




# West Coast Sailors

Official Organ of the Sailors' Union of the Pacific

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SAN FRANCISCO, CALIFORNIA

Friday, November 18, 2011

## Anti-labor measure repealed in Ohio

Ohio voters on November 8, resoundingly overturned the anti-Union agenda pushed by Republican Governor John Kasich, Republican state lawmakers and outside interest groups, which took away the right of public employees to collectively bargain. Buckeye State voters said “No” to Issue 2 by a 63% to 37% margin. The “No” vote on Issue 2 repeals Kasich’s Senate Bill 5 (S.B. 5) that eliminated the collective bargaining rights of some 350,000 public employees, including teachers, nurses and firefighters.

AFL-CIO President Richard Trumka, who joined working families in phone banking and canvassing, said Issue 2’s defeat “is a major victory for working families in Ohio and across the country. Ohio’s working people successfully fought back against lies pushed by shadowy multi-national corporations and their anonymous front groups that attempted to scapegoat public service employees and everyone they serve by assaulting collective bargaining rights.”

Trumka added, “Ohioans from all backgrounds and political parties rejected the crazy notion that the 99%—nurses, bridge inspectors, firefighters, and social workers—caused the economic collapse, rather than Wall Street.”

After the Ohio legislature rammed the law through in late March, ignoring an outpouring of public opposition, including demonstrations that brought thousands to the state Capitol in Columbus, Ohio working families began a massive mobilization to repeal the law. In just a matter of weeks, volunteers from the We Are Ohio coalition collected more than 1.3 million signatures to put S.B. 5 repeal on the ballot. With polls showing growing support for repeal and a rapidly shrinking approval rating, Kasich even offered a so-called compromise in August. But working families rejected the deal and continued the fight for full repeal.

As the election drew near, Unions and community groups knocked on doors, made phone calls and distributed literature around the state.

But while activists from dozens of states as far away as Alaska gave up their nights and weekends to call Ohio voters from home to get out the vote, S.B. 5 supporters turned to out-of-state money from extremist groups for misleading, and at times downright false, TV ads and dirty tricks.

The battle for workers rights now shifts to Wisconsin where a petition drive kicked-off on November 15, to recall Republican Governor Scott Walker. Recall forces have 60 days to collect 540,000 to qualify the issue for the ballot. The broad recall coalition, which includes the Wisconsin State AFL-CIO, brings together the same citizen energy that fueled working families’ win in Ohio.

Anger over Walker’s elimination of the rights of nurses, teachers and other public workers to bargain for wages, hours and working conditions was the driving force behind this summer’s successful recalls of two of Walker’s key backers in the state senate.

## Maritime Administration needs new leadership

Tasked by Congress over a year ago to produce a report identifying ways to boost American-flag shipping, the Maritime Administration has issued a report, written by Price Waterhouse Coopers, that does the opposite.

To add insult to injury, MarAd did not seek input from maritime labor. This inexplicable decision guaranteed that the report would not contain the information that Congress and the Administration would need to develop and implement meaningful maritime policy that strengthens, not weakens, the U.S.-flag merchant marine, provides jobs for American, not foreign maritime workers, and bolsters, not diminishes, the economic, military and homeland security of the United States. The administrator who approved the report, David Matsuda, must be held accountable.

SUP Secretary Gunnar Lundeberg went further stating that “the report represents a intolerable failure in Matsuda’s leadership and a missed opportunity on the part of MarAd. It is time for Matsuda to be removed as Maritime Administrator and replaced with someone

who will fulfill the legal obligation of the agency of promoting the U.S. merchant marine.”

The report, entitled “Comparison of U.S. and Foreign-Flag Operating Costs,” concludes with stating what everyone knows: that it often costs more to use U.S.-flag ships.

