



# West Coast Sailors

Official Organ of the Sailors' Union of the Pacific

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Friday, July 23, 2010

## California Labor Federation mobilizes for fall election

Hundreds of enthusiastic and motivated delegates to the 28th Biennial Convention of the California Labor Federation held in San Diego, July 13 and 14, mobilized to work for victory for labor's agenda and labor's candidates in the November election.

Heading organized labor's ticket is Democratic gubernatorial candidate Edmund G. "Jerry" Brown, a champion of workers rights over many years of public service. His opponent from the GOP is billionaire CEO Meg Whitman, who got rich laying off workers, sending jobs overseas and profiting from insider Wall Street deals. Throughout her corporate career with eBay, Stride Rite, F.T.D. and Hasbro, Whitman boosted profits through layoffs and outsourcing— and got millions in bonuses. She sat on the board of Goldman Sachs, now under investigation for its role in the mortgage crisis. After spending \$90 million of her own money to win the June Republican primary election, she is intent on spending millions more to buy the governor's office.

It's the same story in the race for U.S. Senator from California, where tycoon Carly Fiorina won the Republican primary by pouring her immense personal

wealth into her campaign, and now hopes her wealth will buy her the seat of labor's endorsed candidate, U.S. Senator Barbara Boxer.

Fiorina touts her experience as CEO at Hewlett-Packard as her prime qualification to be Senator. She neglects to mention that she failed in that job, dismally, and in 2005 was fired by a fed up board of directors. They actually paid her \$21 million to go away. HP stock rose sharply the day after she left, and an analyst attributed the jump to investors' hopes "that anyone will be better."

Inept performance, laying off workers, shipping jobs overseas, while taking an extravagant salary, rated the worst CEO in America and zero political experience. It is small wonder that a long list of Silicon Valley executives, people who are the most intimately familiar with Fiorina's history, are supporting Boxer as is the California labor movement.

Senator Boxer's record clearly reflects her passion for working families. Time and again she

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## Jones Act repeal sought by McCain

Using the false pretext that the Jones Act (Merchant Marine Act of 1920) is hampering the cleanup efforts in the Gulf of Mexico following the explosion of British Petroleum's *Deepwater Horizon* drilling rig, Senator John McCain (R-Arizona), a longtime foe of the U.S. merchant marine, introduced legislation on June 25, to repeal this critically important piece of maritime legislation that provides employment for 500,000 American workers.

McCain's bill, Open America's Waters Act (S.3525), would gut this nation's domestic shipping industry and allow foreign-built, foreign-flagged and foreign-crewed vessels to carry cargo and passengers between United States ports. The Jones Act requires that vessels operating between domestic ports be owned, built, flagged and crewed American. McCain's real target is this nation's maritime Unions. The defeated 2008 president candidate said the Act "favors

labor Unions over consumers." He also cited discredited studies that erroneously suggest that repeal of the Act could provide a boost to the U.S. economy of between \$650 million and \$1 billion by reducing shipping costs by 22%. In short, get rid of American labor—particularly Unionized labor—and bring in exploitable foreign mariners.

It can only be assumed that McCain, considered a war hero by some, is a shill for foreign-flag shipping interests—particularly in Europe—that have tried to break the Jones Act for years.

McCain's salvo is a well-orchestrated effort by some Republicans and their right-wing allies in the media, to blame President Obama for not waiving the Jones Act to speedup the oil recovery effort in the Gulf. The most ridiculous claim of these know-nothings is that because maritime labor supported Obama in the last election and that because the Obama Administration supports the Jones Act,

America's maritime Unions have pressured the Administration not to waive the Act. Nothing could be further from the truth, but when did the truth get in the way of the anti-American, anti-Union agenda espoused by McCain and his ilk?

It is an insult to American mariners to even suggest their Unions in any way hindered cleanup operations. The industry, labor and management, has been clear since the Marshal Island-flagged *Deepwater Horizon* exploded that it would not stand in the way of using foreign-flag vessels if no qualified, viable U.S.-flag tonnage was available.

FactCheck.org, a non-profit website operated by the University of Pennsylvania, analyzed claims that failure to waive the Jones Act is blocking foreign-flag vessels from assisting. It concluded last month that, "In reality, the Jones Act has yet to be an issue in the response efforts."

But the attacks and lies continue unabated. On June 26, Sarah Palin, McCain's former running mate, speaking at the Oil Palace in Tyler, Texas said: "I would have waived the Jones Act and some Unions might not like it, not Union membership, but the Union leadership, too many who are thugs."

America's maritime Unions, shipping companies and members of Congress have mobilized to set the record straight about the Jones Act and oppose McCain's bill. Senator Daniel Inouye (D-Hawai'i) stated the recent attacks on the Act smack more of "pushing a political agenda than any genuine interest in helping Gulf Coast communities with their cleanup." He added: "We are already at the mercy of foreign competitors when it comes to oil. We should not add shipping to that list."

For more on the Jones Act, see SUP President Gunnar Lundeberg's report on page 9.

## Democrats overcome GOP opposition to pass jobless benefits extension

The U.S. Senate broke a months-long stalemate on July 20, over a bill to restore unemployment insurance benefits to millions of Americans who have been out of work for more than six months over Republicans objections that it would add \$34 billion to the nation's budget deficit.

The 60-40 vote assured that the bill passed the Senate on July 21, by the same margin. The House of Representatives overwhelmingly passed the legislation on the same day. As the *West Coast Sailors* went to press, it is anticipated that President Obama will sign the bill as soon as it hits his desk.

Once signed, the bill will re-

vive benefits for more than 2.5 million people whose checks were cut off when the program expired on June 2. It also will ensure that up to 99 weeks will be available to jobless workers through the end of November.

In the Senate the impasse over the legislation was overcome when two Republicans—Senators Olympia Snowe and Susan Collins of Maine—voted with Democrats to break the deadlock; a lone Democrat, Senator Ben Nelson of Nebraska voted with 39 Republicans against the measure. The clinching vote was cast by Senator Carte Goodwin (D-West Virginia), who was appointed on July 16, to replace Robert Byrd, who died last

month at the age of 92.

Moments after Vice President Biden swore him into office, the chamber's newest member walked onto the Senate floor with Senator John D. Rockefeller IV (D-West Virginia) approached the clerk's desk at the front of the chamber and soberly mouthed the word "aye." Friends and family in the Senate gallery broke into applause.

With the national unemployment rate at 9.5%, 8.7 million people were receiving jobless benefits at the end of June. A little more than half received state benefits, which are typi-

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# USA Maritime Coalition presses MarAd on cargo preference

July 7, 2010

The Honorable David T. Matsuda  
Maritime Administrator  
Dear Mr. Matsuda:

We write to support the required application of the Cargo Preference Act of 1954, as amended (1954 Act), to the Department of Energy's Loan Guarantee Program.

We are all members of USA Maritime which is a coalition of carriers and maritime unions committed to promoting and protecting the U.S. maritime industry. We all support the rigorous enforcement of the cargo preference laws. The cargo preference laws, as you know, provide essential cargo to a fleet of privately owned U.S.-flag vessels available to the United States in times of war and national emergency.

We understand that the Department of Energy (DOE) may have concluded that the 1954 Act does not apply to its Loan Guarantee Program authorized under Title XVII of the Energy Policy Act of 2005. Specifically, the DOE web-site provides that the 1954 Act does not apply because imports for use in guaranteed projects "do not fall into any of the categories of transactions involving maritime transport that are specified by the Cargo Preference Act ...

We respectfully believe this conclusion is in error. The Title XVII loan guarantees issuable by DOE consist of Federal financing no different than other forms of Federal government programs that are plainly covered by the 1954 Act.

As MarAd's regulations make clear, the 1954 Act applies to all "guarantees made by or on behalf of the United States." Similarly, MarAd's web site indicates that the 1954 Act applies to "cargo that is moving ... in connection with a guarantee provided by the Federal Government." The Title XVII loan guarantees are undoubtedly "guarantees made by or on behalf of the United States" or "provided by the Federal Government" as the full faith and credit of the United States is pledged under those guarantees.

It is possible that there is a misunderstanding regarding the application of the phrase "with Federal funds" in the 1954 Act. The 1954 Act provides that it applies whenever the Federal government "provides financing in any way with Federal funds." Title XVII authorizes DOE to issue some guarantees where the "cost" of the guarantee - as defined in the Federal Credit Reform Act - is paid by the private project sponsor rather than the Federal government. The term "cost" is defined with reference to the Federal Credit Reform Act to mean the net present value estimate of what the Federal government may have to pay over the life of the guarantee to cover defaults and other payments less receipts such as fees. As MarAd is well aware, these estimates are often at variance with experience.

Although this authority exists, DOE's solicitations for loan guarantee applications indicate to the contrary that Federal government appropriations will be used for most if not all guarantees. For example, DOE's October 7, 2009 solicitation indicates it will directly pay the "subsidy cost" for all guarantees covered by the solicitation. Therefore, regardless of the interpretation of "with Federal funds," the 1954 Act definitively applies to these guarantees.

And, in any event, the 1954 Act applies when the Federal government provides financing "in any way" with Federal funds. The credit subsidy cost potentially payable by a project sponsor is only the estimated cost, not the actual or total cost. If there are defaults in the program, the Federal government, not the private project sponsors, must make good on the guarantees regardless of whether the cost was correctly estimated. The fact that the Federal government remains the fund provider, regardless of the private cost set aside, makes the program just as much a Federally funded program to which the 1954 Act applies as when all the funding comes from the Federal government at the outset.

We also wish to point out that not applying the 1954 Act to the DOE Loan Guarantee Program would be contrary to the spirit and purpose of the stimulus bill which provided substantial funding to the Program. The purpose of that bill is first and foremost to create jobs, and the application of the 1954 Act would create and sustain jobs aboard U.S.-flag vessels and ashore in related industries.

At least 50 percent of the goods that will be shipped by water that will be financed by the DOE guarantees must be shipped in privately owned U.S.-flag commercial vessels. We urge MarAd to work immediately with DOE to ensure that the 1954 Act requirements are fully applied to the DOE Loan Guarantee Program.

Thank you for your attention to this important matter. We look forward to working with you and your staff on cargo preference and other matters important to the U.S.-flag industry.

