When Congress dealt with piracy in a statute four years later, the crime was so easy to recognize that legislators didn’t bother to describe it, just the punishment. The 1819 statute that made piracy a capital offense (since changed to mandatory life in prison) simply deferred to “the law of nations.” That legal punt has kept American jurists scrambling ever since.

The defense lawyers, in the *Ashland* case, trawled through history books, coming to rest upon an obscure 1820 Supreme Court ruling. “We have, therefore, no hesitation in declaring that piracy, by the law of nations, is robbery upon the sea,” Justice Joseph Story wrote for the majority in *United States v. Smith*. That gave the defense lawyers their main argument: Piracy is robbery on the high seas; it isn’t merely attempted robbery at sea. Since the attack on the *Ashland* clearly failed, it wasn’t piracy, the defense argued.

But the prosecutors, too, probed early sources: 17th-century Dutch jurists, 18th-century British writers, 19th-century maritime cases, an 1800 speech by then Congressman John Marshall—later Chief Justice of the United States— and a slew of international treaties.

The prosecution leaned heavily on a 1934 ruling by Britain’s Privy Council, which pondered the case of a similarly failed attack at sea, near Hong Kong. In that case, the jury found the defendants guilty, but said its verdict was subject to the question of whether it’s really piracy if no actual robbery occurs. The court in Hong Kong said it wasn’t, and acquitted the attackers.

The Privy Council members, however, after hacking through thickets of legal technicalities, ultimately reached a different conclusion. “Actual robbery is not an essential element in the crime of piracy,” they said; “A frustrated attempt to commit piratical robbery is equally piracy.” They added, with more than a hint of exasperation: “Their Lordships are almost tempted to say that a little com-

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SUP Quarterly Finance Committee Report

SUP QUARTERLY FINANCE COMMITTEE REPORT FOR THE QUARTER ENDED JUNE 30, 2010

The Quarterly Finance Committee, duly authorized to act by the regular meeting at Headquarters on July 12, 2010, hereby submits the following report:

SUMMARY OF CASH AND INVESTMENTS

General Fund	\$668,654.02
Political Fund	\$3,638.78
Strike Fund	<u>\$1,293,730.99</u>
Total Cash and Investments 2nd Qtr. 2010	<u>\$1,966,023.79</u>

GENERAL FUND

Income:	
Dues, Initiation, Assessments	\$106,547.85
Interest	17,493.02
Donations - <i>West Coast Sailors</i>	1,581.00
Tanker & Joint Committee, Hiring Hall	124,537.17
Advertising & Promotion	235.00
Miscellaneous Income, Reimbursements, Fines	3,003.99
Reimbursed Administrative Expenses	20,824.97
Contributions - General Fund	<u>1,805.00</u>
Total Income:	<u>\$276,028.00</u>
Expenses:	
Auto & Travel	\$608.00
Accounting (audit)	4,000.00
Rent	18,707.00
Postage, Printing & Office	3,805.00
Telephone & Telegraph	4,283.92
<i>West Coast Sailors</i> Publishing Expense	8,418.29
Per Capita	12,432.50
Salaries & Payroll Taxes	175,019.32
Office Workers Pension	7,098.00
Insurance	35,624.52
Field Expense	5,325.04
Committee & Neg., Conference & Conv.	5,721.46
Investment Expense	1,221.39
Advertising & Promotion	485.00
Contributions	1,310.00
Officials Pension	2,507.64
Miscellaneous	395.06
Subscription	<u>7,504.04</u>
Total Expense:	<u>\$294,466.18</u>

BUILDING CORPORATION

Income:	
Assessments	\$2,232.00
Rents	64,776.83
Bldg. Util. & Service Reim. & R&M	<u>6,101.98</u>
Total Income:	<u>\$73,110.81</u>
Expense:	
Building Services & Utilities	\$28,772.46
Repairs & Maintenance	13,211.68
Salaries & Payroll Taxes	14,563.52
Pension	385.44
Filing & License	1,472.00
General Tax	13,126.13
Insurance	<u>4,966.90</u>
Total Expense:	<u>\$76,498.13</u>

POLITICAL FUND

Income:	
Contributions	\$3,747.00
Interest	<u>0.00</u>
Total Income	<u>\$3,747.00</u>

Expense:	
Contributions	<u>\$7,250.00</u>
Office Expense	<u>(25.00)</u>
Total Expense:	<u>\$7,225.00</u>

Net Income 2nd Qtr. \$(25,303.50)

1st Qtr: \$42,681.04
YTD: \$17,377.54

/s/ Robert Copeland	/s/ Romaine Dudley
/s/ Diane Ferrari	/s/ Frank Portanier
/s/ Kaj E.Kristensen	

*ACTION BY THE MEMBERSHIP August 9, 2010. M/S/C—That we concur in the report of the SUP Quarterly Finance Committee and, as per past practice, publish in the **West Coast Sailors**. Carried unanimously.*

Labor Day festivities at Sailors’ Union ports

Seattle: The Martin Luther King, Jr. Labor Council’s Labor Day Celebration will be held on Monday, September 6, from 11:00 A.M. to 4:00 P.M. at Lower Woodland Park (N. 50th Street & Woodland Park Ave. N.). The event is free (food and soft drinks, etc.) with many activities for the kids. Live music by The Fabulous Boomers with special guests Mariachi Grullence from Jalisco, Mexico.

Oakland: The Alameda Labor Council will hold its Labor Day event on Monday, September 7, from 3:00 P.M. to 6:00 P.M. at the Martin Luther King, Jr. Shoreline Park, 2750 Doolittle Drive near the Oakland Airport. Tickets are \$20, which includes BBQ and soft drinks by the Firefighters. Featured speakers include California Attorney General and candidate for Governor Jerry Brown, Congresswoman Barbara Lee and Congressman Jerry McNerney. There will be a free shuttle from the Coliseum BART Station to the parking every half hour beginning at 2:30 P.M.

San Francisco: The San Francisco Labor Council is hosting its annual pre-Labor Day breakfast on Friday, September 3, at the Holiday Inn on Van Ness Ave., at 8:00 A.M. The featured speaker is Jerry Brown.

Wilmington: The 31st LA/Long Beach Labor Day Solidarity March will be held on Monday, September 6. SUP members will muster at 8:00 A.M. on Broad and E Street in Wilmington. The San Pedro High School and Long Beach High School drum troupes will march with approximately 40 Unions to Ban-

ning Park. Featured speakers include Maria Elena Durazo, Executive Secretary-Treasurer of the Los Angeles County Federation of Labor, and Dolores Huerta, a founder of the United Farm Workers. The SUP will have a booth where folks can beat the heat. At 3:00 P.M., SUP and MFOW members, families and friends will gather for a BBQ at the Union hall.

Honolulu: A Labor Unity Picnic organized by the Hawaii Building & Construction Trades Council and affiliates will be held on Sunday, September 5, from 4:00 P.M. to 9:30 P.M. at the Waikiki Shell which is in Kapiolani Park.

Aussie is the new ITF president

Paddy Crumlin, National Secretary of the MUA (Maritime Union of Australia) has just been elected President of the ITF (International Transport Workers’ Federation) at the global union federation’s world congress in Mexico City on August 12.

The ITF represents over 4.6 million members of 760 trade Unions worldwide and its president is tasked with helping hold the organization to account between these congresses, which set its policy for the next four years. Crumlin is the 22nd person to take on the post.

Speaking from Mexico, Crumlin said: “I’m excited to be able to take on this new role and play my part in moving the work of the ITF, its hundreds of affiliated Unions and their millions of members forward through the implementation of a comprehensive organizing program

Final Departures

Oliver Jacobson, Book No. 4286. Born in California in 1925. Joined SUP in 1946. Died in Seattle, Washington, July 2, 2010. (Pensioner)

Pete Herrera, Book No. 5585. Born in Ecuador in 1918. Joined SUP in 1948. Died July 15, 2010. (Pensioner)

Steven Thompson, Membership No. 19063. Born in Washington in 1967. Joined SUP in 2005. Died in Gresham, Oregon, July 16, 2010.

Alfred Brown, Book No. 5332. Born in California in 1925. Joined SUP in 1943. Died in Santa Rosa, California, July 17, 2010. (Pensioner)

Raymond Martinez, Book No. 6500. Born in New York in 1948. Joined SUP in 1972. Died in California, July 30, 2010. (Pensioner)

Pedro Guerrero, Membership No. 19088. Born in Honduras in 1952. Joined SUP in 2001. Died in Los Angeles, California, July 13, 2010.

West Coast Sailors

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(415) 764-4987

SUP Meetings

These are the dates for the regularly scheduled SUP meetings in 2010:

	Hdq.	Branch
September	13	20
October	Tues. 12	18
November	8	15
December	13	20

Obama: “Made in America” at heart of economic recovery

President Obama on August 4, told the AFL-CIO Executive Council, “We are going to keep fighting for an economy that works for everybody, not just a privileged few.” He also said that with the help of working families and their unions, we are going to rebuild our economy stronger than before, and at the heart of it will be three simple words: made in America.

Speaking at the Washington, D.C. Convention Center, the president told the council that this fall’s election is a choice between “policies that encourage job creation here in America or encourage jobs to go elsewhere...The choice is whether we want to go forward or we want to go backwards to the same policies that got us into this mess in the first place.”

He spoke about the need to invest in clean technology, like solar panels, wind turbines, nuclear plants, clean coal and new car batteries. “Instead of giving tax breaks to corporations that want to ship jobs overseas, we want to give tax breaks to companies that are investing right here in the United States of America.”

Responding to a question from AFL-CIO President Richard Trumka, Obama said “We are going to keep fighting for the Employee Free Choice Act.” Recalling Franklin D. Roosevelt’s comment that if he were a factory worker, he’d join a Union, Obama said: “Well, I tell you what. I think that’s true for workers generally. I think if I was a coal miner, I’d want a Union representing me to make sure that I was safe and you did not have some of the tragedies that we’ve been seeing in the coal industry. If I was a teacher, I’d want a Union to make sure that the teachers’ perspective was represented as we think about shaping an education system for our future.”

West Coast container volume rises 15%

Container volume at West Coast ports increased 15% in the first six months of 2010 compared to the same period in 2009, according to statistics published on the website of the Pacific Maritime Association. The numbers reflects all loaded containers, both inbound and outbound. Containerized imports on the West Coast increased 17% while exports were up 11%.

In Los Angeles/Long Beach, the total container volume increased 16% compared to the first six months of 2009. Loaded inbound containers were up 15% and loaded outbound containers increased 18%.

Oakland reported an increase of 9% in total container volume. Imports were up 17% and exports increased 3%.

Portland was the only West Coast port to report a drop in total container volume. Portland’s total container volume declined 17%. Imports increased 4% but exports were down 33%.

Total container volume in Seattle/Tacoma was up 16% with imports increasing 31% and exports up 2%.

Economy continues to sputter as unemployment remains high

The U.S. economy shed more jobs than expected in July while the unemployment rate held steady at 9.5%, a further sign the economic recovery may be losing momentum.

Nonfarm payrolls fell by 131,000 last month as the rise in private-sector employment was not enough to make up for the government jobs lost, the U.S. Labor Department said on August 6. Only 71,000 private-sector jobs were added last month while 143,000 temporary workers on the 2010 census were let go.

The June data was revised down significantly. Payrolls fell 221,000 that month, more than the 125,000 drop previously reported, as only 31,000 jobs were added in the private sector.

Taking into account revisions to prior months this year, the U.S. economy added an average of less than 100,000 jobs a month in the first seven months, a level that’s not strong enough to bring unemployment down. The jobless rate, which is calculated using a separate household survey, held steady at 9.5% in July. Economists were expecting it to edge higher to 9.6%.