The report spends significant time explaining why U.S. operators are not as cheap as their foreign counterparts. To do so, it compares operating costs such as Stores and Lubes (“not evident why U.S. operators cost more”); Maintenance and Repair (“significantly higher U.S. crew costs tend to diminish the importance and impact of M&R on U.S.-flag vessels”); Insurance Costs (U.S.-flag operators’ insurance costs are roughly 1.5% higher, and bulkers and Ro/Ro vessels 2.1% higher); Overhead Costs (“overhead costs of U.S. flags are 1.7 times higher than foreign flags and requires further research”); Costs Variation (“the reason ships register under the U.S. flag is due to Maritime Security Program (MSP) payments of \$3.1 million and the availability of cargoes”), and Conclusion (U.S.-flag operators in foreign

trade are 2.7 times more expensive than foreign equivalents).

The report goes on to say that U.S. crews cost more because foreign operators can hire the cheapest crew available. Additionally, “Citizen Crew Requirements” in the U.S. result in “higher manning requirement, higher wages and higher benefits compared to foreign registries.” And “the standard of living in the U.S. and higher social benefits, including mariner training/education and Union fees also contribute to higher costs over foreign operations.” Moreover, “U.S. crewing costs were 5.3 times higher than foreign-flagged vessels in 2010. And “U.S. crewing accounted for about 68% of total U.S.-flag operations while foreign crew costs represented 35% of foreign-flag costs.”

In essence, the report suggests that American mariners should be beaten down to the level of exploited Third World labor. Secretary Lundeberg added, “The findings of this report are an insult to the brave men and women who comprise the U.S. merchant marine, including those who sail in harms way to

*continued on page 11*

## House members seek TWIC renewal extensions

Five members of the House of Representatives sent a letter, this month, to John Pistole, Administrator of the Transportation Security Administration, to request an extension for transportation and port workers to renew their Transportation Worker Identification Credentials (TWIC) cards.

The letter said that as of now, the Department of Homeland Security (DHS) has not fully implemented the TWIC program as mandated in the SAFE Port Act of 2006. While millions of workers were required to spend significant time and money to obtain TWIC cards, the Department did not fulfill its responsibility to issue the final regulations for the readers by April

2011, as required by law. The Democratic Members of the Committee believe that the Department should not require these workers to renew their cards before the biometric security enhancements of TWIC are realized and the program has been fully implemented.

“...We do not believe that there is an adequate justification to begin requiring the more than 1.9 million longshoremen, truckers, merchant mariners and rail and vessel crew members to incur additional costs to attain renewals,” the letter said. “Specifically, we do not believe that these workers should be required to take time out of their busy days and pay an additional \$132.50 to attain new cards

when DHS has not fulfilled its statutory responsibility to issue a final regulation for TWIC readers.”

The five House members who signed the letter were Representatives Bennie Thompson (D-Mississippi), Henry Cuellar (D-Texas), Cedric Richmond (D-Louisiana), Loretta Sanchez (D-California) and Sheila Jackson Lee (D-Texas).

Representative Thompson is also the lead sponsor of H.R. 1105, the “Transitioning With an Improved Credential Program Act”. This bill would extend each worker’s renewal deadline until December 31, 2014 or when DHS issues the final reader rule.

Periodicals postage paid at San Francisco, CA (USPS 675-180)



# SUP Quarterly Finance Committee Report

## SUP QUARTERLY FINANCE COMMITTEE REPORT FOR THE QUARTER ENDED SEPTEMBER 30, 2011

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

### SUMMARY OF CASH AND INVESTMENTS

|  |                |
|--|----------------|
| General Fund .....                             | \$695,256.20   |
| Political Fund .....                           | \$11,329.69    |
| Strike Fund .....                              | \$1,293,730.99 |
| Total Cash and Investments 3rd Qtr. 2011 ..... | \$2,000,316.88 |