Very truly yours,

James L. Henry, Chairman, USA Maritime, Chairman & President, Transportation Institute

- Don Keefe, President, Marine Engineers' Beneficial Association
- Clint Eisenhower, Vice President, Government Relations, Maersk Inc.
- Timothy Brown, President, International Organization of Masters, Mates & Pilots
- Augustin Tellez, Executive Vice President, Seafarers International Union
- John Tirpak, President, American Cargo Transport Corporation
- James Patti, President, Maritime Institute for Research and Industrial Development
- Philip J. Shapiro, President and CEO, Liberty Maritime Corporation
- Jared T. Henry, Vice President, U.S. Government Trade, Hapag-Lloyd USA, LLC
- Matt Dwyer, Direction of Legislative Affairs, American Maritime Congress
- Andre Grikitis, President and CEO, Intermarine
- Niels M. Johnsen, Chairman, Central Gulf Lines, Inc., Waterman Steamship Corp.
- Sal Litrico, President and CEO, United Maritime Group, LLC
- Tom Bethel, President, American Maritime Officers
- Gunnar Lundeberg, President/Secretary-Treasurer, Sailors' Union of the Pacific

# SUP Honor Roll

Voluntary contributions from the membership to the following funds:

## Organization/ General Fund

Abe Acosta .....	20.00
Dennis Belmonte .....	50.00
Paul Harsany .....	50.00
Noel Itsumaru .....	25.00
David Larsen .....	100.00
Henry Lavea .....	20.00
Leo Moore .....	100.00
Edwin Pastolero .....	40.00
Mark Pfaff .....	50.00
Steven Ross .....	100.00

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Nick Cooper .....	50.00
Diane Ferrari .....	50.00
Ed Franco .....	20.00
David Green .....	30.00
Noel Itsumaru .....	25.00
Marcelo Javier .....	20.00
David Larsen .....	100.00
Gunnar Lundeberg .....	50.00
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## West Coast Sailors

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Romaine Dudley	Book #2593
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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
James Savage	Book #7488
Ralph Senter	Book #7323

# Attend your Union meetings!

## SUP Meetings

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

	Hdq.	Branch
August	9	16
September	13	20
October	Tues. 12	18
November	8	15
December	13	20

# Final Departures

**Frank Anderson**, Book No. 3736. Born in Oregon in 1921. Joined SUP in 1954. Died in San Pedro, California, June 20, 2010. (Pensioner)

**Raymond Court**, Book No. 4106. Born in Canada in 1926. Joined SUP in 1944. Died in Sun City West, Arizona, June 7, 2010. (Pensioner)

**Walter Bell**, Book No. 5606. Born in Texas in 1927. Joined SUP in 1950. Died in Dayton, Nevada, June 30, 2010. (Pensioner)

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# Jobs should come first!

by Richard Trumka, President AFL-CIO

Members of Congress who flat-out refuse to vote to create jobs, stop layoffs and help the jobless should be ashamed of themselves. As we saw in the job numbers released on July 2, by the Department of Labor, this economy has a long way to go before it is creating jobs on the scale that is needed.

Could Senate Republicans deliver a harsher slap in the face to America's working families than heading out for a long holiday recess after repeatedly blocking unemployment aid for hard-working people who have had their jobs taken away?

Already in this recession, more than half of Americans have lost their jobs, had their pay or hours cut or had to take temporary jobs because full-time work wasn't available, according to the Pew Research Center. If the Republicans had set out intentionally to sink our economy into a double-dip recession, they couldn't be doing a better job.

Face it: The private sector's job-creating machine is dead in the water. The private sector created only 83,000 jobs last month. That's better than losing 700,000 jobs a month, as we were when Bush left office, but it's not enough to put America back to work. And unless Americans are earning paychecks and spending to pump fuel into our economy, there's not going to be a continued recovery.

But every effort to dig us out of our 10.5 million jobs hole is being stymied by budget hysteria. And it is hysteria. I'm not saying the federal budget doesn't need attention—it does, but over the long term. Right now we have an immediate jobs crisis. And unless we address it now, we'll only make the nation's economic conditions worse.

Respected economists around the world know it is dangerous to ease up on government jobs spending at this juncture. It's penny-wise and pound-foolish, as National Economic Council Director Larry Summers says, to abandon job creation investments now, when the relentless jobs crisis threatens to reverse our fledgling recovery. Our states are collapsing—but legislation to avert hundreds of thousands of layoffs and keep teachers and cops and firefighters on the job has been blocked by Republicans. Every week, 200,000 workers who have been without jobs for six months or longer are losing survival aid in the form of unemployment benefits, but time after time Republicans have blocked extended help for them. We could pay for unemployment benefits and aid to states in part by taxing hedge fund managers—some of the richest people in the country—at the same rates the rest of us pay. But Republicans blocked that too.

Some Democrats have turned their backs on working families, too. But the

blockade against progress has been maintained by a solid wall of Republicans voting in lockstep, playing politics with people's lives.

In a treacherous economy, our leaders should share the goal of creating sustainable, broadly shared prosperity. Instead, it seems congressional Republicans are determined to create a desperate workforce, willing to take any jobs at any pay rate under any circumstances. It's a dream come true for corporations that have pushed for 30 years to turn America's middle class into a demoralized, low-wage and submissive workforce.

How any member of Congress could head home for this July 4 recess and talk about the November election without having voted for jobs and extended unemployment aid is beyond me.

Around the country, Union members and other activists are letting their representatives know how outraged the American people are. In 20 states, we're rallying outside the local offices of anti-worker, pro-recession members of Congress.

As I testified before the Presidential Fiscal Responsibility and Reform Commission, we need a job-centered approach to stabilizing the national debt and strengthening the economy. To a great extent, the size of the deficit depends on employment and growth. When employment and growth are weak, tax revenues are low and social assistance expenditures are high. When employment and growth are strong, the reverse is true.

That means providing the economic stimulus needed to erase our jobs deficit and prevent deeper recession. It means investing in the 21st century infrastructure necessary to support stronger economic growth in the long term. And it means insisting that Wall Street and the small minority of Americans who benefited most from the economic policies of the past 30 years pay their fair share for rebuilding the new economy.

It also means avoiding the austerity measures some are calling for that increase economic inequality and precipitate further economic crises. And Social Security? Social Security has its own funding source and in no way is responsible for our long-term debt. Butchering Social Security—as House Minority Leader John Boehner (R-Ohio) proposes—would devastate seniors and near-retirees and cause poverty rates among older Americans to soar.

The lives of half of Americans have been stricken by our jobs crisis. We're teetering on the brink of a historic national and global depression. And congressional Republicans are pushing us closer and closer to the edge.

## Search for missing captain ends

Denmark's AP Moller-Maersk confirmed on July 5, that the search for a Danish captain who fell overboard has been called off.

The incident, which occurred a month ago off the South Korean coast, involved Klaus Gunnensen, the captain of cable-laying vessel *Maersk Responder*. The captain didn't show up for breakfast and couldn't be found anywhere on board, which caused the crew to raise the alarm, the *Copenhagen Post* reported. After four days, the operation was considered a recovery search rather than a rescue mission because "it was judged impossible that he was still alive," said the Maersk spokesman.

## SUP onboard the *USNS Martin*



First crew of the *USNS 1st Lt. Harry L. Martin* turned over June 30, 2010, in Jacksonville, Florida. From left, standing: AB Mike Haslam, AB Cliff Matican, Bosun Adam Tassin, OS Winston Hunt, OS Zephaniah Cearly; kneeling AB Mike Thomsen and OS Andy Faccudo. Missing from the photo are AB Jeff Martinez and AB Scott Roe. The *Martin* is operated by SUP-contracted Patriot Contract Services for the Military Sealift Command. Photo: Dave Connolly.

## American jobs picture gets gloomier

The economy shed jobs in June as meager private-sector hiring failed to make up for the end of thousands of temporary census worker jobs, the latest signal that an already-slow recovery might be shifting into an even lower gear.

Nonfarm payrolls fell 125,000, their first month of losses this year, as the government let 225,000 census workers go, the Labor Department said on July 2. Private-sector employment grew by a slight 83,000 jobs on a seasonally adjusted basis, and seems to have downshifted from average gains of nearly 200,000 in March and April.

The unemployment rate declined to 9.5% from 9.7% in May, but not because more jobs were available. Instead, 652,000 workers dropped out of the labor force, meaning they weren't counted as unemployed and looking for work.

Some economists are downwardly revising forecasts for the second half of the year. Those at UBS Securities LLC estimated the economy would grow at a 2.5% annual rate in the second half of the year, compared with the 3% growth rate they previously expected. That kind of growth typically isn't enough to absorb new workforce entrants and bring down the jobless rate. Weak growth could become a big problem for U.S. officials, who have few obvious solutions for nagging unemployment.

The Federal Reserve has already pushed interest rates —its main policy tool— to near zero. In 2009 and early this year, Fed officials augmented rate cuts with purchases of mortgage-backed securities to drive down long-term interest rates. But they are reluctant to repeat the act.

"Make no mistake: We are headed in the right direction," President Barack Obama said, attempting to highlight how far the economy has progressed. But "we're not headed there fast enough for a lot of Americans."

Even with recent job gains —both

April's and May's estimates were revised a total of 25,000 higher —the economy is 7.9 million jobs short of where it was in December 2007.

Some 14.6 million people now are out of work, and some economists predict the unemployment rate could rise again in coming months as others return to the work force in search of jobs.

"It's hard to overstate how deep the hole is," Jesse Rothstein, chief economist for the Labor Department, said in an interview earlier in the week. Many people, he added, "don't seem to be appreciating the gravity of the situation."

Jobless Americans have been out of work for a median of 25.5 weeks as of June, up from 23.2 the prior month. Nearly 6.8 million workers have been out of a job for at least half a year.

Among the bright spots, professional and business services added 46,000 jobs in June, transportation and warehousing added workers and education and health services added another 22,000 positions.

Leisure and hospitality also upped its head count. But some uncertain employers in that industry said they are shying away from adding more.

The Department of Labor's report showed fewer industries added to payrolls in June than in April or May. Construction employers cuts 22,000 jobs as the housing rebound appeared to stall.

Retail, information-technology and financial-activity fields also cut workers. State and local governments' budget pressures caused a combined 10,000 job cuts.

In another discouraging development, employers cut the workweeks of existing employees. The average workweek for private, nonfarm employees fell 0.1 hour to 34.1 hours after rising the past three months. Fed officials had been encouraged by earlier workweek and wage gains because it showed that even though payrolls weren't growing quickly, household paychecks were rising and could support consumer spending.



## Oregon Voyager in Richmond



The Oregon Voyager, SUP-contracted Chevron Shipping Company's newest Double-Eagle tanker, takes on stores during her first call at Richmond Long Wharf. Photo: Dave Connolly.

## Unions, shippers demand action to end Somali piracy: sign the petition

A coalition of international unions, shipping associations, insurers and other maritime groups are demanding "concrete action" to end the increasingly violent and brazen Somali piracy "that is putting lives at risk and threatening world trade."

The pirates' 2009 attack on the U.S.-crewed Maersk Alabama and last fall's kidnapping of a British couple still being held for a \$7 million ransom have grabbed headlines. But in the past two years, Somali pirates attacked hundreds of ships and kidnapped more than 1,800 seafarers crewing those vessels. Many are still being held for ransom.

The coalition has launched an online petition and is seeking half a million signatures by World Maritime Day, September 23. The petition asks governments to dedicate the resources necessary, including stepped up naval protection, to end the attacks and "regain control of the Indian Ocean from a handful of criminals." To read and sign the petition, go to [www.endpiracypetition.org](http://www.endpiracypetition.org).

The petition says in part: "Almost every day seafarers are being kidnapped and exposed to an increasing risk of injury or even death. Every day seafarers transport the world's goods through areas where the risk of pirate attack is increasing.

"Every day shipping companies and their insurers have to pay for increasing anti-piracy measures, extra fuel and ransoms—costs that are eventually passed on to the consumer. Every day the risk of a major ecological disaster due to an oil spill caused by piracy increases."

David Cockroft, International Transport Workers' Federation (ITF) general secretary, is urging people to sign the petition and then pass the link on to friends around the world. "In this way we can signal our belief that it is past time for all governments to do what has to be done to protect seafarers, ships and the goods that they carry and on which we all rely."



In the Mahimahi on the Pineapple Run, "the 60's Club is still getting it done." From left: Frank Salvatierra, Tom Larkin, John Gabourel and Bill Berry.

## Obama signs sweeping financial overhaul into law

President Obama on July 21, signed into law the most ambitious overhaul of financial regulation in generations, placing broad new authority in the hands of federal watchdogs in an effort to prevent a recurrence of the crisis that erupted nearly two years ago.

"For years, our financial sector was governed by antiquated and poorly enforced rules that allowed some to game the system and take risks that endangered the entire economy," Obama said. As a result, he said, the system "left taxpayers on the hook if a big bank or financial institution ever failed."

Now, because of the law, "the American people will never again be asked to foot the bill for Wall Street's mistakes," he said. "There will be no more taxpayer-funded bailouts, period."

