



West Coast Sailors

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SAN FRANCISCO, CALIFORNIA

Friday, November 19, 2010

Bigger ransoms draw more Somalis into piracy

The monsoon season has ended. The Indian Ocean is calm again. For Somalia's pirates, that means one thing: it is a busy time of year.

According to Ecoterra International, an organization with office in East Africa that keep track of Somali piracy, pirates are currently holding hostage more than 25 foreign ships and 500 people.

Some of the ships have been hijacked hundreds of miles offshore, closer to India than to Africa. The crews are often held at gunpoint for months while ransom negotiations play out. The ransoms are getting bigger, drawing more young men from Somalia's ruined economy—the country has not had a functioning central government for nearly 20 years—into the piracy business.

This month, a band of pirates received what is widely believed to be a record ransom—around \$10 million—for a hijacked South Korean supertanker, the *Samho Dream*. The ship had been commandeered in April and anchored for months off the city of Hobyo, in central Somalia, in plain sight of the beach.

The ransom was promptly divided among dozens of young gunmen, each allotted a \$150,000 share. But many of the pirates never saw close to that

much money because they had taken advances from their bosses and had to pay back expenses, said a pirate in the Hobyo area.

"During the six months the ship was here, they spent a lot on qat," a local stimulant, "women and drink," said the pirate, who asked not to be identified. "Many just came home with \$20,000."

Some of the bigger pirate bosses in this part of Somalia have been building mini armies from the million they receive in ransoms, and it is widely believed that much of the money from the *Samho Dream* will go toward more weapons.

At the same time, the Shabab, the powerful Islamist insurgent group that vows to enforce strict Islamic law across Somalia, seems to be getting more deeply involved in piracy. Pirates recently sailed a hijacked yacht with three South Africans on board to Barawa, a coastal town firmly in Shabab hands. The pirates would not be able to set foot in Barawa, let alone hold hostages there, without Shabab cooperation.

According to European naval officials, the pirates in the yacht ran aground just off Barawa's beach on November 6 and ordered the hostages to come ashore. The skipper refused and was left behind on the sailboat. He was rescued soon after by a European naval patrol that had been trailing the sailboat. The two other South Africans are now believed to be in Barawa.

Somali pirates have said they prefer bigger ships, especially oil tankers, which usually pay the best, though they will opportunistically attack a sailboat that crosses their path.

Even when captured, many pirates have been set free. On November 9, a Kenyan court ordered the release of nine piracy suspects, saying the country could not prosecute them for crimes committed outside its territory, Reuters reported.

But international warships are plying the seas trying to thwart new attacks, sometimes success-

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Federal deficit panel proposes massive cuts in social spending

The preliminary report of the so-called bipartisan National Commission on Fiscal Responsibility and Reform released on November 10, proposes drastic cuts to the critical economic lifelines for working people.

The preliminary report, prepared by the commission's co-chairs Alan Simpson, a Republican, and Erskine Bowles, a Democrat, calls for deep spending cuts in vital programs, reduced Social Security benefits, tax code changes, including reduced corporate tax rates and lower tax rates for the wealthy, along with tax cuts for middle- and low-income workers.

Highlights of the deficit-reduction commission are as follows:

Social Security

Increases the Social Security retirement age by one month every two years after it reaches age 67 under current law. It would reach 68 by 2050 and 69 about 2075.

Lower cost-of-living increases.

Gradually raise the threshold on the amount of income subject to the Social Security payroll tax.

Give retirees the option of collecting half of their benefits early and the other half at a later age.

Health Care

Limit or eliminate the tax-free status of employee-provided health care coverage.

Limit annual cost increases for Medicare and Medicaid to no more than 1% above the growth rate of the economy.

Cap jury awards in malpractice cases.

Taxes

Overhaul individual income taxes and corporate taxes.

Eliminate the mortgage interest deduction.

Eliminate the child tax credit.

Reduce income tax rates with the top rate dropping to 23% from 35%.

Reduce the corporate income tax rate to 26% from 35% and stop taxing the overseas profits of U.S.-based multi-national corporations.

Increase the federal gas tax by 15 cents per gallon to fund transportation programs.

Domestic Spending

Freeze defense Department salaries for three years. Reduce overseas bases by one-third, cut spending for base support and integrate children of military families into local schools.

Reduce Congressional and White house budgets by 15%, freeze federal compensation at non-defense agencies for three years. Cut the federal workforce by 10%.

Eliminate non-competitive spending bills known as earmarks.

End grants to large and medium-size Hub airports; require airports to fund a larger portion of the cost of aviation security.

Cut funding for public broadcasting.

John Irons, policy director at the Economic Policy Institute (EPI), says the report "shows the commission is running severely off the track. In particu-

continued on page 2

Congress needs to act on unemployment insurance

A new study shows that the economic impact of unemployment insurance (UI), especially for long-term jobless workers, has a huge positive effect on the economy, not only for the jobless, but by keeping millions of other workers on the job.

With Republican lawmakers balking at maintaining UI for millions of jobless workers out of work for more than six months in an economy that has nearly five job seekers for every opening, the new research bolsters the case for maintaining the programs.

If lawmakers don't act by November 30, 2 million jobless workers will be without help by the end of the year.

The study, commissioned by the U.S. Department of Labor,

shows the UI program had an even more positive impact on the economy this time around than in previous recessions. Among the key findings:

- For every dollar spent on UI, economic activity increases by \$2.

- During each quarter of the recent recession, UI benefits kept an average of 1.6 million Americans on the job.

- At the height of the recession, UI benefits averted 1.8 million job losses and kept the unemployment rate approximately 1.2 percentage points lower.

- UI benefits reduced the fall in GDP by 18 percent. Nominal GDP was \$175 billion higher in 2009 than it would have been without UI benefits. In total, unemployment insurance kept GDP \$315 billion higher from

the start of the recession through the second quarter of 2010.

As Labor Secretary of Labor Hilda Solis says, "Unemployment insurance is one of the best investments we can make, not only for the millions of people that utilize UI benefits to provide for their families in a time of need, but for the millions more whose jobs are kept secure because of the stabilizing affect it has on our economy as a whole."

Solis says it's crucial Congress act as soon as possible. "While the economy and the job market are on the road to recovery, the loss of consumer sales from removing billions of dollars in unemployment benefits will set us back. Now is not the time to turn our backs on the families that rely on these benefits and the businesses that serve them."

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SUP Quarterly Finance Committee Report

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

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

SUMMARY OF CASH AND INVESTMENTS

General Fund	\$683,923.45
Political Fund	\$393.78
Strike Fund	<u>\$1,293,730.99</u>
Total Cash and Investments 3rd Qtr. 2010	<u>\$1,978,048.22</u>

GENERAL FUND

Income:	
Dues, Initiation, Assessments	\$88,060.25
Interest	26,921.32
Donations - <i>West Coast Sailors</i>	1,304.00
Tanker & Joint Committee, Hiring Hall	131,286.55
Advertising & Promotion	55.00
Miscellaneous Income, Reimbursements, Fines	2,171.86
Reimbursed Administrative Expenses	16,204.78
Contributions - General Fund	<u>1,365.00</u>
Total Income:	<u>\$267,368.76</u>
Expenses:	
Auto & Travel	\$637.90
Rent	18,320.67
Postage, Printing & Office	4,463.50
Telephone & Telegraph	4,510.63
<i>West Coast Sailors</i> Publishing Expense	6,447.55
Per Capita	12,557.50
Salaries & Payroll Taxes	176,826.70
Office Workers Pension	7,260.50
Insurance	35,180.62
Field Expense	3,281.82
Committee & Neg., Conference & Conv.	6,038.00
Investment Expense	1,214.33
Advertising & Promotion	360.00
Officials Pension	1,910.43
Contribution	75.00
Equipment	<u>2,451.05</u>
Total Expense:	<u>\$281,536.20</u>

BUILDING CORPORATION

Income:	
Rents	85,413.48
Bldg. Util. & Service Reim.	<u>1,349.98</u>
Total Income:	<u>\$86,763.46</u>
Expense:	
Building Services & Utilities	\$24,798.06
Repairs & Maintenance	4,743.97
Salaries & Payroll Taxes	15,867.11
Pension	299.43
Accounting (audit)	5,000.00
Legal	180.00
Insurance	<u>7,328.02</u>
Total Expense:	<u>\$58,216.59</u>

POLITICAL FUND

Income:	
Contributions	\$6,345.00
Interest	<u>0.00</u>
Total Income	<u>\$6,345.00</u>
Expense:	
Contributions	\$8,700.00
Office Expense	<u>0.00</u>
Total Expense:	<u>\$8,700.00</u>
Net Income 3rd Qtr.	
<u>\$12,024.43</u>	
1st Qtr	\$42,681.04
2nd Qtr	\$(25,303.50)
3rd Qtr	<u>\$12,024.43</u>
YTD	<u>\$29,401.97</u>

/s/ Rafael Cooper

/s/ Randy Coady

/s/ Arthur Thanash

/s/ Romaine Dudley

/s/ Steve Swinton

ACTION BY THE MEMBERSHIP November 8, 2010. M/S/C—That we concur in the report of the SUP Quarterly Finance Committee and, as per past practice, publish in the *West Coast Sailors*. Carried unanimously.

Buy Union week starts this month

In these difficult times, it makes sense for union families to use their power to help keep good union jobs in the community by purchasing union-made goods and services. The AFL-CIO Union Label & Service Trades Department (UL&STD) has designated the 10 days following Thanksgiving, November 26 –December 5, as “Buy Union” week to encourage union members to look for union-made goods and services when they buy for the holiday season.

Holiday shopping traditionally kicks off on the day after Thanksgiving, also known as “Black Friday,” because it begins the holiday shopping season when many retailers move from red ink to black on their balance sheets. This year, shoppers will find plenty of “bargains” even before the holidays.

But UL&STD President Richard Kline says Union family shoppers should look beyond the foreign-made electronics, trendy toys and gadgets to find enduring goods that are union made.

Buy Union week comes this year in a time of economic hardship for many Americans. Outsourcing of work to foreign lands has been costly to working people and their families, communities and government.

Observing Buy Union week and seeking out and purchasing Union-made products and services strengthens the U.S. economy as a whole, while it supports our union brothers and sisters and their employers.

If you can’t find the right gift for that hard-to-buy-for person on your list, you can purchase a gift card for union productions, such as movies or sports events, or union-made foods such as candies, baked goods, spirits and specialty items.

Start your shopping list with a visit to the Union Label website, www.unionlabel.org, and click on Search for Union Products to see if a product is union made and what union produces it. If you can’t find what you’re looking for there, move on to the websites of individual Unions that show up as links on the page.



Cuts in social spending from page 1

lar, nearly half of the adjustments come from cuts to discretionary spending—a portion of the budget that is not responsible for long-term deficits. The suggested reductions include a wide range of cuts that would cost jobs and increase financial burdens on working families.”

Irons says the report does little to acknowledge that unemployment remains high and is expected to remain high for several years. But by starting huge spending cuts in 2012, “the report does not allow enough time for the economy to recover, nor does it call for the policies necessary to get the economy back on track. The spending reduction of over \$68 billion in 2012 ramping up to \$140 billion in 2015 would mean a slower economy and higher unemployment for an already weakened labor market.”

