



Organized 1885

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House Republicans back budget that favors the rich while targeting seniors and working families

Nearly every House Republican on April 15, voted to give massive new tax cuts to Wall Street and the wealthy and pay for them by cutting deeply into services for seniors, children and low- and middle-income families. The 235-193 partisan budget vote echoed recent political choices by Republican governors and state legislators who are taking away rights and services from working families in the guise of budget cuts—but then handing tax breaks over the CEOs and corporate supporters.

The budget Republican representatives passed does almost nothing to reduce the federal deficit, contrary to its backers' claims. While cutting \$4.3 trillion in spending, it hands out \$4.2 trillion in tax giveaways, disproportionately favoring corporations and the rich. Trying to sell this as a deficit reduction plan is nothing short of a fraud on the American people.

The Republican budget, which Moody's Analytic and the Economic Policy Institute estimate will eliminate 1.7 million to 2.2 million jobs in the first two years, puts two-thirds of the burden on low and modest-in-

come Americans.

The budget forces seniors to pay dramatically more for health care by privatizing Medicare and replacing it with vouchers. The Republican budget plan would throw as many as 44 million low-income adults and children out of Medicaid over the next 10 years and likely leave them with no health care coverage, according to a new study by the Kaiser Family Foundation.

Under the House Republican budget plan developed by Wisconsin Representative Paul Ryan, Medicaid would be converted to a block grant program and the new health care reform law—the Affordable Care Act—would be repealed. That, says the study, “would trigger major reductions in program spending and enrollment compared to current projections, a shift with big implications for states, hospitals and tens of millions of low-income Americans who likely would become uninsured.”

Currently, the federal government provides states with about 60% of the cost for the low-income health care program. Under the Republican budget, the spending reductions and block grants would cut the federal share to states by about 44%. This reduction would result in large reductions in payments to providers and enrollment. In turn, these reductions would likely worsen the problem of the uninsured and strain the nation's safety net.

Congressional Republicans chose to take a radical approach to the 2012 budget rather than the balanced approach. America needs to create jobs, invest in our future and start “shared sacrifice” at the top to reduce our long-term deficit. A number of groups on the Democratic side have come forward with plans and ideas for investing in jobs, education, health care, technology and the future while reduc-

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Piracy and flags of convenience: both lawless maritime enterprises

The following article was published in the April 24 issue of *The New York Times*, written by British author Rose George.

“Four American yachters killed; a Danish family of five and two crew members kidnapped: these events in the space of a week early this year may finally fuel a consensus that something needs to be done about piracy in the Indian Ocean and Gulf of Aden. And something should be done: in addition to the yachters, nearly 700 sailors, mostly Filipino, Bangladeshi and Russian, are being held hostage. Often forced to operate their captured ships at gunpoint, with little food or water, some of them have been prisoners for months.

But maritime lawlessness isn't confined to pirates. Thanks to a system of ship registration called “flags of convenience,” it is all too easy for unscrupulous ship owners to get away with criminal behavior. They have evaded prosecution for environmental damage like oil spills, as well as poor labor conditions, forcing crews to work like slaves without adequate pay or rest. But unlike piracy, which seems intractable, the appalling conditions on some merchant ships could be stopped.

Ships used to fly the flags of their nation. They were floating pieces of their home country on ungovernable seas, with all the advantages and disadvantages of government oversight: if things went wrong, seafarers were protected by their governments. If they did wrong, they could be punished.

But in the early 20th century, this began to change. Panama, seeking to attract American ships avoiding Prohibition laws, allowed non-Panamanians to fly its flag, for a fee. Liberia and other countries followed suit. Today these “open registries” are used by over 60 percent of shippers, up from 4 percent in the 1950s.

Under the flags of convenience system, registries have been divorced from government

oversight. North Korea has a thriving registry, as does landlocked Mongolia. Liberia's registry, the second-largest in the world, flourished even during a dozen years of civil war. Some registries allow ship owners to change the flags they're registered under within 48 hours; some require little more than a signature or an online form from an owner. Many don't require owners to disclose their identities at all.

Such easy anonymity is dangerous.

In 1999, a oil tanker called the *Erika* ran aground off Brittany and polluted 250 miles of French coastline. The French government could not penetrate a chain of shell companies in seven countries that stood between the ship and its owner. The owner eventually came forward voluntarily and, when questioned by the BBC about the complex ownership arrangements, said, “That is standard practice in shipping.”

It shouldn't be.

Many state registries lack the capacity or will to monitor the safety and working conditions on ships, or to investigate accidents. Instead, ship safety certificates are given out by private classification societies. Owners are allowed to choose which society they want—and the worst predictably choose the least demanding. This self-policing has been compared to registering a car in Bali so you can drive it in Australia with faulty brakes.

The human cost of this system is unacceptably high. Long hours and punishing port schedules rarely provide sailors with enough time to rest; some international regulations permit 98-hour work weeks.

Salaries often go unpaid: the International Transport Workers' Federation, which represents seafarers, recovered \$30 million in unpaid wages last year. When the *Most Sky*, a Turkish ship registered in Panama, docked at a British port last November, its crew had not been paid for months. They had to pool together enough money

to buy bread and there was no light or heat in their cabin; they had been using a kebab grill to keep warm.

There are plenty of ships run by decent owners. But delinquency is too easy with open registries, when owners can slip away, unpunished and unaccountable.

The world of merchant shipping is undeniably complex. Nearly half of all crews today are made up of four or more nationalities. On a container ship I sailed on for five weeks last summer, I sat in the officers' mess next to a Burmese engineer, opposite a Romanian and a Moldovan. The men at the table behind us were Chinese, Filipino and Scottish. The crew mess next door was entirely Filipino. We had a portrait of Queen Elizabeth II on the wall. They had better cookies and a microwave with two settings: Ramen for One and Ramen for Two.

But globalization is no reason that states can't take responsibility for the ships they register. On paper, the United Nations Convention on the Law of the Sea specifies there should be a “genuine link” between the ship and its flag. But debate continues over what that link should be. At the least, it should involve a state's being able to carry out effective inspections and monitoring of its ships, rather than tolerating online application forms and no questions asked. Even if the United Nations defined a link, though, it's not clear that its members would be willing or able to enforce it when flags of convenience are so profitable for both states and ship owners, who stand to save millions of dollars a year in wages and taxes.

A more immediate, if partial, solution would be for port authorities, which have the power to detain unsafe or abusive ships that dock in their harbors, to pay extra attention to ships registered under notoriously lax states, like the Comoros. To avoid this ex-

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SUP Quarterly Finance Committee Report

SUP QUARTERLY FINANCE COMMITTEE REPORT FOR THE QUARTER ENDED MARCH 31, 2011

The Quarterly Finance Committee, duly authorized to act by the regular meeting at Headquarters on April 11, 2011, hereby submits the following report:

SUMMARY OF CASH AND INVESTMENTS

General Fund	\$697,967.74
Political Fund	\$6,419.68
Strike Fund	<u>\$1,293,730.99</u>
Total Cash and Investments 1st Qtr. 2011	<u>\$1,998,118.41</u>

GENERAL FUND

Income:	
Dues, Initiation, Assessments	\$133,575.00
Interest	17,511.35
Donations - <i>West Coast Sailors</i>	1,440.00
Tanker & Joint Committee, Hiring Hall	128,196.27
Advertising & Promotion	275.00
Miscellaneous Income, Reimbursements, Fines	2,175.10
Reimbursed Administrative Expenses	21,133.12
Contributions - General Fund	<u>1,305.00</u>
Total Income:	<u>\$305,610.84</u>
Expenses:	
Auto & Travel	\$774.50
Rent	18,500.79
Postage, Printing & Office	5,721.71
Telephone & Telegraph	4,385.71
<i>West Coast Sailors</i> Publishing Expense	11,195.55
Per Capita	16,853.00
Salaries & Payroll Taxes	193,982.63
Office Workers Pension	7,202.00
Insurance	43,235.92
Field Expense	1,350.20
Committee & Neg., Conference & Conv.	5,257.72
Investment Expense	1,222.29
Advertising & Promotion	360.00
Officials Pension	2,614.65
Subscriptions	1,356.21
Accounting (audit)	2,500.00
Filing Fee	238.00

Contribution	145.00
Total Expense:	<u>\$316,895.88</u>

BUILDING CORPORATION

Income:	
Rents	104,860.63
Bldg. Util. & Service Reim. & R&M	<u>1,996.86</u>
Total Income:	<u>\$106,857.49</u>
Expense:	
Building Services & Utilities	\$21,221.50
Repairs & Maintenance	4,743.26
Salaries & Payroll Taxes	13,463.33
Pension	314.13
Filing Fee	490.00
Legal	390.00
Insurance	<u>5,781.97</u>
Total Expense:	<u>\$46,404.19</u>

POLITICAL FUND

Income:	
Contributions	\$4,835.90
Interest	<u>0.00</u>
Total Income	<u>\$4,835.90</u>
Expense:	
Contributions	\$5,400.00
Office Expense	<u>0.00</u>
Total Expense:	<u>\$5,400.00</u>
Net Income 1st Qtr.	

/s/Romaine Dudley	/s/Diane Ferrari
/s/John A. Perez	/s/Steve Swinton
/s/Arthur Thanash	

*ACTION BY THE MEMBERSHIP May 9, 2011. M/S/C—That we concur in the report of the SUP Quarterly Finance Committee and, as per past practice, publish in the **West Coast Sailors**. Carried unanimously.*

Rite Aid workers win tentative contract after five-year beef

The 500 workers at Rite Aid’s distribution center in Lancaster, California, overcame a relentless five-year anti-worker campaign to eventually gain a tentative contract and Union recognition.

The new three-year deal, reached May 1, guarantees fair health insurance rates, job security, a worker voice in production standards and wage increases in each of the next three years.

“We’re excited about winning this victory, even if it took longer than it should have,” said Carlos Rubio, a 10-year warehouse worker.

The Rite Aid employees decided to seek a voice through the International Longshore and Warehouse Union Local 26 more than five years ago. Rite Aid responded by hiring an expensive team of Union-busting “consultants” and threatening or even firing workers who supported the Union, workers said.

But the Rite Aid workers stayed united and, in the end, won a contract and Union recognition. “Rite Aid made this process much more difficult on workers and families than it needed to,” said ILWU Vice President Ray Familathe, who helped workers in the negotiations.

Small biz owners seek Obama’s help to keep Avondale open

In letters to President Obama, more than 500 small business owners serving the Avondale (Louisiana) Shipyard community compared Northrop Grumman’s plans to shut down the Avondale shipyard to “pirates in earlier era who scuttled ships to keep their foes from using them.” The giant shipyard is closing to maximize corporate profits, not because it is losing money.

The letters urge Obama to help them keep the yard open. Avondale generates about \$2 billion in economic activity for the region, sustaining a network of small businesses that cater to the shipyard’s diverse workforce.

On May 17, many of those business owners met at the Avondale Truck Stop and presented the letters to Representatives Cedric Richmond (D-Louisiana), Steve Scalise (R-Louisiana) and representatives of Senator Mary Landrieu (D-Louisiana). Richmond will personally deliver the letters to Obama later this month.

The letter signers include grocers, veterinarians, barbers, restaurant owners, accountants, retailers, insurance agents and scores more. Says Avondale Truck Stop manager Kai Chin: “Our business depends on the shipyard. Every business in the area will say the same thing. Losing Avondale will destroy us.”

Last year, Northrop Grumman announced it was closing the shipyard ^[2] and began laying off its 5,000 member skilled workforce. In March, it spun off the shipyard to its newly created company, Huntington Ingalls, and now the workforce is down to 3,000 who are building the final ship on the yard’s order book.

The contract between Huntington Ingalls and the Navy provides significant financial incentives to close the yard—paying \$310 million in shut down-related reimbursement. Some \$120 million of that would be net profit for the corporation. The business owners urge Obama to “encourage Northrop Grumman to either” keep Avondale open building ships or sell it to someone who will.

Final Departures

Virgilio Managbanag, Book No. 6533. Born in the Philippines in 1949. Joined SUP in 2000. Died in Washington, April 6, 2011.