"These reforms represent the strongest consumer financial protections in history," Obama said. "And these protections will be enforced by a new consumer watchdog with just one job: looking out for people — not big banks, not lenders, not investment houses — looking out for people as they interact with the financial system. And that's not just good for consumers; that's good for the economy."

The event marked a significant legislative victory for Obama, who had pledged to rein in the reckless Wall Street behavior behind the crisis and to mend the government regulation that failed to prevent it. The House approved the bill in June, and the Senate followed last

week, after more than a year of wrangling in both chambers over the shape of the new rules.

The final bill hews closely to the blueprint announced by the administration in June 2009. It establishes an independent consumer bureau within the Federal Reserve to protect borrowers against abuses in mortgage, credit card and some other types of lending. It grants the government new authority to seize and wind down large, troubled financial firms — such as the failed investment bank Lehman Brothers — and sets up a council of federal regulators to monitor for threats to the financial system.

Under the new rules, the vast market for derivatives — complex financial instruments that helped exacerbate the crisis — will face government oversight, in many instances for the first time. Shareholders, meanwhile, will gain more say on how corporate executives are paid.

With few exceptions, the legislation does little to alter the fundamental shape of Wall Street, disappointing some liberal lawmakers and consumer groups. It does not attempt to break up the nation's megabanks or ban the trading of certain derivatives. Nor does it significantly streamline the alphabet soup of financial regulators in Washington. Rather, the bill places faith in the watchful eyes of regulators to prevent another financial meltdown, or at least to intervene authoritatively when a crisis arises.

## China, the sweatshop

The labor strikes spreading through China's factory cities has clearly frazzled the government. Last month, it deployed Prime Minister Wen Jiabao, aka "Grandpa Wen," who told laborers at a Beijing subway station that the government and society "should treat migrant workers as they would their own children."

China's exploited workers don't need an extra parent. They need higher wages, better working conditions and a chance to form independent unions. They need China to stop being sweatshop to the world.

Worker unrest has spread after reports of suicides at two campuses in southern China owned by Foxconn Technology, an electronics maker that employs 800,000 people in China who assemble products and parts for Western companies, including Apple, Dell and Hewlett-Packard. Since May 17, workers struck at three Chinese plants that make transmissions, exhausts and locks for Honda, the Japanese carmaker. There also have been reports of labor action in dozens of other factories.

Working conditions in too many of these factories are dismal, and the pay is, too. At the Pingdingshan Cotton Textile Company, *The Toronto Star* reported, workers make 65 cents an hour, working grueling two-day shifts, often in 100-plus degree heat. Workers at Honda Lock demanded a 70% raise from their \$132-a-month wage. There are no independent Unions allowed.

China, over all, has done well with its export-dependent strategy based on cheap labor and a cheap currency. Gross domestic product per person trebled over the last 10 years, to \$7,200. The share of the population living on less than a dollar a day fell to 16% in 2005, from 36% in 1999. But China needs to move on.

Too much of the country's prosperity has been absorbed by companies' profits. Too little has gone to workers. Partly as a result, consumer spending in China amounts to merely 36% of its gross domestic product. In the United States, that percentage is more than 70%. In Europe and Japan, it is almost 60%.

China's manufacturing sector can afford to pay higher wages. After the suicides, Foxconn suggested moving production of some Apple products to newer facilities in North and Central China where pay is cheaper than around the manufacturing hubs along the coast. But it also doubled wages at its Shenzhen campus, to about \$290 a month.

Rising wages and better working conditions are essential for China to become a more self-reliant economy, powered by domestic consumption. Until it treats its workers better, it has no chance of becoming a just and stable society.

Source: *New York Times* editorial: July 6, 2010

## Recession has hit more than half of the U.S. workforce

Since the recession began 30 months ago, more than half of all adults in the workforce—55%—say that they have either been unemployed, taken a pay cut, had their work hours reduced or have become involuntary part-time workers, according to a new survey by the Pew Research Center's Social and Demographic Trends Project.

The survey shows the impact of the recession goes far beyond the 9.5% of the workforce that is unemployed and the 16.5% underemployed. About a third of respondents—32%—said they have been unemployed for some period of time during the recession.

The prolonged recession—the longest in recent history—has left a big mark on the country, Paul Taylor, the Pew project director, told ABC News: "What this report demonstrates is the breadth and depth of the impact of this recession on the American public. It's hit almost everybody in one way or another, and two and a half years after it began, people are still feeling the effects. This is still very much with us."

The survey points to the immediate need for action to create jobs and stem the economic hemorrhaging. But Republicans in Congress have refused to act to create jobs, stop layoffs and help the jobless.

Here's even more evidence from the Pew survey that action is needed: About half of Americans said their household's current financial situation is worse now than before the recession, and many see a long road to recovery, with 63% predicting that it will take them at least three years to recover financially.

The survey also found that the recession has caused consumers to spend and borrow less and lowered their expectations about their retirements and their children's future. More than a quarter of Americans say their children will have a worse standard of living than they now have, compared to just 10% a decade ago.

A third of adults now say they are not confident they will have enough income for a secure retirement. Among adults 62 and older who are still working, a third say they have already delayed retirement because of the recession. And among workers in their 50s, about six in 10 say they may have to do the same.



## Notice from Matson

**TO: All Vessels, MM&P, MEBA, ARA, SUP, MFU, and SIU Local Hiring Halls**

**RE: Howard Terminal, Oakland  
—Terminal Entry Reminder—**

Review this Security and Safety reminder for entry into Howard Terminal Oakland. Should anyone fail to adhere to these items, SSA may take action against the crewmember up to and including permanently banning the individual from entering the Terminal at the time and in the future.

**Parking:** There are two parking lots at Howard Terminal. One is designated for the Longshoremen and the second is designated an "Overflow" lot for vendors and crew. Use the "Overflow" lot if you are a day worker.

**PPPE Use:** At the entry point turnstile there is a sign stating "SSA Terminals Requires the use of Proper Personal Protective Equipment" —have your PPPE with you.

**Escort (provided by ILWU Watchman Rover) to vessel is required:** At the entry point turnstile is a sign stating that this is a RESTRICTED Area and "All visitors, contractors, vendors, guests escorted to destination & back". (That includes everyone except ILWU since they get in their vehicles at that entrance.)

A TWIC must be presented at the gangway and is a vessel requirement per MATSON VSP (vessel security plan) and VSO (vessel security officer) in accordance with CFR 33 Sec. 105.255.

## Corrected Matson Maintenance Agreement Straight Time rates

In the July 1, 2010 wage rates under the Maintenance Agreement (Paint & Rigging) published in the June *West Coast Sailors* there was an error in the Straight Time rates. The Straight Time rate for the Bosun is \$34.67. The Straight Time rate for General Maintenance AB is \$28.51. Both rates reflect the 3% wage increase. All other rates are accurate.

## Infrastructure investment incentives urged by NOL chief

Because public finances are stretched too thin to pay for infrastructure improvements needed to support global trade. Governments need to adopt policies that encourage private investment, the CEO of Neptune Orient Lines told an international panel of transport ministers May 28, at a transport forum in Leipzig, Germany.

"Developed countries don't have the money to do what they would like to, and developing countries are already pouring money into the effort," Ron Widdows told an audience at the Intranational Transport Forum 2010. "We need to de-bottle-neck this, and the most practical approach is to attract private investment."

Widdows delivered his message to more than 500 government ministers and transport industry experts who met Friday in Leipzig to discuss 21st Century challenges in moving people and freight.

"Global trade is growing again after the economic crisis," Widdows said, "and it threatens to stress the outdated freight

transport system we have in place. If we don't address this, we'll inhibit trade growth and the global economy." Widdows said the needed infrastructure improvements can be financed by tapping into vast pools of liquidity that investors withheld during the economic downturn.

The funding is necessary to replace or improve rail lines, highways and seaports. To attract investment, Widdows told government ministers there are three requirements: A change in rules that prohibit international ownership of transportation assets such as airlines and marine terminals; incentives to help investors realize a return on assets; and consistent international regulation to keep from scaring off private investors.

Widdows, whose company owns APL, the world's fourth-largest container line, has been a strong advocate for global transport infrastructure improvement, which he has supported in meetings with the European Union, Asian transport summits and at the White House.

## CLF mobilizes for election continued from page 1

helped block the Bush Administration's proposals of overtime. She's fought for legislation to extend and expand eligibility for unemployment compensation. For ten years, she led the fight to increase the federal minimum wage. Boxer is also a strong supporter of the Jones Act, the Maritime Security Program and cargo preference.

The delegates to the Convention were well aware of the accomplishments of Brown and Boxer and are prepared to work all out for their election.

Jerry Brown, addressed the delegates, giving a rousing speech emphasizing that "only united together can we build the future that we all dream of and aspire towards." He also pointed out that Whitman failed to vote for 28 years and now wants to buy the election.

The keynote convention speaker was Richard Trumka, President of the AFL-CIO, who inspired the delegates with his passionate vision to combat the corporate special interests and create a brighter future for working families. "We need to turn the anger Americans are feeling into progressive action. We need to channel that anger into hope—not hate," Trumka said. "By standing together and working together, we can restore hope, promise and prosperity—we can restore California."

Other convention speakers included labor endorsed candidates for statewide office: State Treasurer Bill Lockyer, Secretary of State Debra Bowen, and labor-backed candidates Dave Jones for Insurance Commissioner, Tom Torlakson for Superintendent of Public Instruction and State Controller John Chiang.



Bosun Leznek Jeziorski, AB and delegate Ben Garmin, AB Raul Guillen and AB Mike Hulse on the stern of the Matson Navigation Company's ITB Moku Pahu in Crockett, California, with C&H sugar refinery on the left and Richard Zampa and Carquinez Bridges in the background. Photo: Dave Connolly

## Ready Reserve Force Vessels Matson and Patriot Contract Services

effective July 28, 2010

### Full Operating Status (FOS)

Rating	Wages		Supp. Wage	Overtime Rate	Penalty Rate	Money Purchase Plan
	Monthly	Daily	Daily			Daily
Bosun	\$4,251.94	\$141.72	\$70.86	\$33.09	\$18.76	\$11.59
A.B.	\$3,355.70	\$111.85	\$55.92	\$28.24	\$14.37	\$11.59
O.S.	\$2,301.41	\$76.71	\$38.35	\$16.89	\$11.39	\$11.59

### Reduced Operating Status (ROS)

Rating	Wages		Supp. Wage	Overtime Rate	Money Purchase Plan
	Weekly	Daily	Daily		Daily
Bosun	\$1,330.39	\$190.06	\$9.50	\$33.09	\$11.59
GVU	\$686.43	\$98.06	\$4.90	\$16.88	\$11.59
O.S.	\$686.43	\$98.06	\$4.90	\$16.88	\$11.59

## Food aid programs bolster U.S. economy and merchant marine

International food aid programs supported over 13,000 U.S. jobs and generated almost \$2 billion in industrial output last year, according to a study released in June by Virginia-based consultancy Promar International. According to the study, America's four food aid programs are directly responsible for 11,500 U.S. jobs in deep sea freight transportation, which result in 97,000 additional jobs in the economy overall.

Collectively the food aid programs, the best known of which is "Food for Peace," have objectives that range from alleviating hunger and improving nutrition in starving populations worldwide to promoting democracy, expanding trade and supporting U.S. foreign policy. The food is shipped on U.S.-flag vessels that are crewed by members of the American merchant marine.

If food aid cargo were to be eliminated, the U.S.-flag fleet would shrink by 15-30%, taking with it between 16,500 and 30,000 jobs nationwide. "Unlike foreign vessels, U.S.-flag vessels pay taxes to the U.S. government, pay mariners a living wage and comply with all U.S. environmental and other regulations," SUP President Gunnar Lundberg said.