The real effort to right the economy, says AFL-CIO President Richard Trumka, should be “focusing on the jobs deficit. Working families already paid for Wall Street’s party that tanked our economy. If we actually want to address our economic problems, we need to end tax breaks that send American jobs overseas and invest in creating jobs by rebuilding our crumbling infrastructure and green technologies.”

The commission’s final report is due December 1, and it must be approved by 14 of the 18 commission members. If it is, it will go to Congress for a vote before the end of the year.

SUP Meetings

These are the dates for the regularly scheduled SUP meetings in 2010/2011:

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

Final Departures

Williard Soliani, Book No. 4959. Born in Italy in 1908. Joined SUP in 1935. Died in Torrington, Connecticut, October 7, 2010. (Pensioner)

Joseph Piscopo, Book No. 3841. Born in New Jersey in 1948. Joined SUP in 1967. Died in New Jersey, October 29, 2010. (Pensioner)

West Coast Sailors

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APL's parent posts third quarter profit

Singapore's NOL Group, owner of container shipping line APL, reported on October 19, a third quarter net profit of \$282 million off revenues of \$2.4 billion, compared to \$139 million net loss in the same period last year.

Its year-on-year revenues increased by 55% in the quarter, coming on the back of both stronger volumes and freight rates, according to chief executive Ron Widdows.

"Strong demand and an improved rate environment have helped us turn around our performance," he said. "Our emphasis at this point is on operating efficiency and cost containment to ensure that we maintain our momentum."

APL revenues came in at \$2.2 billion, a 60% year-on-year increase while year-to-date revenues were up 51% and \$5.9 billion.

The line's core earnings before interest and tax in the quarter was \$310 million compared to a loss of \$130 million in the same period last year, while year-to-date earnings before interest and tax is \$314 million compared to a \$502 million loss last year.

The line has carried around two million feu so far this year, a 29% increase

on the first nine months of 2009, while third quarter volumes were 655,000 feu, a 12% year-on-year rise.

Average revenue per feu was also up by 21% in the year to date to reach \$2,799 and by 41% in the third quarter alone to reach \$3,120.

APL president Eng Aik Meng said: "Volume and rates improved across most of our major trade lanes, and our ships were full."

"At the same time, we were well-prepared with vessel capacity and container equipment to meet our customer commitments."

NOL supply chain subsidiary APL Logistics saw revenues increase 30% to reach \$302 million for the quarter, and by 31% year-to-date to reach \$880 million, and core debits of \$18 million and \$45 million respectively, representing year-on-year increases of 6% and 10%.

APL Logistics president Jim McAdam said: "Volumes increased in most of our business lines and freight rates improved in international logistics."

"The result has been a continuation of the revenue growth we have realized throughout 2010, indicating a return to pre-economic downturn levels."

New GOP Senator taps anti-Union executive as top aide

When the Republican majorities—especially the newly elected extreme right-wing members—take control of Congress in January, they likely will quickly take aim at workers and their Unions. One of the people who might be calling those shots has a long history of trying to undermine workers' rights.

Senator-elect Rand Paul (R-Kentucky), the poster child for the Republican tea party, appointed Doug Stafford, vice president of the slyly named National Right to Work Legal Defense Foundation, as his chief of staff. Described as a "long time Republican operative in Washington," Stafford will serve as Paul's guide to the ins and outs of Congress and help develop and set his agenda.

American Rights at Work describes the National Right to Work Legal Defense foundation as part of "the country's oldest organization dedicated solely to destroying Unions. Its network consists of four organizations that share leadership, offices, resources and staff, all with the common goal of undermining workers' freedom of association... The Foundation consistently wages litigation to weaken workers' rights to form Unions."

The Right to Work Foundation was a major player and spender in the recent elections and no doubt they will be guiding lights for Republican policies and attacks during the next two years, including: Attacking collective bargaining rights and opposing the Employee Free Choice Act; privatizing Social Security and Medicare; enacting job-killing "free" trade deals like NAFTA and CAFTA; and cutting taxes for millionaires while leaving the rest of us behind.

MarAd awards \$3.1 million contract to S.F. Bay Area ship recycler

The Maritime Administration (MarAd) announced on November 9, that is has awarded two contracts for a total of \$3.1 million to Allied Defense Recycling of Petaluma, California, to clean and recycle two Suisun Bay Reserve Fleet ships, the *SS Solon Turman* and the *SS President*. The two ships are scheduled to be towed from Suisun Bay to the former Mare Island Naval Shipyard facility in for recycling in December. The *President* is the ex-*President Tyler* built in 1960 and owned and operated by American President Lines. She has been laid up since 1979.

"The Obama Administration is running full-speed ahead in its commitment to cleaning up the Suisun Bay Reserve Fleet," said U.S. Transportation Secretary Ray LaHood. "These contracts will help the local economy while advancing our mission of maintaining the Fleet in a safe and environmentally-sound manner."

In October 2009, the Obama Administration called for expedited cleanup of the fleet site and improved protection of the unique marine environment and surrounding bayside communities, setting a goal of removing 57 ships by September 30, 2017. Eleven ships were removed in the past year, surpassing the planned schedule of removing 10 ships in 2010.

"This is further evidence of our commitment to clean up Suisun Bay," said Maritime Administrator David Matsuda. "The Mare Island recycling facility will bolster our efforts to remove obsolete ships and reduce environmental risks to the Bay."

MarAd currently cleans the hulls of obsolete ships before towing them nearly 5,000 miles through the Panama Canal to recycling facilities on the Gulf of Mexico or Atlantic coasts. Allied Defense Recycling, using the former Mare Island Naval Shipyard, will recycle the ships avoiding the lengthy tow to ship recyclers in other areas.

Mahimahi calls Oakland



Bosun Steve Crute, AB Brian Burns, AB Quentin Brown, AB and delegate John Gabourel, and AB Tom Larkin on the bow of Matson Navigation Company's Mahimahi in Oakland, last month. Photo: Dave Connolly.

Matson Navigation Company profits vault 67% in 3rd quarter

SUP-contracted Matson Navigation Company reported third quarter revenues of \$267.5 million, a 14% increase over third quarter revenues from a year ago and an operating profit of \$40.4 million, a whopping 67% surge over 2009 figures. These numbers supported a 20% increase in parent company Alexander & Baldwin's revenue and doubling of its net profit.

Growth was "principally due to a \$24.8 million increase resulting from higher yields and improved cargo mix, principally in the China trade," the company said in an earnings statement.

Coupled with real estate transactions, that pushed A&B's revenue up to \$444.3 million, compared to revenue of \$371.0 million in the third quarter of 2009. A&B's net income for the third quarter of 2010 was \$25.7 million. Net income in the third quarter of 2009 was \$8.5 million.

China container volume increased 29% in the third quarter of 2010 compared with 2009, principally due to the commencement of Matson's second China string serving South China, as well as an increase in market demand.

Guam container volume was flat in the third quarter of 2010, but reflected a decline in eastbound containers that were offset by westbound container growth,

The higher ocean transportation volume in China was partially offset by a decrease in Hawai'i volume. Total Hawai'i container volume was down 2% compared to the third quarter of 2009, principally reflecting lower eastbound shipments of agricultural products, Matson said. Matson's Hawai'i automobile volume for the quarter was 10% lower than the third quarter of last year, due principally to the timing of automobile rental fleet replacement activity.

17 million homes faced food shortage in 2009

Nearly 17 million families in America—about 15% of all households—had trouble putting enough food on the table at some point last year, a federal report released on November 15, shows.

The U.S. Department of Agriculture also found that 5.6 million of these households had problems throughout the year that severely disrupted normal eating patterns. Between 500,000 and one million of the people affected in the homes were children.

"It's a considerable reflection of what is going on in the economy," said Kevin Concannon, USDA undersecretary.

The number of "food insecure" homes remained about the same as in 2008. But it has more than tripled since 2006 as the

recession set in and nearly 10% of households were hit by unemployment.

Concannon said he was somewhat hopeful, since the number of families suffering from hunger and nutrition problems stabilized last year, even though the population of unemployed Americans rose from nine million in 2008 to 14 million in 2009.

He attributed the stabilization to successful outreach and enrollment of 57% of these families into one or more of the USDA's food programs.

Senator Tom Harkin (D-Iowa) used the report's release to push Congress to reauthorize the Healthy, Hunger-Free Kids Act, which will continue funding for the USDA's child nutrition programs.

"You take my life when you do take the means whereby I live."

William Shakespeare (1564-1616)
The Merchant of Venice (1600)

SUP Honor Roll			
Voluntary contributions from the membership to the following funds:			
Organization/ General Fund		West Coast Sailors	
Albert Abramson	20.00	Gerald Allen in memory of	
Oliver Franceliso	50.00	John Ong	25.00
Jim Linderman	50.00	Melvin Armon	25.00
Political Fund		Takayuki Asai	25.00
Douglas Alexander	100.00	Edward Brown	50.00
Melvin Armon	75.00	Lee Cherry	20.00
Emo Aulelaua	20.00	Oliver Franceliso	50.00
James Bailey	100.00	Lymel Gador	10.00
Billy Bell	50.00	Jim Larsen.....	50.00
Roger Berioso	20.00	Joseph Meehan	25.00
Bill Berry	40.00	Jack Milano	25.00
William Berry	10.00	Rich Reed	25.00
Robert Booth.....	50.00	David Shands	20.00
Mark Carlsen	100.00	William Wood	20.00
Nick Cooper	100.00	Dues-Paying Pensioners	
Douglas Crute	100.00	Gordon Abbott	Book #3785
Steve Crute	100.00	Robert Copeland	Book #4763
Oliver Franceliso	50.00	Romaine Dudley	Book #2593
Mike Haslam	100.00	Alexander Earle	Book #1885
Nick Hoogendam	10.00	Duane Hewitt	Book #5748
Thomas Hooke.....	25.00	Knud Jensen	Book #3940
Mark Hurley	100.00	John Jewett	Book #4291
Jan-Peter Johnsson	40.00	Kaj E. Kristensen	Book #3120
Thomas Koppel.....	50.00	Eli Lalich	Book #4062
David Larsen	100.00	Stanley Lane	Book #4106
Gunnar Lundeberg	50.00	James K. Larsen	Book #4055
Joe Mantanona	50.00	Volkert Lolie	Book #4097
Rich Reed	75.00	Duane Nash	Book #2437
David Shands	30.00	John Perez	Book #3810
Bruce Thompson	100.00	Alex Romo	Book #3193
Alberto Villacrusis	30.00	Francisco Salvatierra	Book #7498
Wil Williamson	200.00	James Savage	Book #7488
William Wood	100.00	Ralph Senter	Book #7323

Japanese big 3 ocean carriers report quarterly profits

Japan’s three largest ocean carriers reported large second quarter profits on October 29, as well as raised their financial forecasts for the second half of their financial year.

NYK, MOL and “K” Line all credited higher rates and volumes for container shipping and car carriers, along with slow-steaming and other cost-cutting measures. The diversified carriers said those measures offset the impact of higher fuel costs, softness in some bulk and tanker markets and the recent appreciation of the Japanese yen.