After the worst recession in decades, the recovery that began in July 2009, has recently been losing momentum, but it’s hard to say if it’s just a temporary slowdown or if the economy could start to contract again. The Federal Reserve may consider taking steps to support the economy when officials meet next Tuesday. Some worry that with unemployment still so high and consumer prices recently dropping, the U.S. economy runs the risk of falling into a Japan-like deflationary trap of very slow growth and falling prices.

The Labor Department report showed that manufacturing jobs continued to trend up, rising by 36,000 after a 13,000 increase in June. Motor vehicles and parts had fewer seasonal layoffs than normal in July, the Labor Department said. Construction, a sector of the economy that is still suffering, lost 11,000 jobs in July.

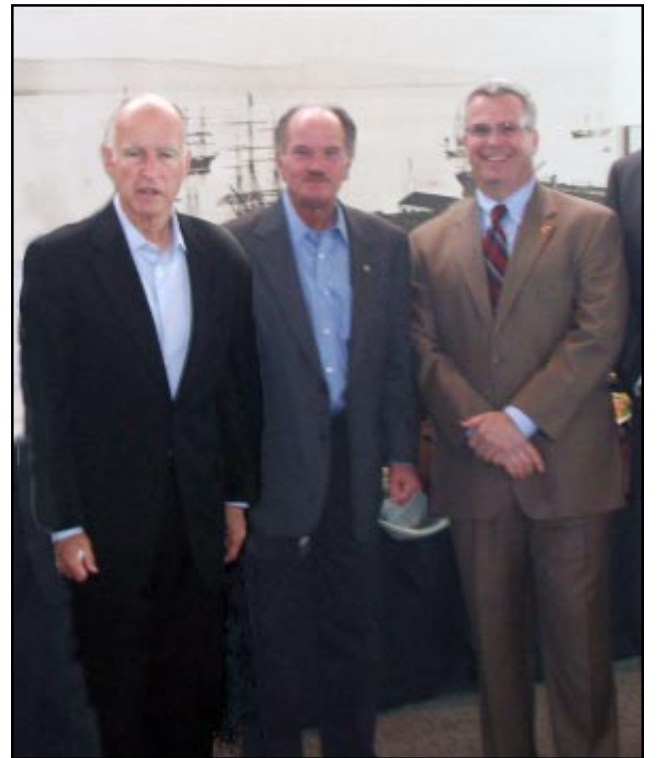
Total government employment fell by 202,000 last month, hurt by the laying off of the census workers and by 48,000 jobs lost in state and local governments, which have significant budget strains.

In a sign of the labor market’s continued weakness, the report showed that 45% of unemployed Americans, or 6.6 million people, were out of work for more than six months in July. The longer someone is without a job, the harder it is to find work. With time, people lose skills, and employers are often loathe to hire someone who hasn’t been working for long periods.

In a slightly positive sign, the average workweek edged higher to 34.2 hours in July from 34.1 the previous month.

Brown talks maritime

On August 16, the San Francisco Bar Pilots hosted a meeting with California Attorney General and labor’s endorsed candidate for governor, Jerry Brown. In attendance were representatives from the SUP, MFOW, SIU-A&G, MM&P, MEBA, the Pilots, APL and Horizon Lines. Brown was well versed on maritime issues and answered all questions thrown to him by the participants. Pictured are Brown, SUP President Gunnar Lundeborg and San Francisco Bar Pilots Port Agent, Captain Peter McIsaac.



NOL back to black on volume high

A revival in containership demand has boosted Neptune Orient Lines’s container volumes to a historical high and brought its bank balance back into the black, with the Singapore-listed line posting a profit of \$100 million in the second quarter. But despite this positive figure, the sum is swallowed up almost entirely by the \$98 million loss the container shipping and logistics company recorded in the first quarter, bringing first half profit in at break-even levels.

Chief executive Ron Widdows is confident that third quarter profits are set to be even stronger but admitted there were doubts on the horizon regarding prospects for 2011. “There is still some haziness in terms of forecasts from customers on their idea of what demand for their products will be,” he told a financial results briefing this month.

But NOL’s containership arm APL’s position as the world’s fifth largest line, with 598,134 teu or 4.1 % of global capacity according to Alplialiner, and the quality of its services had pushed vessel utilization up to an average 94% in the second quarter, the highest level since the start of 2008. “Our capacity has increased over the last couple of years, and the return of demand in the market place globally has not only seen volumes rise to pre-crisis levels but to historically high levels,” Widdows said. “The return of demand did come as a surprise to shippers.”

Second quarter revenues of \$2.1 billion, up 53% from the \$1.4 billion recorded in the same period 2009, lifted total first half revenue to \$4.2 billion, with container line APL generating 86% of this income, compared to 14% from APL Logistics.

Its Asia and Middle East services showed the biggest volume growth in the first half, climbing 47% to 543,000 FEU, compared to 369,000 FEU in the same period of 2009. This Intra-Asia trade lane now accounts for 40% of its business, with demand appearing “very robust”, APL president Eng Aik Meng said. “However, in comparison to average revenue generated on its other trade routes, intra-Asia business showed a less significant growth of just 10% to \$1,555 per FEU, up from \$1,408 per FEU in the first half of 2009. This was down to competitors reintroducing a large volume of capacity in the same trade lanes,” Eng added.

TransPacific box volumes also recorded a healthy gain of 45% in the first half, with APL carrying 437,000 FEU between January and June, up from 302,000 FEU in the same period of last year, due to improvement in global trade and restocking taking place.

But revenue per container in the Americas market climbed just 1% in the same period to \$3,534 per FEU, as income had been based on one year contracts set in 2009 when freight rates were significantly down. Although renegotiations had taken place in June, they had not had any impact on the second quarter bank balance.

In contrast, revenues generated by European trade, on both Asia-Europe and transatlantic lanes, were boosted by 51% in the first half to \$3,073 per FEU compared to the same period of 2009, despite volumes only rising 23% to 273,000 FEUs.

“We see nothing on the horizon that would interrupt our current performance,” in the third quarter he said, but was unsure if the strong rate of growth could continue. “Although encouraged by this recovery we remain cautious of buoyancy and sustainability of growth,” End said. Despite this cautious approach NOL brushed off any doubts in the market about box shortages and other lines not being able to implement peak season surcharges. “At the moment we have no idle ships - they are all fully utilized and we don’t intend to pull back on that. In the fourth quarter we intend to run the schedule as it is now unless there is a dramatic slowdown in demand,” Eng said. He added that APL had “very successfully” implemented its peak season surcharge on its transpacific trade lane, and that after ordering boxes at the end of last year the company also had enough capacity to manage the rest of its targeted business for the year. Eng confirmed that slow steaming would continue across APL’s entire fleet in a bid to cut costs, lower emissions and keep its entire fleet employed.

Chief Financial Officer Cedric Foo said that NOL had no other plans in the pipeline to order more newbuilding vessels, following its announcement in July that it had contracted 10 boxships of 8,400 TEU due for delivery in 2013 and 2014, and with a letter of intent for two additional 10,700 TEU vessels.

SUP Honor Roll

Voluntary contributions from the membership to the following funds:

Organization/
General Fund

Brendan Bohannon 150.00

Thomas Hooke..... 25.00

John Mannon 30.00

Donald Mason 5.00

Vince O’Halloran 50.00

Ricky Pangan 50.00

Charles Rafael 100.00

Roger Tupas 20.00

Political Fund

Emo Aulelaua 20.00

Brendan Bohannon 100.00

David Connolly 100.00

Colin Dewey 100.00

John Drolla 50.00

Adric Durling 50.00

Joe Eckert 20.00

P. Tattoo Gardiner in memory
of Tommy Vail \$50.00

JanPeter Johnsson 80.00

Gunnar Lundeberg 50.00

Dave Mercer 50.00

Steve Meyer 60.00

Daniel Moran 200.00

Vince O’Halloran 100.00

Charles Rafael 100.00

Ralph Senter 100.00

Vincent Sullivan 100.00

Ray Tauai 20.00

Morris Thibodeaux 100.00

Bernardo Yambano 10.00

West Coast
Sailors

Archie Bickford 25.00

Brendan Bohannon 100.00

Edward Ching 25.00

Franklin Haugen 25.00

Shermaih Iaea 50.00

ILWU Local 8 25.00

Armando Martinez 25.00

Brian McCarthy 50.00

Al Rossi, II in memory
of Steve Thompson 100.00

Vincent Sullivan 50.00

Joseph Valverde 25.00

Richard Walsh 20.00

Dues-Paying
Pensioners

Gordon Abbott Book #3785

Robert Copeland Book #4763

Romaine Dudley Book #2593

Alexander Earle Book #1885

Duane Hewitt Book #5748

Knud Jensen Book #3940

John Jewett Book #4291

Kaj E. Kristensen Book #3120

Eli Lalich Book #4062

Stanley Lane Book #4106

James K. Larsen Book #4055

Volkert Lolie Book #4097

Duane Nash Book #2437


John Perez Book #3810

Alex Romo Book #3193

Francisco Salvatierra Book #7498

James Savage Book #7488

Ralph Senter Book #7323



Maersk Line pays \$3.1 million fine to U.S. for breaching embargos

Danish shipping company A.P. Moeller-Maersk has paid a \$3.1 million fine to the United States for having violated its embargo on Iran and Sudan.

U.S. authorities sued the Danish group’s shipping branch Maersk Line for having used ships registered in the United States to carry commercial cargo to Sudan and Iran between January 2003 and October 2007, thus breaching Washington’s embargo on the two countries. According to the ruling by the U.S. Treasury’s Office of Foreign Asset Control (OFAC), the company provided 4,714 shipments of cargo originating, in or bound for, Sudan and Iran in that period.

The shipping company had risked fines of more than \$60 million for the violations, according to the OFAC. The company negotiated to pay a smaller amount to avoid litigation.

Cargo that was either imported or exported in Iran was at some point placed on an American-flagged ship belonging to Maersk.

For shipments brought to Sudan, Maersk had a waiver from the U.S. government to deliver U.S. Food Aid into Sudan so the U.S.-flagged ship was in Port Sudan to deliver humanitarian aid. However, the booking systems did not identify cargo that was coming on and off the ship and which could be in violation of the embargo.

The U.S. government imposed a trade embargo on Sudan in 1997 due to human rights violations linked to the civil war between the north and south of the African country, and also because of the regime’s alleged support of international terrorist groups.

The trade embargo against Iran meanwhile came during the Ronald Reagan administration in 1987 after initial sanctions against the nascent Islamic republic in 1979 had already been tightened in 1984.

Maersk reports that the shipments in question contained only commercial cargo.

Ship lost for more than 150 years is found

Canadian archaeologists have found a British ship abandoned more than 150 years ago in the quest for the fabled Northwest Passage and which was lost in the search for the doomed expedition of Sir John Franklin.

The *HMS Investigator*, abandoned in the ice in 1853, was found in shallow water in Mercy Bay along the northern coast of Banks Island in Canada’s western Arctic.

The *Investigator* was one of many American and British ships sent out to search for the *HMS Erebus* and the *Terror*, vessels commanded by Franklin in his ill-fated search for the Northwest Passage in 1845.

Jones Act continued from page 1

From day one of the oil spill, foreign vessels were allowed by law to be engaged by BP to clean up the spill offshore, where the spill originates. No waiver of the Jones Act was needed for this work because the Jones Act does not apply to it.