According to the report, the all-in cost of buying the food from American farmers and shipping it internationally is significantly less than the retail prices paid for the same items by American consumers. Maritime Administrator David Matsuda said that food aid programs are an important corollary to U.S. foreign policy initiatives. "The U.S.-flag emblem on a bag of sorghum sends a strong message around the world."



## ESU Office Assignments

For the month of August, Leo DeCastro will be in the Seabrook office.

# ESU NEWS

JULY 2010

Official Publication of the Exxon Seamen's Union

## ESU calls on all members for help!

The ESU calls on all members, families and friends for help to write, call or e-mail your state Senators and House Representatives and voice your concerns on the proposed bill in the Senate that was introduced by Arizona Senator, John McCain.

Bill "S.325 Legislation to Repeal the Jones Act" proposes to eliminate the very American Industry that is helping to clean up the spill in the Gulf of Mexico you need to let your legislators know that using the spill caused by foreign companies as a pretext to bring more foreign

companies is a backward approach. It makes as much sense as replacing the American workers currently cleaning up the Gulf beaches with foreign workers.

The American people need to be aware that this legislation is based on the completely false claim that the Jones Act is hindering the Gulf clean-up effort. The Coast Guard and National Incident Command have unambiguously rejected that idea. While there is a shortage of supplies like skimmers and booms, scores of large American vessels are standing by in the Gulf ready to deploy these sup-

plies and equipment as they become available. Specialized foreign oil spill response vessels are welcome and already working they either do not need a Jones Act waiver, or can get one without delay.

Moreover, this bill is based on studies that are outdated and widely discredited. Long ago, the U.S. Government Accountability Office in response to a request from Senator McCain reviewed those same studies and advised the Senator that they failed to accurately assess the cost and benefits of the Jones Act.

Let your legislators in Washington

know we the U.S. Merchant Mariners are not buying this false pretense and attack on an industry that has served this country through decades of different wars in support of our troops and civilians at the cost of thousands of mariners lost at sea, after all it was the U.S Merchant mariners that supported the troops like Senator McCain during the Korea and Vietnam Wars.

The ESU strongly encourages everyone to get involved in this matter and educate your friends, families and communities around your home on why the Jones Act is so vitally important to country.

## Rowan Mallet and Pavel Mika retire

Ocean Fleet Able Seaman and ESU member Rowan L. Mallet has elected to retire with over 19 years of Company service on June 15, 2010. Rowan joined Exxon Shipping in September 10, 1990, already with sailing experience as an Able Seaman and Quartermaster on deep sea cargo and tank ships as well offshore production platform experience. Rowan's first assignment with ESC was as Maintenance Seaman on the *Exxon San Francisco*.



After sailing aboard that ship for less than two weeks, he stepped up to AB to complete that tour and was promoted to that position approximately one year later; September 16, 1991. Rowan has been well travelled in our Fleet over his career. While he has sailed primarily on our West Coast Alaska North Slope fleet (sailing on virtually every one of those ships) he also made several tours aboard our San Francisco Bay lightering ships, *SR Galveston* and *SR Baytown*. Additionally he has some

clean product experience on the *SR American Progress* and some specialty ship experience on the *SR Charleston*.

Rowan signed off the *Kodiak* on May 22, 2010, capping off his career with SeaRiver Maritime Inc. Regardless of where Rowan sailed, his shipmates always welcomed his arrival and could depend on his experience, common sense, and his frank and honest communication. Rowan plans on spending his retirement time fishing, listening to his favorite music, travelling to see his former shipmates, and most importantly being with his father and just enjoying his retirement.

The ESU and its membership would like to take this opportunity to thank him for his many contributions over these years as a great shipmate and also an avid ESU supporter. We offer our best wishes to Rowan and his family as they enter this new chapter in their life's.

Also on June 15, 2010, Ocean Fleet QMED and ESU member Pavel Mika has elected to retire with over 23 years of Company service. A native of Czechoslovakia, Pavel had an extensive sailing background as an engineer in the Czechoslovakian Shipping Company before coming to the United States in 1983. He obtained his United States Merchant Marine credentials shortly thereafter and joined Exxon Shipping Company as a Maintenance Seaman on September 4, 1986, and his first ship with the Company was the *Exxon New Orleans* where he sailed as a step-up AOiler.

He continually stepped up to either AOiler or Maintenance Operations Assistant (MOA) and on May 21, 1987, he was promoted to AOiler. Pavel was then promoted to MOA on April 15, 1990. Eventually the Fleet oiler ratings were consolidated into the present seniority rating of QMED-Oiler, his present seniority rating.

Over the years Pavel has sailed on virtually every ship in our fleet, both steam and motor ships. Known for his ability to tackle any job, no matter how dirty or difficult, additionally his open and pleasant demeanor have also made him a good shipmate to his fellow crew members.

The ESU would like to take this opportunity to thank Pavel for his many contributions to the ESU membership by always being a loyal supporter over the years and wish him well as he begins this new path in his life.

Along with Rowan and Pavel, the ESU would like to also recognize the other ESU members that chose to take the Voluntary Severance Package last month, which include AB Larry Harris, AB Rex Jett, AB Bob O'Connor, AB Joe Villarta, QMED Waverly Moore, Cook Edward Jenkins and MS Freeman Belmont.

The ESU wishes them all the best in their future endeavors.



## ExxonMobil Savings Plan electronic confirmation statements

Beginning May 1, 2010, if you have an account in the ExxonMobil Savings Plan you can choose whether you want your ExxonMobil Savings Plan Quarterly Account Statements delivered to you by paper at your current address on file or electronically to your secure ExxonMobil Savings Plan Web site mailbox where you may view your statement on-line and print a copy.

If you receive your quarterly statement electronically, an e-mail will be sent to your preferred e-mail address to notify you that your statement is in your ExxonMobil Savings Plan on-line mail box. You can access the correspondence by signing on to the ExxonMobil Savings Plan Website <http://xomsavings.ingplans.com>.

Documents delivered electronically may now include quarterly account statements and most transaction confirmation notices. Transactions resulting in a check

and certain literature requests will continue to be sent through regular mail to your current address on file.

The first time that you log into your ExxonMobil Savings Plan account on or after May 1, 2010, you will be prompted to choose regular mail or electronic delivery for correspondence. If you choose electronic delivery, you must also select your preferred e-mail address so that you may be notified when correspondence is available to view in your mailbox.

To view your electronic correspondence, quarterly account statements, update your preferred e-mail address, or change back to paper delivery, simply access the "My Correspondence and Records" section of your ExxonMobil Savings Plan Web Site <http://xomsavings.ingplans.com>.

If you have further questions, please call an ExxonMobil Savings Plan Customer Service Representative at 1-877-966-4015.

## Lump Sum Pension rate to decrease for 4th quarter 2010

The interest rate for calculating the lump sum payment of ExxonMobil pensions for October—December 2010 will decrease to 4.25%. If the first day of retirement is October 1—December 31, 2010, and commencement of benefit is not deferred, the 4.25% interest rate and the ExxonMobil 2000 mortality table will be used to calculate the lump sum payment. The first day of retirement is the day after the last day on payroll.

As previously announced, the interest rate for calculating the lump sum payment of ExxonMobil pensions for July—September 2010 is 4.50%. If the first day of retirement is July 1—September 30, 2010, and commencement of benefit is not deferred, the 4.50% interest rate and the ExxonMobil 2000 mortality table will be used to calculate the lump sum payment.

Anyone that is considering retirement in the near future needs to be aware that a PIN number is required to start the process with the Pension Plan (ACS). When you decide that you are going to retire, not only do you need to call Sea River to

initiate the process of filling out Pension Plan Smart Forms but you also need to call the Pension Plan (ACS) see number below and request a commencement date for your retirement. They will ask you for your PIN number in order them to verify your identity. If you do not have a PIN number when contacting ACS they will not start anything and this can delay the commencement of your retirement.

### Key Contact Information

#### PIN Information

Savings Plan (CitiStreet) 877-966-4015  
Pension Plan (ACS) 800-628-2847

#### Fleet Manning

Marsha Shorts: 713-656-2991

#### Pension Estimates

ExxonMobil Benefits Service Center:  
800-682-2847

#### General Information

ExxonMobil Benefits Service Center:  
800-682-2847

[www.exxonmobilfamily.com](http://www.exxonmobilfamily.com)

Ernst & Young Financial Planners  
866-966-1337



## ESU News

## Make your Ship Board Union meetings work for you

As everyone knows, the ESU Board will have to start and get ready for a Contract negotiations in early 2011, since our current Collective Bargaining Agreement will expire on August 31, 2001. With that in mind, in the coming months leading up to negotiations, the ESU membership is encouraged to make the most of your monthly ship board Union meeting by focusing on the issues that you would like to see the Executive Board address next year. Ship board Union meetings are the heart of our democratic Union and your feedback is vital to the Board's preparation before meeting with SeaRiver management.

Ship Representatives should plan and organize the meeting ahead of time. In order to garner maximum participation select a day of the week and time that is most convenient for the majority of members to attend. On the subject of contract negotiations, all members present have a right to be heard and the Board encourages the membership to flush out and

debate the really important issues that need to be tackled. For example is a pay increase more important than more paid leave or are these issues equal in weight? Ship Representatives are reminded to refine your notes from the meeting while they are still fresh in your mind and submit a copy to the ESU office.

Incidentally, the ESU Board is tentatively planning to hold the Biennial Ship Representative Conference right at the beginning of next year, maybe sometime in January or February of 2011. The timing of the Ship Rep. Conference should provide an ideal opportunity for the Ship Representatives and the Board to have a good and productive session to review what the members would like to have the Board address in the Contract negotiations with the Company.

Next year will be a very busy year for the ESU but with the membership's support and feedback the ESU Board believes that 2011 can also be a very productive one.

## Ship reports

### S/R American Progress

The vessel arrived in Singapore's West Anchorage Bravo on July 7, and shifted to Jurong Shipyard lay berth on July 11. The vessel was making preparations to enter the dry dock and is supposed to stay in Singapore for about thirty days. Crew changes took place with a fresh compliment aboard. AB Joe Bernavich is filling in as Temporary Ship Rep. and reports all is going well but extremely hot. Also aboard, Deck Trustee Pat Campbell is staying in touch with the ESU office on a mix up with the drug testing but being resolved by the ESU office.

### 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

ESU Board Officer visited the vessel on July 19, at anchor in San Francisco, CA. The vessel has been running between Valdez and the Bay area. Regular Ship Rep. Tim Williams was

onboard but was going home to paid leave and reports everything going well. Vessel discharged at Chevron Richmond and also completed some minor repairs while at anchor.

### 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 Port Angeles while waiting to berth at Shell Anacortes. The crew took advantage of the delay to complete routine repairs. Regular Ship Rep. Thor Floreen back on board and reports everything going well..

### S/R Wilmington

Board officer visited the vessel in Beaumont, TX on July 3, and 12. Vessel continues the MOGAS run between Beaumont, TX and FL. AB Mike Harrison filling in as Temporary Ship Rep. and reporting everything running smoothly.

## SR Wilmington gang



On the deck of the SR Wilmington the crew check out the scenery in Ft. Lauderdale. Pictured are from left to right: AB Mike Gore, AB Walfredo Domapias, AB Joseph Buffington, MS Rubem Giannini and 2<sup>nd</sup> Mate Carlos Royo.