Recovery in container shipping volume and rates, including collection of peak-season surcharges, was key to increased profitability, the companies said.

NYK reported recurring profit from liner operations of \$182.5 million on revenue of \$1.47 billion compared with a loss of \$189 million a year earlier. MOL recorded ordinary income from liner shipping revenue of \$200 million on revenue of \$1.875 billion, compared with a loss of \$184.7 million a year earlier. “K”

Line’s operating income from container shipping totaled \$193 million on revenue of \$1.5 billion compared with a loss of \$285 million a year earlier.

NYK reported group-wide net income for the quarter of \$246 million, compared with an \$11 million loss in last year’s second quarter, as revenue rose 33% to \$5.8 billion. MOL’s group net income totaled \$554 million, reversing a \$105 million loss a year earlier as group revenue jumped 28.5% to \$9.6 billion. “K” Line’s group net income was \$121 million on revenue of \$3.1 billion.

The carriers based their increased profit forecasts for the second half of their April-March fiscal years on expectations of gradual economic recovery and continued efforts to bolster rates and cut costs. NYK raised its overall profit forecast 3.3% from its July projection and boosted its container profit forecast 4.3%. MOL kept its group-wide profit forecast unchanged but raised its forecast of container profit 40% from the July forecast. “K” Line raised its group-wide profit forecast 21%.

Big discounts on rental cars for Union members

The AFL-CIO has negotiated substantial discounts for Union members on rental cars. To take advantage of the discounted rates available to Union members through the AFL-CIO Car Rental Program, just enter the discount codes in the appropriate spaces when reserving your car. The AFL-CIO does not advocate use of one vendor over another. It is continuing to negotiate with other car rental companies on behalf of Union members and will be happy to share the cost savings with SUP members as soon as possible. At present the discounts are available through Dollar, Enterprise/National, Hertz and Thrifty. The discount codes are: Dollar CD-TB6391; Thrifty CD-0010205725; Enterprise/National-XZ16076; Hertz CP-ID-1216760.

Guam receives \$50 million to modernize its port

Maritime Administrator David Matsuda and Navy Rear Admiral Paul Bushong presented a \$50 million check from the Department of Defense on October 22, to Acting Guam Governor Michael Cruz, as federal and U.S. Territory officials joined at the Jose D. Leon Guerrero Commercial Port to officially break ground on the new Port of Guam Modernization Project.

“The rebirth of this vital shipping port is long overdue,” said Matsuda. “The federal dollars we are providing today to develop a world-class facility will create jobs, benefit the residents of Guam, and ultimately all of America as well.”

The seaport serves as an important part of the economy for Guam as well as serving as a vital position for the security of the United States. The port’s facilities have remained largely unchanged since its creation in the late 1960s. Old facilities and outdated equipment hinder the port’s overall capability and pose serious obstacles to efficient cargo operations.

The modernization project will ensure Guam’s only commercial port is well prepared to accommodate the rapid expansion expected to occur over the next decade, including the pending influx of approximately 20,000 U.S. Marines and their families being relocated to Guam from Okinawa.

Under a partnership established in 2008, the Maritime Administration is providing federal oversight and coordination of the project and acting as a central procurement organization. The fiscal year 2010 Supplemental Appropriations Act authorized the Department of Defense to transfer \$50 million to the Port of Guam Improvement Enterprise Fund. The overall cost has been estimated at \$200 million for all phases of this project with the initial work scheduled for completion in time to meet redeployment of troops from Okinawa to Guam.

Interior Secretary proposes establishing an Ocean Energy Safety Institute

In response to the *Deepwater Horizon* oil spill, Secretary of the Interior Ken Salazar this month proposed the concept of establishing an “Ocean Energy Safety Institute” designed to facilitate research and development, training, and implementation in the areas of offshore drilling safety, blowout containment and oil spill response.

“The *Deepwater Horizon* tragedy highlighted the importance of raising the bar on offshore drilling safety, practices and technology,” Secretary Salazar said. “The Institute would serve to coordinate and institutionalize the lessons and strategies learned from the oil spill so that the United States can stay at the forefront of drilling safety, containment and spill response.”

The Institute would be a collaborative initiative involving government - in particular, the Department of Energy and the United States Coast Guard - industry, academia and scientific experts. Because of the Department’s regulatory responsibilities in this area, the Institute would be housed at Interior, but would seek to coordinate and prioritize research dollars from a variety of governmental and non-governmental sources to create a center of excellence that would ensure that the United States remains on the cutting-edge of offshore energy safety.

The Institute would create a transparent organization that builds on the strategic collaboration of its members to address technological needs and inherent risks associated with offshore drilling, and deepwater drilling in particular.

Specifically, the objectives of the Ocean Energy Safety Institute would include:

- Advancing safe and environmentally responsible offshore drilling through collaborative research and development in the areas of drilling safety, containment and spill response;
- Developing advanced drilling technology testing and implementation protocols;
- Understanding full-system risk and reliability for the offshore environment;
- Developing an enduring R&D capability and an expertise base useful both for preventing and responding to accidents;
- Developing training and emergency response exercises;
- Increasing opportunities for communication and coordination among industry, government, academia and the scientific community;
- Developing a larger cadre of technical experts who can oversee or otherwise participate in deepwater drilling-related activities;
- Establishing cost-effective advances in technology for industry;
- Creating a framework for regulatory predictability in a global market.

Secretary Salazar has reached out to potential partners in government, industry, and elsewhere to discuss the proposal and has asked that they share ideas regarding the Institute’s formation and future operations by November 30, 2010.

Somali pirates on trial for attacking U.S. Navy ship

Five Somali men accused of firing assault rifles at a Navy ship off the coast of Africa are set to appear in federal court in Norfolk, Virginia, this month for what will be the first U.S. piracy trial in more than 100 years.

The suspected pirates are accused of shooting at what they thought was a merchant ship on April 1. Instead, prosecutors say, they fired on the guided missile frigate *USS Nicholas*, a battle-tested 453-foot ship patrolling the pirate-infested waters.

Sailors aboard the vessel returned fire, forcing the attackers to flee in a small skiff. The suspects were eventually captured and brought to the United States. The trial began on November 9, and is expected to last about a month.

The suspects could face a more severe penalty than the Somali pirate convicted in the April 10 attack on the *Maersk Alabama*. That attack drew worldwide attention as the pirates held the captain of the U.S.-flagged ship hostage on a lifeboat for four days. Abdiwali Abdiqadir Muse, the ringleader, pleaded guilty in New York to charges of hijacking the ship and kidnapping. He faces a minimum of 27 years in prison.

The suspects in the *USS Nicholas* attack are charged with piracy, which carries a mandatory life sentence. Yet, for prosecutors, the charge might be difficult to prove because the suspected pirates did not board the vessel, which had a crew of 100 highly trained sailors.

The government acknowledges the five defendants did not take control of the frigate, which defense attorneys argue is necessary to prosecute the piracy count.

"They fired on a Navy ship. That's the whole case," said David Bouchard, an attorney for the Somali men. "They didn't go on the boat. They didn't shoot anybody. They didn't rob it."

In a similar but separate case involving a group of alleged pirates who are suspected of firing at the *USS Ashland*, an amphibious dock landing ship, on April 10, Federal Judge Raymond James threw out the piracy charge, ruling there was not enough evidence to prove the charge. Prosecutors are appealing the judge's decision.

Prosecutors say an 1820 Supreme Court decision and contemporary international law show the Somali nationals' alleged actions constituted piracy. U.S. District Judge Mark S. Davis has allowed the piracy charge in the *USS Nicholas* case to go ahead in Norfolk, home to the world's largest naval base and home port to the *Nicholas*.

Ken Randall, dean of the University of Alabama School of Law and a piracy law scholar, said the two judges have different views, but he thinks the government's prosecution will prevail because U.S. vessels were involved. "From what I've seen, no, I don't think the piracy count is particularly challenging as a matter of law," Randall said. "Because the definition of piracy really has existed along similar lines for three, four centuries, and the alleged conduct seems to clearly fit that definition."

The *USS Nicholas* piracy trial would be the first in the United States in at least a century, legal and maritime scholars say. Other countries have recently held piracy trials, but one of the last in the United States was in 1861, when 13 Southern privateers aboard the *Savannah* were prosecuted in New York. The jury deadlocked, and the men were later exchanged with the South.

The defendants in the *USS Nicholas* case are also charged with plundering, firearms counts, assault and other charges. These cases are part of a U.S. policy debate over how to deal with insurgents and criminals in Somalia, a poor, barely functioning nation suspected of harboring terrorists linked to al-Qaeda.

Somalia-based piracy continues despite an international flotilla that has reduced the number of hijackings in the Gulf of Aden and forced pirates farther south. Somalia has not had an effective government for 19 years, a reason piracy has been able to flourish.

Somalia's first secretary to the U.N. mission has called the international prosecution of Somali pirates "vigilante justice."

"I find it difficult to believe that the international community is rendered helpless by a bunch of teenagers, chewing khat [a narcotic] and armed with AK-47s and RPGs," Omar Jamal said.

Sailor dead as Chinese bulkcarrier sinks

A modern bulkcarrier owned by one of China's leading shipowners, Nanjing Ocean Shipping (NASCO), has sunk with 25 mariners on board off Japan's southern islands, according to Lloyd's List Intelligence casualty reports. Only five crew member have been accounted for on the 2009-built 55,000 dwt *NASCO Diamond*, including one fatality, casualty report stated.

The vessel left Indonesia on November 4, with a cargo of nickel ore destined for Lianyungang, China according to AIS reports.

The four members of the crew known to have survived have told rescuers that there were calm weather conditions, moderate wind, and good visibility and little rain, the Japanese Coast Guard has reported.

Although the cause of the vessel sinking was not immediately clear, its cargo of Indonesian nickel ore is notoriously dangerous due to its high moisture content and the risks of the cargo liquefying and causing a free surface effect that compromises the ship's stability. Intercargo and P&I Clubs have published warnings to owners about carrying nickel ore. Shipowners are urged to check moisture content carefully prior to loading. For example, North P&I warns that shippers' reports on moisture content should be treated with caution. It says that audits of certificates of moisture content from nickel ore shippers revealed serious deficiencies, rendering certified values meaningless. NASCO operates around 20 vessels according to its website.

On the Suez Express run



Bosun Allen "Gonzo" Gonzalez with security guard in the APL *Turquoise* on October 25, 2010, in New York. Photo: Dave Connolly

Groundbreaking ceremony signals start of "green" marine highway project

The Obama Administration's continuing commitment to a more efficient and green U.S. transportation system moved forward this month as Maritime Administrator David T. Matsuda joined other federal, state and local officials at the Port of Stockton to officially break ground on California's new Green Trade Corridor.

The \$30 million Transportation Investment Generating Economic Recovery (TIGER) grant will help develop a viable waterborne shipping route between Oakland, Stockton and West Sacramento, which immediately creates a new transportation alternative to conventional freight and cargo movement in Northern California.

"The Green Trade Corridor project will demonstrate the environmental benefits of freight transportation on America's Marine Highways, not only for California but for all of America," said U.S. Transportation Secretary Ray LaHood. "It will also create good, solid transportation jobs for today and far into the future."