The recovery of spilled oil within three miles from shore, including transporting and unloading it in a U.S. port, is covered by the Jones Act. But, a 1996 law, now codified as 46 U.S. Code 55113, allows foreign vessels to be used for these purposes if the Federal On-Scene Coordinator (FOSC) determines that there are not an adequate number of U.S. oil spill response vessels available in a timely manner to clean up a spill, and if the foreign country in which the foreign vessel is registered provides reciprocal treatment for U.S. oil spill response vessels. For the oil spill, the Coast Guard FOSC made such a determination on June 16, 2010. The reciprocal treatment requirement may be waived under a separate, fast-acting, Jones Act administrative waiver process authorized by 46 U.S. Code 501.

On June 29, 2010, the State Department announced that 22 offers of assistance from 12 foreign countries or entities to provide skimmers, booms, and equipment were being accepted. Before that date, assistance from nine countries had already been accepted, including skimmers. The National Incident Command continues to review, and in some cases test, offered foreign skimming systems and vessels for their capability to remove the spilled oil from the Gulf of Mexico (e.g., the A WHALE). A foreign skimmer may be rejected because it can’t do the job, but it won’t be rejected because of the Jones Act. Additionally, Jones Act waivers have been granted to several of the vessels involved in collecting oil from the Deepwater Horizon well.

The U.S. maritime industry has publicly stated that it will not stand in the way of the use of well-established waiver procedures to address this crisis. Now retired Coast Guard Admiral Thad Allen, the National Incident Commander for the Deepwater Horizon oil spill, stated on June 30, 2010 that: “We at no time in the course of this response have been inhibited by anything have to do with what we call [the] Jones Act or Jones Act waivers.” While some may want to criticize the response to the oil spill for a variety of reasons, anyone claiming that the Jones Act, the U.S. maritime industry, or U.S. maritime labor has impeded or prevented the use of foreign skimmers or other foreign vessels needed to clean up the spill is clearly wrong.

Why not just waive the Jones Act for the oil spill response, similar to what was done after Hurricane Katrina? The brief post-Hurricane Katrina administrative waiver applied only to tank vessels because the storm knocked out the Colonial Pipeline, creating a temporary need for tankers that exceeded American capacity. While foreign skimmer vessels are needed for the spill response, they are already allowed to participate without the need for an additional broad waiver. While thousands of vessels, including more than 500 skimmers, are currently participating in the oil spill response (the vast majority of which are American), hundreds of American offshore supply vessels, fishing vessels, and other types of vessels remain idled in the Gulf of Mexico due to the deepwater drilling moratorium and closed fishing areas due to the spill. The current waiver process is working. Enacting a blanket Jones Act waiver for foreign vessels during the spill response would not bring in any more foreign skimmers than are already allowed in, it would only take work away from American vessels and workers in the Gulf of Mexico.

What is the Jones Act? Senator Wesley Jones (R-Washington) was the author of Section 27 of the Merchant Marine Act, 1920, which requires that transportation of merchandise between points in the United States be conducted on U.S.-built, U.S.-flag vessels. There are actually several other U.S. cabotage laws, including ones that govern the carriage of passengers, dredging, towing, and salvage, all of which are now codified in title 46, United States Code. However their origins reach back to the First Congress’s Second Act, which instituted a preference for U.S.-flag vessels carrying cargo into U.S. ports. The Founding Fathers understood, as many U.S. leaders have understood since, that America needs a strong merchant fleet to ensure both its economic and national security. Today, Jones Act vessels compete head to head with each other nationwide and with other U.S. modes of transportation in many parts of the country.

Why is the Jones Act good policy? The U.S. Merchant Marine, of which the Jones Act fleet is a vital part, is recognized as “The Fourth Arm of National Defense.” A strong merchant marine and Jones Act fleet ensure the United States 1) has world-class vessels to meet seallift needs; 2) has expert and experienced seafarers to man the U.S. government’s organic surge seallift ships in times of national emergency; 3) has a modern shipyard industrial base that is critical to the nation’s military and economic security; and 4) makes intermodal transportation systems available for defense use through the Voluntary Intermodal Seallift Agreement (VISA). Another benefit of U.S. maritime cabotage laws is safety. U.S.-flag vessels are built and operated to the world’s highest safety and environmental standards. Many other countries maintain some form of maritime cabotage laws. The outdated studies quoted by Jones Act opponents as justifications for repeal were long ago refuted by the U.S. Government Accountability Office. U.S. maritime cabotage laws help sustain more than 500,000 American jobs (both union and non-union), many of which are in the Gulf, and \$1 billion in economic activity annually, including shipbuilding and repair, vessel operations, and supporting activities. The current and previous four Presidents of the United States have all spoken in favor of maintaining the Jones Act, as have a number of military leaders.

As a resident of the Gulf Coast, I know first-hand the impact of the oil spill and the urgent need to collect the spilled oil before it causes additional damage to the environment and people’s livelihoods. While I am a strong supporter of the Jones Act, I understand that some of you don’t share that support. While those who don’t are certainly entitled to their policy views, those views are undercut when their advocates attempt to support them with incorrect statements and false accusations.

The Jones Act is not the problem; the oil spill is the problem. Let’s focus on fixing that.

Respectfully,
Congressman Gene Taylor

Suez Canal authority begins crackdown on shipboard weapons

The Suez Canal Authority's decision, last month, to no longer allow commercial vessels with onboard firearms to transit the strategic waterway, is causing severe complications for some shipowners and operators trying to protect crews, cargo and assets from Somali pirates.

Maersk Line Ltd. learned about the new policy by surprise when one of its ships was prevented from entering the Suez Canal until it surrendered its supply of weapons to Egyptian authorities.

Company officials were told that Egypt has begun enforcing a weapons prohibition that has always been on the books. Once the weapons are handed over, Egyptian authorities drive them to the other end of the canal and return them to the ship's crew.

The shipping line had repeatedly gone through the zone in similar fashion for the past year with no complications, always disclosing to shipping agents and the customs ministry what weapons were locked up on board by the master, said Tom Rothrauff, President of Trident Group. Trident is a Norfolk-based maritime security firm comprised of former Special Forces personnel under contract to Maersk Line Ltd. to defend eight of its ships on the Indian Ocean trade lanes.

The Egyptian crackdown in creating an eight- to 10-hour delay for vessels because they must wait for Egyptian officials to show up and take possession of the weapons. Carmel said that would begin to take a toll on vessel schedules as delays cascade through service utilizing the Suez Canal.

The more serious impact is that Maersk Line Ltd. and other U.S.-flag carriers carrying food aid for African nations or U.S. military cargo via the Red Sea route to Iraq and Afghanistan are technically in violation of export licenses obtained for weapons, the shipping executive said. Placing weapons aboard a cargo vessel departing the United States is considered an "export" of weapons under the State Department's interpretation of the International Traffic in Arms regulations, even if the weapons are intended as a permanent part of the ship's equipment and the weapons are intended to be brought back to the country when the vessel returns. The specific licenses for carriers require the weapons to remain on the ship at all times. Carriers can be subject to fines or have their licenses revoked for violations.

Meanwhile, another country has followed in Egypt's footsteps. Abu Dhabi recently informed carriers that it plans to confiscate weapons on commercial vessels in its territorial waters, potentially leading to delays of up to six hours as vessels wait outside Port Mina Zayed

for a patrol boat to pick up the weapons before entering, and then return them upon departure.

"You can see if this practice spreads, and everybody starts doing this, we've just added days to the voyage of one string," the Maersk Line executive said.

The State Department, which is responsible for controlling the export of defense-related items, has been helpful trying to find a way around the legal jeopardy presented by the Egyptian decision. It recently informed flag license-holders and carriers that they will be able to reapply for new export licenses, which will include language permitting the temporary removal of weapons under special circumstances.

Many shipping industry officials oppose arming their crews or hiring armed private security guards out of fear that weapons could escalate an avoidable confrontation and jeopardize their vessel, lead to an accidental shooting or increase their liability for possible deaths or injuries. Other concerns expressed last year include a lack of standards of conduct, restrictions on arms aboard merchant vessels entering many foreign ports, unclear rules on the use of force and design constraints of vessels to carry additional personnel.

They prefer using non-lethal defenses such as maintaining high speeds, evasive maneuvers, constant lookouts, water hoses and other methods for deterring and escaping pirates. The shipping industry, seafarer Unions and some lawmakers urged the executive branch to place military security teams on the small number of U.S.-flag vessels that transit high-risk waters. The Pentagon instead has maintained its policy of only embarking expeditionary forces under contract to Military Sealift Command for longer than six months.

Shipping executives also requested at congressional hearings last year that the government remove domestic and international legal obstacles that hinder ship owners from arming their vessels. They raised particular concern about the State Department regulations governing arms exports.

Representative Gene Taylor (D-Mississippi), at the time called on the Maritime Administration to take responsibility for clarifying the rules pertaining to firearms onboard commercial vessels so that private companies know how to legally defend their crews and vessels. The effort should include how to streamline the process for firearm export licenses, examining whether changes to U.S. law are required, and reaching agreements with nations in which U.S.-flag vessels call to iron out conditions for carrying firearms, such as locking up weapons, while in port.

California governor kills farmworker overtime bill

California Governor Arnold Schwarzenegger vetoed a bill on July 28 that would have made California's hourly agricultural employees the only farmworkers in the nation to receive overtime pay after 40 hours a week or eight hours a day.

In vetoing the measure, Schwarzenegger cited the fragile economy and said that extending overtime protections could put farms out of business, or result in lower paychecks for agricultural workers because farmers would hire more people and cut hours to avoid paying overtime.

The bill's author, State Senator Dean Florez (D-Shafter/Kern County), blasted the veto. In a statement released by his office, Florez said the Republican governor sided "with a labor practice derived from the segregationist South," and that the veto means it is "acceptable to treat one class of people differently from all others."

"The governor had a chance to make history," said Florez, the son of farmworkers. "He had a chance to wipe a 70-year-old shame off the books of California. Instead, he has decided to side with the shameful."

Schwarzenegger, however, wrote in his veto message that agricultural work is different from other industries and noted that federal law exempts farmworkers from overtime altogether. The governor also wrote that he has signed other legislation that helped farmworkers,

including a bill that increased the minimum wage, and noted that he worked with Florez to enact groundbreaking heat stress regulations.

"Unfortunately, this measure, while well-intended, will not improve the lives of California's agricultural workers and instead will result in additional burdens on California businesses, increased unemployment and lower wages," Schwarzenegger wrote.

The bill, approved by lawmakers on largely party-line votes, would have represented a fundamental shift in the way the state's estimated 700,000 agricultural workers are treated under the law. In addition to the overtime protections, S.B.1121 would have given the men and women who work in California's roughly 25 million acres of farmland the right to take one day off every seven.

Currently, farmworkers are only eligible for overtime pay after 60 hours a week or 10 hours a day; they have been exempt from labor protections enjoyed by millions of other California workers since 1941. Farmers opposed the bill, saying it isn't fair to compare field workers to workers in other industries. They noted that farm laborers often put in long hours in the summer but are hard-pressed to get work during the winter months.

Farmworkers in California average \$10.25 an hour, according to the nonprofit advocacy group Farmworker Justice.

Report shows Social Security Is strong for the long term

Despite the nation's overall economic problems, Social Security is still in long-term strong shape, according to the most recent report by the Social Security Board of Trustees. The trustees project that after 2037, tax revenue will be sufficient to pay 78% of full benefits. The projected funding shortfall over 75 years is actually lower than in last year's report.

Also, a report by Medicare's Board of Trustees shows that the recently enacted health care reform law will significantly slow Medicare cost growth, thereby extending the life of Medicare's trust fund for 12 years, reducing Part B premiums and reducing the federal deficit.