## The Kodiak crew says "Happy Retirement" to Larry



The Kodiak crew took a little time to wish AB Larry Harris a Happy Retirement, as stated in the ESU news Larry was among the people who took the voluntary separation package. Pictured are from left to right: AB Pat Campbell front, AB Nathan Lambird back, Cook Johnny Navarro, AB Larry Miles, AB Paul Clow, Captain Berkovici and AB Larry Harris.

## ExxonMobil announces completion of all stock transaction for XTO

ExxonMobil Corporation announced that it has completed its agreement with XTO Energy Inc., creating a new organization to focus on global development and production of unconventional resources. Under the agreement, approved by XTO stockholders at a special meeting, the new organization will continue to be known as XTO Energy Inc. and maintain its head office location Fort Worth, Texas.

Jack Williams, a former vice president of ExxonMobil Development Company, has been elected president of XTO Energy Inc. Keith Hutton, formerly XTO's chief executive officer, is executive vice president of the new organization. "With this agreement, we are combining XTO's skills, capabilities and asset base with ExxonMobil's advanced research and development and operational capabilities, global scale and financial capacity," said Williams. "The new organization will create the opportunity for more jobs and investment in the development and production of clean-burning natural gas both here in the United States and around the world."

Nearly all of XTO's 3,300 employees are transitioning to the new organization, which Hutton said is the result of what has been a key focus of transition planning since the agreement was announced in December 2009. "ExxonMobil worked closely with XTO's management to ensure employees understand how important they are to the future success of the new organization," said Hutton. "XTO's employees bring the ability to enhance ExxonMobil's global operations through the vast experience they have gained in innovative and efficient resource development in the United States."

Rex W. Tillerson, chairman and chief executive officer of ExxonMobil, said this conclusion of the agreement is good news for the United States as it will help produce more of America's own clean-burning natural gas, which brings with it innovation, technology, investment and jobs. "ExxonMobil's Energy Outlook indicates that gas will grow more rapidly than any other major energy source given its availability and relatively low carbon profile," said Tillerson. "We believe gas is the fuel of choice for power generation, producing fewer greenhouse gas emissions than other electrical-generation fuels, such as coal."

The agreement received regulatory clearance from the competition authorities in March. Under the agreement, each outstanding common share of XTO has been converted into the right to receive 0.7098 shares of ExxonMobil common stock, with cash to be paid in lieu of any fractional shares. XTO's resource base is the equivalent of 45 trillion cubic feet of gas and includes shale gas, tight gas, coal bed methane, shale oil and conventional oil and gas production. These will complement ExxonMobil's holdings in the United States, Canada, Germany, Poland, Argentina and Indonesia.

## EXXON SEAMEN'S UNION

Founded March 28, 1941

Affiliated with the Sailors' Union of the Pacific

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President/Secretary John Straley

Vice President/Treasurer Leo DeCastro

Board Member at Large To Be Announced

Board Member at Large John McCarthy

Deck Trustee Pat Campbell

Engine Trustee William Ackley

Steward Trustee Kurt Kreick

## SUMMARY ANNUAL REPORT FOR SUP WELFARE PLAN, INC.

This is a summary of the annual report of the SUP Welfare Plan, Inc., EIN 94-1243666, for the year ended July 31, 2009. The annual report has been filed with the Employee Benefits Security Administration, as required under the Employee Retirement Income Security Act of 1974 (ERISA).

The Board of Trustees of SUP Welfare Plan, Inc. has committed itself to pay certain medical, dental and death claims incurred under the terms of the plan.

### Insurance Information

The plan has contracts with Health Net, Kaiser Foundation Health Plan of the Northwest, Kaiser Foundation Health Plan Hawaii, Kaiser Foundation Health Plan, Inc., Dental Health Services, Group Health Cooperative, Bluecross Blueshield of Louisiana, Guaranty Assurance Company, MHN Services, Delta Dental of California, UnitedHealthCare Insurance Company and The United States Life Insurance Company in the City of New York to pay certain medical, dental, and death claims incurred under the terms of the plan. The total premiums paid for the plan year ending July 31, 2009 were \$3,657,919.

### Basic Financial Statement

The value of plan assets, after subtracting liabilities of the plan, was \$13,967,866 as of July 31, 2009 compared to \$13,908,209 as of August 1, 2008. During the plan year, the plan experienced an increase in its net assets of \$59,657. This increase includes unrealized gains in the value of plan assets; that is, the difference between the value of the plan's assets at the end of the year and the value of the assets at the beginning of the year or the cost of assets acquired during the year. During the plan year, the plan had total income of \$6,489,489, employer contributions of \$5,183,030, employee contributions of \$60,570, realized gains of \$1,173 from the sale of assets, earnings from investments of \$1,241,912, and other income of \$2,804.

Plan expenses were \$6,429,832. These expenses included \$849,279 in administrative expenses and \$5,580,553 in benefits paid to participants and beneficiaries.

### Your Rights to Additional Information

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

1. An accountant's report;
2. Financial information and information on payments to service providers;
3. Assets held for investment;
4. Transactions in excess of 5% of plan assets; and
5. Insurance information including sales commissions paid by insurance carriers.

To obtain a copy of the full annual report, or any part thereof, write or call the office of SUP Welfare Plan, Inc., who is the plan administrator, at 730 Harrison Street, Suite 415, San Francisco, CA 94107, telephone (415)778-5490. The charge to cover copying costs will be \$27.50 for the full report, or \$.25 per page for any part thereof.

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

You also have the legally protected right to examine the annual report at the main office of the Plan at 730 Harrison Street, Suite 415, San Francisco, CA 94107, and at the U.S. Department of Labor in Washington, D.C., or to obtain a copy from the U.S. Department of Labor upon payment of copying costs. Requests to the Department should be addressed to Public Disclosure Room, Room N1513, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210.

## Maersk Line says slow steaming is here to stay

Slow steaming is a permanent and industry-wide shift that will not be abandoned post recovery, according to Maersk Line chief operating officer Morten Engelstoft.

Following a recent internal Maersk review of slow steaming prospects, senior management are now confident that an industry-wide slowdown in ship speeds is set to become a permanent standard for the container trades.

While some industry experts have openly questioned whether the trend will survive once the market picks up speed, Maersk Line has concluded that a large-scale speed up will remain economically and operationally illogical under most forecast market scenarios.

"There was a lot of superstition and misunderstanding about what was possible in terms of slow steaming but I think we have proved that with relatively simple processes this is now perfectly feasible for most ships," said Maersk Line vessel management vice-president Soren Andersen. "The slow down last year was for me one of the most significant events the industry has seen in a long time."

Slow and super-slow steaming first started in the Asia-Europe trades and then rapidly spread to other routes as carriers realized the reduced speeds not only cut fuel bills and reduced emissions, but also absorbed tonnage since additional ships were needed in each loop to maintain weekly schedules.

According to the latest available Alphaliner estimates slow steaming has created employment for around 100 ships totalling well over 550,000 teu. This could reach 580,000 teu by the end of this month, up from only 46,000 teu 12 months ago.

The majority of vessels employed on the Asia Europe and TransPacific routes are currently operated in extra-slow steaming mode of 17-19 knots, one step further down from normal slow steaming of 20-22 knots.

## Welfare Notes

July 2010

### New Fiscal Year

The new fiscal year starts August 1, 2010 and runs through July 31, 2011. Charges for services incurred on August 1, 2010 and after will be eligible for reimbursement consideration in the new fiscal year. Charges for services incurred prior to August 1, 2010 can only be considered for services in the prior fiscal year even if they are submitted for reimbursement after August 1, 2010.

All services submitted for reimbursement consideration must be submitted to the Plan office within 90 days of the date of services or within 90 days of the processing date of the prime insurance plan.

### Reimbursement for Active Participant Co-pays

Kaiser and other HMO Plan member's co-pays can be submitted to the Plan office by sending a copy of the copayment that indicates the patient name, date of service, and the amount charged the member. PPO Plan members must submit a billing and the PPO Plan explanation of benefits that show how the charge was applied to the plan and the required payment due from the member.

### Reimbursement for Vision Care

The vision care benefit for active participants is allowed once in a two year period. The \$200.00 maximum includes the exam and glasses. The cost of tints is not included in the reimbursable amount. The vision benefit is for members only and does not include dependents. An itemized bill must be submitted to the Plan office within 90 days of the service. The bill must indicate the patient's name, date of service, and an itemization of the charges.

The vision care allowance for pensioners is included in the \$500.00 maximum of the Pensioners Annual Allowance for medical, dental, and vision co-payments. Glasses are an allowable expense once in a fiscal year.

Michelle Chang, Administrator [mcsupsiupd@sbcglobal.net](mailto:mcsupsiupd@sbcglobal.net)

Patty Martin [martinpatty59@sbcglobal.net](mailto:martinpatty59@sbcglobal.net)

Virginia Briggs Claims [vbriggs80@sbcglobal.net](mailto:vbriggs80@sbcglobal.net)

Michael Jacyna Eligibility [mjacyna67@sbcglobal.net](mailto:mjacyna67@sbcglobal.net)

Training Representative Berit Eriksson 415-957-1816

[berittrainrep@sbcglobal.net](mailto:berittrainrep@sbcglobal.net)

SUP Welfare Plan, 730 Harrison St., Suite 415, San Francisco, CA 94107

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

SIU-PD Pension 415-764-4987

SIU-PD Supplemental Benefits 415-764-4991

## SUMMARY ANNUAL REPORT FOR ANDREW FURUSETH SCHOOL OF SEAMANSHIP TRAINING PLAN

This is a summary of the annual report of the Andrew Furuseth School of SeamanSHIP Training Plan, EIN 30-0162507, for the year ended July 31, 2009. The annual report has been filed with the Employee Benefits Security Administration, as required under the Employee Retirement Income Security Act of 1974 (ERISA).

### Basic Financial Statement

The value of plan assets, after subtracting liabilities of the plan, was \$874,087 as of July 31, 2009 compared to \$819,375 as of August 1, 2008. During the plan year, the plan experienced an increase in its net assets of \$54,712. The plan had total income of \$427,608 including employer contributions of \$347,177, earnings from investments of \$8,134 and other income of \$72,297.

Plan expenses were \$372,896. These expenses included \$99,866 in administrative expenses and \$273,030 in benefits paid to or for participants.

### Your Rights to Additional Information

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

1. An accountant's report;
2. Financial information and information on payments to service providers; and
3. Assets held for investment.

To obtain a copy of the full annual report, or any part thereof, write or call the office of Andrew Furriest School of SeamanSHIP Training Plan, 730 Harrison Street, Suite 415, San Francisco, CA 94107, telephone (415)778-5490. The charge to cover copying costs will be \$2.25 for the full annual report, or \$.25 per page for any part thereof.

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

You also have the legally protected right to examine the annual report at the main office of the Plan at 730 Harrison Street, Suite 415, San Francisco, CA 94107, and at the U.S. Department of Labor in Washington, D.C., or to obtain a copy from the U.S. Department of Labor upon payment of copying costs. Requests to the Department should be addressed to Public Disclosure Room, Room N1513, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210.





# SUP President's Report

July 12, 2010

## JONES ACT

As reported in the June issue of the *West Coast Sailors*, opponents of the Jones Act (Merchant Marine Act of 1920) continue to disseminate the lie that this law is hindering cleanup efforts in the wake of the explosion of British Petroleum's *Deepwater Horizon* drilling rig in the Gulf of Mexico on April 20.