Currently, international trade, imports, and exports, are moved almost exclusively by truck or rail in California. The TIGER grant to the ports of Oakland, West Sacramento, and Stockton enables a partnership that will use barges to move cargo along the inland waterway system from Stockton and West Sacramento to Oakland for ultimate shipment to the Far East. Vessel operations are scheduled to begin in early 2012.

"Not only will this project ultimately reduce air emissions from trucks on Interstate 580, it will also create new alternatives throughout Northern California to transport exports to the Far East," said Administrator Matsuda.

Federal grants will be used to purchase or upgrade port facilities and the equipment needed to make the marine highway system a reality, including:

- The construction of a staging area at the Port of Stockton for cargoes dedicated to the new marine highway, and the purchase of two cranes and a barge to support the service;
- The construction of a distribution center and the purchase of a crane in West Sacramento where freight, mostly agricultural products from California's Central Valley, will be "re-packed," into larger containers for transport on water; and
- The installation of electrical supply at ship berths in the Port of Oakland, which will allow operators to shut down an ocean-going vessel's diesel engines while in port, further reducing the air emissions in this "green trade corridor."

The TIGER program, part of the American Recovery and Reinvestment Act, is designed to promote innovative, multi-modal and multi-jurisdictional transportation projects that provide significant economic and environmental benefits to an entire metropolitan area, region or the nation.

The America's Marine Highway program is a new Congressionally-authorized initiative to move more cargo and passengers, when possible, on water routes to relieve landside congestion on the roadways and reduce emissions. Nationwide, 18 rivers and coastal routes have been identified to participate in the program.

Additional information about the America's Marine Highway program can be found at <http://www.marad.dot.gov>.

Bigger piracy ransoms from page 1

fully. Somali pirates opened fire—apparently by mistake—on a Spanish warship in a bungled nighttime attack, maritime officials said.

According to Lt. Colonel Per Klingvall, of the European Union Naval Force patrolling Somalia's waters, pirates cruising around on hijacked Japanese cargo ship started shooting at a Spanish frigate over the weekend of November 6, while it was escorting a supply ship for African Union peacekeepers in Somalia.

The warship promptly fired warning shots—it did not want to sink the pirates' ship because of the possibility that hostages were still on board—and the pirates sailed away, Colonel Klingvall said. "The frigate is relatively small, and the pirates probably thought it was a merchant vessel," he said.

Support the SUP Political Fund

ESU Office Assignments

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



NOVEMBER 2010

Official Publication of the Exxon Seamen's Union

Top reasons for MMC documentation delays Exxon Mobil 3Q income jumps 55%

When it all began a few years ago, the new process for renewal of MMD documentation was a mess, sometimes taking months on end and caused chaos for many throughout the maritime industry. Fast forward to now and there are still some questions and concerns but we have to admit the system is a lot better. Currently the MMC posts a monthly report card on their website (<http://www.uscg.mil/nmc>) with some interesting information about the job that they are doing and the length of time it takes receive your MMC. For the month of October their report shows the Gross Processing Time (GPT) as 52 days on average. The GPT is the overall processing time that runs from the application submission date until the date of issue. The Net Processing Time (NPT), the time the Coast Guard spends processing the application, was 18.46 days. Below are some of the most common reasons why a delay might occur:

Medical Condition - Additional medical information is required whenever a medical condition is identified on the Merchant Marine Personnel Physical Examination Report.

Sea Service - Missing or conflicting information on the sea service letter (e.g., not including tonnage or horsepower, the position listed does not agree with other documents in the application package, or conflicting waters). Service should be documented with discharges, letters from marine employers, or small boat sea service forms. If a small boat service form is used, it must be certified and signed by the owner or proof of individual ownership is required.

Applications - If the application is not completed, it will be returned for correction. Three signatures are mandatory:

Section III ("Have you ever..." questions), Section V (consent of National Driver Registry check), and Section VI (application certification). When the "Applying for:" block is left blank or is incomplete, the REC is left to guess what you want.

Copies of Required Certificates/Documents - Photocopies of essential documents must be provided. These may include Radar Observer Certificates, other course completion certificates, 1st Aid/CPR certificates, Towing Officer Assessment Records (TOARs), STCW assessments, citizenship documents when required, etc.

Drug Screen - A drug screen is often rejected because it does not contain the Medical Review Officer's (MRO) signature or a company compliance letter is not written to meet the requirements of the Code of Federal Regulations, Title 46, Part 16, Section 220.

Current or Past License, Document, and/or STCW - A mariner who is holding, or has held, a license, MMC, and/or STCW certificate who does not indicate it in the history (Section II of the application) or does not include a copy of their credentials (front and back) with the application package. This especially applies for renewals and mariners with past transactions at other RECs.

Physical Exam - If the Merchant Marine Personnel Physical Examination/Certification Report is not complete, it will be returned for correction. Particular attention is paid to the "competent", "not competent", and "needs further review" boxes, which are frequently blank. Often the type of color vision exam given in Section IV is not indicated or mariners who wear glasses and/or contacts submit exams without their uncorrected vision listed in Section III.

Exxon Mobil again posted a solid third quarter results, income jumped 55% thanks to higher oil prices and increased production.

The world's largest publicly traded oil company reported earnings of \$7.35 billion, or \$1.44 per share. That compares with \$4.73 billion, or 98 cents per share, in the year ago period. Revenue increased 15.8% to \$95.3 billion. Oil companies have seen profits jump as crude prices increased 12% year-over-year, and prices should continue to rise. The International Energy Agency forecasts that world oil consumption will grow next year to 88.2 million barrels a day.

David Rosenthal, Exxon Mobil vice president of investor relations, said the company continues to review the new regulations, though it plans to move forward with projects in the Gulf. "We plan to submit in the near term our next permit application to get that drill under way," Rosenthal told analysts in a conference call.

Exxon, based in Irving, Texas, posted higher profits for most of its businesses; including oil production and exploration, refining and U.S. chemicals. It also cranked up oil production year over year, and its refineries made more fuel. The company continued to plow billions of

dollars into expanding production and exploration, increasing spending 55% to \$7.6 billion in the third quarter.

The acquisition of XTO Energy helped Exxon increase natural gas production by 50% year over year. Higher natural gas prices boosted profits in the third quarter, but prices have slid recently, and oil executives are concerned about more price declines. The U.S. already has a hefty surplus, and consumption isn't expected to increase much next year, according to the Energy Information Administration. The EIA said Thursday that natural gas reserves continued to grow and are 9.1% above the five year average.

While companies like ConocoPhillips have said they plan to idle some natural gas wells and wait for prices to bounce back, Exxon said it hasn't changed its plans. The XTO acquisition earlier this year made Exxon the largest natural gas company in the U.S. with rights to numerous underground shale deposits. Exxon's profit was less than the \$7.56 billion it earned in the second quarter as it paid higher corporate and financing costs and its chemicals business posted lower profits. Two years ago, Exxon set the all-time record for profits by a U.S. corporation with \$14.8 billion in the third quarter of 2008.

Louisiana vessel company to pay \$2.1 million in penalties

The following is the text of a press release that was issued on November 4, by the U.S. Department of Justice:

A Louisiana ship-operating company was sentenced in U.S. District Court in New Orleans on charges related to the illegal discharge of oil into the oceans, the Justice Department announced today.

Offshore Vessels LLC (OSV) was sentenced to pay a criminal fine of \$1,750,000 and remit a payment of \$350,000 as community service to the National Marine Sanctuary Foundation. The community service funds are to be used to study polar water pollution and protection of vulnerable marine ecosystems in the Antarctic region. OSV also will serve a period of probation for three years, during which it will be required to operate under an Environmental Compliance Plan. OSV pleaded guilty on July 22, 2010, to knowingly discharging waste oil from one of its vessels, in violation of the Act to Prevent Pollution from Ships (APPS).

"The criminal fine in this case will serve as a strong deterrent to all vessel companies, American and foreign, against deliberately violating the laws enacted to protect oceans," said Ignacia S. Moreno, Assistant Attorney

General of the Environment and Natural Resources Division of the Department of Justice. "The required payment will provide a means of studying polar water oil pollution and its impact on Antarctica's fragile marine ecosystem."

OSV owned and operated the *R/V Laurence M. Gould (R/V Gould)*. The *R/V Gould* was a 2,966 gross ton American-flagged vessel that served as an ice-breaking research vessel for the National Science Foundation on research voyages to and from Antarctica. In its guilty plea earlier this year, OSV admitted that crew members knowingly discharged oily wastewater from the bilge tank of the *R/V Gould* overboard to the high seas, in violation of APPS. In doing so, they bypassed the ship's oily-water separator, a pollution-control device. Regulations promulgated under APPS require that oily wastewater be discharged only after it has been sent through an oily water separator.

The case was investigated by the U.S. Coast Guard Criminal Investigative Service. The case is being prosecuted by Senior Trial Attorney Daniel Doohar of the Environment and Natural Resources Division of the Department of Justice and Assistant U.S. Attorney Dorothy Manning Taylor.

Final Departure ESU Retiree John Rodrigues



Sadly, the ESU has learned of the passing of former member John Rodrigues age 84, of Swansea, MA. He passed away peacefully on Monday, October 25, 2010 following a long illness.

John retired from SeaRiver Maritime in March of 1996 as a Fleet Chef after 16 years of Company service. During that time he was also a strong and loyal supporter of the ESU.

Besides his wife Lucy (Furtado) Rodrigues, John is survived by children: Dorinda Collins of Swansea, Kevin Rodrigues of Connecticut and Douglas Rodrigues of Swansea; 3 siblings, 2 granddaughters, one great grandson and several nieces and nephews.

A service was conducted on October 28, at St. John of God Church. The family requested that any memorial contributions be made to the American Cancer Society in John's name. The Exxon Seamen's Union wishes to express our deepest sympathy to the Rodrigues family.

ESU News

Contract Corner: EREP Program

Recently, the ESU was notified of an issue with the Engine Ratings Endorsement Program (EREP); where a participant in the program was unable to obtain the required QMED endorsement within six month time frame after completion. Per the ESU Collective Bargaining Agreement, when a participant officially completes the program, the individual has six months to acquire the proper endorsements in order to retain his/her position on the QMED-Oiler promotion list that was reserved when the individual originally entered the program. If a participant is unable to get the endorsement within the time period allowed, his/her name is removed from the promotion list but the individual can resubmit a promotion request form once the proper endorsement has been acquired and be slotted at the bottom of OMED-Oiler list.

The Program was formally negotiated between the ESU and SeaRiver during the 1993 Contract negotiations and replaced earlier Company programs that were known as the Pumpman and Oiler Training Programs. The intent of the program is to allow qualified and interested Able Seamen the opportunity obtain Engine Department sea time and pursue engine rating endorsements.

A couple of minor changes occurred in 2008 bargaining, including the requirement that 2 ABs will be eligible to participate in the program at the same time. Prior to 2008 only 1 AB was selected to be in the program.

Below is part of the more salient Contract language under Article X, Section 5 on pages 39 and 40 that explains how the program works.