Robert Erickson, Book No. 1868. Born in California in 1929. Joined SUP in 1945. Died in South San Francisco, April 17, 2011. (Pensioner)

Roy Camerlo, Book No. 4577. Born in California in 1928. Joined SUP in 1950. Died in Puyallup, Washington, April 16, 2011. (Pensioner)

Bobby Jones, Book No. 4261. Born in Nevada in 1930. Joined SUP in 1948. Died in Springfield, Oregon, April 28, 2011. (Pensioner)

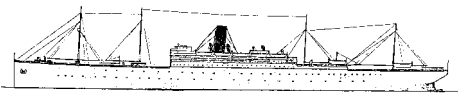
Lester Megown, Book No. 5450. Born in Arkansas in 1917. Joined SUP in 1944. Died in Lakeport, California, April 30, 2011. (Pensioner)

Lloyd Boddén, Book No. 5708. Born in Honduras in 1936. Joined SUP in 1970. Died in Honduras, March 28, 2011. (Pensioner)

SUP Meetings

These are the dates for the regularly scheduled SUP meetings in 2011:

	<i>Hdq.</i>	<i>Branch</i>	
June	Tues.	14	20
July		11	18
August		8	15
September		12	19
October	Tues.	11	17
November		14	21
December		12	19



West Coast Sailors

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Commission recommends rate increase for S.F. Bar Pilots

The state Board of Pilot Commissioners has recommended to California state lawmakers a modest mill rate increase (1.5% in 2012, 1.5% in 2013, 1.5% in 2014, 1.5% in 2015) for the San Francisco Bar Pilots and surcharges for fuel and additional pilot costs.

The Commission voted 5-1 to approve the mill rate increase on May 2 and members voting in favor included a representative from the shipping industry. Commissioners voted 6-0 to approve the fuel surcharge. The Commission’s findings now go to California legislators for their consideration.

“We thank the Commission for recognizing that while our rates have remained unchanged for the past five years, our costs have gone up,” said Captain Bruce Horton, Port Agent and President of the San Francisco Bar Pilots. “San Francisco bar pilots navigate some of the most difficult pilotage grounds in the world. These rate increases will help us maintain a 24/7 presence outside the Golden Gate and ensure the safe and reliable flow of shipping traffic into and out of Northern California waterways.”

The action taken by the Commission recommends to the state a fuel surcharge to be paid by shippers starting in 2012, charges for when additional pilots are needed for safety considerations under the state Harbors and Navigation Code and an increase in the mill rate used to calculate the costs of moving specific vessels into and out of the Golden Gate.

In particular, the Commission concluded that costs for the San Francisco Bar Pilots have “increased at a steady rate since the last rate adjustment and can be expected to continue on that trend into the future.”

The Commission also determined that “the net income of the local pilots, compared to income levels for pilots of the comparable ports for which information is available, is about in the middle, neither the highest nor the lowest.” The proposed rate increases will generate approximately \$432,000 in income to each pilot by 2015.

There is no evidence these recommended rate increases will divert shipping traffic away from the Bay Area or make local ports any less competitive, according to the Commission’s findings. Additionally, the Commission noted that “physical risk is inherent in the job” performed by the pilots and that larger vessels are calling at Northern California ports, increasing the demand for skilled and experienced pilotage.

Established by state law in 1850, the San Francisco Bar Pilots have been helping to conduct shipping traffic safely through Northern California for more than 150 years. The pilots move some 9,000 vessels annually through the San Francisco Bay, adjacent bays and tributaries, and the Monterey Bay.

The San Francisco Bar Pilots maintain a station boat 11 miles offshore from which pilots can board vessels by rope ladder in any type of weather condition to safely guide them into Northern California ports.

The SUP represents the marine personnel (boat operators, deckhands, cooks) and dispatchers employed by the San Francisco Bar Pilots.

Court grants Justice Department request to cut Horizon Lines fine

A federal court in San Juan, Puerto Rico agreed to cut the \$45 million fine levied against Horizon Lines in its ongoing United States mainland-Puerto Rico price fixing case to \$15 million, one day after the US Justice Department asked the court to reduce the fine to help the embattled company from defaulting on its bonds next month which “would jeopardize the government’s ability to collect the outstanding balance of the company’s criminal fine.”

Horizon announced last month that it faced the prospect of a default as early as May 21, if it could not convince bondholders to waive or amend covenants that the company expected to violate as a result of the original fine. Horizon said that the reduced fine strengthens the company’s hand in efforts to secure financing.

“The fine reduction will preserve our company’s financial flexibility, and we are confident that it will facilitate our efforts to secure new long-term financing. We remain in constructive discussions as we continue to move forward with our refinancing efforts,” said Horizon executive vice president and chief financial officer Michael T. Avara.

The reduced fine of \$15 million is payable over five years without interest. Ho-

rizon said it has already paid the first installment of \$1 million. The remaining payments include \$1 million, due within one year of the agreement and subsequent annual payments of \$2 million, \$3 million, \$4 million and \$4 million

The original \$45 million fine was also back-loaded over the five year term, with \$35 million payable in the fourth and fifth years. Federal sentencing guidelines had called for a penalty of anywhere from \$336 million to \$672 million, based on Horizon’s \$1.4 million in revenue derived from its admitted illegal price-fixing between 2002 and 2008.

The Justice Department had originally asked for \$45 million, saying that was all Horizon could pay without jeopardizing the company’s viability. Prosecutors said the reduction to \$15 million reflected the threat of default that could have led to bankruptcy.

Horizon also announced that it will proceed with a \$20 million class action civil antitrust lawsuit settlement on behalf of customers in the wake of the criminal investigation of price fixing in the domestic offshore trades. Numerous shippers have decided to opt out of the deal, a move which allows them to pursue their claims individually.



In April, the Liberty Ship *Jeremiah O’Brien* called at the former Mare Island Naval Shipyard near Vallejo, California. Docked nearby was the old APL vessel *President Tyler* waiting to be scrapped. One of the crew members of the *O’Brien* went aboard the *Tyler* and found this blackboard in the crew messroom with the names of the SUP gang that shifted her from Middle Harbor Terminal to the Suisun Bay Reserve fleet on May 2, 1985.

Bill Polson and Pat Kumagai crossed the bar some years ago, Jimmy Olds is retired, but Art Thanash and Remoni (Moni) Tufono are still active members.

The *President Tyler* was built in 1972 as the *Japan Bear* for Pacific Far East Lines. APL bought her in 1979 and she operated until 1985.

Neptune Orient in the red for the first quarter

Lower volume growth and high bunker costs drove Neptune Orient Line into a \$10 million net loss for the first quarter of 2011, compared with a \$98 million shortfall in the same period in 2010.

Analysts were projecting substantially higher losses, but said NOL had managed to reduce the earnings erosion by continued operating efficiencies such as slow steaming. Nevertheless, the quarter was a disappointing one for NOL. “In spite of year-on-year volume growth, a softer-than-expected lunar new year period and rising fuel costs have interrupted our momentum,” said NOL chief executive Ron Widdows in a press release.

Widdows announced late last month he would step down as chief executive at year-end, to be replaced by Ng Yat Chung, a senior executive at NOL’s major investor.

Revenues rose 15% year-on-year to \$2.1 billion at NOL’s boxship unit, APL. At the same time, the container line posted an \$8 million core ebit (earnings

before interest and taxes) loss for the quarter, versus an \$89 million ebit loss for the first quarter of 2010. The reduction of losses outpaced the growth in revenue, signalling APL’s cost controls had scored gains in the difficult quarter. “They did better than I expected on efficiencies,” said Shuwei Quek, an analyst for DnB Nor in Singapore.

Still, rising operating expenses were the primary reason for the loss. Most of this could be chalked up to the 28% rise in bunker prices in the first quarter of this year, compared to the year-earlier quarter. Bunker prices peaked at over \$680 per ton in Singapore in March and have drooped slightly since then.

NOL projects uncertain market conditions and continued high operating costs, due to fuel increases, this year. It also said in the earnings release it expected competitive pressure on rates to continue. This year’s TransPacific rates are still in negotiation between the major shipping lines and shippers, with an agreement expected at the end of May.

Nine smuggled aboard QM2

Nine Chinese citizen’s are in federal custody after being smuggled into the United States aboard *Queen Mary 2*, a Customs official told the press. The group was caught by immigration officials after leaving the ship in New York on April 26.

According to U.S. Customs & Border Protection, five women and four men each paid Malaysian Fatt Kwee Wong \$3,500 to board the *QM2* in Dubai for the voyage to the United States. They were carrying forged Japanese passports but barely spoke Japanese, according to Customs. The migrants are not expected to face charges, but a Customs official said they could be either temporarily or permanently barred from returning to the United States. Wong is in federal custody in New York and faces charges of attempted smuggling.

Customs spokesman Anthony Bucci said he has never seen this kind of smuggling case before. “We’ve seen it happen on other venues, but never on a luxury liner,” Bucci said.

SUP Honor Roll

Voluntary contributions from the membership to the following funds:

Organizational General Fund

Abe Acosta	20.00
Jonathon Clark	25.00
Dale Gibson	50.00
Noel Itsumaru	50.00
Maunawili Deck Dept.	100.90
Dave Munroe in memory of	
Herbert Soliber	50.00
Charlie Noble	30.00
Remigio Noble	20.00
John Perez	175.00
Andy Simkanin	50.00

West Coast Sailors

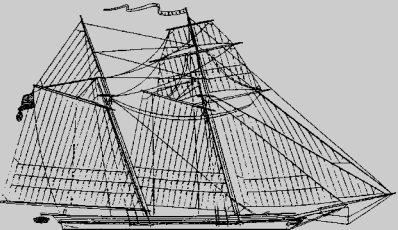
Abe Acosta	20.00
Gerald Allen	25.00
Billy Bell	25.00
Marc Calairo	150.00
Robert Doyle in memory of	
Chester Hazel	25.00
John Gugich	30.00
James Kawaski	25.00
James Kerns	25.00
James Kula	25.00
James Linderman	40.00
Charlie Noble	20.00
Remigio Noble	30.00
Roberto Ramirez	25.00
Carl Schou	50.00
Andy Simkanin	25.00
William Smith	25.00
Kai Sorensen	25.00
Eugene Souza	25.00
Tim Thomas	25.00
William Tice	25.00

Political Fund

Abe Acosta	20.00
Milton Caballero	10.00
Marc Calairo	150.00
Jonathon Clark	25.00
William DeBenedictis	40.00
Franklin Dyer	100.00
Diane Ferrari	50.00
David Green	50.00
Robert Greene	100.00
Gunnar Lundeborg	50.00
Nick Manessiotis in memory of	
Pedro Guerro	50.00
Joe Maruska	20.00
Dave Munroe in memory of	
Henry Johansen	100.00
Charlie Noble	50.00
Remigio Noble	50.00
John Perez	175.00
Arsenio Purganan	50.00
David Purganan	20.00
Andy Simkanin	50.00
John Svane	50.00

Dues-Paying Pensioners

Gordon Abbott	Book #3785
Robert Copeland	Book #4763
Donald Cushing	Book #4777
Romaine Dudley	Book #2593
Alexander Earle	Book #1885
Duane Hewitt	Book #5748
Knud Jensen	Book #3940
John Jewett	Book #4291
Kaj E. Kristensen	Book #3120
Eli Lalich	Book #4062
Stanley Lane	Book #4106
James K. Larsen	Book #4055
Volkert Lolie	Book #4097
Duane Nash	Book #2437
John Perez	Book #3810
Alex Romo	Book #3193
Francisco Salvatierra	Book #7498
James Savage	Book #7488
Ralph Senter	Book #7323



Maritime Cabotage Task Force now the American Maritime Partnership

American Maritime Partnership (AMP) is the new name for the Maritime Cabotage Task Force, the largest coalition of maritime interests in the United States, which has been in operation since 1995. The new moniker better reflects the coalition’s focus on the domestic maritime industry’s role in promoting national, homeland, and economic security. To increase awareness of itself in the social media world, AMP has launched a new website: *www.americanmaritimepartnership.com*, and has new social media applications on Facebook and Twitter.