Social Security's \$2.5 trillion trust fund will continue to grow for another 14 years and Social Security will pay out full benefits from its own dedicated resources for another 27 years, according to the report.

"The reports are a needed comeuppance to right-wing, ideological opponents of Social Security and Medicare who, year after year, twist the facts to undermine public confidence in these essential programs, hoping that this will lessen public resistance to their wildly unpopular agenda of benefit cuts, privatization, and vouchers," said AFL-CIO President Richard Trumka.

The report is not likely to slow what Nancy Altman and Eric Kingston, co-chairs of the coalition Strengthen Social Security...Don't Cut It, call the growing drumbeat that has "convinced much of the political and media elite that Social Security is in crisis, unaffordable, out of date, and should be changed fundamentally—or at the very least, cut back for those not yet retired."

The federal budget deficit commission, by all accounts, is considering benefits cuts, including raising the retirement age, even though as the AFL-CIO told a House Ways and Means Committee hearing last month, Social Security "is not a principal contributor to deficits in the short or the long term."

Electrical Workers (IBEW) President Edwin Hill wrote in a *Huffington Post* column, this month, that along with anti-Social Security politicians like House Minority Leader John Boehner (R-Ohio), Wall Street also is singing in the benefit-cut chorus. "Former Lehman Brothers chief executive Peter Peterson is launching a multi-million dollar campaign to convince voters that without immediate cutbacks to Social Security benefits, our country faces imminent financial collapse." In addition, Hill wrote that "a swath of new Tea Party-inspired" GOP candidates have "gone on record in support of privatizing Social Security, including Senate candidates Sharron Angle in Nevada and Rand Paul in Kentucky have dodged the question about whether or not the GOP will try to privatize Social Security if it takes over Congress in November."

Altman says politicians "should stop scaring the American people. Social Security is strong and should be strengthened, not cut. The reality is the biggest threat to Social Security is the politicians in Washington who continue to play politics with this issue."

Huge ice island splits from Greenland

An island of ice more than four times the size of Manhattan is drifting across the Arctic Ocean after breaking off from a glacier in Greenland, potentially threatening shipping lanes and oil platforms. The iceberg is moving toward the Nares Strait, which separates the northwestern coast of Greenland and Ellesmere Island of Canada.

If it makes it into the strait before the winter freeze, the iceberg will probably be carried south by ocean currents, hugging Canada's eastern coast until it enters waters busy with oil and shipping activities off Newfoundland.

"That's where it starts to become dangerous," said Mark Drinkwater of the European Space Agency.

Scientists say this ice island is the biggest in the Northern hemisphere since 1962.

ESU Office
Assignments

For the month of September,
John Straley will be in the
Seabrook office.

ESU NEWS

AUGUST 2010

Official Publication of the Exxon Seamen's Union

ExxonMobil second quarter 2010 results

ExxonMobil posted solid second quarter results despite the uncertainty in the global market place and lagging commodity prices, second quarter net income climbed by \$3.6 billion in the face of higher crude-oil prices, rising production and a slight drop in capital spending, while conditions in the refining business improved.

Exxon Mobil said its profit for the three months ended June 30 increased by 91% to \$7.56 billion, or \$1.60 a share, from \$3.95 billion, or 81 cents a share, in the year-2009 second quarter period.

In a news release on earnings, ExxonMobil's chairman Rex W. Tillerson commented in part. "ExxonMobil's focus on operational excellence continues to deliver strong results.

First half earnings, excluding special items of \$13.9 billion increased by 60% over the first half of 2009 also oil-equivalent production increased by 8% over the second quarter of 2009 driven by contributions from our world-class assets in Qatar.

We continued our focus on investing for the future with capital and exploration spending of \$13.4 billion year to date, up 9% from the first half of last year. Over \$3 billion was returned to shareholders in the second quarter through dividends and share purchases to reduce shares outstanding.

The Corporation's second quarter 2010 earnings and production volumes included de minimis amounts for the period from June 25 to June 30 resulting from the merger with XTO Energy Inc. which closed on June 25, 2010."

The Board of Directors of Exxon Mobil Corporation also declared the quarterly dividend to remain at 44 cents per share on the Common Stock, payable on September 10, 2010, to shareholders on record of Common Stock at the close of business on August 13, 2010.

Maritime job outlook: deep sea shipping remains stable

The following information was published at the Bureau of Labor Statistics website that provides an occupational outlook for 2010-11. Employment in water transportation occupations is projected to grow faster than average. Excellent job opportunities are expected as demand for people working in the shipping industry particularly officers, is expected to be greater than the number of people wishing to enter these occupations.

Employment in water transportation occupations is projected to grow 15% over the 2008-2018, faster than the average for all occupations. Job growth will stem from increasing tourism and growth in offshore oil and gas production. Employment will also rise in and around major port cities due to increasing international trade.

Employment in deep-sea shipping for American mariners is expected remain stable. A fleet of deep-sea U.S.-flagged ships is considered vital to the Nation's defense, so some receive Federal support through a maritime security subsidy and other provisions in laws that limit certain Federal cargoes to ships that fly the U.S. flag.

Employment growth also is expected in passenger cruise ships within U.S. waters. Vessels that operate between U.S. ports are required by law to be U.S.-flagged vessels. The staffing needs for several new U.S. flagged cruise ships that will travel to the Hawaiian Islands will create new opportunities for employment. In addition, a small, but growing interest in using ferries to handle commuter traffic around major metropolitan areas should create some opportunities.

Wage rates increase September 1

In accordance with the provisions of our current Collective Bargaining Agreement (CBA) an increase in Base wages, CSB (Continuous Service Bonus), SSHOT (Saturday, Sunday, Holiday overtime) and overtime rates for all ratings will become effective beginning with the pay period that starts September 1, 2010. The Agreement, negotiated between the Exxon Seamen's Union and SeaRiver Maritime, Incorporated and ratified by the ESU membership is in effect from September 1, 2008 through August 31, 2011.

In this, the third and final year of the Agreement all rates of pay except Penalty rates will increase by 3.75%. A complete and comprehensive compilation of all wage tables can be found in Article XVII (pages 66-74) of the CBA. Below are excerpts of wage tables from the Agreement that reflect the increase for the year 2010.

The monthly wage schedule, including additional compensation for years of continuous service (CSB), shall be as follows:

RATING	Total Monthly Wages - Base+CSB — Effective 9/1/2010									
	START	1	2	3	5	10	15	20	25	30
Pumpman	4381	4655	4838	4875	4971	5155	5200	5241	5288	5333
MM/2nd Pumpman	4135	4391	4565	4600	4689	4858	4902	4946	4991	5038
QMED-Oiler	3612	3837	3996	4028	4106	4265	4304	4341	4377	4416
Maint. Man/AB	3105	3299	3427	3453	3516	3640	3672	3705	3738	3772
Able Seaman 1	3116	3314	3443	3473	3544	3676	3710	3743	3775	3807
Able Seaman	2754	2924	3046	3068	3128	3249	3276	3307	3334	3365
Maint. Seaman	2492	2648	2756	2785	2841	2958	2983	3011	3040	3070
Fleet Chef	4127	4373	4537	4569	4657	4818	4859	4903	4941	4982
Cook	3084	3269	3391	3416	3480	3605	3636	3666	3696	3728

MONTHLY SUM FOR SATURDAY, SUNDAY, AND HOLIDAYS (SSHOT)

For work performed during regular scheduled hours on Saturday, Sunday and holidays, the following sums will be paid during each month of the year:

RATING	Eff. Sept. 1	Hourly
Pumpman	1196	5.01
MM/2nd PM	1127	4.72
QMED-Oiler	1064	4.45
Maint. Man/AB	908	3.80
Able Seaman 1	855	3.57
Able Seaman	809	3.40
Maint. Seaman	702	2.95
Fleet Chef	1118	4.67
Cook	836	3.51

OVERTIME AND PENALTY PAYMENTS

Effective September 1, 2010, hourly overtime and penalty rates of pay, as provided for within the Agreement, shall be as follows:

RATING	OT	PT
Pumpman	28.27	7.92
MM/2nd PM	26.67	7.47
QMED-Oiler	25.19	7.63
Maint. Man/AB	21.54	7.32
Able Seaman 1	20.26	7.76
Able Seaman	19.09	7.32
Maint. Seaman	16.58	5.70
Fleet Chef	26.47	7.47
Cook	19.84	7.32

THE TANK CLEANING OFF-WATCH RATES

Effective Sept. 1, 2009	
Entry Ratings	19.47
AB and other ratings	24.13
If tank or bilge is not entered:	
QMED, PM	24.13
If tank or bilge is entered:	
QMED	28.35
PM	31.86

No job is too big!



Longtime ESU member and veteran AB Ed Stoekel, eyeballing the SR American Progress port anchor for some chipping and painting.

ESU News

American Progress completes shipyard

As we all know, the *S/R American Progress* has been in Singapore for approximately the last 40 days for a required major shipyard period. A lot of planning and work went into this yard period not only to get the vessel to look good with a new paint job, but a lot of betterments to give the vessel and its crew the capabilities to deal with some future regulatory issues, that will be affecting the ANS traders, amongst



American Progress in dry dock showing a shiny new paint job She was in drydock for approximately 40 days.

the issues is the new regulations coming from the IMO with amendments to the MARPOL Annex VI (regulations to reduce harmful emissions from ships).

Originally called Sulphur Emission Control Areas (SECAs) by the IMO, but recently the Environmental Protection Agency (EPA) has submitted and been accepted by the IMO a proposal to designate waters off the North American coasts as an Emission Control Area (ECA).

The area of the North American ECA includes waters adjacent to the Pacific coast, the Atlantic/Gulf coast and the eight main Hawaiian Islands. It extends up to 200 nautical miles from coasts of the United States, Canada and the French territories, except that it does not extend into marine areas subject to the sovereignty or jurisdiction of other States.

The limits applicable in sulphur oxide emissions from



Crew in the shipyard standing near the stern of the American Progress from left to right: PM Joe DeRosa, AB Kevin Conroy (on rail), AB Mike Gore, MS Ein Coley, AB Joao Lobo, FC Ben Ramirez, CK Nolan Macadaan.

ships in the North American Emission Control Areas (ECAs) were reduced to 1.00%, beginning on July 1, 2010 (from the 1.50%) and being further reduced to 0.10 %, effective from January 1, 2015.

Progressive reductions in nitrogen oxide (NOx) emissions from marine engines were also agreed, with the most stringent controls on so-called "Tier III" engines, i.e. those installed on ships constructed on or after January 1, 2016, operating in Emission Control Areas.

The *SR American Progress* went thru major enhancements to the main engine in order to be able to meet these new regulations; also some other safety items were addressed.

The voyage over to Singapore was long with full day's of hard work in order to get the ship ready for the yard, by working together and following the safety policies in

place the crew were able to achieve this objective without any injuries or incidents.

Again through the whole shipyard period the crew, dealing with an environment that as many of us know sometimes chaotic and a million things happening at the same time and on top of all this the possible exposure to heat exhaustion due to the high temperatures and high humidity levels the crew went thru the whole yard period without any incidents.

The ESU is extremely proud of the great professionalism and safety record that these members showed throughout this yard period.

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

U.S. Senator Lisa Murkowski calls for a safety review of Alaska Oil Pipeline

On July 26, 2010 U.S. Sen. Lisa Murkowski (R-Alaska), issued a press release and called on the president of Alyeska Pipeline Service Co. to undertake a safety review of the trans-Alaska oil pipeline to ensure that it can continue to supply America with North Slope oil for decades to come.

"The integrity of the trans-Alaska pipeline is vital to both the economy of the state and our nation's energy security," Murkowski said. "It's imperative that we have the highest level of confidence in Alyeska's maintenance of the pipeline and its continued operation."