Engine Ratings Endorsement Program
Consistent with the operational needs of the COMPANY, regular employees

on the AB Seniority List who do not have the necessary engine department sea time for a QMED-Oiler's endorsement may request placement in the EREP. Such request must be in writing to Fleet Manning, or its equivalent. The employee must also obtain a letter of recommendation to the program from either a Chief Engineer or a Chief Mate. Effective 9/1/2008, selection for participation in the EREP will be based on the following factors: (1) past performance, (2) date an employee's written request is received by Fleet Manning, and, and (3) mechanical comprehension. The Applicant may be required to pass a physical before final acceptance into this program.

Consistent with ongoing operational needs as determined by the COMPANY, no less than two (2) ABs will be eligible to participate in the EREP Program at any time.

Participants will only remain in this program only for the period of time necessary to accumulate the engine department sea time needed for a QMED-Oiler's endorsement. Once the required sea time is accumulated, the participant will be returned to his/her regular AB standing for the next assignment.

ABs participating in this program will be slotted onto the QMED-Oiler Promotion List according to the date of entry into EREP. An AB will have six months from the time he/she accumulates the required sea time to get a QMED-Oiler's endorsement and maintain his/her position on the list. Should he/she receive his/her endorsement later than six months after accumulating the required sea time, he/she will be repositioned on the QMED-Oiler Promotion List in a manner consistent with Section 2B above.

Safety First on the *Kodiak*



Safety is a first priority aboard the vessel *Kodiak*. MS Alvin Phillips reinforces that motto as he turns to for docking with the appropriate PPE. Congratulations are in order for Alvin considering he recently reached somewhat of a milestone with SeaRiver. November 6 marked 10 years of service with the Company.

Election reminder

The deadline is rapidly approaching for the election of ESU officers. Positions that are currently being voted on are the Vice President/Treasurer, Deck Department Trustee and Steward Department Trustee. As of November 12, 2010, the American Arbitration Association has received 53 ballots. Although there is still time to mail in ballots, the participation thus far is below 40%.

There is still time to cast your ballot but everyone needs to be aware that the voting period for this election will end on December 6, at 10:00 A.M. Results will be announced later that afternoon. If you need an additional ballot, let the Union office know and we'll send another or see your Ship Representative if you are on the ship.

At your next monthly meeting, please remind everyone to exercise his or her right as an ESU member and **VOTE!**

Lunch time aboard the *Wilmington*



Aboard the *SR Wilmington* the crew enjoying lunch together. From left to right are: AB Allen Bostwick, AB Billy Wayne Kendrick, MS Tracy Johnson, MS Marlon Quidlig, AB Edgar Paderes and QMED Jonathan Blackwell.

Ship reports

S/R American Progress

The *American Progress* is settling nicely in a routine between Valdez and the Puget Sound area.

FC Dave Franklin filling in as Temporary Ship Representative and reporting everything is going well. The vessel is slated to continue on the current run for the near future.

Kodiak

The vessel continues to run between the Valdez, Alaska Terminal and the San Francisco Bay Area Terminals. Regular Ship Representative Tim Williams on board and reports everything going well, Tim continues to be active in holding regular ESU meetings on Board.

S/R Long Beach

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

Sierra

Vessel called on San Francisco on the November 18, to discharge at Chevron. The vessel was slated to go to El Segundo Terminal this time but it looks like maybe next voyage. The past

couple trips have been to San Francisco Bay. Regular Ship Representative Thor Floreen aboard and reports even after the accident a couple weeks earlier that the crew is operating very well and re-focused on the job at hand. Thor and the ESU would like to recognize the unlicensed crew onboard during the difficult time following the injury to a fellow crewmember. Several members rose to the occasion and performed admirably to assist with first responder duties in order to prepare the crewmember to be medevaced by the Coast Guard for shore treatment.

S/R Wilmington

Board officer visited the vessel in Beaumont, Texas, on November 7. The vessel had a couple days at the layberth in Beaumont to perform some needed repairs to a cargo pump. SeaRiver President, Will Jenkins and Vice President, Stu McRobbie visited the vessel during this period and had a meeting with the crew and addressed several issues and answered questions. The vessel continues the MOGAS run between Beaumont, Texas and Florida. Regular Ship Representative Jeff Harris is back onboard and reports no issues - welcome back Jeff!

EXXON SEAMEN'S UNION

Founded March 28, 1941

Affiliated with the Sailors' Union of the Pacific

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Board Member at Large Joe Bernavich

Board Member at Large John McCarthy

Deck Trustee Pat Campbell

Engine Trustee William Ackley

Steward Trustee Kurt Kreick

SIU Pacific District Pension Plan Notes

The Plan provides two types of pension – Deferred Vested Pensions and Pensions Vesting at Retirement. The latter are employer subsidized early retirement benefits. If you qualify for more than one pension, you will receive only the one that is the largest. A few highlights from the SIU Pacific District Pension Plan rules are outlined below:

Deferred Vested Pension

The Plan provides a Deferred Vested Pension benefit payable at Normal Retirement Age (usually age 65). The amount of the benefit depends on the pension credits accumulated.

One Year of Vesting Service

125 days of covered employment within a calendar year

Benefit Credits

125-199 days: pro rata benefit; 200 days: full year vested benefit credit

Vesting Requirements

- Before August 1, 1999, 10 years of vesting service for active employees
- After July 31, 1999, 5 years of vesting service for active employees

If following a Plan participant’s most recent year of vesting service, a participant with less than 10 aggregate years of vesting service has one or more one-year service breaks before January 1, 1999, then the required number of aggregate years of vesting service shall continue to be ten until the participant completes one year of vesting service after December 31, 1998. *(Exceptions to the above vesting periods may apply in accordance with break in service rules.)*

Breaks in Service

Until your benefit is “vested”, you may lose your accumulated pension credits if you have a Break in Service. Prior to January 1, 1985, you experience a Break in Service for purposes of the Deferred Vested pension if the number of consecutive calendar years in which you have 62 or fewer days of service equals or exceeds the number of accumulated prior calendar years in which you had 125 or more days of service provided, however, that from January 1, 1985 and after, you will not suffer a Break in Service until you have at least five consecutive calendar years of vesting with 62 or fewer days of service. Your accumulated years of vesting service cannot include years lost because of a previous break in service.

(Above is a brief extract from the break in service rules only. Contact the Plan Office for discussion of how break in service rules may apply to your particular circumstances.)

Pensions Vesting at Retirement

The following pensions may be payable *before* Normal Retirement Age based on the number of qualifying years earned within the applicable qualification period:

Pension Type	Qualifying Years Requirement	Minimum Age
Long Term	25	55
Basic	20	55
Reduced	15-19	65
Disability	Minimum of 10 years	Any age

NFL players to join State Federations

It happens too often. Workers become more productive, often risking serious injury on the job, and make the owners more money. But instead of sharing the wealth, the owners demand givebacks and threaten to shut down the company if the workers don’t agree.

The only difference this time is that the workers include such household names as Drew Brees, Ray Lewis, Peyton Manning and James Harrison—all stars of the National Football League. NFL team owners are threatening to lock out players next season, and the NFL Players Association (NFLPA) is joining with the other workers in the stadiums and the rest of the union movement to fight management’s greed. On November 12, the NFLPA announced that its members will fully affiliate with all AFL-CIO state federations and the central labor councils where their NFL teams are based.

AFL-CIO President Richard Trumka said: “This act of solidarity is the kind of action we need to confront the issues facing all working people, especially in these difficult economic times. For the players, the families whose jobs and financial security rely on the game and the millions of devoted fans, we hope that this unity helps move the NFL and NFLPA further towards a successful resolution to the current negotiations.”

The owners terminated the collective bargaining agreement two years ago because, they say, it isn’t working for them. But they refuse to provide audited financial information to explain what is wrong in a business that generated \$9 billion in 2009 during the worst economic crisis since the Great Depression.

The owners are demanding that the players give back \$1 billion, although not one team has lost money. They also want players to pay for team travel and the cost of running practice facilities.

Not only are the players affected, but the jobs of more than 25,000 concession workers at stadiums across the country are threatened by the lockout, which would cost more than \$140 million in revenue for each of the 32 NFL cities.

On top of that, the owners have threatened to make the players pay for their own health care in case of a lockout. As it is, management provides only five years of health care coverage after players retire. Players’ NFL careers average only 3.4 years and many retire with a range of serious health problems. Not many people would argue that facing a 325-pound lineman running at full speed over and over could be dangerous to your health.

The NFLPA has long been a part of the union movement and players have often supported their working brothers and sisters. NFLPA Executive Director DeMaurice Smith, who grew up in a union family, sits on the AFL-CIO Executive Council, as did his predecessor, the late Gene Upshaw.

Year of Qualifying Time

200 days of covered employment within a calendar year equals a full year of qualifying time. Less than 200 days within a calendar year will earn a pro rata partial year of qualifying time. No credit will be earned for covered employment in excess of 200 days in any calendar year.

Loss of Qualifying Time

A Plan participant shall lose all qualifying time credit if he or she: 1) has failed to maintain seniority shipping rights under the provisions of the Collective Bargaining Agreement; or 2) has failed to work at least 1 day in covered employment or in a non-covered standby employment for a contributing employer in any 2 calendar year period after having attained seniority shipping rights; or 3) did not have seniority shipping rights on June 15, 1965, under the provisions of the Collective Bargaining Agreement, provided that a Plan participant shall be deemed to have seniority shipping rights on June 15, 1965, if he or she was working in covered employment on June 15, 1965, or was eligible for registration or employment on a seniority basis on that date at one of the hiring halls of the Pacific District Unions.

Any such Plan participant who reenters covered employment after having so forfeited his qualifying time shall accumulate qualifying time only after the date he or she last forfeited Qualifying time.

A Plan participant cannot lose previously acquired qualifying time if he or she has fulfilled all of the eligibility requirements for a Basic or Long Term Pension at any time since June 16, 1978.

Integration Agreements

The SIU Pacific District Pension Plan entered into INTEGRATION AGREEMENTS with (1) the Chevron/SUP/Marine Pension Plan and (2) the San Francisco Bar Pilots Marine Pension Plan.

Example Calculation for a Pro-rata Benefit(s): Applicant is age 60; Applicant has accumulated in excess of 25.000 Qualifying Years; Applicant is entitled to receive the current maximum amount of \$1,646.00.

SIU-PD Pension Plan: 27.500 Qualifying Years
Chevron Marine Pension Plan: 7.000 Qualifying Years
Total Qualifying Years: 34.500
\$1,646.00 ÷ 34.500 Qualifying Years = \$47.71
\$47.71 x 27.500 = \$1,312.03 SIU-PD Pension Plan
\$47.71 x 7.000 = \$ 333.97 Chevron Marine Pension Plan
34.500 \$1,646.00

The calculation pertaining to the San Francisco Bar Pilots Integration Agreement is identical.

The SIU Pacific District Pension Plan does not integrate with either Plan for VESTING PURPOSES.

Space does not allow a full listing of the SIU-PD Pension Plan rules. Questions regarding Exceptions, Break-in-Service rules or Accumulated Vesting or Qualifying Time should be directed to the Plan Office. SIU Pacific District Pension Plan: 415-764-4987

Healthcare companies profits soar

The number of working-age Americans who get their healthcare coverage through work dropped for the ninth year in a row in 2009, according to a new study by the Economic Policy Institute (EPI). The main reason, says the report, is the lousy economy and an unemployment rate that jumped from 5.8% in 2008 to 9.3% in 2009.