“A strong domestic maritime industry is critical to our national security, makes our homeland more secure, and fosters nearly 500,000 American jobs,” said James Henry, President of the Transportation Institute and Chairman of the Board of Directors of AMP. “The American Maritime Partnership will continue to support policies that help ensure ample U.S. sealift capacity to defend our nation; keep America’s waterways secure with strong laws and oversight of the U.S. government; and work to sustain the nearly 500,000 jobs and \$100-plus billion in annual economic output that follow in the industry’s wake. For example, every job in a domestic shipyard results in four additional jobs elsewhere in the U.S. economy.”

Continued growth of the domestic maritime industry hinges on continued adherence to time-tested principles, namely that domestic waterborne commerce and related activities be conducted in vessels that are U.S.-owned, U.S.-built, and U.S.-crewed. AMP will continue to champion these tenets as the only foundation for a strong domestic maritime industry.

“The average American is totally unaware that the U.S. maritime industry pioneered many of the advancements that transformed waterborne commerce worldwide. The containership, the self-unloading vessel, and articulated tug-barge units are but a few examples,” said Henry.

AMP inherits from MCTF the most broad-based coalition the U.S. maritime industry has ever assembled. Its 450-plus members span the United States and its

territories and represent vessel owners and operators, shipboard and shore-side labor groups, shipbuilders and repair yards, marine equipment manufacturers and vendors, trade associations, dredging and marine construction contractors, pro-defense groups and companies in other modes of domestic transportation. These diverse but allied interests share a common goal: to promote the long-standing U.S. maritime laws fundamental to national and economic security. Upon a foundation of U.S. ownership, construction and crews, the United States has built an unsubsidized domestic fleet that is the world leader in efficiency, innovation and safety. The Sailors’ Union of the Pacific, one of the original members of the MCTF, is now a member of the AMP.

Under U.S. domestic maritime laws, commonly known as the Jones Act, cargo shipped between two U.S. ports must move on American vessels. These laws are critical for American economic, national, and homeland security, which is why they have enjoyed the support of the U.S. Navy, Members of Congress of both parties, and every President in modern history.

AMP has launched a website called *Americanmaritimepartnership.com* and has new social media applications on Facebook and Twitter. AMP’s Facebook Page can be found under American Maritime Partnership (AMP) and its Twitter page is *twitter.com/AMPmaritime*.

American Maritime Partnership was founded in 2011 to promote the U.S.-flag fleet engaged in domestic waterborne commerce. Its roots trace back to the 1995 founding of Maritime Cabotage Task Force. With more than 450 members, AMP is the largest coalition ever assembled to represent the domestic segment of the U.S. Merchant Marine. Nationwide, there are more than 40,000 vessels engaged in domestic waterborne commerce and they annually move more than one billion tons of cargo and 100 million passengers. The Act has been broadly supported by every Congress and Administration since its passage in 1920 and is considered a key element in the nation’s defense capabilities.

The SUP is a member of AMP.

TransPacific container rates rise

The Shanghai Shipping Exchange’s latest figures show that the Asia/U.S. East Coast trade route during the first week of May, gained \$111 per feu from the previous week to reach \$1,843 per feu. The Asia U.S. West Coast trade route gained \$143 per feu to \$3,209 per feu.

However, rates remain under pressure as liner companies are still reluctant to undertake capacity adjustments.

“Slot utilization for Asia/Europe is 95%, which is above the liners’ usual target of 90%, but as there are more big container ships on the route, the price war between liners is still on,” said one Shanghai broker. “But we believe an equilibrium of supply and demand will be reached if shipments continue to pick up.” He added that carriers’ general rate increases for transPacific services helped to improve rates on the route.

Manufacturing decline puts economic, national security at risk

The nation “must dig in and redouble our efforts to ‘Make It In America’,” said Senator Jay Rockefeller (D-West Virginia) at Senate hearing on May 11, on reviving the nation’s manufacturing base.

Testifying on behalf of the AFL-CIO, United Steelworkers (USW) President Leo W. Gerard told the Commerce, Science and Transportation Committee: “American manufacturing is in dire circumstances and its future is in jeopardy. Our economic and national security is at risk. Despite the small uptick in manufacturing employment and production, it occurs against a backdrop of long-term decline and devastation.”

He outlined several steps that must be taken to rebuild manufacturing and create jobs including: Aggressively enforce our trade laws and addressing China’s trade violations; Invest in infrastructure from roads to rail to clean energy technology, along with strong Buy American requirements; Eliminate tax breaks and loopholes that encourage companies to

offshore and outsource jobs and enact tax incentives that encourage domestic manufacturing; Maintain strong intellectual property protections so that innovations and research and development breakthroughs result in American manufacturing jobs; and Increase training and education funds for workers so they will be equipped to be part of a high-skills workforce protected by strong labor laws.

Rockefeller warned that calls for drastic federal budget cuts “have broad, and often troubling, implications for some of the hardest working Americans. Infrastructure investment is essential to promoting growth and creating jobs. There is no substitute for education and workforce training programs, or for helping small manufacturers and exporters find new markets. Indiscriminate and unthinking budget cuts seeking a short term improvement in our deficit will leave our country’s economy at the mercy of the rest of the world’s economic power. It will hurt this country for years to come.”

Lawless enterprises

continued from page 1

tra scrutiny and the possibility of detention fees, ships might pressure the registries to raise their standards.

Finally, public scrutiny can’t hurt. We boycott food produced by companies that mistreat their workers, but know little about the sometimes atrocious conditions on the ships that carry the food. A campaign called Save Our Seafarers, organized by unions and shippers to raise awareness about piracy, may also cast light on the industry’s own failings.

But the crew members on my ship, who lived in superior standards compared with many, didn’t have much hope. “No one cares about the merchant navy,” the captain said over dinner one night. “We are the scum of the earth. Always have been, always will be.” And with that, he returned to his soup.”

Change at the helm of Neptune Orient Line

The NOL Group announced on April 25, its decision to appoint Ng Yat Chung as the next President and Chief Executive Officer. Ng, who will be appointed as an Executive Director to the Board of Directors as of May 1, 2011, will take over for current Neptune Orient Line (NOL), President and CEO Ron Widdows. Widdows will retire from his present post at the end of this year but will remain as a senior adviser to the company.

Prior to assuming his present role as a senior executive with Temasek Holdings, Ng was Singapore's Chief of Defense Force from 2003 to 2007, where he had been instrumental in transforming the Singapore Armed Forces as a networked, knowledge-based force and driving close integration between the Army, Navy and Air Force. Ng's appointment stemmed from NOL's on-going succession planning and leadership renewal process. Cheng Wai Keung, Chairman of the Board for NOL said, "After a comprehensive global search, the Board is fully satisfied that Ng Yat Chung is the candidate to succeed Ron Widdows in leading the Group forward in its next phase of strategy."

"NOL has progressed steadily on its strategic course. With Yat Chung's appointment, the Board is confident of continuing leadership in the Company, and of NOL's firm commitment to its customers and employees," Cheng said. "Yat Chung brings with him exceptional credentials and has demonstrated outstanding leadership and management abilities. He is a strong team leader and a skillful people developer. His leadership experience will broaden and deepen our expertise, to help us achieve greater organizational excellence. With Ron's assistance in the transition period, Yat Chung will build upon the present team we have, taking the Group into the next phase in its exciting future."

"I look forward to being part of the NOL team and committing to the long-term strategic growth and success of the Company," said Ng. "I stand on the shoulders of my predecessors, and aim to build on Ron's legacy to the Company, to continue to produce industry leading performance and to deliver strong shareholder value. With guidance from the Board of Directors and a strong global team, I am confident that the NOL Group will continue to keep our global competitive advantage and uphold our leadership position."

"I've devoted most of my professional life to this Company and am proud of the team that we have built up over the years and what we have achieved," said Widdows. "I will work closely with Yat Chung in the transition period to ensure that NOL is strongly positioned for long-term success. In my role as Senior Adviser, I will be able to contribute to the Company in other ways."

Widdows has been with the NOL for the last 3 decades, serving as CEO of NOL's container shipping business APL from 2003 to 2008. During his tenure, NOL recorded a \$1.2 billion rebound last year from the 2009 recession. Widdows is also Chairman of the World Shipping Council and past Chairman of the TransPacific Stabilization Agreement.

Bill introduced to promote U.S. ferry system

U.S. Senators Patty Murray (D-Washington), Lisa Murkowski (R-Alaska), Maria Cantwell (D-Washington) and Mark Begich (D-Alaska), as well as Representative Rick Larsen (D-Washington), introduced a bill this month in their respective chambers of Congress designed to improve and expand federal investment in ferries as part of America's transportation system.

The U.S. Ferry Systems Investment Act (S. 980 and HR 1879), would provide much needed financial assistance to an aging ferry system. According to the Department of Transportation (DOT), one fourth of the ferry system has been in use for over 40 years and five percent have been in use for over 60 years.

"Many residents in my home state of Washington depend on ferries to bring them to work and back home safely to their families, so they know the importance of a strong ferry system," said Murray. "This bill will create jobs, promote economic growth, and make the necessary investments in our infrastructure to improve the safety, efficiency, and reliability of our ferry systems."

"In Alaska, our ferry system is not an alternative route, it's a primary method of transportation," said Murkowski. "The Alaska Marine Highway system totals more miles than the distance from Seattle to Miami. This bill is an economic engine and improves our way of life, from Dutch Harbor to Metlakatla."

The bill would invest \$200 million a year in funding for ferry systems across the country starting in FY 2012 and running through FY 2018.

The funding would be divided into two parts with half of the money being dis-

tributed according to a formula that takes into account straightforward factors such as how many passengers use the ferry system each year, how many vehicles are carried and how many total miles the routes contain. The other half would be distributed at the discretion of the Secretary of Transportation using a competitive process.

"The Puget Sound ferry system is key to Washingtonians' daily lives and to our regional economy," Cantwell said. "The Washington state ferry system is the largest in the country, carrying more than 22 million passengers last year. This bill would invest in modernizing the fleet, boosting the local economy and ensuring the system remains an integral part of Washington state's transportation infrastructure for years to come."

"Every day the Alaska Marine Highway System keeps Alaska's coastal communities connected by turning waterways into roads," said Begich. "It's not uncommon for an Alaskan in the Aleutians or Southeast to always have next week's ferry schedule memorized as ferries help families stay connected and serve vital business purposes. Improving our ferry systems will create jobs, grow commerce and keep Alaskans on the move."

"Ferries are a critical part of keeping the economy in Washington state moving as they carry commerce and commuters around the region," said Larsen. "Washington State Ferries is the largest ferry system in the country and carries over 25 million riders annually. We must invest in our ferry system to create good jobs, promote long-term economic growth and help ensure that the folks who rely on ferries to get to work are traveling safely and efficiently."



On the starboard side of the accommodation deck of the Mahimahi in Oakland is AB Paul Barbour, AB Val Goncharov, and AB and delegate Mick McHenry, April 27.

Crew death fears block piracy rescues

Fears of a high death toll among hostages rather than a political veto is preventing naval forces carrying out more rescue missions to free seafarers from Somali pirates, EU Navfor's (European Naval Force) chief of staff has said. Addressing tanker owners and managers, gathered at an Intertanko meeting in Greece this month, Colonel Richard Spencer said that "a rule of thumb" was that hostage release missions left 10% of hostages dead.

This ratio implied more than 50 seafarers being killed if attempts were made to free an estimated 516 crew currently held on board pirated ships. Colonel Spencer said that seafarers' families, as well as some relatives of marines deployed to combat pirates, would not consider that an acceptable price for more swiftly securing the freedom of ships and crews; all the while seafarers are eventually being brought home "relatively successfully" through commercial negotiations with the pirates. EU Navfor and other forces had clearance for hostage release operations, including assaults on pirated motherships, he said, but there was little political appetite to run the risk.

However, he also said: "We have pitched a number of military options to the political leadership and several of these were accepted. We are seeking to do more and we have been given permission to do more," he assured shipowners. Military operations to rescue crews have been rare. In a recent case, the superstructure of the chemical tanker *Samho Jewelry* was riddled with gunfire and the master was seriously wounded as South Korean commandos freed the tanker's crew. Other measures of success in the battle against Somali piracy included a reduction of pirates' own strike rate from a peak of 50% in 2008 to 19% last month and a recent low of 16%.