Know-nothings in the Senate, Kay Bailey Hutchison (R-Texas), John Cornyn (R-Texas), George LeMieux (R-Florida) and John McCain (R-Arizona), introduced legislation on June 18, entitled Water Assistance from International Vessels for Emergency Response (S.3512). This bill provides for a blanket "temporary" waiver of the Jones Act that would permit foreign-flag vessels to arrive and depart U.S. ports with salvaged petroleum if they are assisting in the cleanup. As of today's meeting, three more Republican senators have signed on as cosponsors: John Barrasso of Wyoming, Christopher Bond of Missouri, Johnny Isakson of Georgia and Jeff Sessions of Alabama. The bill has been referred to the Committee on Commerce, Science and Transportation.

A companion measure (H.R. 5585) was introduced in the House of Representatives by Congressman John Carter (R-Texas) and cosponsored by 16 Republicans: Jo Bonner (Alabama), Mike Conaway (Texas), John Culberson (Texas), Charles Djou (Hawaii), Louie Gohmert (Texas), Gregg Harper (Mississippi), Kenny Marchant (Texas), Mike McCaul (Texas), Peter Olson (Texas), Adam Putnam (Florida), Tom Rooney (Texas), James Sensenbrenner (Wisconsin), Lama Smith (Texas), Cliff Stearns (Florida), Joe Wilson (South Carolina) and Democrat Allen Boyd (Florida). This bill was referred to the House Transportation and Infrastructure's Subcommittee on Coast Guard and Maritime Transportation. It should be noted that all the sponsors and cosponsors of the Jones Act waiver legislation, both in the Senate and the House, have voting records that are anti-worker, anti-Union.

Then on June 25, Senator John McCain, no friend of the U.S. merchant marine, introduced a bill — Open America's Waters Act (S.3525)— that would REPEAL the Jones Act. In a speech on the Senate floor the same day, McCain stated the Jones Act is "antiquated and protectionist" and "favors labor Unions over consumers."

Repeal of the Jones Act, which requires that vessels carrying cargo between U.S. ports be U.S.-built, U.S.-owned and U.S.-crewed, would be a disaster for every man and woman who sails for a living —either offshore or inland. For McCain to propose to destroy an entire industry is unconscionable and anti-American. Words of contempt for this individual, who has been on the taxpayers payroll since he was born, cannot be fully expressed in this report, but I'm sure are on the lips of every member of this Union.

The McCain bill proposes to eliminate the very American industry that is helping to clean up the spill —an industry that supports 500,000 U.S. jobs— and outsource that work to foreign workers and foreign companies registered in nations like Liberia and the Marshall Islands that operate outside of American law. Using a spill caused by foreign companies as a pretext to bring in more foreign companies is a backward approach. It makes as much sense as replacing the American workers currently cleaning up the Gulf beaches with foreign companies and foreign workers.

The McCain legislation is based on the completely false claim that the Jones Act is hindering the Gulf clean-up effort. The Coast Guard and National Incident Command have unambiguously rejected that idea. They should know the truth better than anyone. While there is a critical shortage of supplies like skimmers and boom, scores of large American vessels are standing by in the Gulf ready to deploy these supplies and equipment as they become available. Specialized foreign oil spill response vessels are welcome and already working — they either do not need a Jones Act waiver, or can get one without delay.

Finally, the McCain bill is based on studies that are outdated and widely discredited. Long ago, the U.S. Government Accountability Office in response to a request from McCain reviewed those same studies and advised the Senator that "they failed to accurately assess the costs and benefits of the Jones Act."

As of today's meeting, McCain's bill has one co-sponsor, fellow Republican James Risch of Idaho.

In response to McCain's bill, on July 2, your secretary sent the following letter to Senators Daniel Akaka (D-Hawaii), March Begich (D-Alaska), Barbara Boxer (D-California), Maria Cantwell (D-Washington), Dianne Feinstein (D-California), Daniel Inouye (D-Hawaii), John Kerry (D-Massachusetts), Frank Lautenberg (D-New Jersey), Lisa Murkowski (R-Alaska), Patty Murray (D-Washington), Bill Nelson (D-Florida), Harry Reid (D-Nevada), John D. Rockefeller (D-West Virginia), and Olympia Snowe (R-Maine). In addition the letter was sent to Speaker Nancy Pelosi and 40 other members of the House of Representatives.

Dear Senator/Representative:

*On behalf of the membership of the Sailors' Union of the Pacific, I am writing to ask that you oppose S.3525, legislation that would put American shipping companies out of business, would affect the jobs of more than 500,000 American workers, and would threaten the economic and military security of our nation. This bill, sponsored by Senator John McCain, would repeal the Jones Act, the body of law that guarantees that America's domestic waterborne commerce will be controlled by American companies and American workers.*

*If Senator McCain were to have his way and this legislation were to pass, foreign vessels built in foreign shipyards, owned by foreign companies and controlled by foreign maritime workers would be granted unprecedented access to operate on our nation's inland rivers and waterways and to travel in and out of America's inland, coastal and Great Lakes ports. In fact, the supporters of this anti-American business, anti-American worker legislation totally ignore the following:*

*Only American maritime workers are subject to the background and security checks imposed by the Department of Homeland Security and implemented by the Federal Bureau of Investigation, the Coast Guard and the Transportation Security Administration to help prevent maritime-related security and terrorism incidents on our waterways and in our nation's ports. The enactment of S.3525 would mean that foreign companies and foreign maritime workers who are not subject to United States government background and security checks will have unlimited access to America's ports, port facilities and coastal and inland waterways. It is shortsighted and ill-advised for members of Congress to tell our government, especially at this dangerous time in our nation's history, to relinquish all control over those who choose to enter our country by vessel and to allow these individuals to gain total control over the timing and the cost of transporting America's domestic commerce.*

*The construction and operation of vessels as required by the Jones Act generates approximately 500,000 American jobs for American workers engaged in the construction, maintenance and repair of vessels for the domestic trades, the operation of these vessels under the United States-flag, and in related service and supply industries. It is equally shortsighted and ill-advised for members of Congress, especially during these difficult economic times, to promote legislation that could drive American shipping companies and shipyards out of business, force thousands of American maritime workers into the ranks of the unemployed, and deny the Federal and state governments the corporate and individual tax revenues these companies and their workers generate.*

*The operation of U.S.-flag vessels in the domestic trades, as required by the Jones Act helps ensure that our nation will have the cadre of trained, loyal civilian merchant mariners needed by the Department of Defense in time of war or other international emergency. As our nation is experiencing today, with American troops on the ground in Iraq and Afghanistan, it is critical that the United States have the sealift capabil-*

*ity needed to bring our forces what they need when they need it. It is especially shortsighted and ill-advised for America's troops for members of Congress to promote legislation that would dramatically reduce the number of American mariners available to operate the commercial vessels needed to support our troops— American troops and their families have the right to know that the equipment, material and supplies needed to protect America's interests overseas will be carried by American ships with American crews, and not left to the political or ideological whim of foreign companies and foreign crews.*

*I ask that you work to support American rather than foreign shipping companies and shipyards; that you work to promote American rather than foreign maritime and shipbuilding jobs; that you work to strengthen rather than weaken America's maritime and port security; and that you support America's troops by ensuring they will continue to be dependent on American ships with American crews—and not foreign ships and foreign crews. S.3525 is dangerous legislation, and represents a threat to the economic and military security of our Nation. I again ask that you oppose this bill.*

Sincerely,

GUNNAR LUNDEBERG

President/Secretary-Treasurer

All of maritime labor has mobilized against McCain's bill, along with AFL-CIO, the Maritime Trades Department, the Transportation Trades Department and the Maritime Cabotage Task Force. At your secretary's request the California Labor Federation, the Alameda Labor Council, the San Francisco Labor Council and many shoreside Unions in the San Francisco Bay Area, have written to Senators Boxer and Feinstein urging them to oppose S.3525. See Attachments.

In the 2008 presidential election, McCain stated he was in favor of Jones Act repeal and your secretary urged the membership to vote for Barack Obama. President Obama and the vast majority of Democrats (and so far Republicans) in Congress have stood with us but they need membership input to emphasize that their livelihoods are at stake. Urge all hands to write their members of Congress to oppose McCain's bill.

## PENSION INCREASE

At the quarterly Trustee meeting of the SIU-Pacific District Pension Plan on June 16, Plan Actuary Greg Pastino of the Savitz Organization submitted his valuation of the Plan as of August 1, 2009. The market value of the assets was approximately \$115 million with a funded ratio of 123.7%.

Under Section 30(e) of the General Rules in the collective bargaining agreements between the SUP, MFOW and SIU-Marine Cooks, which bargain as the SIU Pacific District, and APL Marine Services and Matson Navigation Company, the parties shall meet in good faith to negotiate benefit increases that shall not exceed the yearly combined net actuarial gain of the Plan. In the August 1, 2008 valuation, there was a gain of over \$3 million, however, due to the financial instability the Nation was experiencing at the end of the 2008 and the beginning of 2009, the Union Trustees (Anthony Poplawski for the MFOW, Nick Marrone for the SIU-Marine Cooks and your secretary for the SUP) thought it was fiscally prudent not to request bargaining under 30(e) until the markets stabilized and the value of Plan assets could be reassessed.

At the June 16 meeting, Mr. Pastino reported that the net actuarial gain for 2008 and 2009 totaled \$7,687,307. The Trustees then agreed to recess the Plan meeting and immediately reconvene as collective bargaining parties.

The Unions proposed a maximum pension benefit improvement of \$100 per month for Plan participants who retire on or after July 1, 2010. This would be applicable, as per past practice, to those who retire at age 60 or older with 25 years seetime with pro-rata increases for participants with less than 25 years

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## President's Report continued

seamanship. In addition, the Unions proposed that current pensioners who retired at age 55 or older with at least 20 years of qualifying time receive a 3% increase to their monthly benefit.

Company representatives (Tim Windle for APL and Tom Percival for Matson) requested time to review the proposal and suggested the parties reconvene on June 23 to continue bargaining. However, on June 18, Percival notified the Unions that the companies agreed with the benefit increase as proposed which increases the maximum benefit to \$1,646 per month from \$1,546.

The Pension Plan office indicates that the benefit improvements will be reflected in the September 1, pension checks, inclusive of benefit increases retroactive to July 1.

The benefit breakdown is as follows:

	Monthly Benefit 7/1/08	Monthly Benefit 7/1/10
<b>I Long Service Benefit (25YQT)</b>		
(1) Retiring at age 60 or older	\$1,546.00	\$1,646.00
(2) Eligible for Soc. Sec. Dis., any age	\$1,546.00	\$1,646.00
(3) Retiring between ages 55 and 60	\$1,291.38	\$1,374.91
(4) Retiring under age 55	\$300.00	\$300.00
<b>II Basic Service Benefit (20YQT)</b>		
(1) Retiring at age 60 or older	\$1,236.80	\$1,316.80
(2) Eligible for Soc. Sec. Dis., any age	\$1,236.80	\$1,316.80
(3) Retiring between 55 and 60	\$1,114.03	\$1,186.09
(4) Retiring under age 55	\$250.00	\$250.00
<b>III Reduced Service Benefit</b>		
(1) 15YQT	\$695.70	\$740.70
(2) 16YQT	\$742.08	\$790.08
(3) 17YQT	\$788.46	\$839.46
(4) 18YQT	\$834.84	\$888.84
(5) 19YQT	\$881.22	\$938.22
<b>IV Disability Retirement Benefit</b>		
(1) 25YQT retiring at age 60 or older	\$1,546.00	\$1,646.00
(2) 25YQT retiring at ages 55-59	\$1,291.38	\$1,374.91
(3) 25YQT retiring under age 55	\$300.00	\$300.00
(4) 20YQT-24YQT retiring at age 60 or older	\$1,236.80	\$1,316.80
(5) 20YQT-24YQT retiring at ages 55-59	\$1,114.03	\$1,186.09
(6) 20YQT-24YQT retiring under age 55	\$250.00	\$250.00
(7) 15YQT-19YQT	\$187.50	\$187.50
(8) 15YQT-19YQT and eligible for Soc. Sec. Dis.	\$218.50	\$218.50
(9) 10YQT-14YQT	\$125.00	\$125.00
<b>V Dependent Child Benefit</b>		
(1) Per child under age 18	\$25.00	\$25.00
<b>VI Deferred Vested Benefit per year of Qualifying Time</b>		
(1) 200 or more qualifying days	\$46.38	\$49.38
(2) 125 to 200 qualifying days	Pro Rata	Pro Rata
(3) Less than 125 qualifying days	\$0.00	\$0.00

### SUP WELFARE PLAN

The Trustees of the SUP Welfare Plan (Vice President Dave Connolly and your secretary for the Union; Tim Windle, the alternate for Bob Stephens of APL and Tom Percival for Matson) met on June 15, for the regularly scheduled quarterly meeting.