The latest figures show that employment-based health insurance fell from 61.9% of workers in 2008 to 58.9% in 2009. Says Elise Gould, Director of Health Policy Research at EPI and author of the report: “The current recession and its negative impact on access to healthcare highlight how dependent Americans are on a healthy labor market for all facets of economic security.”

The report points out that the new healthcare reform law will make it easier and more affordable for Americans to secure and maintain health insurance coverage. But the “continued poor labor market will likely lead to further losses in insurance coverage before this major relief takes effect in 2014.”

The lousy economy hasn’t had much of an impact on six of the nation’s biggest private health insurance companies which saw their profits increase by 22% over last year in the quarter that ended in September, according to a new analysis by Health Care for America Now! (HCAN). HCAN says the \$3.4 billion in 2010 third quarter profits for WellPoint Inc., UnitedHealth Group Inc., Aetna Inc., Humana Inc., Cigna Corp. and Coventry Health Care Inc. is tied to the companies spending a “smaller share” of premiums on medical care, purging unprofitable members and burdening consumers with higher cost-sharing limits.

According to HCAN’s study of the companies’ filings with the Security and Exchange Commission (SEC), the big insurers are reducing the amount of the premiums they spend on healthcare—know as medical loss ration (MLR). For example, Coventry’s MLR dropped from 82.1% in the third quarter of 2009 to 76.8% in 2010’s third quarter while profits soared from \$70.6 million to \$189.9 million in the same time frame. All six showed lower MLRs and higher profits.

The new healthcare reform law—the Patient Protection and Affordable Care Act—will spend up to 85% of premiums on medical services instead of profits and executive pay. Says HCAN Executive Director Ethan Rome: “Their behavior is offensive, and it’s outrageous that the Republicans in Congress want to give control of our healthcare back to the insurance companies by repealing the Affordable Care Act. We need the law and the protections it provides.

“The financial engineers running the insurance companies know they make money by denying care, and they make more money by denying more care. That’s why the tough protections and increased competition and choice in the new law are so important. The law ends the total stranglehold that these companies have on our healthcare.”

SUMMARY ANNUAL REPORT FOR SUP 401(k) PLAN

This is a summary of the annual report for SUP 401(k) Plan, EIN 94-3134523, Plan Number 002, for the year ended December 31, 2009. The annual report has been filed with the Department of Labor, as required under the Employee Retirement Income Security Act of 1974 (ERISA).

Basic Financial Statement

Benefits under the plan are provided by a trust (benefits are provided in whole from trust funds). Plan expenses were \$243,481. These expenses included \$96,548 in administrative expenses and \$146,933 in benefits paid to participants and beneficiaries. A total of 800 persons were participants in or beneficiaries of the plan at the end of the plan year, although not all of these persons had yet earned the right to receive benefits.

The value of plan assets, after subtracting liabilities of the plan, was \$3,885,732 as of December 31, 2009, compared to \$2,992,146 as of January 1, 2009. During the plan year the plan experienced an increase in its net assets of \$893,586. This increase includes unrealized appreciation or depreciation in the value of plan assets; that is, the difference between the value of the plan’s assets at the end of the year and the value of the assets at the beginning of the year or the cost of assets acquired during the year. The plan had total income of \$1,137,067, including employer contributions of \$51,752, employee contributions of \$409,043, earnings from investments of \$627,117 and other income of \$49,155.

Your Rights to Additional Information

You have the right to receive a copy of the full annual report, or any part thereof, on request. The items listed below are included in that report: 1) An accountant’s report; 2) Assets held for investment; 3) Financial information and information on payments to service providers; 4) Transactions in excess of 5% of plan assets; and 5) Information regarding any common or collective trusts, pooled separate accounts, master trusts or 103-12 investment entities in which the plan participates.

To obtain a copy of the full annual report, or any part thereof, write or call the office of SUP 401(k) Plan, Inc., at 730 Harrison Street, Suite 415, San Francisco, CA 94107, (415)778-5490. The charge to cover copying costs will be \$7.25 for the full annual report, or \$0.25 per page for any part thereof.

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

You also have the legally protected right to examine the annual report at the main office of the plan at 730 Harrison Street, Suite 415, San Francisco, CA 94107, and at the U.S. Department of Labor in Washington, D.C., or to obtain a copy from the U.S. Department of Labor upon payment of copying costs. Requests to the Department should be addressed to: Public Disclosure Room, Room N-1513, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210.

California approves Long Beach bridge project

The California Transportation Commission has approved the funding and building plans for the Gerald Desmond Bridge Project at the Port of Long Beach, clearing the way for the Port and Caltrans to seek firms to design and construct the \$950 million span.

The Commission’s approval, which authorizes a design-build contracting process that will accelerate the start of construction, is the final governmental clearance needed for the project.

“The new bridge will be an iconic structure for Long Beach that modernizes the Port and puts thousands of people to work over the 5-year building period,” said Long Beach Mayor Bob Foster. “It is precisely the right project at the right time for California.”

The Port is expected to issue a solicitation today seeking design-build firms that are qualified to handle the project. Final design and preliminary construction will begin in early 2011 and construction of the main bridge supports could start as early as 2012.

“The Transportation Commission’s approval is a major milestone for this project,” said Nick Sramek, President of the Long Beach Board of Harbor Commissioners. “It allows us to embark upon

one of the biggest construction projects in the state and to replace an obsolete bridge with a new one built to handle the traffic and cargo needs of the region.”

More than half of the \$950 million needed for the bridge will come from state highway and transportation bond funds. Federal sources are expected to contribute about \$300 million while the Port of Long Beach has pledged \$114 million and Los Angeles County Metro is providing \$28 million.

The Gerald Desmond Bridge is a vital route for trucked cargo, carrying about 15% of the nation’s containerized goods. It is also a critical link for commuters, who make up about 75% of bridge traffic. Thousands of vehicles use it to travel each day between Long Beach and San Pedro, and between Orange County and western Los Angeles County.

With a higher clearance, the new bridge will allow the newest generation of green cargo ships to pass underneath. The new bridge will also feature a wider roadway for cars and trucks, improving safety and reducing traffic congestion. The project will create an average of 4,000 construction jobs per year during the five-year building period.

Keeping the boxes clean for APL



APL Steam Rack workers Jan Peter Johnsson, Gene Campedel, Bosun Robert Green, former SUP Wilmington Branch Agent Keith Miller (working in the MFOV shoregang) and Tom Koppel at Middle Harbor Terminal in Oakland. Photo: Dave Connolly.

SUMMARY ANNUAL REPORT FOR SUP MONEY PURCHASE PENSION PLAN

This is a summary of the annual report for SUP Money Purchase Pension Plan EIN 94-3134523, Plan Number 001, for the year ended December 31, 2009. The annual report has been filed with the Department of Labor, as required under the Employee Retirement Income Security Act of 1974 (ERISA).

Basic Financial Statement

Benefits under the plan are provided by a trust fund. Plan expenses were \$1,867,961. These expenses included \$174,903 in administrative expenses and \$1,693,058 in benefits paid to participants and beneficiaries. A total of 796 persons were participants in or beneficiaries of the plan at the end of the plan year, although not all of these persons had yet earned the right to receive benefits.

The value of plan assets, after subtracting liabilities of the plan, was \$21,250,809 as of December 31, 2009, compared to \$17,815,142 as of January 1, 2009. During the plan year the plan experienced an increase in its net assets of \$3,435,667. This increase includes unrealized appreciation in the value of plan assets; that is, the difference between the value of the Plan’s assets at the end of the year and the value of the assets at the beginning of the year or the cost of assets acquired during the year. The plan had total income of \$5,303,628, including employer contributions of \$1,462,998, earnings from investments of \$3,595,272 and other income of \$245,358.

Minimum Funding Standards

Enough money was contributed to the plan to keep it funded in accordance with the minimum funding standards of ERISA.

Your Rights to Additional Information

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

1) An accountant’s report; 2) Financial information and information on payments to service providers; 3) Assets held for investment; 4) Transactions in excess of 5% of plan assets; and 5) Information regarding any common or collective trusts in which the plan participates.

To obtain a copy of the full annual report, or any part thereof, write or call the office of SUP Welfare Plan Inc., who is the plan administrator, 730 Harrison Street, Suite 415, San Francisco, CA 94107, (415)778-5490. The charge to cover copying costs will be \$10.00 for the full annual report, or \$0.25 per page for any part thereof.

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

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

Japanese line adds Honolulu call

“K” Line (Kawasaki Kisen Kaisha, Ltd.) is boosting its Trans-Pacific service from Asia by stopping in Honolulu on its route to the West Coast of South America.

New slots will be offered on the existing route that “K” Line jointly operates with MOL (Mitsui O.S.K. Line) and NYK (Nippon Yusen Kaisha), the company said on November 5.

Nine ships of 2,000-2,100 teu are deployed in the weekly service. The port rotation will now be Pusan, Keelung, Ningbo, Shanghai, Nagoya, Yokohama, Honolulu, Manzanillo, Buenaventura, Guayaquil, Manzanillo, Honolulu, Tokyo and Pusan.

Over the past year, “K” Line has cut capacity on its Asia/North America routes by 10% in response to the faltering economy. Box volumes in those lanes dropped 2% year-on-year in the company’s fiscal second quarter ending September 30.



SUP President's Report

November 8, 2010

THE ELECTION

The rotten economy plus unlimited corporate money trounced Democrats across most of the nation on November 2. There were a few bright spots: Senator Patty Murray of Washington State and Senator Barbara Boxer of California overcame challenges from well funded opponents as did California Governor-elect Jerry Brown. And Colleen Hanabusa defeated anti-Jones Act Congressman Charles Djou in Hawai'i.

However, the results for maritime labor were disheartening. Three tireless advocates for the U.S.-flag merchant marine and American maritime labor: Congressmen James Oberstar (D-Minnesota), Ike Skelton (D-Missouri) and Gene Taylor (D-Mississippi) were defeated.

Most shocking was the defeat of Oberstar, Chairman of the Transportation & Infrastructure Committee, a staunch supporter of the maritime industry. Most recently, he steered legislation (the Coast Guard Re-Authorization bill) through Congress that addresses a number of issues important to maritime labor, including those relating to medical review requirements, shoreside access and the TWIC card.

Skelton, Chairman of the Armed Services Committee, was the leading advocate for the Maritime Security Program, working each year to ensure that MSP was fully funded.

Taylor, Chairman of the House Seapower Subcommittee, was often the most vocal supporter and fighter for the Jones Act in the House of Representatives.

Their support will be sorely missed and never forgotten.

Maritime is a bipartisan industry and the Republicans who assume the positions held by these staunch maritime supporters may eventually prove themselves formidable maritime allies.

Florida Congressman John Mica will likely take the gavel at the Transportation & Infrastructure Committee. Mica has a good appreciation of the industry and has worked diligently on many maritime issues as a member of the Coast Guard and Maritime Transportation Subcommittee. Though Congressman Elijah Cummings (D-Maryland) will no longer serve as Chairman of the Coast Guard Subcommittee, he will still serve as the Ranking Member. Congressman Frank LoBiondo (R-New Jersey), a great maritime supporter, will likely take over that Subcommittee as Chairman. Howard "Buck" McKeon (R-California) will become the Chairman of Armed Services. McKeon has been a reliable voice in favor of the Jones Act and the Maritime Security Program.