Colonel Spencer credited the shipping industry's use of best management practices, sometimes combined with hiring of armed security, for four-fifths of cases in which hijackings were thwarted, whereas only a year ago most unsuccessful pirate attacks were due to the intervention of naval forces. In addition, a "full-court press" begun in the latter stages of 2010 to try to pin pirates closer to the Somali coast, while resulting in greater use of motherships, had exposed one of the pirates' vulnerabilities, he said.

The larger operation had strained a piracy business running on credit. "A number of ransoms this spring appeared to be concluded in shorter order and at lower prices than expected, and our assessment is that this was to put more cash in the system," Colonel Spencer said. At the same time, he put the challenge facing the naval forces deployed to the area in harsh perspective, describing the force available to patrol 2.8 million square miles of ocean as akin to trying to cover an area greater than Europe with a force of just 15-20 police cars averaging a speed of 15 knots.

Colonel Spencer and other experts at the Intertanko event poured cold water on shipping industry hopes the fleet and other military support might be beefed up in future. "In my opinion the number of military assets will be reduced as political appetite starts to wane," he said.

Vice-Admiral Brian Salerno, deputy commandant for operations of the U.S. Coast Guard, said: "We are looking at protecting ships for quite some time and there are stresses. I do not think naval forces are going to disappear but it is going to become more difficult, as governments review their budgets, to maintain the presence at today's strength." Admiral Salerno said: "I do not know if it is realistic to talk of ramping up the capability."

Study finds heart risk in long workdays

Working overtime may be a killer, according to a new study, which found that long hours on the job are a heart risk.

Adults who worked 11 hours a day or more had a 67% higher risk of developing coronary disease than those who worked an eight-hour shift, the study, published this month in the *Annals of Internal Medicine*, found.

Because long workdays are common, and on the rise in developed countries, the study may have implications for doctors when it comes to advising patients on their health, said Mika Kivimaki, the lead researcher. Heart disease is the leading killer in the United States for women and men, according to the National Institutes of Health.

ESU Office Assignments

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



MAY 2011

Official Publication of the Exxon Seamen's Union

Contract negotiations held in Houston

Following two days of preparation, the Exxon Seamen's Union negotiated with SeaRiver management from May 9 through May 13, at the Westin Hotel in Houston, Texas. While considerable progress was made in securing an acceptable labor agreement for ESU members, more work is still needed.

A second round of negotiations is scheduled to take place the week of June 13, 2011. As is the case with all negotiations, both sides have agreed not to disclose any details of the talks until they are completed. It can be said however that the atmosphere at the first round was cordial as both sides exchanged preliminary positions and proposals to begin the process.

ESU members determine the most important issues for our bargaining team to address during negotiations. The Union's proposals have been framed around input from the members that have been disseminated to the Executive Board through ESU meeting minutes, Ship Representatives and daily interaction with members. Key issues for the membership are pay increases that take into account all compensation aspects in the industry, paid leave and quality of life issues in the workplace.

The ESU bargaining team is made up of the ESU President/Secretary, John Straley, Vice President/Treasurer, Leo DeCastro, Board Member at Large, Joe Bernavich, Engine Trustee, Will Ackley, Steward Trustee, Kurt Kreick, Deck Trustee, Aaron Rathbun and Maintenance Seamen, Ein Cooley who is filling in for Board Member John McCarthy. ESU attorney, Sharon Groth is once again serving as the Union's legal advisor. We appreciate Ms. Groth help and support and she is invaluable to the ESU during contract negotiations.

The SeaRiver bargaining team is made up of SeaRiver General Counsel, Miguel Quinones, Ocean Fleet Services Manager, Ron Floyd, Labor Relations Specialist, Dona Steadman and Human Resources Manager, Jennifer Shenefeld.



Pictured above is the ESU Bargaining Committee in attendance for contract talks: Front row; L to R: Vice-President/Treasurer; Leo DeCastro, President/Secretary; John Straley, Counsel; Sharon Groth. Back Row; L to R: Board Member at Large; Joe Bernavich, Maintenance Seamen; Ein Cooley and Department Trustees; Aaron Rathbun, Will Ackley, and Kurt Kreick.



Pictured from left to right during the Union's preparatory meetings held at the Houston-Westin Oaks Hotel are MS Ein Cooley (standing); Joe Bernavich, Counsel; Sharon Groth, Will Ackley and Aaron Rathbun. The ESU Bargaining Committee met Saturday and Sunday, the 7th and 8th to finalize its negotiation issues prior to meeting with SeaRiver Maritime, Inc's Bargaining Committee. Photo by John Straley.

ExxonMobil profits surge again

The parent company of SeaRiver Maritime, Inc., ExxonMobil Corp. on April 28, 2011 announced net income \$10.65 billion in profits for the first quarter. The \$4.4 billion increase in the first quarter represents a 69 percent increase from the same period last year.

Clearly the oil giant benefited greatly from the high crude oil prices that have been ongoing as of late. Despite recent downturn in oil prices, for most of the first quarter oil has been around \$100 per barrel. Crude prices aside, the Irving, TX based company has become proficient in consistently producing enormous earnings.

Not just ExxonMobil, but all the major integrated U.S. oil companies have enjoyed enviable increases in their cash reserves and enviable earning results in recent years. Chevron Corp., No. 2 behind ExxonMobil reported a first quarter profit of \$6.2 billion, a 36 percent increase over the same period last year. The third largest U.S. oil company, ConocoPhillips also posted respectable profits of \$3 billion in the first quarter, a 43 percent increase.

U.S. oil firms, flush with cash reserves over the last several years of exceptional profit performances have used unallocated cash to buy back shares of their own stocks in efforts to bolster the value of existing stocks by reducing the number of shares available for purchase. Both Chevron and ConocoPhillips have profit sharing/performance bonus programs in place as well to reward its employees throughout its ranks. ExxonMobil generally does not include their "blue collar" represented employees in neither bonuses payments based on corporate financial successes nor other

performance-based rewards for operations or safety. They do however reward their management employees fairly well when you consider CEO Rex Tillerson's 2011 pay raise and bonus increase. For 2011, Mr. Tillerson received an 8 percent increase in salary (\$2.39 million) while his bonus payment jumped by 40 percent to \$3.36 million. He also was granted 225,000 shares of restricted stock from the Exxon's board of directors.

SeaRiver Maritime, Inc.'s Maritime equivalents Chevron Shipping Company and Polar Tankers, Inc, which are the domestic maritime transportation divisions of Chevron and ConocoPhillips respectfully, do participate in their companies' bonus programs and provide bonuses to their employees. These bonuses have amounted to significant payouts for many years now and are a regular part of their compensation package. In fact, the most recent pay out for Polar employees in March amounted to their largest bonus in the program's history of 12.85 percent of W-2 wages. Chevron Shipping also received a respectable bonus amount of 9 percent of base wages. These bonus amounts are in addition to their regular pay and increases.

SeaRiver Maritime/ExxonMobil represented employees have become increasingly cognizant of the bonuses that mariners are being rewarded with at other companies. Additionally, the Exxon Seamen's Union is mindful of these added compensations that are being routinely paid-out by its competitors. Certainly, based on ExxonMobil's continued eye-popping financial results and its position amongst the leaders in all phases of operations, including safety performance, their employees are justified in expecting comparable compensation.

Exxon Mobil raises dividend to 47¢ per share

On April 27, Exxon Mobil Corporation announced it would raise the quarterly cash dividend rate from 44 cents to 47 cents per common share. The company will pay the dividend June 10, 2011 to shareholders of record as of May 13, 2011. This dividend increase represents a better than 7% increase over the prior dividend amount.

Lump sum pension rate increases in 3rd quarter

The interest rate for calculating the lump sum payments of ExxonMobil pensions for July-September 2011 will be increased from the current 4.00% to 4.25%. If you are considering retirement and plan to take a lump sum pension, the lower interest rate should generate a larger lump sum pension payment.

If you are planning to retire, you should notify your supervisor at least 60 days before your retirement date in order for your supervisor to submit a Smart Form. 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 SeaRiver 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.

The ESU also recommends that everyone that is eligible or within a few years of his or her retirement to attend the Late Career Pre-Retirement Planning Course offered by the Company. See seminar dates and locations article in this edition of the *ESU NEWS*.

Key Contact Information: PIN Information-Savings Plan (CitiStreet): 877-966-4015; Pension Plan (ACS): 800-628-2847; SeaRiver contact, Marsha Shorts: 713-656-2991; Pension Estimates-ExxonMobil Benefits Service Center: 800-682-2847.

ExxonMobil Seminar dates

Late Career Pre-Retirement Planning Course

If you are eligible, or soon to be eligible to retire from the Company, you should consider attending a pre-retirement planning seminar that is offered by ExxonMobil. Scheduling is prioritized by age and/or definite retirement plans. Spouses are invited to participate in this class. You should attend this course a few years prior to retirement in order to better position in your final years as an employee. This course covers the many options that one needs to consider when retiring from the Company. Listed below are the dates showing available from July 1, through December, 2011 for Pre-Retirement (Late Career) sessions. If you are eligible and know the session they wish to attend, you should then notify Helen Wright at 713-656-2786 for enrollment. Limited space is available per each class so plan ahead if you are interested. Eligibility normally means within 3 years of the minimum age to retire for the unlicensed group (50) with a minimum 15 years of service at the time you elect to retire.

Date	Location	Date	Location
July 5-6	Houston, TX (Brookhollow)	Sept. 20-21	Clinton, NJ
July 7-8	Houston, TX (Brookhollow)	Sept. 21-22	Baton Rouge, LA
July 19-20	Baytown, TX	Oct. 12-13	Baytown, TX
July 26-27	Houston, TX (Brookhollow)	Oct. 17-18	Houston, TX (Brookhollow)
July 28-29	Houston, TX (Brookhollow)	Oct. 19-20	Houston, TX (Brookhollow)
Aug. 8-9	Baton Rouge, LA	Oct. 25-26	Torrance, CA
Aug. 9-10	Torrance, CA	Oct. 26-27	Irving, TX (XOM Hdqtrs.)
Aug. 17-18	Houston, TX (Brookhollow)	Nov. 1-2	Houston, TX (Brookhollow)
Aug. 30-31	Houston, TX (Brookhollow)	Nov. 1-2	Fairfax, VA
Sept. 1-2	Joliet, IL	Nov. 3-4	Houston, TX (Brookhollow)
Sept. 7-8	Torrance, CA	Nov. 16-17	Clinton, NJ
Sept. 13-14	Houston, TX (Brookhollow)	Nov. 29-30	Houston, TX (Brookhollow)
Sept. 15-16	Houston, TX (Brookhollow)	Dec. 1-2	Houston, TX (Brookhollow)
Sept. 20-21	Fairfax, VA		

Consumer prices continue to rise

The Consumer Price Index for All Urban Consumers (CPI-U) increased 0.4 percent in April on a seasonally adjusted basis. Over the last 12 months, the all items index increased 3.2 percent before seasonal adjustment.

The energy index posted another increase in April as the gasoline index continued to rise, the latter accounting for almost half of the seasonally adjusted all items increase. The household energy index also rose, with all of its major components posting increases. The food index increased as well in April, though the 0.5 percent rise in the food at home index was the smallest increase this year.

The 12-month increases of major indexes continue to climb. The all items index rose 3.2 percent for the 12 months ending April 2011, the highest figure since October 2008. The energy index has now risen 19.0 percent over the last 12 months, with the gasoline index up 33.1 percent. The food index has risen 3.2 percent while the index for all items less food and energy has increased 1.3 percent; both figures represent increases over recent months.

Aaron Rathbun unopposed for Deck Trustee

April 26 marked the end of the 60-day period for interested members to declare for the vacant Deck Department Trustee position that was created when Pat Campbell elected to resign from SeaRiver Maritime. Since there was more than one year remaining on the term at the time of Pat resignation, the ESU Board was required by the Constitution and Bylaws to hold a special election to fill this vacancy for the remainder of the term, which will expire at the end of 2013.



Able Seamen Aaron Rathbun was the only member to submit a Candidate Intent Form for the position and therefore it was unnecessary to hold an election since he was unopposed. Aaron was declared elected at the conclusion of the 60-day declaration period and assumed his position immediately.