This was the first Trust meeting since the Patient Protection and Affordable Health Care Act, more commonly known as the "Health Care Reform Bill," was enacted on March 23. The details of the legislation are not yet fully known as the Departments of Labor, Health and Human Services and the Internal Revenue Service, are in the process of formulating guidelines as to its specific applicability.

In general the legislation is a first step in providing universal health care for all Americans; 33 million previously uninsured citizens will now be covered as will those with pre-existing medical conditions. Where the bill fails, in the view of many, is that it does nothing to control health care costs. Health care corporations will continue to amass outrageous profits while American workers bleed to pay premiums. Union/Employer (Taft-Hartley) plans, like the SUP Welfare Plan, will continue to be squeezed by escalating costs to maintain existing benefits.

The provisions of the bill, that are known and which will financially impact the SUP Welfare Plan, are:

Effective August 1, 2011 adult "children" to age 26 of Plan participants will be covered by the Plan, regardless of the "child's" marital or study status, if they are not eligible for other employer-sponsored coverage. Currently, the Plan covers unmarried dependent children until they are 19;

Employment for initial eligibility in the Plan is now 120 days worked in a 12-month period. In accordance with the legislation, effective August 1, 2014, the period will be 90 days.

In addition, beginning on January 31, 2012 for the tax year 2011, employers will have to start reporting the aggregate cost of employer-sponsored health coverage on IRS Form W-2. Reported cost will be based on what the SUP Welfare Plan charges for COBRA coverage. The COBRA cost is also what will be used to determine if coverage is a "Cadillac" plan, therefore potentially taxable for Plan participants in 2018. The AFL-CIO is actively attempting to eliminate or amend this provision.

Overall the SUP Welfare Plan is in fair shape with income meeting expenses. The Trustees in conjunction with Plan Administrator Michelle Chang continue to monitor costs while maintaining benefits for active members, their families and pensioners. However, this difficult task is exacerbated by the continuing rise in health care premiums and the lack of relief from the federal government. For example:

**KAISER:** Effective July 1, 2010, a 6.4% premium increase in Northern California and a 10.5% increase in Southern California. The Northern California renewal rates represent an annual additional cost of \$5,700 based on current enrollment and the Southern California renewal equates to an approximate \$4,100 increase.

In practical terms the rate for a single participant in Northern California increased to \$561.62 per month from \$527.79. For a married participant without children, the rate increased to \$1,123.25 from \$1,055.57. For married participants with children, the rate increased to \$1,589.83 from \$1,493.63. In Southern California, Kaiser's rates increased to \$446.96 from \$404.32 for single participants, \$893.93 from \$808.64 for married participants and to \$1,264.91 from \$1,144.22 per month for a married participant with children.

In 2009, Kaiser Northern California premiums increased by 9.5% (\$92,400) and Kaiser Southern California by 10.4% (\$39,400).

**KAISER HAWAII:** Has advised it will increase the medical and prescription drug premiums by 15.2% effective August 1, 2010. The dental program premiums will be increased by 5% to \$31.65 from \$30.14 per month for single coverage, \$63.30 from \$60.28 for two-party coverage and to \$94.95 from \$90.42 for family coverage.

The medical premiums increases for single participants to \$384.34 from \$333.49 per month, \$768.67 from \$666.98 for married participants and to \$1,153.00 from \$1,000.47 for married participants with children. The annual premium increases for medical and dental for those currently enrolled totaling \$45,800 (\$44,500 for the medical plan and \$1,300 for the dental plan).

In 2009, Kaiser Hawai'i premiums increased by 1.3% (\$3,600.00).

**HEALTHNET (HMO):** This outfit originally requested a 11.3% premium increase effective August 1, 2010, but Plan consultant Kirsten Schaffer of the firm Rael & Letson negotiated the increase down to 9.9% which will increase annual premiums by \$68,400. For a single participant premiums increased to \$665.36 from \$605.15 per month, for married participants to \$1,330.72 from \$1,210.30 and for married participants with children to \$1,929.61 from \$1,754.99.

In 2009, HealthNet premiums increased by 9.3% (\$54,000.00).

**HEALTHNET PPO (CALIFORNIA):** Effective August 1, 2010, premiums will increase 8.9%. For single participants to \$752.84 from \$690.81 per month, for married participants to \$1,618.59 from \$1,485.21 and for married participants with children to \$2,220.86 from \$2,037.86.

In 2009, HealthNet PPO (California) premiums increased by 8.15%.

**HEALTHNET PPO (OUTSIDE OF CALIFORNIA):** Effective August 1, 2010, premiums will increase by 2.6%. For single participants to \$710.10 from \$692.11 per month, for married participants to \$1,526.99 from \$1,488.00 and for married participants with children to \$2,094.78 from \$2,041.70.

In 2009, HealthNet PPO (outside of California) increased by 10.78%.

The renewal rates for both HealthNet PPO plans will cost the SUP Welfare Plan an additional \$21,600 annually. In 2009, the additional cost due to premium increases was \$58,800.

**GROUP HEALTH COOPERATIVE:** This plan is the bright spot with only a .2% increase effective August 1, 2010. For single participants to \$457.91 from \$457.01, for married participants to \$855.10 from \$853.20 and for married participants with children to \$1,431.81 from \$1,429.00 per month.

In 2009, there was no premium increase.

**BLUE CROSS/BLUE SHIELD OF LOUISIANA:** Effective June 1, 2010, premiums will increase by 4.5%. For single participants age 40-54 to \$290.93 from \$278.41, for single participants age 55-59 to \$518.96 from \$496.62 and for single participants age 60 plus to \$647.39 from \$619.53. For married participants to \$520.27 from \$497.88 and for married participants with children to \$706.36 from \$675.96 per month. The renewal rates are guaranteed through May 31, 2011 and represents an additional annual cost to the SUP Welfare Plan of \$3,100.00.

In 2009, premiums increased 5% (\$3,800.00).

It should be noted that the premiums mentioned cover medical premiums and do not cover the other benefits provided by the SUP Welfare Plan including optical, disability, pensioner, hospital, death and drug and alcohol rehabilitation benefits.

What this country needs is real health care reform that provides universal coverage for all Americans and that reduces costs while ensuring quality care.

### READY RESERVE FORCE

Under the collective bargaining agreements with Matson and Patriot, covering vessels in the Ready Reserve Force (RRF), a 3% increase in Total Crew Cost (wages, overtime, supplemental benefits, Money Purchase Pension Plan, contributions to the SUP Welfare Plan) becomes effective July 28.

Currently, Matson operates the *Cape Jacob* in Full Operating Status. This vessel is scheduled to be laid-up some time next year. Patriot operates the *Cape Orlando*

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and *Admiral Callaghan* which are in reduced operating status and the *Cape Farewell* and *Cape Flattery* which are in idle status.

The current RRF agreements began on July 28, 2005, and were for four years ending in 2009, however, both were extended by the Maritime Administration for three years until 2012 and could be extended for another three years until July 27, 2015.

The new RRF wage scales will be published in the July *West Coast Sailors*.

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## FOSS MARITIME COMPANY

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

On June 29, traveled to Sacramento to discuss the issue with Assemblyman Huffman and his staff. While the meeting was cordial, Huffman was not completely convinced that his bill was impractical. However, the legislative policy people of the California Labor Federation believe that this legislation has little chance of passing and that Governor Schwarzenegger would veto it. However, will keep a weather-eye on any developments.

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## QUARTERLY FINANCE COMMITTEE

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In accordance with Article XVII, Section 2, of the SUP Constitution, a Quarterly Finance Committee shall be elected at today's Headquarters' meeting to review the finances of the Union for the second quarter of 2010, and report back to the membership at the August coastwise meetings.

In the event the Committee cannot be filled today, recommend that when the quarterly audit is completed, which will be in about three weeks, necessary Committee members be shipped off the hiring hall deck as per past practice. The Quarterly Finance Committee will turn-to on Monday, August 9, at 8:00 A.M.

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## LONGSHORE HOLIDAY

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SUP hiring halls on the West Coast will be closed on Wednesday, July 28, in observance of an ILWU holiday.

In accordance with the collective bargaining agreements with APL and Matson, it is a holiday for all company vessels in West Coast ports and for sailors employed under the APL and Matson Maintenance Agreements. It is also a holiday for run boat operators employed by the San Francisco Bar Pilots. It is not a holiday at sea or in Hawai'i.

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## ACTION TAKEN

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Quarterly Finance Committee: nominated and elected Trev Motlow, Arthur Thanash, Frank Portanier, Diane Ferrari and Lou Frazier.

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

*Gunnar Lundeberg*

## Democrats overcome GOP opposition

continued from page 1

cally available for 26 weeks. The rest were receiving extended benefits financed by the federal government, which were due to run out soon unless the bill passed both houses of Congress. The Labor Department estimates that 2.5 million people had been cut off by the end of last week.

The bill would extend benefits retroactively. While state laws vary, labor officials and advocates for the unemployed said some people could expect to see lump-sum payments covering lost income back to June 2. Even with the bill passing, many people will have to wait two to four weeks before checks are restored, said Rich McHugh, a staff attorney for the National Employment Law Project, which advocates for jobless workers.

"I'm sure it seems important to people in Washington, who are fighting over these budget points of order, but it doesn't look very important to people in the real world," said McHugh, who works in Michigan, where the jobless rate is more than 13%. "It's not a pleasant process to get calls from these folks who are losing their houses and losing their health insurance and taking their kids out of college and making the choices people are being forced to make in this economy."

Passage of the jobless benefits bill marked a victory for Obama and congressional Democrats, who have been struggling since February to push through a significant extension of the program. The provision was originally part of a much larger package of fresh spending on the economy, but Democrats have been forced repeatedly to pare it back as conservative Democrats joined Republicans in arguing that the nation could not afford another big hike in the national debt.

Democrats dropped from the bill an extension of \$25-per-week bonus payments that were added to unemployment checks under last year's stimulus package, and have little hope of extending subsidies that pay up to 65% of COBRA health insurance premiums. President Obama's push for billions of dollars in state aid has also been scaled back.

# Vice President's Report

July 2010

## Sanitary

Related to its reputation for skill in seamanship, the SUP has a long-standing tradition of maintaining sanitary conditions aboard ship. The origins of the tradition go back to the horrible conditions common in the earliest days of vermin-infested windjammers. In the lumber schooners along the Pacific Coast, where the bunks were piled high in the forecabin that often doubled as the messroom, maintaining sanitary conditions in cramped quarters was understood to be a compulsory personal habit. The idea of cleanliness as a built-in part of the life and work of a sailor was handed down and expanded over time from occupational hygiene to a point of professional pride. Many times I have heard the complaint "The last guy left his room a mess," and sometimes this is because it really was a mess. Other times, on inspection it is clear that there are differing standards on sanitary conditions. When sailors all lived in the same room this was less of a problem, but today it might be that our isolation and relative comfort has allowed that standard to slide. Let me correct that now: when it is time to pack your things and pay off the ship, be sure your room is perfectly clean—bristol, as they used to say. All surfaces should be wiped down, deck clean and free of any debris, and the head should sparkle. Make sure there is a clean set of linens for your relief, and a new bar of soap in the dish. Delegates should inspect before departure. Sanitary work is sailors work just as much as splicing a line or rigging a sling, but leaving behind a room that is squared away in every respect is an indication of the pride we take in our work and part of our SUP identity.