In a meeting with Alyeska President Kevin Hostler, Murkowski received a commitment that the company would conduct an immediate review of safety and maintenance risks and procedures for the oil pipeline.

The declining volumes of oil being carried by the 800-mile pipeline and its decades of use have raised questions about its future operation and viability. Murkowski said it's imperative that Alaskans have confidence in Alyeska's maintenance of the pipeline and commitment to its continued operation.

Murkowski, the top Republican on the U.S. Senate Energy and Natural Resources Committee, specifically called for a review covering a wide range of maintenance issues, including: Pipeline remote gate valve functionality and controls; Review of pump station relief tank capacity and pipeline overpressure protection system; Pipeline control system reliability and levels of protection; Pipeline leak detection system; Power generation, distribution and critical backup.

"Alaska's huge oil resources are a pillar of America's domestic energy production," Murkowski said. "Without TAPS, the oil in the North Slope and in Alaska's Chukchi and Beaufort seas would be forever stranded, leaving us far more dependent on foreign oil."

The pipeline is owned and operated by a consortium of five companies – BP, ConocoPhillips, Exxon Mobil, Unocal and Koch. Since construction was completed in 1977, the pipeline has carried more than 15 billion barrels of oil from the North Slope to the tanker facility in Valdez, Alaska.

Ship reports

S/R American Progress

As the *ESU NEWS* went to press the vessel was due to depart Singapore's West Anchorage Bravo on August 22. The vessel is scheduled to return to Valdez to re-enter the ANS trade with the first load supposedly to San Francisco, California. Crew changes took place with a fresh compliment aboard. Regular Ship Rep. Rudy Benavides on board and reports all is going well but extremely hot. Also remaining on board for the trip back to the United States is Deck Trustee Pat Campbell.

S/R Baytown

The *Baytown* continues in cold lay-up, in Labuan, Malaysia. There are no crewmembers assigned to the vessel at this time. Future plans for the vessel are unknown at the present time.

Kodiak

The vessel has been steadily running between Valdez and San Francisco, discharging at RLW. Board Member at Large, John McCarthy on board and filling in as Temporary Ship Rep. and staying in touch with the ESU office. The vessel got it's e-mail system upgraded by Vickie Colson during the trip North and also a new computer in

the unlicensed lounge. The vessel had a couple day's at Knowles Head anchorage awaiting for the terminal, where the crew took advantage of the opportunity to catch some fresh fish.

S/R Long Beach

The *Long Beach* continues in cold lay-up, in Labuan, Malaysia. There are no crewmembers assigned to the vessel at this time. Future plans for the vessel are unknown at the present time.

Sierra

Vessel had some anchor time at Anacortes while waiting to berth at Shell. The crew took advantage of the delay to complete routine repairs. Regular Ship Rep. Thor Floreen on board and reports everything going well. After the discharge the vessel was sent to Tacoma for a few days at the city dock to address some issues with the windlass.

S/R Wilmington

Board officer visited the vessel in Beaumont, Texas, on August 5 and 17. Vessel continues the MOGAS run between Beaumont and Florida. Engine Trustee Will Ackley filling in as Temporary Ship Rep. and reports everything going OK.



Getting ready for tank entry on the way to Singapore, the crew having a JHA and reviewing the permit system before entering a bunker tank for cleaning.

EXXON SEAMEN'S UNION

Founded March 28, 1941

Affiliated with the Sailors' Union of the Pacific

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Vice President/Treasurer Leo DeCastro

Board Member at Large To Be Named

Board Member at Large John McCarthy

Deck Trustee Pat Campbell

Engine Trustee William Ackley

Steward Trustee Kurt Kreick

Earhart photos found in Matson’s archives on display at the Royal Hawaiian Hotel

In this era when virtually all of Hawaii’s visitors arrive by air, it is easy to forget that less than 100 years ago the only way to visit the Hawaiian Islands was by sea. Most of those visitors arrived on ships owned and operated by Matson Navigation Company. From the 1920s to 1960s a fleet of Matson Lines cruise ships, the most famous being the *S.S. Lurline*, traveled from the mainland to Hawaii. Matson was instrumental in the development of tourism to Hawaii and the South Pacific.



Amelia Earhart seated at left at the Royal Hawaiian Hotel.

The Royal Hawaiian Hotel, Waikiki’s iconic “Pink Palace,” was built by Matson to provide luxury accommodations to its passengers and insure their comfort both afloat and ashore. The Royal Hawaiian has seen many famous guests since its opening in 1927 and many of their visits were documented both onboard ship and at the hotel by Matson photographers.

Those photographs which were discovered in Matson’s archives, are an invaluable treasure that allows us to look back in history to an era long past and at celebrities who have long ago left us.

One of the Royal Hawaiian’s most famous guests would have celebrated her 113th birthday on July 24. Her name is Amelia Earhart. Ms. Earhart visited Hawaii on two occasions from December 22, 1934 to January 11, 1935 and March 18-20, 1937. Arriving by sea, her first visit culminated by her record breaking solo flight from Honolulu to Oakland.

Her second visit was by air at the end of the first leg of her intended east to west trip around the world. The trip, however, was aborted when her plane encountered mechanical problems on takeoff from Honolulu. It would be Ms. Earhart’s last visit to Hawaii. Her next attempt to fly around the world would be from west to east. Her plane was lost on July 2, 1937 en-route from Lae, New Guinea to Howland Island, in the South Pacific.

The Royal Hawaiian, a Luxury Collection Resort has partnered with Matson Navigation Archives to present a collection of recently discovered and rarely seen photographs of aviatrix Amelia Earhart, documenting her time in Hawaii.

The opening of the exhibit coincided with the anniversary of her birthday on July 24. The photos will be on display in the resort’s Coronet Lounge until the end of the year. The collection includes 65 black and white photographs that document Amelia Earhart and her Lockheed Vega, a red high wing monoplane (identification on wing NR-965-Y) on Matson’s Lines *Lurline* passenger ship and in Hawaii.

Earhart and her Lockheed Vega were transported on the *Lurline* from Los Angeles to Honolulu December 22, 1934, and arrived in Honolulu at Aloha Tower five days later on December 27, with her husband George Putnam and technical expert Paul Mantz. Although she was planning her solo flight across the Pacific from Honolulu to Oakland, the aviatrix also vacationed in Waikiki and was photographed relaxing at The Royal Hawaiian, having tea in a kimono robe and even sharing a pineapple with Duke Kahanamoku.

Public inspection of annual information returns of tax-exempt organizations

Annual information return IRS Form 990 for the Sailors’ Union of the Pacific and Sailors’ Union of the Pacific Building Corporation are available for public inspection. Interested parties should contact the office of Toby Chiurazzi, 450 Harrison Street, San Francisco CA 94105 or call (415) 777-3400 during normal office hours.

Editor’s Note: To receive the *West Coast Sailors* via first-class mail it’s \$25 per year U.S. mail; \$40 per year international.

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San Francisco CA 94105

Welfare Notes

August 2010

Money Purchase Pension Plan & 401(K) Plan Third Quarter Statements

The Money Purchase Pension Plan and 401(K) Plan quarterly statements are currently being redesigned by Standard Retirement Services. **Effective with The Standard’s third quarter mail out in late October 2010, you will receive separate statements mailed in separate envelopes for each of the two Plans.** Each Plan statement will be in color and contain the same investments activity and performance information that you are accustomed to seeing, as well as your *total* contributions for the quarter. However, your *daily* shipping and contributions history will no longer appear on the statements that you receive from The Standard. Instead, the SUP Welfare Plans Administrative Office will produce a contributions and mandays detail statement that will be mailed to you at about the same time as The Standard’s Money Purchase Pension and 401(k) Plans quarterly statements. Questions regarding reported shipping days and contributions should be referred to the SUP Welfare Plans Administrative Office at 415-778-5490 or 1-800-796-8003.

Dependent Coverage for Active Participants

Currently, the SUP Welfare Plan covers unmarried dependent children until they reach age 19. Effective August 1, 2011 in accordance with the Patient Protection and Affordable Care Act, adult children of Plan participants will be eligible for coverage to age 26, regardless of the child’s marital or student status, if they are not eligible for other employer-sponsored coverage. A special enrollment period will begin for such dependents on July 1, 2011.

Enrollment and Eligibility

Please be sure to check with the SUP Welfare Plan if you have any questions about your eligibility or enrollment in a Medical or Dental Plan. The plans available to you are dependent upon your residence and your home port. Be sure to take the time to enroll in a plan once you become eligible to give yourself the best options to deal with unexpected illnesses, injuries, or dental emergencies. Also keep us informed of address changes and dependent changes. Check your wallet to make sure you have an ID card for your medical and dental plans.

Michelle Chang, Administrator mcsupsiupd@sbcglobal.net

Patty Martin martinpatty59@sbcglobal.net

Virginia Briggs Claims vbriggs80@sbcglobal.net

Michael Jacyna Eligibility mjacyna67@sbcglobal.net

Training Representative Berit Eriksson 415-957-1816
berittrainrep@sbcglobal.net

SUP Welfare Plan, 730 Harrison Street #415, San Francisco, CA 94107

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

SIU-PD Pension 415-764-4987

SIU-PD Supplemental Benefits 415-764-4991

Trade deficit widens to highest level since 2008

The U.S. trade deficit widened in June to its highest level since October 2008 as exports slipped 1.3% while imports hit a record high, the Commerce Department said.

The \$7.9 billion increase in the trade gap was the largest since record-keeping began in 1992. The deficit of \$49.9 billion exceeded the \$42.1 billion median forecast by economists surveyed by Bloomberg News.

American exports declined 1.3%, the most since April 2009, to \$150.5 billion. Lower sales were reported for American farm products, computers and telecommunications equipment. Exports of electric generators, civilian aircraft and machine tools rose.

Imports rose 3% to \$200.3 billion. Imports of consumer goods surged to a record high as shipments of cell phones, household appliance, televisions and clothing increased.

Through the first six months of this year, the deficit in goods and service is running at an annual rate of \$94.9 bil-

lion. This is up 32% from the \$374.9 billion deficit for all of 2009 —a year when the recession reduced U.S. demand and cut the trade deficit nearly in half.

The widening trade deficit is the latest indication of slowing economic growth. PIERS Global Intelligence Solutions, expects growth in U.S. containerized imports and exports to slow in the year’s second half. For the full year, PIERS forecasts a 10.3% increase in imports, mainly because of a surge in inventory restocking earlier this year, and a 5.2% increase in exports.

The wider trade deficit in June is likely to cause the Commerce Department to lower its initial estimate of 2.4% growth in gross domestic products during the second quarter.

It also will increase pressure on Congress to pass legislation imposing economic sanctions on China unless it allows its currency to rise quickly in value. The trade deficit with China rose 17.4% to \$26.2 billion in June and rose 15.9% in the first half of the year.

Longshore Unions file complaint against Costa Rican government

Longshore Unions from the United States and Costa Rica have filed a formal complaint against the Costa Rican government for labor law violations.

The 18-page complaint was filed on July 20, with the U.S. Department of Labor’s Office of Labor and Trade Affairs (OLTA) by the International Longshore and Warehouse Union (ILWU). The ILWU filed the complaint on behalf of two Costa Rican Unions —Sindicato de Trabajadores de JAPDEVA (SINTRAJAP) and Association Nacional de Empleados Publicos y Privados (ANEP). It was made under the Dominican Republic-Central American Free Trade Agreement for “serious and repeated failures by the government of Costa Rica to effectively enforce its own labor law.”

In May, 60 Costa Rican police officers broke down the doors of the SINTRAJAP Union hall. The ILWU Longshore Division carried out an investigation.