The Executive Board looks forward to working with Aaron and we expect he will be a great addition to the group and has been a valuable addition to our bargaining committee during Contract negotiations. Aaron has 10 plus years of Company service and has been proactive for the ESU in the fleet by filling in as Temporary Ship Rep. on numerous occasions.

Actions to improve Mariner Medical Evaluations processing

The National Maritime Center (NMC) has made several changes within the Mariner Medical Evaluations Division in order to improve customer service, while ensuring marine and public safety remains the priority for Mariner credentialing at the NMC.

The following additional actions were taken to address mariner concerns with processing delays, specifically related to the medical portion of the application review, and to ensure mariner applications with issues are processed in a timely fashion:

Mariner Medical Point of Contact: The NMC has assigned a full-time, on-call government medical evaluator to receive calls from mariners and their physicians regarding their submitted applications. This new position handles calls relating to a mariner's submitted medical fitness application and will assist both the mariner and their physicians pertaining to the mariner's application and any additional documents sent to the mariner or requested by the Coast Guard. Some cases will be transferred to the actual evaluators if they are available, or to a higher level government reviewer to further assist with technical information needed to complete the mariner's medical evaluation. When calling the mariner help desk (888-427-5662), the mariner will be transferred to the medical point of contact for assistance. For those mariners using third-party advocates, mariners must have a third-party release to ensure privacy concerns are met.

Increase in Government Medical Personnel: Over the past 24 months, the Coast Guard has significantly increased

the number of permanent government medical screeners, evaluators and reviewers. Some of the positions had been advertised for hire for as long as 18 months. Recently, qualified doctors and physician assistants were placed into the vacancies and are now onboard and contributing. At certain times, however, staff turnover occurs and the NMC makes every effort to quickly fill vacancies created when a government or contract employee decides to make a job change. The work for medical personnel in the Mariner Credentialing Program is primarily in the field of Occupational Health Medicine, which is an important discipline and often it is very difficult to find qualified personnel quickly. The NMC makes every effort to fill their vacancies as fast as possible within established agency guidelines for hiring and contracting with the best-qualified personnel available.

New Medical Services Contract: In December of 2010, the Coast Guard awarded a new Medical Evaluations and Services contract to RGB Group Inc. of Miami, Florida. Many former employees were hired by RGB but during the transition month of January 2011 these employees took use or lose vacation time from their former company. These authorized absences were a function of the contract and needed to be completed as a part of the transition process. Adjustments to the review and processing of medical applications have been transitioned to the new contract provider and many revisions and improvements have been made to our internal guidance documents to improve the consistency of reviews.

Ship reports

S/R American Progress

Regular Ship Representative Rudy Benavides just returned from paid leave while the vessel was discharging in Long Beach, CA. Rudy checked in with the Union office for an update prior to the vessel's departure. The ship's next discharge will be in the Puget Sound area. Crew was doing well in the weather of southern California.

Kodiak

Vessel departed Hawaii in mid-May for the shipyard in Singapore. The trip to Barbers Point provided an opportunity for the vessel to deliver a max load of cargo. Prior to departure, the vessel had some welcomed down for stores, reliefs and bunkers in Honolulu. Pumpman, Jim Byrd has assumed the Ship Rep. duties and has called in from Hawaii and Alaska to update the Union office on ship board activities and preparation for upcoming shipyard period in Singapore. Vessel should return to ANS service sometime during the month of July.

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

The ship continues to trade between Valdez and the San Francisco Bay area. During the outbound transit from Valdez last trip, the annual mid-sound tug drill went very smooth and was performed without a hitch. Ship Rep. Thor Floreen just returned from paid leave. Thanks to Maintenance Seamen Victor Varnedoe for his updates while filling in as Ship Rep.

S/R Wilmington

Board officer visited the ship, at the dock, in Beaumont on May 4. Marvin Marcum is filling in as Ship Rep. and doing a good job. No problems on the vessel. Due to high water in the Mississippi River, the versatile *Willy* may be called upon to reenter her previous job as a specialty trader for a short time. Barge movements have been facing difficult river conditions near Baton Rouge plus restrictions on certain types of barges and tug boats may lead to a variation to the vessel's service.

EXXON SEAMEN'S UNION

Founded March 28, 1941

Affiliated with the Sailors' Union of the Pacific

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Board Member at Large John McCarthy

Deck Trustee Aaron Rathbun
Engine Trustee William Ackley
Steward Trustee Kurt Kreick



Pictured aboard the *s/s Jeremiah O'Brien* last month are SUP member Art Thanash and Academy Award-winning actress Nicole Kidman, who was filming an HBO movie aboard the historic Liberty Ship.

The upcoming film, "Hemingway and Gellhorn", is about the lives of journalist and war correspondent Martha Gellhorn, played by Kidman and her husband, the iconic writer Ernest Hemingway, played by Clive Owen. It is being directed by Philip Kaufman ("The Unbearable Lightness of Being") from a script by Barbara Turner (Jennifer Jason Leigh's mother who wrote "Georgia") and Jerry Stahl. The cast also includes David Strathairn as novelist John Dos Passos; Peter Coyote as legendary editor Maxwell Perkins; Parker Posey as Mary Welsh Hemingway, the wife that followed Gellhorn; and Molly Parker as Pauline Pfeiffer, the wife that preceded Gellhorn.

Retelling the story of the stormy relationship of one of America's most famous literary couples, the film begins in 1936 when the pair first met in Key West, Florida. He was already a famous writer and she was an accomplished journalist. Their five-year marriage first saw them travel to Spain together to report on the Spanish Civil War between 1936 and 1939.

Gellhorn ended the marriage after Hemingway tried to stop her from covering the D-Day invasion during World War II. After their divorce, Gellhorn continued to distinguish herself and ultimately became one of the greatest war correspondents of the 20th century. She was one of the first journalists to cover the liberation of Hitler's death camps. In later years, she made her way to Vietnam, the Middle East, and Central America to cover conflicts.

Gillhorn was the only woman to ask Hemingway for a divorce and it was her fearless personality that inspired his most famous novel — *For Whom the Bell Tolls*.

Date set for LA clean-truck case

The U.S. Court of Appeals for the 9th Circuit will hear oral arguments from the Port of Los Angeles and the American Trucking Associations (ATA) on June 10th in the ongoing case involving the ports concession requirements for harbor trucking companies using its facility.

The 9th Circuit, while based in San Francisco, will hear the oral arguments at its Southern California courthouse in Pasadena.

The ATA is appealing a September 15th, 2010 decision by U.S. District Court Judge Christina Snyder in Los Angeles which upheld the port's concession requirements in their entirety, including a requirement that motor carriers replace independent contractor drivers with employee drivers.

The Port of Los Angeles, with support from the Teamsters Union, is pushing the employee-driver mandate because it would open the door for drivers to unionize. Unions are prohibited by law from organizing independent drivers.

The ATA argued in its appeal that Judge Snyder's ruling violates the Supremacy Clause of the U.S. Constitution and the motor carrier provisions of the Federal Aviation Administration Authorization Act. Those laws reserve the federal government ability to regulate motor carriers engaged in interstate commerce.

Judge Snyder ruled that the Port of Los Angeles can impose concession requirements on motor carriers because it falls under the market participant exception to federal preemption law. She argued that Los Angeles is a participant in the port industry and is attempting through the concession requirements to protect its commercial interests. However, Judge Snyder enjoined the employee-driver mandate until the case is heard under appeal by the 9th Circuit.

This will be the second time the 9th Circuit is hearing arguments in this case as it has gone back and forth between the district court and the appellate court the past two years.

Piracy costs upwards of \$12 billion in 2010

The economic costs of piracy in the Indian Ocean are estimated to be as high as \$12 billion last year, according to an analysis posted on the Save Our Seafarers campaign website.

The total costs, which includes ransoms, insurance cover, naval operations, prosecutions and the rerouting of ships to avoid piracy danger zones were estimated to be between \$7 billion and \$12 billion in 2010. Those costs may increase to as high as \$15 billion by 2015.

A further study suggests that Somali

pirates earn up to \$79,000/year by engaging in piracy, 150 times the average annual income in the East African country.

As of April 28, Somali pirates continued to hold 26 vessels and 518 hostages, according to figures compiled by the International Maritime Bureau. The number of hostages include the seven Indian seafarers from the Asphalt Venture who pirates continue to hold despite the payment of a ransom to free the ship and rest of the crew last month.

Welfare Notes

May 2011

Eligibility

There was a recent informational mailing on the eligibility status of participants for Welfare Plan benefits. Going forward, eligibility statements will be sent out from the Plan office on a quarterly basis.

If you file for your Supplemental Benefits in person, please take the time to check on your eligibility status while you are in the office. Also be sure to call if you have any questions on your eligibility or enrollment.

Enrollment for Dependents under the Age of 26

There will be a special open enrollment period July 1 through July 31, 2011, to add dependent children who are age 19 or older, but under the age of 26. Coverage will be effective August 1, 2011, for those dependents who are added to your plan.

The dependents can be added to the same HMO or PPO Plan that covers the member. If you do not receive the notice to add your dependent, please contact the Plan office.

Termination of Direct Payment Medical Plan

The Direct Payment Medical Plan will be terminated effective August 1, 2011, in compliance with provisions of the Patient Protection and Affordable Care Act. Dependents of eligible participants can be enrolled only in the same HMO or PPO Plan that covers the member. Non-emergency out-of-country services will no longer be covered. If you need enrollment forms, please contact the Plan office.

In order to add a spouse to the participant's coverage, you must send the Plan office a copy of the marriage certificate as well as the completed enrollment form adding the dependent. A copy of the birth certificate is needed to add dependent children.

Please also keep the Plan office informed of address changes and any dependents that should be terminated from coverage.

Michelle Chang, Administrator mcsupsiupd@sbcglobal.net

Patty Martin martinpatty59@sbcglobal.net

Virginia Briggs—Claims vbriggs80@sbcglobal.net

Michael Jacyna—Eligibility mjacyna67@sbcglobal.net

Training Representative Berit Eriksson 415-957-1816
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SUP Welfare Plan

730 Harrison Street #415, San Francisco, CA 94107

Phone: 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

Maersk Alabama attacked by pirates again

Pirates attempted to board *Maersk Alabama* on May 14, but the attackers were repelled by the ship's on-board security team. The crew is safe and the vessel did not sustain damage. The attack took place as *Maersk Alabama* was proceeding from Salalah, Oman, to Jeddah, Saudi Arabia, in the Gulf of Aden International Recognized Traffic corridor in the prescribed westbound group transit.

According to the official report filed by the master of the vessel, Captain Larry D. Aasheim, at 0010 local time, a small skiff with not lights was observed on radar from just aft of the starboard beam at four nautical miles. When the skiff made an abrupt turn to starboard to follow the ship's wake, the security detachment was notified to muster and take station. At a distance of 50 meters, it was apparent that there were five people on board the skiff with what look to be a ladder protruding from the bow.

When the skiff was 30 meters from the starboard quarter and making a fast approach to close the distance, two rounds were fired into the center of the skiff, which at that point turned around and fled the scene.

This was the sixth piracy encounter the *Maersk Alabama* has had since April 7, 2009, when it was boarded by pirates who held MM&P member Captain Richard Phillips hostage for five days aboard a lifeboat.

Japanese "Big 3" record 2010 profits

Japan's three major container lines reported collective operating profits of more than \$1.2 billion for their fiscal year 2010 (April 1, 2010 through March 31, 2011), a major turnaround from the \$1.8 billion they jointly lost in 2009.

MOL led the trio of carriers in terms of liner shipping operating profit and revenue, netting an operating profit of \$469.3 million, compared to a loss of \$608.8 million in FY 2009. Its liner revenue rose 26.1% to \$7.1 billion. Group revenue reached \$18.6 billion, a 14.6% increase over 2009, while total operating profit was \$1.5 billion, a fivefold increase over 2009 profits. MOL projects its liner profit for FY 2011 will be cut in half to about \$265 million.

NYK Line's liner division made \$402.3 million in operating profit in 2010, after losing \$553.4 million in 2009. The liner business had revenue of \$5.6 billion in 2010, a 22.2% increase over 2009. Group revenue was \$22.4 million, up 13.7% from 2009, while group operating profit was \$1.4 billion after a loss of \$19.4 million the previous year. The line didn't provide a specific forecast for 2011 for its liner business.