**APL Japan:** Marc Caliero relieved Kris Skorodinski as delegate. Boarded in New York to investigate STOS firing—not being able to steer is just cause for termination. Clarifications on garbage—handling garbage is only payable when required to sort or carry to dockside disposal area.

**APL Philippines:** John Hamann, delegate. In at Oakland with no problems.

**APL Turquoise:** Joel Schor, delegate. Time back payable only on days of arrival and departure. Payroll question investigated. There is no second minimum in a call-out for departure unless sailors are knocked off past the expiration of the first minimum.

**Moku Pahu:** Ben Garmin, delegate. Paid off in Crockett, no beefs. Laid up in San Francisco at the shipyard awaiting next sugar run to the Islands.

**Manoa:** Jerry Komoto, delegate. Clean ship in at Oakland. Jones Act discussion.

**Mahimahi:** John Gabourel, delegate. Pension discussion. Clean ship.

**USNS Martin:** Michael Haslam, delegate. All agents deserve recognition for their tireless dedication in recruiting, training and dispatching this first crew. I boarded in Jacksonville at turnover on the Marine Corps base at Blount Island in Jacksonville FL. Crew turning to on a million tasks bringing the ship up to SUP standards. Sailed for pre-positioning location on schedule in mid-July. Clarifications on watchstanding, security watchstanding, overtime, meal relief, safety gear, seniority, benefits, payroll and draws.

**USNS Gilliland:** Brian McCarthy, delegate. Boarded in Norfolk along and met with Gordon crew at the same time. Both this ship and Gordon kept in high state of readiness due to continuous hard work. Shore leave issue investigated; access to Seafarer's Center investigated and secured.

**USNS Gordon:** Tim Conley, delegate. Bosun Randy Pruitt has things well in hand.

**USNS Waters:** Corey Burton, delegate. West Coast return possible on completion of yard period in Charleston. Clarification on tour of duty, scope of work.

**California Voyager:** Peter Nevin, delegate. Bosun Ron Gill and others helping to bring in new members. Training and certification questions answered. Satellite phone and internet test project a success after re-location from the lounge.

**Foss Maritime Company:** Delegate J.D. Rymel. Clarification on seniority following temporary departure from the unit: as long as you return to the active payroll with in six months the original seniority number is retained. Company decision to paint out the company name and logo on the barges not related to any sale or restructuring.

**San Francisco Bar Pilots:** Delegates Mike Koller and Terry O'Neill. Running smooth.

*Dave Connolly*



Delegate John Hamann and STOS Rodel Hernandez on the main deck of the APL Philippines in Oakland this month. Photo: Dave Connolly.



# SUP Branch Reports

## Seattle

June 21, 2010

During the period: 4 Boatswains shipped; one A-card to APL and 3 C's to USNS bottoms; 12 able seaman jobs went to 6 A-cards, 5 C-cards and 1 D registrant; 3 ordinary seaman, 8 standbys and 1 steward utility filled by 1 A, 5 B's, 3 C cards; and 3 D registrants.

Registered: 15 A cards for a total of 30; 8 B cards for a total of 16; 4 C cards for a total of 20.

### Ships Checked

Matson ships *Manoa* and *Kauai* in twice and running smoothly. APL ships *Presidents Truman* and *Polk* called in New York with little or no problems. The Patriot vessels *Waters*, *Shugart* and *Gordon* called up and down the coast for sailors with Seattle sending its fair share. (Take the training.)

I represented the SUP at the following meetings: the Seattle Freight Mobility meeting; the King County Labor Council Executive Board and Delegates meeting; the North Seattle Industrial Association meeting; the Puget Sound Ports Council Maritime Trades Department AFL-CIO meeting; and the Alaska Way Viaduct Replacement Committee meeting and the Puget Sound Propeller Club meeting.

At Governor Christine Gregoire's request the SUP, along with the Inlandboatmen's Union, ILWU Locals 19 and 52, and the King County Building Trades participated in a "show of support" with the Governor to "dig the tunnel" at the Port of Seattle's headquarters. The tunnel which replaces the Alaska Way Viaduct is a major concern for continuing 'freight mobility' in and off the docks of Seattle.

The SUP was joined by retired MFU Agent Sandy Beavers, IBU's President Alan Cote and Treasurer Terri Mast and MEBA's Agent Karol Kingery and Patrolman Steve Walker at United States Senator Patty Murray's annual fundraiser. Senator Murray is a staunch supporter of the Jones Act.

Vince O'Halloran  
Branch Agent

## Noted Polynesian sailor passes

Mau Piailug will never be as famous as Captain James Cook, a master of the classic European feat of discovering places with people already in them. But Piailug, who died on July 11, at 78, on the island of Satawal in the Caroline Islands, Federated States of Micronesia, could have matched Cook's voyaging island-for-island across the vast immensity of the Pacific, and without charts, compass or sextant. He was a paliuw, a master navigator, one of the last experts in the ancient art of Pacific Ocean seafaring.

Crossing an open ocean without instruments in knife-edged canoes, as the Polynesians did a thousand years before, Cook is one of the great achievements in human exploration. To those who are blind to the night sky, and deaf to the language of clouds, currents and ocean swells, it seems like a mystical or superhuman act. It is not. The paliuw's skill is an achievement of reason, memory and calculation.

Piailug, a native of the Caroline Islands, began his training as a boy, studying chunks of coral on a woven mat. Over decades, he learned an age-old map of his Micronesian universe. On it were etched hundreds of star names, the habits of fish and birds, landmarks and routes through reefs and shoals. He earned wide renown in 1976, when he led a daring 6,000 mile voyage from Hawai'i to Tahiti and back in a double-hulled canoe, the *Hokule'a*.

The *Hokule'a* did not resolve the question of whether the first prehistoric voyages to Hawai'i had been accidental or intentional, but it did show that long-distance navigation was possible.

The voyage was a watershed moment for Hawai'i, whose people have slowly pulled their trampled folkways back into existence, the way fishermen in Pacific mythology were thought to have pulled whole islands from the depths. In Hawai'i, until Mau Piailug shared his knowledge, the Paliuw's art had been lost for a millennium.

## Wilmington

June 21, 2010

Shipped a total of 75 jobs—the breakdown is as follows: 4 Bosuns-2 steady, 1 relief, 1 return; 9 AB/Dayman-6 steady, 3 relief; 9 AB/Watch-3 steady, 5 relief, 1 return; 2 STOS-2 steady; and 51 standbys.

Registration: Class A 31; Class B 20; and Class C 17.

### Ships Checked

*Manulani, Maunalei, Maunawili, Mokihana, Mahimahi, Manukai, R.J. Pfeiffer, Philippines, Korea, Thailand, China, & 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 and was seated as Delegate for the Sailors' Union of the Pacific.

I wish to thank all the members that take on the responsibility and serve as delegate. Every member should assume the duties of the delegate to learn the agreement and be of service to your Union brothers and sisters.

With the assistance of Headquarters and APL Labor Relations standby checks will be processed and at the hall in three days.

Thanks to Gary Gelfren for relieving me for a couple of days while I got a much needed vacation.

Vern Johansen  
Branch Agent

## Somali pirate high-risk area extended

The International Maritime Bureau (IMB) has extended its warning area for Somali piracy further east into the Indian Ocean and north to Suez. IMB, which collects worldwide reports of pirate attacks through its Piracy Reporting Center (PRC), extended its warning area as reports of incidents in these waters have grown. It advises shipping to be on the alert in waters up to 78 degrees east.

## Honolulu

June 21, 2010

Shipped the following jobs during the month of May: 1 AB Day, 1 AB Watch, 2 AB Maint. (Paint & Rigging), 1 O.S. and 1 AB Day return. Also shipped 10 standby jobs this month.

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

Registered during the month of May: 4 A cards; 1B card; 1 C card; and 1 D card. To date totaled registered are: 10 A cards; 6 B cards; 3 C cards; and 2 D cards.

### 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.

The Hawaiian Ports Maritime Council is in summer recess for two months.

Attended Neil Abercrombie's Birthday Party/Fundraiser June 28. Over 2000 people attended. A good time was had by all.

Michael Dirksen  
Honolulu Agent

## San Francisco Business Agent

July 12, 2010

Visited and paid off the following ships:

**Kauai**— Paul Farillas, delegate: No disputes; good gang.

**Mahimahi**— John Gabourel, delegate: No disputes or problems.

**Manoa**— Had some problems while in Seattle, some of the sailors left the ship early and the captain was quite upset.

**Washington Voyager**— Visited at the Long Wharf. While there, the *Colorado Voyager* was at the same dock and sailing at 1400 for a port in Texas. This will be it's last voyage at Richmond; it will be scrapped.

Worked in the front office.

Bill Berger

## SUP members join pension ranks

The following SUP members joined the rank of pensioner, bringing the total number of SUP members to 516:

**Michael Duvall**, 65, Book No. 2732, joined SUP in 1964, 25 years seetime.

**Volkert Lokies**, 66, Book No. 4097, joined SUP in 1966, 35 years seetime.

## SUPPORT THE SUP POLITICAL FUND

## Jobs for the picking

The United Farm Workers Union has issued a call to unemployed American citizens: "Jobs may include using hand tools such as knives, hoes, shovels, etc. Duties may include tilling the soil, transplanting, weeding, thinning, picking, cutting, sorting and packing of harvested produce. May set up and operate irrigation equipment. Work is performed outside in all weather conditions (summertime 90+ degree weather) and is physically demanding requiring workers to bend, stoop, lift and carry up to 50 lbs. on a regular basis."

It is safe to conclude that few if any Americans will take up the offer, no matter how hungry they are. The campaign is a sly attempt to draw attention to the push from immigration reform, particularly an effort to legalize undocumented farm workers. With anti-immigrant resentment running hot, many accuse immigrants of stealing American jobs. The Union replies: How can immigrants steal jobs nobody else wants?

There are, of course, industries besides agriculture in which immigrant labor dominates, and it is fair to note that more Americans would take dirty, difficult jobs, if they offered better pay and benefits. Still, it is hard to imagine the native-born work force itching to return en masse to housekeeping, landscaping, car washing, meat-packing, poultry plucking and street-corner day labor.

The answer is not to eradicate immigrants so American sons and daughters can have the low-wage economy all to themselves. It is to have those jobs filled by a legal immigrant work force, and to raise the floor on wages and working conditions so no American industry gets to run on cheap, exploited labor. This is the reform that President Obama and some members of Congress have been pushing for, against the objections of those who would rather complain about immigrant workers than fix the system.

Source: *New York Times* editorial:  
July 18, 2010

## Dispatcher's Report

Headquarters—June 2010

Deck	
Bosun .....	4
Carpenter .....	0
MM .....	4
AB .....	10
OS .....	3
Standby .....	12
Total Deck Jobs Shipped .....	33
Total Deck B, C, D Shipped .....	11
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. ...	33
Total B, C, D Shipped-All Depts. .	11
Total Registered "A" .....	37
Total Registered "B" .....	11
Total Registered "C" .....	10
Total Registered "D" .....	24