While the Democrats will become the minority party in the House in January, the SUP still has strong friends in that caucus, including Congresswoman Nancy Pelosi of San Francisco.

In summary, the Union and the rest of the labor movement will keep a weather-eye on the 112th Congress when it convenes as many of the newly elected and re-elected members from the Republican Party have an anti-worker, anti-Union agenda.

PATRIOT CONTRACT SERVICES

In May, the Military Sealift Command (MSC) awarded Patriot Contract Services the *USNS 1st Lt. Harry L. Martin* with ten other Maritime Prepositioning Force vessels awarded to Maersk Line, Ltd. However, in June, American Overseas Marine (AMSEA), Keystone Shipping Company and Waterman Steamship Corporation—all unsuccessful bidders for the ships Maersk was awarded—filed a protest with the Government Accountability Office (GAO). Patriot also submitted bids for the other ten vessels, but did not file a protest.

The protests of AMSEA, Keystone and Waterman were successful with MSC notifying the original bidders in late October that eight vessels awarded to Maersk were again in play and that "best and final" offers were due by November 22 at MSC headquarters.

The vessels are the *Bobo* Class, comprised of the *USNS 2nd Lt. John P. Bobo*; *USNS Sgt. William R. Button*; *USNS 1st Lt. Baldomero Lopez*; *USNS 1st Lt. Jack Lummus*; and *USNS PFC Dewayne T. Williams*; and the *Kocak* Class comprised of the *USNS Sgt. Matej Kocak*; *USNS PFC Eugene A. Obregon*; and *USNS Maj. Stephen W. Pless*. The contracts for the *Bobo* Class were originally scheduled to commence in mid-2010 and in May of 2011 for the *Kocak* Class. Both contracts, with all options exercised, can extend until September 30, 2015.

In concert with Patriot, the MFOW and the SIU-Marine Cooks, the SUP submitted revised wage and benefit rates based on the Department of Labor's latest Wage Determination for the Vessels under the Service Contract Act on November 4.

Also, in late October, the MSC notified Patriot that it had amended its Request for Proposal for the operation and maintenance of the T-5 tanker *USNS Lawrence H. Gianella* and that "best and final" bids were due by November 9. (This solicitation was originally issued in April and reported in the *West Coast Sailors* in May.) Again, the Unions and the company submitted revised wage and benefit rates based on the Labor Department's latest Wage Determination for the vessel on November 5. Under the original solicitation a contract for the *Gianella* was expected to begin on April 1, 2011, and end on September 30, 2011, with four, one-year option periods.

Still outstanding are Maritime Administration awards for the operation and maintenance of nine Fast Sealift Ships (FSS) and Ready Reserve Force (RRF) vessels. Patriot and Matson in conjunction with the Unions submitted bids for the vessels *Agol*, *Altair*, *Bellatrix*, *Capella*, *Denebola*, *Pollux*, *Regulas*, *Pacific Collector* and *Pacific Tracker* in June. The *Cape Jacob* (the former States Line vessel *California*) was included in the initial Request for Proposal in March but was removed from the solicitation in April as she will be laid up.

MILITARY SEALIFT COMMAND

At the invitation of Rear Admiral Mark Buzby, Commander of the U.S. Navy's Military Sealift Command, attended an "executive session" between senior MSC leadership and maritime labor on October 27, at the headquarters of the Marine Engineers Beneficial Association in Washington, D.C. A similar meeting was held in April.

MSC was represented by Admiral Buzby; Chief Counsel Gary Rassing, Maritime Forces and Manpower Director Mike Morris; Eileen Robertson, Director of Naval Fleet Auxiliary Force & Special Mission Ships; Willis Williams, Director of the Commanders Action Group; Controller Gary Frantz; Special Projects Negotiator Renee Desosiers and approximately 15 senior support staff. Labor representatives were AMO President Tom Bethel, MM&P International Secretary-Treasurer Don Marcus, MEBA President Don Keefe, MFOW President Anthony Poplawski, SIU-AGLIWD/NMU President Mike Sacco, MEBA/MM&P Government Fleet Representative Randi Ciszewski and your secretary.

MSC staff gave a detailed presentation of their civilian mariner (CIVMAR) program. These are civil service mariners employed in MSC vessels. Topics covered ranged from shipboard bandwidth costs to piracy.

Of prime importance to labor was a discussion of the Service Contract Act (SCA), administered by the Department of Labor, and its applicability to the bidding process for MSC contracts. The position of the SUP, MFOW, MM&P and MEBA was that the MSC bidding process is flawed at best and contrary to past practice dating back to World War II.

During World War II, the Army Transport Service (ATS), succeeded by the Military Sea Transport Service (MSTS)—both predecessor organizations to today's Military Sealift Command—decided that based on strong input by the Sailors' Union, unlicensed wages for government vessels operating in the Pacific would be based on the commercial wage rates of the SUP and MFOW. Ships operating off the East Coast would be

based on those of the National Maritime Union, which merged several years ago into the SIU-AGLIWD. Today this still remains the practice.

However, as the Unions mentioned pointed out to the MSC brass, this is not the practice for contracted mariners (CONMARS) working in vessels put out for bid by MSC. In short, it is a "two-pot" system in which Unions are forced to compete in the bidding process.

The reason for the different wage and benefit rates between various ships operated for MSC is the bid award system which interprets existing Total Labor Cost, negotiated between parties over previous multi-year contracts, to set the new wage determination under the Service Contract Act. "Out year" bidding therefore becomes a competition between the various unlicensed and licensed Unions, driving wages and benefits below commercial industry standards.

Although the MSC was willing to listen, it was apparent that they like the bidding system as it reduces costs. In your secretary's judgment, the only way to rectify this situation is either through legal action or congressional action, which will be made more difficult with the Republicans assuming the majority in the House of Representatives.

MFOW President Poplawski raised the issue of the redundancy in the requirement for contracted mariners in MSC vessels to possess both a TWIC (Transport Workers' Identification Credential) and a Department of Defense Common Access Card or CAC, and whether or not the possibility exists in the future of the TWIC replacing the CAC.

In no uncertain terms, the response by MSC was negative. As it was explained by Admiral Buzby, the CAC is a Department of Defense ID card, and serves as the principal card used to enable physical access to buildings, controlled spaces, computer networks and unclassified system access. It is also the primary platform for the Public Key Infrastructure (PKI) token, which allows a user to sign on to the Navy-Marine Corps Intranet.

The purpose of the TWIC, which is overseen by the Department of Homeland Security, is to ensure that only authorized personnel who have successfully completed a security threat assessment have unescorted access to secure areas of regulated maritime facilities and vessels.

Regrettably, SUP members who are dispatched to MSC jobs will continue to be required to be vetted for a CAC, which includes a multi-page questionnaire plus fingerprinting. American merchant mariners continue to be the most scrutinized group of workers in the nation and it doesn't look like it is going to change.

Another meeting with MSC is tentatively scheduled for April of next year.

MARITIME LABOR CONVENTION

In February 2006, the General Conference of the International Labor Organization adopted the Maritime Labor Convention 2006 (MLC 2006) which is a document embodying, as far as possible, all standards of existing international maritime labor conventions, as well as the fundamental principles incorporated in other international labor conventions.

In August, the Union was notified that the U.S. Coast Guard had conducted an initial review of the Regulations and Standards for MLC 2006 and had begun the process to identify how current U.S. laws, regulations or practices comply with MLC 2006 requirements.

To ensure that U.S. merchant mariners are not negatively impacted by MLC 2006, the Unions met with Coast Guard representatives at AFL-CIO headquarters in Washington, D.C. on October 15. Union attendees were AMO Government Relations Director Mike Murphy, MEBA President Don Keefe, MEBA Vice President Bill Van Loo, MFOW President Anthony Poplawski, MM&P Vice President George Quick, MM&P Government Relations Director Klaus Luhta, SIU-AGLIWD/NMU Secretary-Treasurer David Heindel and your secretary. The Coast Guard was represented by Mayte Medina, Steve Hubchen and Ram Nagandran.

continued on next page

President's Report continued

Meeting participants reviewed Title 1 of the MLC 2006 which enumerates minimum requirements for seafarers to work in a ship (minimum age, medical, training, etc.). The Coast Guard is in the process of reviewing the subjects discussed, with a follow-up meeting scheduled for November 16, in Washington, which your secretary will attend. In addition to discussing Title 1 of the MLC 2006, it is anticipated discussion will begin on Title 2: Conditions of employment.

All together there are five titles in the convention which need to be reviewed. Will attend all review sessions, Union business permitting.

SAN FRANCISCO BAR PILOTS

As reported last month, notified the San Francisco Bar Pilots of the Sailors' Union's desire to negotiate new collective bargaining agreements covering marine personnel and dispatchers.

Along with Vice President Dave Connolly have caucused on several occasions with members employed by the Pilots as well as received many bargaining proposals. Negotiations are scheduled to begin on November 19.

It should be noted that Captain Bruce Horton relieved Captain Peter McIsaac as Port Agent for the Pilots on November 3.

HOLIDAYS

Thanksgiving Day: All SUP halls will be closed on Thursday, November 25, in observance of Thanksgiving.

Christmas Eve: All SUP halls will be closed on Friday, December 24, Christmas Eve, which is a Pacific Coast ILWU holiday. Therefore, it is a recognized holiday under the APL and Matson agreements. It is a holiday for vessels in West Coast ports on that day and for those working under the Maintenance Agreements.

Christmas Eve is also a holiday for APL vessels in East Coast ports as it is an ILA holiday.

Christmas Day: Since Christmas Day falls on a Saturday this year, all SUP halls will be closed on Monday, December 27, as it will be observed that day under all SUP agreements with the exception of those working under the SUP/Matson Maintenance Agreements in Honolulu. In Honolulu, those working under the Maintenance Agreements will observe Christmas Day on Friday, December 24, in accordance with Section 12(c) of the Maintenance Agreements as ILWU Local 142 will observe the holiday on that day.

New Year's Eve: All SUP halls will be closed on New Year's Eve, Friday, December 31, which is a Pacific Coast ILWU holiday. It is a holiday for APL and Matson vessels in West Coast ports on that day and for those working under the Maintenance Agreements.

New Year's Eve is also a holiday for APL vessels in East Coast ports as it is an ILA holiday.

New Year's Day: Since New Year's Day falls on a Saturday this year, all SUP halls will be closed on Monday, January 3, 2011 as it will be observed that day under all SUP agreements.

However, in Honolulu those working under the Maintenance Agreements will observe New Year's Day on Friday, December 31, as ILWU Local 142 will observe the holiday on that day.

HOLIDAY BENEFIT

For the 21st year, the SUP and MFOW will cosponsor a holiday lunch for participants of the respective Union Welfare Plans and invited guests.

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

The Wilmington Branch lunch will be held on Saturday, December 11, from 11:30 A.M. to 3:00 P.M. at the hall.

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

The Seattle Branch will hold its event at the hall on Saturday, December 11, from 11:00 A.M. to 2:00 P.M.