"K" Line liner division operating profit was \$350.4 million in 2010, after a loss of \$702.4 million in 2009. Liner revenue increased 38.5% to \$5.4 billion. Group profit was \$704.9 million in 2010 after a loss of about \$557 million in 2009. Group revenue increased 17.5% to \$11.8 billion. None of the lines have yet detailed their container volumes for FY 2010.

GOP budget favors the rich continued from page 1

ing the deficit and going a long way toward requiring corporations and the rich to pay their fair share. President Obama has made clear he understands why Social Security and Medicare are so important to working people, and the Union movement has been equally clear that it will oppose cuts to these critical programs, no matter who proposes them.

The Republican budget is no more a deficit reduction plan than Wisconsin Governor Scott Walker’s taking collective bargaining rights from public workers is a budget plan. Instead, the Republican budget is a major shift in income from the bottom to the top, taking funding from essential services for low- and middle-income working families and retirees and moving it to the pockets of Wall Street and the rich, without cutting the deficit very much at all. Republicans in the states and on Capitol Hill are doing favors for CEOs and the wealthy who fund political campaigns, and working families and retirees are getting the bill. These giveaways go disproportionately to corporations and wealthy individuals, shifting a greater tax burden to the middle class. This budget adds more than \$3 trillion in new tax cuts to the cost of continuing already unfair Bush-era tax breaks for the wealthiest Americans.

The Republican budget replaces medicare with vouchers and hikes costs for seniors. Seniors will have to pay far more for health care under the Republican budget, which replaces Medicare with underfunded vouchers and forces retirees to negotiate with private insurance companies that are free to raise rates and deny coverage. Medicare’s guaranteed coverage will end. Out-of-pocket health care costs for a typical 65-year-old will more than double in the first year alone, increasing by more than \$6,000.

The Republican budget destroys jobs and cuts other critical services for families. Mark Zandi, chief economist at Moody’s, estimates the Republican budget will cost Americans 1.7 million jobs by 2014, with 900,000 jobs lost next year. The Economic Policy Institute predicts a loss of 2.2 million jobs over two years. With more than 25 million U.S. workers unemployed or underemployed, this budget eliminates job-creating investments in roads, bridges, transit and other infrastructure programs, as well as green technology for the future. It denies health care coverage to 33 million Americans by repealing health care reform and makes state budget problems worse by shifting costs for important services to them. It also slashes funding for Medicaid, veterans, cancer research, law enforcement and a host of other services working families rely on everyday.

Republican leaders in Congress have displayed their priority: massive tax cuts for the wealthy and for Wall Street, paid for by middle-income and poor families. At a time of devastating unemployment and a struggling economic recovery, each cut to our nation’s budget threatens American jobs and working families. The Republicans’ irresponsible cuts are not a deficit reduction plan. They are the biggest gift in history for corporations and the rich who fund Republican campaigns, and they come at a cost America cannot afford.

Fortunately, the Republican budget will not pass the Democratic-controlled Senate. However, the GOP wish list could become reality if they control the House, the Senate and the White House as a result of the 2012 elections.

Transportation standards change as Americans put on the pounds

The federal government, which has had to tweak its safety rules and weight guidelines to reflect the fattening of the nation, estimated the average flier, by the Federal Aviation Administration, to weigh 195 pounds in winter clothing and 190 pounds in summer clothing.

The average boat passenger is estimated to weigh a little less: 185 pounds. The Coast Guard recently raised its estimate of average passenger weight after the National Transportation Safety Board warned that outdated estimates that passengers weighed only 140 pounds, on average, were factors in two deadly accidents in which overweight boats capsized.

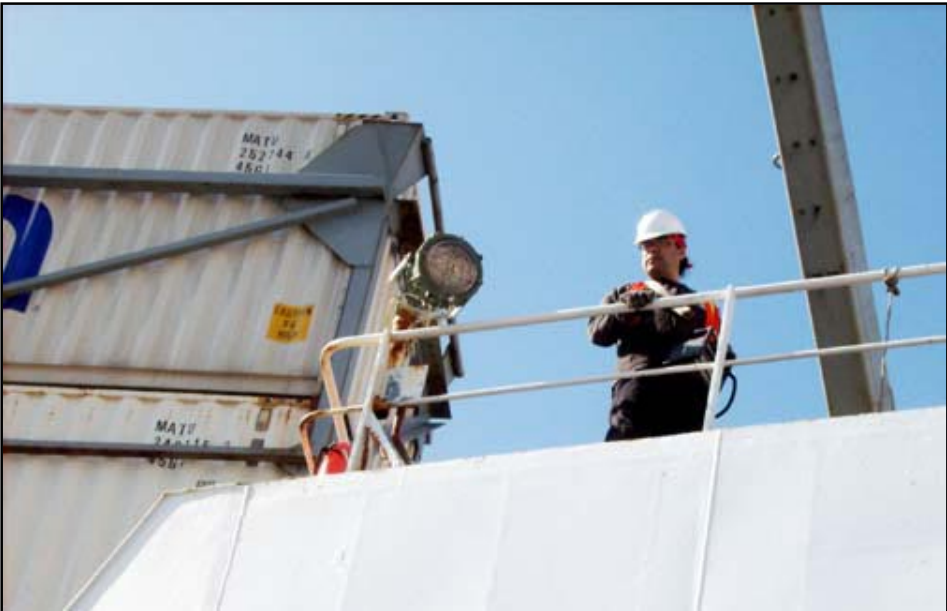
The award for sveltest traveler, at least in the world of federal regulations, goes to the average bus passenger. Bus riders are currently estimated to weight a mere 150 pounds when federal regulators test new buses. But that is about to change, if the Federal Transit Administration gets its way: the agency issued a proposal this month to increase the assumed average weight of bus passengers to 175 pounds so that its tests will “better reflect the actual loads that buses are already carrying in service today.”

Exactly why the estimated weight of travelers should differ slightly depending on whether they go by land, sea or air —calling to mind those scales in planetariums which show the Earthlings weigh less on Mercury, but more on Jupiter— is one of those mysteries that are sometimes puzzled over by close readers of the *Federal Register*. But the trend line here is as clear as the nation’s widening waistlines: Americans are getting heavier, and federal safety regulators must take that into account.

Federal officials said that they believe the current 150-pound standard for bus passengers comes from a national health survey dating to the “Mad Men” era.

How much Americans actually weigh, on average, is not exactly a mystery. The National Center for Health Statistics at the Centers for Disease Control and Prevention recently calculated the man average weight is now 194.7 pounds for men and 164.7 pounds for women, no matter what means of transportation they use.

The transit agency is proposing another change for its bus tests: it wants to assume standing straphangers take up 1.75 square feet of floor space, up from the current 1.5 square feet “to acknowledge the expanding girth of the average passenger.”



AB Dave Erickson operating the crane aboard Matson’s Maui in Oakland, May 3.

TWIC shortcomings called into question during Senate hearing

Senator John D. Rockefeller IV (D-West Virginia), Chairman of the Senate Committee on Commerce, Science, and Transportation, presided over a full committee hearing on May 10, to review the Transportation Worker Identification Credential (TWIC) program.

The TWIC program is a nationwide ID program, signed into law in 2002 with the passage of the Maritime Transportation Security Act (MTSA), and is intended to address security vulnerabilities within America’s ports by providing government security officials the ability to conduct background checks and verify the identity of transportation workers with access to secure port areas.

The hearing was conducted in correlation with the release of a Government Accountability Office (GAO) report on the TWIC program, which found that the program had weak internal controls that govern the enrollment, background checks and use of the TWIC card that “potentially limit the program’s ability to provide reasonable assurance that access to secure areas of Maritime Transportation Security Act-regulated facilities is restricted to qualified individuals.”

According to the report, GAO was able to obtain authentic TWICs using fraudulent identification documentation as well as gain access to ports using counterfeit TWICs. GAO also found that the Transportation Security Administration (TSA) was unable to confirm that TWIC holders maintain their eligibility throughout the life of their TWIC.

“I want the TWIC program to live up to its mandate. I want it to keep our nation’s ports more secure. But as today’s report reveals, things need to change,” said Rockefeller. “We also need to take a clear, hard look at whether we are getting enough return on our investment. In the coming months, I will introduce a port security authorization bill which will address shortcomings in port security credentialing. I look forward to working with the U.S. Coast Guard, the TSA, the GAO, as well as our stakeholder community to make sure we’re doing all we can to keep our ports secure and our travelers safe.”

Representative John Mica (R-Florida), Chairman of the House Committee on Transportation and Infrastructure, expressed his concern about the TWIC program during the Senate hearing.

“TWIC is turning into a dangerous and expensive experiment in insecurity. Nearly

half a billion dollars have been spent since the Maritime Transportation Security Act of 2002 directed the Secretary of DHS (Department of Homeland Security) to issue biometric Transportation security cards to maritime workers,” said Mica. “Yet today, ten years later, cards are no more useful than library cards. In fact, the only port that GAO investigators were not able to gain access to using fraudulent means was the port that still required port-specific identifications for admittance to secure areas.”

According to TSA, \$420 million has been spent so far on the TWIC Program. The program has enrolled 1.86 million people and has activated 1.72 million cards. In 2007, DHS estimated that the combined cost to the federal government and the private sector may reach \$3.2 billion over a ten-year period. That figure does not take into account the full cost of implementing and operating readers.

Despite the GAO report which pointed out the current problems with TWIC, the program still enjoys plenty of support.

“The TWIC program strengthens the security of our nation’s ports while facilitating trade through the provision of a tamper-resistant biometric credential to all port workers requiring unescorted access to secure areas of MTSA-regulated port facilities and vessels,” said TSA Administrator John S. Pistole. “The national implementation of the TWIC as the common credential verifying the identity and background suitability significantly enhances national maritime security, which previously relied on a patchwork of private and public identity verification and threat assessment architectures to allow access to secure and restricted areas.”

“The U.S. Coast Guard continues to work closely with the TSA to facilitate outreach to the maritime industry in an effort to enhance the overall Transportation Worker Identification Credential experience for workers and maritime operators,” said U.S. Coast Guard Rear Admiral Kevin Cook. “We have accomplished important milestones, strengthened working relationships with public and industry stakeholders, and held a steadfast commitment to securing the maritime transportation system while facilitating commerce. As we continue to make improvements regarding compliance, enforcement, and continued industry engagement, we will ensure Congress remains informed of our progress.”

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Washington Voyager's final port call



In late April the Washington Voyager (ex-Chevron Washington), the last Gas Turbine tanker operated by Chevron Shipping Company, made her final port call at the Richmond Long Wharf in San Francisco Bay. From left to right is SUP Vice-President Dave Connolly, AB Peter Nevins, Bosun Mike Fox, AB David Fadoul, AB and delegate Jennifer Corner, and AB Alexander Yekimenko. The Washington sailed from here for the Panama Canal and the breakers in Texas.

Los Angeles plans \$3 billion in port infrastructure improvements

The Port of Los Angeles announced plans on April 27, to spend at least \$3 billion over the next decade, a project designed to deepen its access channel, expand marine terminals, add on-dock rail capacity and improve traffic flow through street and bridge improvements within the harbor area.

The project is needed to accommodate an anticipated significant increase in cargo volume, better handle the larger container ships (8,000-10,000 TEUs of capacity) which are calling the port more frequently and reduce pollution from port operations, according to Michael Christensen, deputy executive director of development for the Port.

Christensen told the Propeller Club of Los Angeles-Long Beach that the projects to expand existing container terminals will add around 200 acres to the port, which also has a long-term project at Pier 500 that could result in a new 200-acre terminal.

Pier 500 is a long-term project that still requires environmental clearances and design work. The site is now being used as a dredge disposal site. Obtaining the permits and constructing the approximately 200-acre container terminal could take as long as 10 years.

Expansion projects at existing facilities at the Port are in various stages of development. The port last month celebrated the completion of a second phase expansion project of the China Shipping terminal that added a second vessel berth. Further expansion will result in another

wharf extension and backland expansion to nearly double the size of the facility to 142 acres.