The Unions claim that the government’s conduct includes: launching a media campaign to discredit the Union; the removal of the democratically elected leadership of the Union; and the imposition of a government-backed employer-run board of Union directors. They also allege that it directed the police to raid and occupy the Union’s office, and that it tried to entice workers to leave the Union and accept the privatization of ports.

“Americans want to believe Costa Rica is a paradise,” said ILWU International President Robert McEllrath. “But Costa Rica’s turning into a country in which police smash in doors and windows where workers have conducted peaceful meetings, where the government spreads propaganda to interfere in workers’ elections, and where working families’ well being is placed a distant second to the profits of multinational corporations.”

The ILWU has been assisting SINTRAJAP shortly after the government replaced the leadership of the Union in February.

L.A. Federation’s Maria Elena Durazo elected to AFL-CIO Executive Council

Maria Elena Durazo, Executive Secretary-Treasurer of the Los Angeles County Federation of Labor, was elected the Executive Council of the AFL-CIO on August 4. She is also a Vice President of the California Labor Federation.

Sister Durazo has served an Executive-Secretary Treasurer of the L.A. Federation, which is comprised of over 300 local Unions since 2006. Prior to heading the Federation, Durazo served as President of UNITE HERE Local 11, the hotel and restaurant workers Union, transforming it into one of the most active Unions in the Los Angeles area.

The daughter of Mexican immigrant farm workers, she traveled with her parents and nine siblings to work in the fields as a child. Sister Durazo graduated from St. Mary’s College in Moraga, California in 1975.

Other new members of the Executive Council include: UAW President Bob King, UAW Vice President General Holiefield, AFSCME Secretary-Treasurer Lee Saunders, North Carolina State AFL-CIO President James Andrews.

The Council also honored two departing members—former UAW President Ron Gettelfinger and former United American Nurses President Ann Converso for their service to working people. Former UAW Secretary-Treasurer Elizabeth Bunn announced her retirement from the Council in March to become AFL-CIO organizing director. Holiefield was elected to fill that vacancy.

The Executive Council is the AFL-CIO’s top leadership body, comprised of the AFL-CIO president, secretary-treasurer, executive vice president and 53 vice presidents.

Coalition launches drive to fight Social Security cuts

As Social Security turned 75 years old August 14, the nation’s most successful social program likely will be under attack by the federal budget deficit commission, which, by all accounts, is considering benefit cuts and raising the retirement age.

On July 29, more than 60 groups, including the AFL-CIO, announced the creation of the coalition Strengthen Social Security...Don’t Cut It. The group is launching a major mobilization to push back the commission’s phony assertions, backed by the Wall Street spin machine, that claim Social Security is a major component of the budget deficit and is teetering on the brink of disaster.

In a press conference at the National Press Club in Washington, D.C., the group outlined plans to build support in Congress to fight benefits cuts and press candidates this election to pledge to fight any move to raise the retirement age or privatization scheme. Said Ed Coyle, executive director of the Alliance for Retired Americans: “The Strengthen Social Security campaign unites everyone here to improve—not weaken—Social Security. We are united against any cuts in benefits, such as increases in the retirement age, and to any form of privatization of Social Security. We will stand united if the commission calls for any cuts to Social Security. We are launching a major lobbying campaign for Congress to block their recommendations.”

Speaking at the press conference, AFL-CIO President Richard Trumka said that raising the retirement age is: “a benefit cut, plain and simple. It is a cut that is unnecessary and one that Americans can ill-afford.” He also said it unfairly singles out workers in demanding physical occupations, “workers like my father who spent his life in the mines and couldn’t work another day by the time he qualified for Social Security—and those older workers who may no longer be able to find work due to age discrimination.”

Social Security benefits are the largest source of retirement income for most retirees. For six of 10 seniors, Social Security represents more than half of their income. In addition, nearly one-half of older unmarried women and widows, and one-third of all beneficiaries, have little other than Social Security and rely on its monthly benefit for 90% or more of their retirement income. Says Terry O’Neill, president of the National Organization for Women (NOW): “Social Security is the mainstay for millions of older women. Every year, a major share of the nearly 24 million women age 62 and older who receive benefits are kept out of poverty because of Social Security. Often that monthly Social Security check is their only income.

A new Gallup Poll shows that by a nearly 2-to-1 margin, Americans oppose raising the retirement age and, by an even bigger margin, say the best way to strengthen Social Security is to ensure the wealthiest pay their fair share.

Currently, all workers pay the Social Security payroll tax on the first \$106,000 of their earnings. Earnings above \$106,000 are exempt from the Social Security payroll tax. That means a grocery clerk or warehouse worker pays a bigger chunk of income to Social Security than a hedge fund manager. By a 67% to 30% margin, the public supports raising the Social Security payroll tax to cover all earnings.

Also taking part in the press conference, AFSCME President Gerald McEntee said the deficit commission is trying to “turn Social Security into a scapegoat for the deficit. Social Security is not the problem.”

Social Security—with a \$2.6 trillion surplus projected to grow to \$4.3 trillion by 2023—is not the cause of the nation’s deficit. Said O’Neill: “The fiscal commission should address the real causes of the deficit—unfunded wars, irresponsible tax breaks for the wealthiest, and an economic crisis caused by financial regulatory failures.”

This fall, said Coyle, coalition members will be “demanding clear, unequivocal answers from the candidates on where they stand on Social Security.”

Piracy charges dismissed

continued from page 1

mon sense is a valuable quality in the interpretation of international law.”

Beyond the legal wrangling and obscure historical references, the implications of the case in Norfolk are serious. Piracy’s golden age may have passed two centuries ago, but it remains a scourge in places like the Strait of Malacca in Indonesia and Malaysia, off the coast of Nigeria, and above all off the east coast of Africa, where the disintegration of Somalia has led to a major resurgence.

The first half of 2010 saw about 200 raids and unsuccessful attacks on ships, the bulk of them off Somalia. In early August, two cargo ships were hijacked. In all, an estimated 18 ships and their crews are currently being held for ransom.

To fight the problem, the United States and the United Nations are counting on prosecuting pirates. Some U.N. officials would like to have an international tribunal.

In the meantime, the U.S. and other countries have helped Kenya, the closet stable country to the source, to put scores of pirates on trial. But Kenyan law is cumbersome, requiring witnesses to testify on three separate occasions, a tough order logistically for merchant sailors.

As a result, attackers captured by European warships in the Indian Ocean often are let go for lack of any real legal recourse. A Spanish warship caught seven Somali pirates red-handed in early August, men who had been trying to waylay a Norwegian chemical tanker. The Spanish frigate immediately released them because it would have been difficult to prosecute them, the European Union naval force off Somalia said.

That leaves courtrooms like the one in Norfolk as among the best hopes for bringing pirates to justice and deterring future ones. But even seemingly clear-cut cases don’t necessarily pass muster in court.

After a celebrated incident in April 2009, when U.S. Navy Seals snipers killed three Somali men holding an American captain hostage on a small boat after a raid, rescuing him, the lone Somali survivor of that attack on the *Maersk Alabama* pleaded guilty to lesser charges in New York, not to piracy. Indeed, the last U.S. piracy conviction was in 1861, of a Confederate blockade runner.

Laborers returning to AFL-CIO

The Labors International Union of North America (LIUNA) announced on August 15, it is re-affiliating with the AFL-CIO effective October 1, following the unanimous approval of the Union’s General Executive Board.

In a statement, AFL-CIO President Richard Trumka said: “More than ever, now is the moment for a unified labor movement. And as we rebuild and strengthen the labor movement, we will work together to create good jobs, restore a middle-class economy and elect leaders who stand with working people. Together, brick by brick, we will build an economy that works for everyone.”

LIUNA President Terence O’Sullivan said in his statement: “Despite the historic success of the 2008 federal elections, too much is not getting done on Capitol Hill. A united Union movement can better focus Congress—and particularly the U.S. Senate— on helping to lead our nation, rather than being locked in inaction.”

LIUNA disaffiliated from the AFL-CIO in June 2006. At that time, the Union expressed hope for an eventual reunification, continued to organize much of its political efforts through the AFL-CIO and has been engaged in ongoing discussions with the AFL-CIO for some time.



SUP President's Report

August 9, 2010

JONES ACT

The attacks on the Jones Act by right-wing politicians and pundits continues unabated, particularly on the internet where lies and misinformation proliferate on a daily basis. The politically motivated attacks are against President Obama ostensibly for not granting a waiver to the Act and maritime labor for "telling" him not to do so. Both are rank falsehoods: First, Obama did not have to grant a waiver as the spill following the explosion of the *Deepwater Horizon* drilling rig occurred 52 miles offshore where the Jones Act does not apply. Second, America's maritime Unions have always acted in the national interest in times of emergency and certainly did not suggest to the president anything about the Act, in this instance. As of today's meeting, there are 24 foreign-flag vessels from nine countries assisting with the cleanup effort in the Gulf of Mexico.

The anti-Jones Act, anti-labor politicians in Congress have thus far been stymied in their efforts to repeal or amend the Act.

Senator John McCain's (R-Arizona), repeal bill — Open America's Waters Act (S.3525)— still only has one cosponsor, Senator James Risch (R-Idaho). The bill has been referred to the Committee on Commerce, Science and Transportation. No hearings have been scheduled. Similar legislation has not been introduced in the House of Representatives, although Congressman Charles Djou (R-Hawai'i) did attempt a parliamentary maneuver in the House Rules Committee on July 28, by tacking on an amendment to unrelated legislation to study repealing the Jones Act for Hawai'i. Committee Chairwoman Louise Slaughter (D-New York) ruled Djou out of order as his gambit violated House rules. The decision of Chairwoman Slaughter was not appealed.

Another Senate bill that provides a blanket "temporary" waiver of the Jones Act —Water Assistance for International Vessels for Emergency (S.3512)— remains dead in the water in the Commerce Committee with no hearings scheduled. This bill has the same eight cosponsors as reported last month: Senators Kay Bailey Hutchison (R-Texas), John Cornyn (R-Texas), George LeMieux (R-Florida), John Barrasso (R-Wyoming), Christopher Bond (R-Missouri), Johnny Isakson (R-Georgia), Jeff Sessions (R-Alabama) and McCain. A companion measure (H.R. 5585) introduced in the House was referred to the Transportation and Infrastructure Committee's Subcommittee on Coast Guard and Marine Transportation. No hearings have been scheduled.

While opponents of the Jones Act continue to make false claims, Congressman Gene Taylor (D-Mississippi) and Congresswoman Linda Sanchez (D-California) have spoken to correct the record about this cornerstone of U.S. maritime policy.

"I am writing to you today to set the record straight about the Jones Act," Representative Taylor said, July 20, in a letter to his colleagues in the House. Despite many accusations, primarily from "people who are only vaguely familiar with U.S. maritime law," the Jones Act has in no way hampered cleanup efforts in the Gulf, he said.

On the House floor on July 29, Representative Sanchez said: "The Jones Act ensures a ready merchant marine fleet in time of war. And it prevents our economy from being dominated by foreign interests who don't pay American taxes, hire American workers, or even follow American health, safety and environmental laws."

Representative Sanchez condemned McCain's legislation. She pointed out: "We are in a recession. It's time to work together to expand American manufacturing and create jobs, not play partisan games. I urge my colleagues to stop posturing and start supporting American families by supporting the Jones Act."

The membership is urged to continue to write to their Congressional representatives in support of the Jones Act. Addresses are available at all SUP halls.