The Honolulu festivities will be held at the hall on Sunday, December 19, from 11:00 A.M. to 2:00 P.M.

ACTION TAKEN

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

Gunnar Lundeberg

Nautical terms in everyday speech

Sea Lawyer...(an argumentative sailor)

Definitely not a member of the American Bar Association, a sea lawyer was defined by Admiral William Smyth in *The Sailor's Wordbook* (1867) as "an idle, litigious long-shorer, more given to questioning orders than to obeying them. One of the pests of the navy as well as mercantile marine." Richard Henry Dana referred to them as "lawyers of the foc'sl."

Vice President's Report

November 2010

APL Philippines: Dan McDonald, delegate. In at Oakland Inner Harbor with no problems. Near miss injuries launching a boat during a COI drill in LA. Lifeboat drills, originally intended to improve safety, is now a sailor's most dangerous job.

APL Turquoise: Roger Berioso, delegate. Boarded in New York at Howland Hook. Clarifications on short-handed rate due illness or injury as per Section 7(g)—the higher rate is only payable in a two-man watch situation. Collected 45 hours OT for injured seaman who got off in Sri Lanka.

APL Japan: Marc Caliero, delegate. Ship ordered deck standbys in New York but the Company issued an order for only engine and steward workers. APL does not have to order standbys, but the SUP will not hand over our jurisdiction because of a lack of manning. Gang did a good job covering the work despite being short-handed.

APL Agate: Mark Relojo, delegate. Questions on high cargo rate for stores on OT hours (answer is no), on high cargo rate for hydraulic oil (no but oil spill rate may apply), on \$20.00 payment for gangway watchstanding (answer is no).

USNS Waters: Dale Lindequist relieved by Thomas Cook as delegate. Branch Agent Vern Johansen to make the ship at Coronado Naval Base in San Diego. Clarification on shore leave and "mission critical" work. New bosun is Brian McCarthy.

USNS Shughart: Jaime Acosta, delegate. In good shape down on the bayou. Ship will activate in December for yard period.

USNS Martin: Mike Haslam, delegate. Relieved by Barbara Shipley. First wave of reliefs met in late October. Paul Harsaney is the new bosun. Now comes the Common Access Card, or CAC, the latest burdensome credential to be required by the government. Although the 11 page application has been now determined unnecessary, a fingerprint card and two more background checks are part of the process. Because of the various screens performed by multiple agencies, merchant mariners are far and away the most vetted workers in the world. The CAC will be required by all sailors who have had the training for the LMSR's, Waters or Martin.

Mahimahi: Paul Barbour, delegate. Question on accounting for OT hours answered.

Moku Pahu: James Bailey, delegate. Boarded at the C & H Sugar Refinery in Crockett. In good shape with no beefs. Clarification on medical eligibility. Laid up briefly in SF and broken out again for another run.

California Voyager: Ke'aka Kaleiopu, delegate. In a Pier 80 for special tank cleaning before loading lubes at RLW. Robert Reed is the bosun. Discussion on overtime accounting and MLC similar to Oregon (below). This ship has continuous no charge internet and phone access via V-Sat. In good shape and headed back to Texas.

Oregon Voyager: Chris Cotterman, delegate. The Maritime Labor Convention is not yet signed by the United States. That means that existing Coast Guard regulations with regard to work and rest hours are in effect and are derived from OPA 90 and STCW. The rules are no more than 15 hours of work in 24 hours and no more than 36 hours in 72. This legally allows for 4 hours of overtime every day. Delegates take note.

Foss Maritime Company: JD Rymel, delegate. Proposal to change Flex Tankerman schedule not supported by gang; contract schedule 10 days on and 5 off remains in effect.

San Francisco Bar Pilots: Terry O'Neill and Mike Koller, delegates. Several caucuses discussing various proposals in advance of November 19 commencement of negotiations.

Dave Connolly

At the wheel of the Orlando



Ordinary Seaman Philip Coulter (on the left) satisfying helm assessments at the wheel of the Cape Orlando during a sea trial activation this month outside the Golden Gate. Third Mate Chris Czarske is the assessor and in the background is OS Steven Bravo and AB James Bailey working on the bridge wing. The Cape Orlando is a roll-on/roll-off vessel enrolled in the Ready Reserve Force based in Alameda, operated by Patriot Contract Services.

SUP Branch Reports

Seattle

October 18, 2010

Shipped during the period: 2 Boat-swains jobs shipped and filled with 1 A-member to a steady job and 1 B-member to a “lay-up” return. 3 Able Seaman jobs were taken by 1 A, 1 B and 1 D-registrant. 1 Ordinary Seaman to a Navy bottom. And three stand-by’s went to 1 B, C and 1 D-registrant.

Registration for the period: 8 A cards for a total of 26; 5 B cards for a total of 26; and 3 C cards for a total of 21.

Ships checked

Matson vessels *Manoa* and *Kauai* in twice with little or no problems. The *Moku Pahu* called for the gang back. APL ships *President Polk* and *APL Agate* called in New York. Crew turn over in the *Agate* was delayed at the gate as International Longshoreman’s Association workers walked off the terminals up and down the East Coast. The SUP/MFU crew did an excellent job in showing solidarity with the ILA in what has been called the first “job action” in over 20 years along the Eastern Seaboard.

I represented the SUP/MFU at the following meetings: the Seattle Freight Mobility Committee meeting; the Green Pacific Conference; the Puget Sound Harbor Safety Committee meeting; the King County Labor Council Executive Board meeting; and the Transportation Club of Seattle meeting.

Seattle authorizes financing for port clean fuels program

The Port of Seattle Commission has authorized another \$110,000 for the At-Berth Clean (ABC) Fuels program, which encourages shipping and cruise lines to burn cleaner fuels while at berth. This additional funding brings this year’s total to over \$950,000 which will cover qualifying vessels visits for the remainder of the year.

“Our Clean Fuels program shows how we can help both the economy and the environment,” said Commission President Bill Bryant. ABC Fuels is a product of the 2007 Northwest Ports Clean Air Strategy whose goal is to improve air quality for the region. The port provides an incentive of \$2,250 to use low sulfur fuel in vessels’ auxiliary engines for each call. This year has seen a steady increase in participation, with 350 qualifying vessel visits to the port so far, with an estimated total of 400 vessels by year end.

The ABC Fuels program began in 2009 and to date has eliminated more than 340 metric tons of sulfur dioxide emissions. The low-sulfur fuel (< 0.5% sulfur) is estimated to reduce sulfur dioxide emissions by 80 percent and diesel particulate matter by more than 60 percent.

ABC Fuels is a partnership that includes some of the port’s ocean carriers and the Puget Sound Clean Air Agency. More than 75 vessels from nine carriers have participated in the program including Hapag Lloyd, APL, China Ocean Shipping Company (COSCO), Evergreen Line, Hamburg Slid, Maersk Line, Matson Navigation, Royal Caribbean International, Celebrity Cruises, Norwegian Cruise Line, and Princess Cruises.

Absolute insanity to keep Bush tax cuts for wealthy

Republicans on Capitol Hill want to extend the Bush-era tax cuts for the rich, which are set to expire at the end of the year. President Obama and congressional Democrats want to extend the cuts for middle- and lower-income families, but not for persons making \$250,000 or more.

The Bush tax cuts never came close to living up to the promise that they would create jobs—we actually lost private-sector jobs under the Bush administration. Extending the tax breaks for the wealthy also would add billions to the national deficit.

In a statement this month, AFL-CIO President Richard Trumka said “it is absolutely insane that in these tough economic times some people want to con-

The Seattle Branch membership has been phone banking and working to get “pro labor” politicians elected in this year’s Senate and Congressional races. Senator John McCain’s move to “do away with the Jones Act” is not a campaign pledge. This was legislation that Senator McCain introduced during the last Senate session. Vote for your job!

Vince O’Halloran, Branch Agent

Wilmington

October 18, 2010

Shipped a total of 54 jobs—the breakdown is as follows: 1 Bosun-1 Steady; 3 AB/Dayman-2 Steady, 1 Relief; 13 AB/Watch-11 Steady, 2 Relief; 1 OS and 46 standbys.

Registration: Class A-44; Class B-23; and Class C-13.

Ships checked

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

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

Would like to wish all members and their families a Happy Thanksgiving.

Vern Johansen, Branch Agent

Honolulu

October 18, 2010

Shipped the following jobs during the month of September: 1 AB Day, 3 AB Watch, 1 AB Day Relief, 1 AB Watch Return and 2 AB Maint. (Paint & Rigging) and 1 OS. The regular jobs were filled by 2 A cards, 5 B cards, 1 C card, and 1 D card. Also shipped 16 standby jobs this month. The standby jobs were filled with 7 A cards and 9 B, C, and D cards.

Registered during the month of September: 6 A cards, 5 B card, 0 C cards, and 1 D card. To date totaled registered: 12 A cards, 6 B cards, 2 C cards and 2 D cards.

Ships checked

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

I represented the SUP at the Hawai’i Ports Council monthly meeting, which includes the Hawai’i Ocean Safety Team (HOST) meeting, the AFL-CIO COPE meeting (Committee on Political Education), and with Hanabusa and Abercrombie’s campaign headquarters.

I’m happy to report that U.S. Senator Daniel Inouye won his re-election bid, Colleen Hanabusa won the election for the U.S. House of Representatives, and Neil Abercrombie and Brian Schatz won the Governor’s and Lt. Governor’s race in Hawai’i. All said, labor did very good in the state of Hawai’i. Of the 68 candidates that the AFL-CIO COPE of Hawai’i endorsed, 59 candidates won outright and 2 races are still too close to call.

I’d like to give a big Mahalo to the membership for all the time and money that they donated to these elections. Even if you only donated \$5 or \$10, sign waved once a week, manned the phone banks once a month, helped set-up and break down tables and chairs for the candidates fund raisers and debates, or canvass neighborhoods and passing out pamphlets, it all adds up. And of course by voting, not just our own votes but get-

ting our family members and friends to vote also. Together we can and did make a difference. Mahalo,

Michael Dirksen, Branch Agent

San Francisco Business Agent

November 8, 2010

Kauai— Richard Goen, delegate; Bob Jones, bosun: Same beefs with steward. Had to talk with him about his menu which is poor. This is the steward’s last trip.

Mahimahi— Paul Barbour, delegate; relief bosun Tim Thomas’ last trip. No disputes. Few questions about coffee time for 4 to 8 watch.

Manoa— Duke Maringer, delegate; bosun relief Kris Bujnowski: Request new cushions for messroom chairs.

Worked in front office.

Bill Berger

Dispatcher's Report

Headquarters—Oct. 2010

Deck	
Bosun	2
Carpenter	0
MM.....	4
AB	12
OS	0
Standby	6
Total Deck Jobs Shipped	24
Total Deck B, C, D Shipped	10
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. ...	24
Total B, C, D Shipped-All Depts. .	10
Total Registered “A”	33
Total Registered “B”	12
Total Registered “C”	14
Total Registered “D”	24



Able Seaman Ken Dooley and Chief Steward Isaac Levy after a Union meeting in the crew lounge aboard Chevron Shipping Company’s *Washington Voyager* at the Richmond Long Wharf on October 6, 2010. Photo: Dave Connolly