The Port of Los Angeles is also close to completing a wharf extension at the TraPac terminal to allow for berthing of two vessels at the same time. An additional expansion will add an on-dock rail yard and a larger gate complex.

The port will increase the APL Ltd. terminal by 40 acres as well as reconfigure wharf and backland areas at the Yang Ming and Yusen terminals and to replace the wharf and deepen the berthing area at the Evergreen terminal.

The port is well along on a project to deepen its main access channel to 53 feet, a \$222 million project that should be completed sometime next year.

Los Angeles Mayor Antonio Villaraigosa and United States Department of Homeland Security (DHS) Secretary Janet Napolitano toured the new Maritime Law Enforcement Training Center (MLETC) at the Port of Los Angeles Thursday where they announced the implementation of increased security measures at the nation's largest port.

"To keep the Port of Los Angeles safe, we must invest in our personnel and provide them with the latest training tactics and procedures to be on alert for any signs of potential terrorism," said Villaraigosa. "The Maritime Law Enforcement Training Center will equip our state and local police with the knowledge and skills they need to perform their duties to keep our Port secure."

Thailand to protect its merchant marine

Thailand's navy is reportedly planning to deploy armed guards on board Thai merchant ships off Somalia to protect them from pirates. About 60 guards will be selected for the operation from Sea-Air-Land (Seal) special warfare units and recon servicemen of the Royal Thai Marine Corps, naval sources told the *Bangkok Post*, with four guards to be placed on each ship.

Thailand's navy has previously taken part in international anti-piracy operations off Somalia. The deployment of guards on merchant vessels will take place under its next three-month mission, starting in July, according to the *Bangkok Post*. Meanwhile, a trade group representing the maritime security industry predicted that the number of private armed guards protecting ships in the Gulf of Aden and Indian Ocean will rise over the next 18 months. The Security Association of the maritime Industry said the proportion of shipments protected by guards in the region is expected to jump from 12% to at least 20% over the period.

NLRB tells Boeing new South Carolina factory breaks law

In what may be the strongest signal yet of the new pro-labor orientation of the National Labor Relations Board under President Obama, the agency filed a complaint April 20, seeking to force Boeing to bring an airplane production line back to its Unionized facilities in Washington State instead of moving the work to a non-Union plant in South Carolina.

In its complaint, the labor board said that Boeing's decision to transfer a second production line for its new 787 Dreamliner passenger plane to South Carolina was motivated by an unlawful desire to retaliate against Union workers for their past strikes in Washington and to discourage future strikes. The agency's acting general counsel, Lafe Solomon, said it was illegal for companies to take actions in retaliation against workers for exercising the right to strike.

Although manufacturers have long moved plants to non-Union states, the board noted that Boeing officials had, in internal documents and news interviews, specifically cited the strikes and potential future strikes as a reason for their 2009 decision to expand in South Carolina.

Boeing said it would "vigorously contest" the labor board's complaint.

In a statement Solomon said: "A worker's right to strike is a fundamental right guaranteed by the National Labor Relations Act. We also recognize the rights of employers to make business decisions based on their economic interests, but they must do so within the law."

South Carolina's two senators, both Republicans, Lindsey Graham and Jim DeMint, denounced the board's move. "This is nothing more than a political favor for the Unions who are supporting President Obama's re-election campaign," DeMint said.

The labor board said that in 2007, Boeing announced plans to create a second production line that would make three 787 Dreamliner plans a month in the Puget Sound area to address a growing backlog of orders. That was to be in addition to a line already making seven Dreamliners a month there. In October 2009, Boeing said it would locate its second line at a new, non-Union plant in Southern Carolina.

The NLRB asserted that on numerous occasions Boeing officials had communicated an unlawful motive for transferring the production line, including an interview with *The Seattle Times* in which a Boeing executive said, "The overriding factor was not the business climate. And it was not the wages we're paying today. It was that we cannot afford to have a work stoppage, you know, every three years."

The NLRB brought the complaint after the International Association of Machinists and Aerospace workers (IAM) complained that Boeing had decided to move production to South Carolina largely in retaliation for a 58-day strike in 2008. "Boeing's decision to build a 787 assembly line in South Carolina sent a message that Boeing workers would suffer financial harm for exercising their collective bargaining rights," said the Union's vice president, Rich Michalski.

In another pro-worker decision, the NLRB filed suit against the state of Arizona on May 6, challenging the legality of a state constitutional amendment that requires workers to hold a secret-ballot election to decide whether to Unionize a company.

The agency argues that the state cannot override a federal law that gives workers the option of the card-check method of organizing, in which workers sign cards indicating their interest in forming a Union.

The NLRB had warned in January that it might pursue lawsuits against Arizona and three other states that passed similar amendment on Unionization rules. It still plan to sue South Dakota in the coming weeks but said it won't sue South Carolina and Utah as threatened because of limited resources.

Employers oppose California's proposed drayage truck law

A proposed California law that would classify drayage truck operators as employees of the entity or person who arranges for or engages the services of the operator as opposed to independent contractors is being opposed by a broad coalition of shipper organizations, including the National Shippers Strategic Transportation Council, the American Association of Exporters and Importers and the National Retail Federation.

In a letter dated May 3, the groups said that the law, Assembly Bill 950, would eliminate the flexibility of the workforce and put California ports at a disadvantage when competing for cargo.

The bill cleared the California state assembly's Labor and Employment Committee during the first week in May, and awaits a vote by the full assembly.

"Container activity at the ports varies daily by as much as 30% and annually such activity is closely tied to state, national and international economic conditions. Owner-operators provide necessary capacity and flexibility to meet the varying demands of port drayage," the letter said. "To impose an employee driver mandate on the companies who arrange for drayage services is simply not consistent with reality of port activity and places California ports at another financial disadvantage to other North American ports."

Opponents of AB 950 say that instead of re-classifying drivers from independent contractors to employees, California should focus their efforts on enforcing existing rules and regulations.

The letter also claimed that the employee driver mandate proposed in AB 950 "is preempted by federal law which prohibits states from taking actions that impact the rates, routes, or services of trucking companies absent qualification under a specified 'safety exception'."

The bill enjoys the support of the Coalition for Clean & Safe Ports, a group that includes environmental organizations and Unions who claim port drivers are misclassified and subjected to lower wages, frequent safety violations and little autonomy from the employers who dictate the terms of their employment.



SUP President's Report

May 9, 2011

PATRIOT CONTRACT SERVICES

Ready Reserve Force

On April 19, Maritime Administrator David Matsuda informed your secretary that the *M/V Cape Henry* was being transferred to Patriot for operation and maintenance. According to Matsuda, the previous operator, Pacific Gulf Marine, failed to properly maintain the vessel. Two other Ready Reserve Force (RRF) vessels, the *Cape Horn* and *Cape Hudson*, were also transferred from Pacific Gulf Marine to Interocean Uglad Management Corporation.

The *Cape Henry* is a roll-on/roll-off vessel built in 1979 for the Norwegian carrier Barber Lines as the British-flagged *Barber Priam* by Mitsubishi Heavy Industries at Nagasaki, Japan. Her commercial life was short as she was purchased by MarAd in 1986 and joined the RRF fleet. She is assigned to the Military Sealift Command's Pacific Strategic Sealift Force and is homeported in San Francisco in Reduced Operating Status (ROS).

The wages, wage-related items for the SUP aboard the *Cape Henry* are the same as the other RRF vessels operated by Patriot – the *Capes Orlando*, *Farewell*, *Flattery* and the *Admiral W.M. Callaghan*. The ROS crew for the *Cape Henry* is one Bosun and two Ordinary Seamen. In Full Operating Status (FOS), five ABs are added.

Maritime Prepositioning Force

Last year reported on the Military Sealift Command's (MSC) Request for Proposal to operate and maintain 11 Maritime Prepositioning Force (MPF) vessels divided into five Lots: Lot 1 was the *USNS 1st Lt. Harry L. Martin*; Lot 2 the *USNS Stockham*; Lot 3 the *USNS Wheat*; Lot 4 the *USNS 2nd Lt. John P. Bobo*, *USNS Sgt. William R. Button*, *USNS 1st Lt. Baldomero Lopez*, *USNS 1st Lt. Lummus* and the *USNS PFC Dewayne T. Williams*; and Lot 5 the *USNS Sgt. Matej Kocak*, *USNS Major Stephen W. Pless* and the *USNS PFC Eugene A. Obregon*.

In May 2010, MSC awarded the *USNS Martin* to Patriot as a small business "set-aside." All the other vessels were awarded to Maersk Line. However, three companies, all unsuccessful bidders, filed protests with the government with MSC ultimately ordering a re-bid of Lot 2 through Lot 5.

On April 1, of this year, MSC re-awarded the *USNS Wheat* and *USNS Stockham* to Maersk. Contracts for the remaining eight vessels have not yet been awarded.

Patriot, on April 14, and May 4, received two amendments from MSC for the MPF bid regarding the Lot 5 (*Kocak*, *Pless*, *Obregon*) vessels. The purpose of the amendments are to reopen discussions between MSC and interested companies to obtain new price proposals.

Accordingly, the SUP and MFOW on April 26, sent Patriot draft ROS wage and benefit proposals for the Lot 5 vessels. Patriot indicated that MSC wants a final submission by May 31.

MSC projects that the *Kocak*, *Pless* and *Obregon* will be variously assigned in Full Operating Status, Repair Availability Status (RAV), Reduced Operating Status with military cargo (ROS-laden) and Reduced Operating Status free of cargo (ROS-free of cargo). It is anticipated by MSC that by October 1, 2012, one vessel will be in long-term ROS-laden status and the other two will be in long-term ROS-free of cargo.

In both ROS-laden and ROS-free of cargo, all three vessels will be berthed at ports on the East and Gulf Coasts.

The projected delivery date of the vessels in July 31. The estimated points of delivery are the *Kocak* at Diego Garcia; *Pless* at Saipan; and the *Obregon* at an unnamed port in the Mediterranean.

LMSR Activations

The Union was notified last week by Patriot that the Large Medium-Speed/Roll-On/Roll-Off (LMSR) vessels will be activated for short periods this month. The *USNS Gilliland* currently in Jacksonville, Florida, will sail to Bayonne, New Jersey for approximately ten days.

The *Admiral Callaghan* will go on sea trials and the *USNS Yano* is expected to sail back to her homeport of Violet, Louisiana, from Bayonne.

All SUP agents, coordinated by Vice President Dave Connolly, are working diligently to make the activation successful.

MARITIME INDUSTRY CONGRESSIONAL "SAIL-IN"

The maritime industry –seagoing Unions, U.S.-flag companies and industry trade associations– came out in force in Washington, D.C. on May 4, to increase Capitol Hill awareness of the importance of America's maritime industry to the economic and national security of the United States, and to generate support for the programs and policies that are key to the survival and growth of the U.S.-flag merchant marine and to the jobs of American merchant mariners and America's maritime workforce.

The second annual "Sail-In" was organized by the United States Maritime Coalition, a volunteer committee of representatives from the industry. The Sailors' Union is a member of the coalition. Over 185 participants from 22 states, 52 Congressional Districts, 11 Unions and labor organizations and 10 related associations were involved in the effort.

Representing the SUP were Berit Eriksson, Director of Workforce Development of the Andrew Furuseth School of Seamanship; Barbara (Bobbi) Shipley, a rank-and-file member who lives close to Washington and who volunteered to participate; and your secretary.

The day began at 8:00 A.M. in the Rayburn House Office Building with opening remarks by John Mica (R-Florida), Chairman of the House Transportation and Infrastructure Committee and Maritime Administrator Matsuda.

The participants were then assigned to 34 groups of between five and seven people.

Sister Eriksson's group was comprised of Glen Paine of the MM&P's Maritime Institute of Technology and Graduate Studies (MITAGS), Chris Coakley from the American Waterways Operators (AWO), Susan Hayman from Foss Maritime and Julia Shemesh from Crowley Maritime. Over the course of the day the group met with Senator Patty Murray (D-Washington) and her staff and representatives of Congressman Peter DeFazio (D-Oregon) and Congressman Jim McDermott (D-Washington).