MATSON NAVIGATION COMPANY

On July 22, your secretary received a call from Jack Sullivan, Matson's Vice President for Vessel Operations and Offshore Labor Relations stating that he was giving the Union advance notice that the company was planning to announce it would soon operate a string of five time-chartered, foreign-flag vessels between China and the West Coast. Sullivan added that it is Matson's intention to enroll the vessels in the Maritime Security Program (MSP) if and when "slots" become available or the program is expanded, which would make the vessels U.S.-flagged and U.S.-crewed. Sullivan requested that the Union assist the company in the MSP process to which your secretary agreed.

Sullivan's "heads-up" was confirmed a week later on July 29, when Alexander & Baldwin, the parent company of Matson, held their second quarter 2010 earnings conference call/webcast.

Matson's top brass stated that as a result of the company's "long-term confidence" in the China trade and the success of the four-year-old U.S.-flag China-Long Beach Express service, the company announced they will initiate a second China service (China-Long Beach Express II). This second string will employ five time-chartered, foreign-flag, 3,500 TEU vessels in a weekly service between Hong Kong, Shenzhen, Shanghai and Long Beach. Operations are expected to begin this month and will be in full deployment by early October. The company stated that start-up costs for the new service would be between \$50 million and \$60 million to cover the cost of the charters plus approximately 234,000 new containers. Matson also stated that it expected the new service to initially lose \$10 million to \$15 million before becoming profitable in the second half of 2011. Knowledgeable industry sources indicate the foreign-flag vessels will tentatively be named *Kohala*, *Kailua*, *Kainalu*, *Kalani* and *Kaimoku*. It should be noted that since these vessels will not carry cargo between U.S. ports, the Jones Act is not applicable with Matson not legally obligated to operate them under U.S. flag with U.S. crews.

Matson's opportunistic business decision is based on several factors but primarily the "high service brand" established by the company in the China trade using U.S.-flag ships has brought the company increased profits. In the second quarter of 2010, Matson posted operating profits of \$37 million as opposed to \$21 million in the second of 2009. China service cargo increased 35% during the quarter to 15,000 containers, up from 11,110 a year earlier. Freight rates also added significantly to the bottom line. The cost of shipping a 40-foot container from China to Long Beach was around \$871 in July 2009; this month rates reached \$2,624. According to Drewry Shipping Consultants, that exceeded the cost before the recession, which was about \$2,000. The rate increase is driven by the fact that many companies laid-up ships causing a lack of available tonnage when China's exports rebounded.

While all of this is good for Matson and its shareholders, it does nothing for the membership of the SUP and the other Unions that have collective bargaining agreements with the company, in fact it could be dangerous given the attacks on the Jones Act. As MFOW President Anthony Poplawski said in a report to his membership this month: "As the company gains experience in foreign-flag operations and refines its support infrastructure, it would be much easier to transition its domestic fleet operations to a foreign-flag operation should the Jones Act be modified or repealed."

Matson's tact to use foreign-flag vessels in its expanded China service is certainly different from that of APL in its Suez Express Service where the SUP is aboard the non-MSP, but U.S.-flag vessels *APL Agate*, *APL Turquoise* and *APL Japan*. However, by flagging those vessels (plus the *APL Cyprine* and *APL Pearl*) American APL received preference under the law to transport U.S. government cargo. No such imperative exists for Matson in the China trade.

As previously stated, the SUP will assist Matson if it is sincere, to get these vessels enrolled in MSP. This

will be a difficult task as there are only 60 operating slots which are zealously guarded by the companies that hold them. In order for the program to be expanded, the Defense Department would have to request the additional funding. At this juncture, that does not seem likely given the federal deficit.

On August 3, the SUP, MFOW and SIU-Marine Cooks sent Matson the following letter:

Dear Captain Sullivan:

While we are disappointed with the recent announcement that Matson will operate five foreign-flag vessels with foreign crews in the China- Long Beach Express Service, we are gratified that you have stated that it is the company's intention to enroll the vessels in the Maritime Security Program (MSP). Please notify us of any assistance we can provide in this regard.

Until the vessels are enrolled in MSP, the Unions will exercise their rights under Section 3. Vessels Covered and Manning of the General Rules of the 2008-2013 collective bargaining agreement. In part that section states:

The Company agrees that in the event any foreign-flags vessels are hereinafter operated by them, the following shall apply:

(1) The Union shall have the same right as it has with respect to the vessels covered by this Agreement and subject to the same conditions, to have its representatives board said vessels in any port for the purpose of consulting with the unlicensed employees employed thereon.

(2) The Company agrees that, upon the Union demonstrating that it has been designated and authorized by a majority of the unlicensed employees of any one or more vessels to represent them for the purpose of collective bargaining, the Company shall engage in collective bargaining with the Union to perfect an agreement covering said unlicensed employees.

If a dispute arises as to whether the Union does in fact represent a majority of the unlicensed employees, the dispute shall be subject to the provisions of Section 10 of this Agreement.

The term "foreign-flag vessels" shall be limited, except by mutual agreement of the parties, to such vessels that are engaged in the import or export cargo or passenger trade of the United States.

In addition, according to Matson's July 29 press release and webcast announcing the foreign-flag service it was noted that the five vessels will be time-chartered. We therefore request the following information:

- 1) The length of the charters**
- 2) The names of the vessels (current and future)**
- 3) The source and nationality of the unlicensed crew members and officers of the vessels**
- 4) The wages and benefits to be paid to the unlicensed crew members and officers**

Finally, will Matson operate the vessels directly or through a third party? Your timely response will be most appreciated.

Sincerely,

Gunnar Lundeborg, President/Secretary-Treasurer, SUP; Anthony Poplawski, President/Secretary-Treasurer, MFOW; Nicholas Marrone, West Coast Vice President, SIU-AGLIWD/NMU

Will continue to keep the membership fully informed.

PATRIOT CONTRACT SERVICES

As reported in April and May, Patriot Contract Services has been in negotiations with Kwajalein Range Services (KRS) for a new crewing services agreement covering the *USAV Worthy*, *USAV Double Eagle*, *USAV Mystic*, and *USAV Great Bridge* which are operated by KRS at or out of the U.S. Army Kwajalein Atoll/Reagan Test Site. At the same time the SUP and MFOW were in negotiations with Patriot to formulate a competitive bid the company could submit to KRS to retain the

continued on next page

President's Report continued

work in the *Worthy* and gain work in the three other vessels. Patriot and KRS ultimately came to agreement in July, with the SUP and the MFOW subsequently signing a Memorandum of Understanding, which is subject to membership approval.

The highlights of the crewing services agreement with Patriot are as follows:

Term of Agreement: July 1, 2010 through June 30, 2011 with two one-year options.

Wages and Wage-Related Items: (Paid seven days a week.):

	Daily Wage	Daily Supplemental (vacation)	Daily Money Purchase	Overtime Rate
Bosun	\$120.00	\$40.00	\$12.00	\$23.75
AB	\$96.00	\$32.00	\$12.00	\$19.00

Wage Increases: 2% increase in Total Labor Costs on the 2011 and 2012 anniversary dates.

Overtime Payable: In excess of eight hours Monday through Friday, and for all hours worked on weekends and holidays. Weekends shall be defined as Saturdays and Sundays at sea and Sunday and Monday on Kwajalein Atoll.

Holidays: New Year's Day; Martin Luther King Jr.'s birthday, Lincoln's birthday, Washington's birthday, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans' Day, Thanksgiving Day, and Christmas Day.

In the past, the *Worthy* has provided work for members primarily registered in Honolulu. With three more vessels, jobs opportunities should increase.

Recommend membership approval of the crew services agreement with Patriot.

FOSS MARITIME COMPANY

As reported for the past two months, California Assemblyman Jared Huffman (D-Marine County) has introduced legislation (Assembly Bill 234) that would require extensive "pre-booming" of all vessels engaged in bunkering. This unnecessary legislation could jeopardize Foss Maritime's bunkering operation on San Francisco Bay and the jobs of SUP members employed by the company.

The influential Harbor Safety Committee of the San Francisco Bay Region on July 16, in a letter to the administrator of the Office of Spill Prevention and Response of the California Department of Fish and Game expressed its opposition to Huffman's bill.

The Office of Spill Prevention and Response then announced a public workshop on "best achievable protection during bunkering operation from bunker barges." The workshop will be held on August 26, from 10:00 A.M. to 1:00 P.M. at the Bay Model Visitor's Center, 2100 Bridgeway, Sausalito.

Plan to attend this meeting to represent the interests of the Union.

CALIFORNIA LABOR FEDERATION

As a Vice President of the California Labor Federation, AFL-CIO, participated in the Federation's Executive Council meeting on July 12, in San Diego and attended the Federation's 28th Biennial Convention on July 13 and 14, along with SUP Vice President Dave Connolly.

The Executive Council reviewed its battle plan to elect Union-friendly candidates to state and federal office in November. Mobilization is the key to victory. Members who reside in California should participate in their local labor council's get-out-the-vote effort. The Council made recommendations on state ballot propositions and candidates that were referred to the convention delegates. In addition, the Council adopted a series of policy statements that affect working people. The policy statement on maritime is as follows:

The Federation reiterates its support for federal statutes that ensure that vessels engaged in the coastwise and international trades are built and crewed by American workers. The Jones Act, the Maritime Security Program, the Passenger Vessel Services Act and U.S. cargo preference laws are critical in maintaining a viable American Merchant Marine.

The Federation supports the American Shipping Reinvestment Act pending before Congress. The Act would spur job growth by creating a broad and diverse range of well-paying employment opportunities for American shipboard, shoreside and shipyard workers. Investment in the U.S. shipping industry would have a significant economic multiplier effect, spurring job growth in affiliated businesses.

The Federation supports the U.S. Department of Transportation's America's Marine Highway Program. The development and expansion of America's marine highway system is an ongoing joint government - private industry effort. The resultant increase in the coastwise waterborne transportation of cargo will help to significantly alleviate congestion on our nation's highways and rails, achieve a greater measure of energy efficiency in the transportation of domestic cargo, and create jobs for American workers in the maritime and its related service and supply industries.

One major obstacle to the development of America's Marine Highway Program is the current application of the Harbor Maintenance Tax (HMT) on domestic waterborne cargo. Today, all cargo arriving at a U.S. port are subject to the imposition of the HMT. Cargo arriving at a U.S. port and then transported by rail or truck to another destination in the United States is only subject to the HMT once. However, if that same cargo is transported by a U.S.-flag vessel to another domestic port, it is taxed a second time under the HMT when it reaches its next destination. This double application of the HMT

on waterborne cargo creates a significant economic disincentive for shippers to move cargo by water along our coasts and impedes the development of a Marine Highway System. The Federation supports legislation that would end the double taxation on domestic waterborne cargo.

The Federation condemns the "flag-of-convenience" system in which avaricious ship owners around the world register their vessels in phony flag states to evade labor, safety, environmental and tax laws. This corrupt system has resulted in the global exploitation of seagoing maritime labor.

The Federation supports tough security measures that protect U.S. ports and maritime workers from terrorist attack, but opposes any measures that treat workers as suspects and infringes on their constitutionally guaranteed civil rights. The federal government should be less focused on low-risk American workers and more focused on 100 percent container screening on imports, foreign mariner documentation and other security initiatives.

The Convention itself was previously reported on in last month's *West Coast Sailors*.

A complete list of the Federation's recommendations for federal and statewide office plus recommendation on ballot propositions will be published in the October issue of the *West Coast Sailors*.

MASTERS, MATES & PILOTS

MM&P President Tim Brown has invited your secretary to attend and address that organization's Convention at MM&P Headquarters in Linthicum Heights, Maryland on August 18 and 19. If Union business permits, plan to attend.