Sister Shipley's group met with representatives of Congressman "Buck" McKeon (R-California), Congressman Todd Akin (R-Missouri), Congressman Mike McIntyre (D-North Carolina), Congressman Scott Rigell (R-Virginia) and Congressman Jim Langevin (D-Rhode Island). Shipley's group included Jim Henry of the Transportation Institute, Kermett Mangram of the SIU-A&G, Don Marcus of MM&P, and John Reinhart of Maersk Line.

Your secretary's group was comprised of Jeff Pavlek from the Transportation Trades Department (TTD), AFL-CIO, Tom Dewhist a rank-and-file MEBA member, Wayne Farthing from MM&P and MFOW President Anthony Poplawski. This group met with Senator Barbara Boxer (D-California) and her staff and representatives of Congresswoman Laura Richardson (D-California), Congressman Jerry Costello (D-Illinois), Congressman Tim Johnson (R-Illinois) and Senator Mark Begich (D-Alaska).

The talking points used by all groups focused on support for the Jones Act, full funding for the Maritime Security Program, support for the Food for Peace program and cargo preference, support for legislation to fully utilize the Harbor Maintenance Trust Fund to maintain America's harbors and waterways and support for legislation (H.R. 1533) to encourage short-sea shipping.

In the judgment of your secretary, the Sail-In was successful, but its value can only be gauged when legislation that either helps or hurts the maritime industry comes before Congress. The SUP will continue to make its presence known in Washington as our Union's survival and that of the industry is dependent upon what happens there.

HOLIDAYS

All SUP halls will be closed on Monday, May 30, in observance of Memorial Day, a holiday under all SUP contracts.

All SUP halls will also be closed on Monday, June 13, in observance of Kamehameha Day. In accordance with the Matson agreement, Kamehameha Day is a paid holiday for all company vessels (except the *Moku Pahu*) at sea or in port and all members employed under the Maintenance and Extra Maintenance agreement. If the *Moku Pahu* is in an Hawai'i port, the holiday is observed as per the ILWU Local 142 agreement. Due to the holiday, the Headquarters meeting will be held on Tuesday, June 14.

ACTION TAKEN

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

Gunnar Lundeberg

Vice President's Report

May 2011

Cape Henry: Vern Haik, bosun. Another ship delivered to Patriot and the SUP. A RO/RO of high value to the MSC, she is berthed in San Francisco at Pier 96.

Adm. Callaghan: Liam Casement, delegate. Shipped a full crew for activation from the San Francisco shipyard for sea trials. Paid off in Alameda with no beefs.

USNS Waters: Eduardo Zepeda, delegate. Crew deserves recognition for holding things together despite various challenges. Mike Thomsen doing a bang-up job as bosun.

USNS Martin: Jack Forde, delegate. Mahdi Asad Al-Rasullulah relieved Paul Harsany as bosun in Guam. Crew change out underway.

USNS Yano: David Burns, delegate. Preparing to depart New Jersey shipyard for return trip to Violet, Louisiana. Full crew shipped for the activation.

USNS Shughart: Jeff Martinez, delegate. One day activation for engine trials was another tough challenge met by SUP sailors and agents. Tending lines in the Big Muddy alongside her berth in Violet.

USNS Gilliland: Ryan McLaughlin, bosun. Activated with a full crew to sail for New Jersey shipyard.

Mahimahi: Mick McHenry, delegate. In at Oakland with no problems. Discussion on the challenge of equal distribution of overtime.

Maunawili: Phil Howell, delegate. Questions on food budget investigated and taken up with Matson. The SUP cannot dictate a stores budget, but does demand compliance with Appendix C.

Lihue: Noel Itsumaru, delegate. Various clarifications by email and working with Wilmington and Honolulu agents to investigate and resolve several problems.

Washington Voyager: Jenn Corner, delegate. Boarded in Richmond for the last time. (See picture on page 10). Having provided steady work for SUP sailors for more than three decades, and having safely transported many millions of barrels of oil, the last of the five Gas Turbine tankers departed the Long Wharf with her final cargo for a Gulf of Mexico destination, and after tank-cleaning, to the breakers.

California Voyager: Michael Burpee, delegate. Severance package explained. Thor Erikson is the bosun. No problems. Discussion on impending negotiations. On the romance run through the Canal to the Gulf.

Mississippi Voyager: Mikaela Carnes, delegate. More discussion on negotiations and severance. Proposals on wages and working conditions starting to come in. Taking the *Washington* run from the El Segundo

continued on page 12

SUP Branch Reports

Seattle

April 18, 2011

Shipped during the period: 1 Boatswain job shipped and filled with an A seniority member; 9 Able Seamen berths went to 3 A's, 3 B's, 2 C's, and 1 D Registrant; 2 went to Navy bottoms and 3 were for reliefs. We also shipped 6 standbys filled with 1 A and 5 B members. Registered: 6 A cards for a total of 22; 9 B cards for a total of 27; and 8 C cards for a total of 18.

Ships Checked

Matson vessels *Manoa* and *Maui* called twice in Seattle with little or no problems. *President Truman* called in New York with Bosun Gerry Marshall reporting all is ship shape. We visited the *USNS Yano* where Bosun Brad Little has things under control. Bosun John Lapollo in the *USNS Shughart* reported that everything was going very well after the Chief Mate was replaced. This is the same Chief Mate MFU Agent Bill O'Brien tried to reason with and although it took the Mate a while he realized resigning was in everybody's best interest.

During the month I represented the SUP/MFU at the following meetings: the ILWU Local 19 Political Action Committee meeting; the Seattle Central Waterfront Stakeholders meeting; the King County Labor Council meetings; the Puget Sound Harbor Safety Committee meeting; the Port of Seattle Freight Mobility meeting.

The SUP Seattle/MFU Agent was nominated and re-elected to serve as President of the Puget Sound Ports Council, Maritime Trades Department AFL-CIO; and in another meeting nominated and re-elected to a three-year term on the Board of Directors to the Puget Sound Marine Exchange.

I would ask all mariners to look at their documents. Merchant Mariner Credentials or Documents have a five year expiration limit; as does your TWIC cards. U.S. Passports have a ten year expiration limit and it seems it is easy for us to overlook the date on our passports. Between the SUP and the MFU here in Seattle, we have had four mariners compete for jobs during the month of March and three had passports that expired in February and one had only three weeks valid before expiration. This is an expensive mistake for those who want to ship out only to discover the company rejects them for expired documents.

Vince O'Halloran
Branch Agent

Wilmington

April 18, 2011

Shipped a total of 72 jobs—the breakdown is as follows: 4 Bosun- 3 relief, 1 return; 7 AB/dayman- 4 steady, 3 relief; 10 AB/watch- 4 steady, 3 relief, 3 return; and 51 standbys.

Registration: Class A cards 40; Class B cards 31; Class C cards 12.

Ships Checked

Manulani, Maunawili, Mokihana, Mahimahi, Manukai, Lihue, Philippines, Korea, Thailand, China, and Singapore. No problems.

Bob Burns
Acting Branch Agent

Honolulu

April 18, 2011

Shipped the following jobs during the month of March: 1 Bosun return, 3 AB Day steady, 1 AB Day relief, 2 AB Watch steady, 2 AB Watch return, 1 AB Maint steady. The regular jobs were filled by 5 A cards, 4 B cards, and 1 D card.

Also shipped 19 standby jobs this month. The standby jobs were filled by 2 B cards, and 4 C cards, and 13 D cards.

Registered during the month of March: 4 A cards; 2 B cards; 1 C card; and 4 D cards. To date total registered: 13 A cards; 7 B cards; 2 C cards and 7 D cards.

Ships Checked

Manukai, Maunawili, Maui, Mokihana, Manoa, Maunalei, Mahimahi, Manulani, Lihue and the Paint & Rigging gang. I would like to report that all are running with few or no beefs but that is not the case. The *Lihue* had many problems and the Paint & Rigging gang had a minor beef with a PMH.

The Paint & Rigging gang beef was settled (although not to the satisfaction of everyone there) and the *Lihue* still has many problems, some of which were settled by the Wilmington Agent and myself and the others were sent to Headquarters to be resolved. The *Lihue* is not a happy ship. The Captain and the chief mate interpret the contract differently than me or the ship's delegate. It is an ongoing problem and I will do my best to keep on top of it. As I'm sure everyone else will do also. On a side note, the *Lihue* was in Honolulu the day of our monthly meeting and it was nice that some of the crew members took the time off to come to the meeting. I wish all members would do that. Mahalo.

During the month I represented the SUP at the Hawai'i Ports Council

monthly meeting, which includes the Hawai'i Ocean Safety Team (HOST) meeting report. This was the first meeting we had without Neil Dietz (former Secretary-Treasurer of the Hawai'i Port Council) and his replacement, Hazel Galbiso (SIU Port Agent) did a fine job, in fact such a good job that we hardly missed Neil. But he was missed. He did a great job for many years serving the Hawai'i Port Council and now he is working for Governor Neil Abercrombie. Mahalo,

Michael Dirksen, Branch Agent

SUP members join pension ranks

The following SUP members joined the rank of pensioner, bringing the total number of SUP members to 490:

Charles Bulmer, 66, Book No. 5742, joined SUP in 1991, 15 years seetime.

John Furrie, 66, Book No. 2230, joined SUP in 1968, 32 years seetime.

Daniel Gabaree, 65, Book No. 3023, joined SUP in 1990, 15 years seetime.

Tonny Nielsen, 74, Book No. 2469, joined SUP in 1991, 16 years seetime.

Dispatcher's Report

Headquarters—April 2011

Deck	
Bosun	2
Carpenter	0
MM	9
AB	14
OS	1
Standby	21
Total Deck Jobs Shipped	47
Total Deck B, C, D Shipped	12
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. ...	47
Total B, C, D Shipped-All Depts. .	12
Total Registered "A"	33
Total Registered "B"	22
Total Registered "C"	17
Total Registered "D"	34

Vice President's Report continued

moorings to Long Beach and Richmond.

Florida Voyager: Franklin Dyer, delegate. In at Richmond. Good discussion on topics for bargaining. New members joining the Union. Urged participation in all the activities of the SUP.

APL China: Josh Entenmann relieved Larry Gately as delegate. Boarded in Oakland. No disputed time there but later by email clarification on stowaway search and cargo rates.

APL Thailand: Randy Runyon, delegate. Crew in hand steering for most of the Asian loop and the entire Pacific crossing. Three and two man watches were set to cover the work and the delegate expertly handled the sheets and brought in a clean ship.

APL Korea: Norm Kurtz, delegate. Clarification on anchor watchstanding in two man watch situation—no week-

end OT for daymen standing watches unless during the "trans-ocean" part of the voyage, i.e., after departure from the last Asian/North American port.

APL Coral: Phil Romei, delegate. Collected one day of subsistence lodging for crew on the first day of turnover. Clarification on cargo rate—not payable for routine maintenance work in a cargo hold.

APL Japan: Quentin Brown, delegate. Call from the delegate from sea indicated a panoply of problems many of which were handled internally before arrival, others were dealt with by MFOV VP Bill O'Brien, and still others taken up with the company.

Foss Maritime Company: JD Rymel, delegate. Company indicates jurisdictional sharing meetings likely in the days ahead.

Dave Connolly

U.S. exports increase 4.6% in March

The United States Commerce Department reported on May 11, that the country's exports of goods and services in March increased 4.6%, or \$7.7 billion, from the previous month to a record \$172.7 billion.

Exports in the month of March to Canada as well as Central and South America also experienced record highs.

U.S. imports of goods and services increased 4.9% over the same time period to \$220.8 billion, causing the U.S. trade deficit to increase 6% to \$48.2 billion. Petroleum imports for the month of March, totaling \$39.3 billion were the highest recorded since August 2008, when they reached \$43.7 billion.

"Now more than ever, America's ability to create jobs here at home depends on our ability to export goods and services around the world," said Commerce Secretary Gary Locke. "We have seen the private sector add 2.1 million jobs across industries from manufacturing to education to retail, and exports supported more than 9 million U.S. jobs in 2010."



Some SUP brothers that cleaned and painted the American Merchant Marine Memorial Veterans Statue for Maritime Day on May 7. From left: MFOV Port Agent Bob Burgain, Eli Wegger, SUP Wilmington Branch Agent Vern Johansen, Ronnie Palacios and Daryl Scarboro.