LABOR DAY

All SUP halls will be closed on Monday, September 6, in observance of Labor Day, which is a holiday under all SUP agreements.

ACTION TAKEN

M/S to concur with the crewing service agreement with Patriot. Carried unanimously.

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

Gunnar Lundeberg

Vice President's Report

August 2010

APL Singapore: William DeBenedictus, delegate. Delayed sailing investigated and determined no good—they can change the board as often as they like without penalty provided that the change comes with 30 minutes of the original posting and complies with the rest of Section 20 of the General Rules. Other claims under investigation.

APL Korea: Dmitri Seleznev, delegate. Joe Marusak is the bosun. Clarification on port prep: Section 37(f) requires participation of all hands available for this necessary work. Failure to turn to for such work could result in replacement at first U.S. port.

APL Agate: Gabe Moreno, delegate. Watch rotation question answered: if one sailor wants to rotate then everyone rotates on arrival in first U.S. port.

APL Thailand: Justin Foster, delegate. Clarification of ILWU holidays in port.

APL China: Gary Thompson, delegate. In at Oakland with few problems. After sailing clarification by email on loading engine room stores during meal hours.

APL Turquoise: delegate Joel Schor. Boarded in New York. Clarification on sanitary duties: Section 17 and 56 contain the guidance for this FAQ. Clarification on delayed sailing, sanitary duties.

APL Steam Rack: Bosun Bob Greene and crew working overtime as they handle a major increase of reefer container volume.

Kauai: Richard Goen, delegate. Questions on medical coverage. Running smooth.

Manoa: John Gabourel, delegate. Question on port prep. Section 37(f) on

arrival clearly indicates that port prep should be done.

Mokihana: Rich Reed, delegate. Chair beef settled in house. Ship's fund not part of collective bargaining agreement, therefore participation is not mandatory. Gate access at Sand Island taken up with the Company. A member who didn't feel well did the right thing and got off the ship rather than burden his shipmates.

Cape Jacob: Ryan McLaughlin, delegate. Departed Sasebo safely but on arrival in Gwangyang, Korea, a line parted and injured two sailors; one treated with first aid and the other sent to hospital with multiple injuries. Call from the delegate indicates that surgery was successful and sailor is recovering well.

Washington Voyager: David Fadoul, delegate. Running smooth with Scott Oliphant as bosun.

Mississippi Voyager: Wil Williamson, delegate. Delegate a stalwart organizer of new members. On the Columbia River run formerly covered by the *Colorado*. In good shape.

Oregon Voyager: Tim Landers, delegate. Company working on the mysterious yet persistent odor of grey water. Outside experts were called in to investigate. Discussion on future disposition of the fleet; employment uncertainty breeds operational anxiety.

USAV Worthy: James Stelpstra, delegate. In at Pearl Harbor. Successful intervention on plans to use AB's as messman. Company told to call the Hall for additional crew if necessary.

USNS Waters: Haz Idris, delegate. Call for remaining crew for sea trials after

continued on next page

SUP Branch Reports

Seattle

July 19, 2010

Shipped during the period: 5 Boat-swains jobs shipped and filled with 2 A's to regular berths and 3 C's to "Navy bottoms;" 19 Able Seaman slots went to 9 A, 4 B's, 5 C's and 1 D registrant; 3 Ordinary Seaman, 7 standbys and 1 Ship's Utility went to 1 A, 3 B, 4 C and 3 D registrants.

Registered during the period: 9 A cards for a total of 34; 6 B cards for a total of 16; 4 C cards for a total of 14.

Ships Checked

Matson ships *Kauai* and *Manoa* called twice with little or no trouble. *Maui* still laid up at Terminal 25. No rumors to when she will reactivate. The *Cape Jacob's* delegate Dan Moran returned and brought in "clean sheets"; meaning all problems were settled aboard the ship. The APL vessels *President Truman* and *Jackson* called in New York with Seattle gangs and minor clarifications. The Patriot Contract vessels *USNS Martin* called for a full crew and the *USNS Yano* called for a Bosun. The returning Bosun in the *Yano* stated he was making six thousand a month "alongside the dock in New Orleans, and it was pretty good!" Take the training!

I represented the SUP at the following meetings: the King County Labor Council Executive Board meetings; the Puget Sound Area Maritime Security Committee meeting; a South Park Bridge meeting where the Governor, the King County Executive and other elected representatives announced federal stimulus money to help fund a bridge rebuild. This bridge is a vital link for trucks going and coming from the Seattle waterfront.

Along with the Inlandboatmen's Union Treasurer Terri Mast; MEBA Branch Agent Karol Kingery; MM&P's Captain Mike Murray; SIU Tacoma Branch Agent Joe Vincenzo; the Transportation Institute's Rich Berkowitz and Washington State Labor Council's Lori Province, met in both U.S. Senator Maria Cantwell's and U.S. Congressman's Jim McDermott's offices to personally repudiate Senator John McCain's actions to repeal the Jones Act. It should be noted that Senator Cantwell is Chair of the Oceans, Fisheries and Coast Guard Subcommittee in the Senate's Commerce, Science and Transportation Committee; and Congressman McDermott has the fifth highest Jones Act employers within a congressional district. I will also mention that Congressman McDermott sailed as a coal passer on the Great Lakes before joining the U.S. Navy and serving during the Vietnam conflict as a medical surgeon and has been a staunch supporter of the Jones Act and has consistently voted "Yes" to continue the government's Maritime Security Program enabling SUP/MFU members to serve aboard APL vessels.

Vince O'Halloran, Branch Agent

SUP member joins pension ranks

The following SUP members joined the rank of pensioner, bringing the total number of SUP members to 514:

Francisco Salvatierra, 67, Book No. 7498, joined SUP in 1988, 29 years seetime.

Wilmington

July 19, 2010

Shipped a total of 76 jobs—the breakdown is as follows: 1 Bosun-1 return; 4 AB/Daymen-1 steady, 2 reliefs-1 return; 16 AB/Watchmen-13 steady, 2 reliefs, 1 return; 1 STOS-1 steady; 3 O.S.-3 steady; and 51 standbys.

Registration: Class A 42; Class B 23; and Class C 13.

Ships Checked

Manulani, Maunalei, Maunawili, Mokihana, Mahimahi, Manukai, R.J. Pfeiffer, Philippines, Korea, Thailand, China, and Singapore. No problems.

Attended and represented the SUP at the following meetings: American Merchant Marine Veterans Memorial Committee; Los Angeles Labor Day Parade Committee; Maritime Trades Port Council; and the LA County Federation of Labor.

With the assistance of Headquarters and APL Labor Relations checks for standby work will be paid within three business days to comply with California labor law.

Would like to urge all members to write their congressional representatives to support the Jones Act and to oppose the Open America's Waters Act (S.3525).

Another reminder to all members to check it once and check it twice and make sure all your documents are valid. No one will be dispatched without drug screen, annual card, passport, STCW, and Merchant Mariner Document.

Vern Johansen
Branch Agent

Honolulu

July 19, 2010

Shipped the following jobs during the month of June: 1 Bosun, 2 AB Day, 4 AB Watch, 1 AB Day Return, 1 AB Day Relief. Also shipped 19 standby jobs this month.

The regular jobs were filled by 6 A cards, 2 B cards and 1 C card. The standby jobs were filled with 8 A cards and 8 B, C, and D cards and 3 MFU members.

Registered during the month of June: 7 A cards, 4 B card, 2 C cards, and 1 D card. To date totaled registered: 9 A cards, 5 B cards, 2 C cards and 1 D card.

Ships Checked

Manukai, Maunawili, R.J. Pfeiffer, Mokihana, Manoa, Maunalei, Mahimahi, Manulani, and *Kauai*. All with few or no beefs. Paint and Rigging gang running smoothly with Monte Kalama as Bosun.

I represented the SUP at Neil Abercrombie's campaign headquarters meeting this month and the message they want to put out is to vote early. They think that the mail in votes (absentee ballots) will make the difference. I have absentee ballot applications here in the Union hall for anyone who needs them.

I also attended the Dave Lyman Memorial Scholarship Fundraiser dinner. This is a fundraiser to send local kids to CMA (California Maritime Academy) on a scholarship. We had three tables (compliments of the *Manoa, Mahimahi, Mokihana* and the Sailors Home Society) and a good time was had by all.

Just a reminder, be sure and bring all your paper work to the job calls. Including your book showing that you are current with your dues. I had 2 members this month who threw in for jobs that didn't have all their paper work with them and I had to refuse to ship them. Luckily, both jobs hung on the board and they had time to go home and get the rest of their paper work and came back and made the jobs. If you're in doubt about which papers to bring with you, just bring everything in and we will sort them out at the job call.

The Honolulu SUP hall has been moved into its new office. We are still in the same building, just a different room. The new address is:

Sailors' Union of the Pacific
707 Alakea St., Rm. #101
Honolulu, Hi. 96813-4818
Phone # 808-533-2777
Fax # 808-533-2778

Mahalo,

Michael Dirksen
Branch Agent

Dispatcher's Report

Headquarters—July 2010

Deck	
Bosun	0
Carpenter	0
MM	4
AB	19
OS	0
Standby	13
Total Deck Jobs Shipped	27
Total Deck B, C, D Shipped	7
Engine/Steward	
QMED	0
Pumpman	0
Oiler	0
Wiper	0
Steward	0
Cook	0
Messman	0
Total E&S Jobs Shipped	0
Total E&S B, C, D Shipped	0
Total Jobs Shipped - All Depts. ...	27
Total B, C, D Shipped-All Depts. ...	7
Total Registered "A"	37
Total Registered "B"	11
Total Registered "C"	12
Total Registered "D"	26

Vice President's Report continued

yard period in Charleston. Ken Herzstein is the bosun. Ship expected to sail for San Diego.

USNS Yano: Teofilo Sison, delegate. Brett Lange is the new bosun.

USNS Gordon: Tim Conley, delegate. Ship activated on August 23 to relocate to Newport News for dredging in Jacksonville. Fully qualified FOS crew shipped.

USNS Gilliland: Brian McCarthy, delegate. Delegate put in his time and was relieved by Jack Forde. Activated a day earlier than the *Gordon*. Fully qualified FOS crew shipped.

USNS Martin: Michael Haslam, delegate. Ship cleared the sea buoy at the mouth of the St. John's river in Jacksonville on July 20, with a full SUP crew enroute overseas pre-positioning deployment. Subsequent emails indicate most things okay. Baggage claims collected. Ammo pay problem fixed. Clarifications on watchstanding and relief process. In Saipan with no complaints.

Cape Jacob: Aaron Wiebe, delegate. Serious safety incident when a line parted and snapped at the leg of Mark Reed shattering the tibia, breaking his shoulder on the fall, and cracking some ribs along the way.

Foss Maritime Company: JD Rymel, delegate. No problems for a change. Gunnar Lundeberg continues to fight hard to kill AB 234 which would require booming all barge to ship transfers in San Francisco Bay and put at risk both the bunkering business itself and the safety of tankermen

San Francisco Bar Pilots: Terry O'Neill and Mike Koller, delegates: Use of station boat *Drake* to transport sea marshals will add to *Golden Gate* operators workload. Running smooth.

Dave Connolly

Union Label week September 6-12

From Labor Day, Monday, September 6, through Sunday September 12, American labor will observe Union Label Week—the time traditionally set aside for Union families and all consumers to make a special effort to support good jobs by looking for Union-made goods and Union-produced services when they shop.

In these difficult times, when everyone is looking to stretch their paycheck, quality and value take on added importance—and that's where Union products and services beat the competition every time. When you buy Union, you're supporting good jobs in American communities, jobs that provide living wages and benefits, safe working conditions and dignity and respect for work.