### GENERAL FUND

|   |              |
|---|--------------|
| Income:   |              |
| Dues, Initiation, Assessments .....               | \$107,243.85 |
| Interest .....                                    | 13,013.59    |
| Donations - <i>West Coast Sailors</i> .....       | 1,555.00     |
| Tanker & Joint Committee, Hiring Hall .....       | 127,728.63   |
| Advertising & Promotion .....                     | 80.00        |
| Miscellaneous Income, Reimbursements, Fines ..... | 2,810.42     |
| Reimbursed Administrative Expenses .....          | 31,704.76    |
| Contributions - General Fund .....                | 1,815.00     |
| Total Income: .....                               | \$285,951.25 |

|  |            |
|--|------------|
| Expense:   |            |
| Auto & Travel .....                                | \$527.50   |
| Rent .....   | 19,806.22  |
| Postage, Printing & Office .....                   | 6,962.21   |
| Telephone & Telegraph .....                        | 4,189.52   |
| Equipment .....                                    | 1,207.24   |
| <i>West Coast Sailors</i> Publishing Expense ..... | 8,198.68   |
| Accounting .....                                   | 4,000.00   |
| Per Capita .....                                   | 14,665.00  |
| Salaries & Payroll Taxes .....                     | 193,433.34 |
| Office Workers Pension .....                       | 9,724.00   |
| Insurance .....                                    | 51,761.00  |
| Field Expense .....                                | 3,579.42   |
| Committee & Neg., Conference & Conv. .....         | 6,543.89   |
| Investment Expense .....                           | 1,220.22   |
| Advertising & Promotion .....                      | 360.00     |
| Officials Pension .....                            | (2,201.85) |
| Subscriptions .....                                | 591.20     |

|                      |              |
|----------------------|--------------|
| Contributions .....  | 150.00       |
| Total Expense: ..... | \$324,717.59 |

### BUILDING CORPORATION

|                                  |              |
|----------------------------------|--------------|
| Income:                          |              |
| Rents .....                      | \$139,823.40 |
| Bldg. Util. & Service Reim. .... | 4,162.00     |
| Total Income: .....              | \$143,985.40 |

|                                     |             |
|-------------------------------------|-------------|
| Expense:                            |             |
| Building Services & Utilities ..... | \$29,417.92 |
| Repairs & Maintenance .....         | 11,768.22   |
| Salaries & Payroll Taxes .....      | 14,732.93   |
| Pension .....                       | (285.57)    |
| Auto .....                          | 208.33      |
| Legal .....                         | 420.00      |
| Insurance .....                     | 13,773.22   |
| Total Expense: .....                | \$70,035.05 |

### POLITICAL FUND

|                     |            |
|---------------------|------------|
| Income:             |            |
| Contributions ..... | \$5,085.00 |
| Total Income .....  | \$5,085.00 |

|                      |            |
|----------------------|------------|
| Expense:             |            |
| Contributions .....  | \$1,000.00 |
| Total Expense: ..... | \$1,000.00 |

Net Income 3rd Qtr. .... **\$39,269.01**

Net Income YTD: .... **\$50,802.63**

/s/ Robert Copeland                      /s/ Romaine Dudley  
/s/ Paul Fuentes                            /s/ Berit Eriksson  
/s/ John Perez

*ACTION BY THE MEMBERSHIP November 14, 2011. M/S/C—That we concur in the report of the SUP Quarterly Finance Committee and, as per past practice, publish in the West Coast Sailors. Carried unanimously.*

## ATTENTION SUP MEMBERS

Recently the Union was contacted by the Dallas, Texas-based law firm of Clinesmith Wooten regarding pending asbestos exposure litigation. The communication received is as follows:

"If you worked in any of the following locations: ships, shipyard, powerhouse, paper/pulp mill, chemical plant, steel mill, refinery, aluminum plant, oil field or commercial building **prior to 1983** and have never been screened for asbestos exposure or were screened previously but found to be negative and are **not** presently employing an attorney for any asbestos claim, you may be eligible for compensation.

Over the past twenty (20) years of the asbestos litigation most law firms would only represent claimants with exposure prior to 1974 or the enactment of OSHA and MSHA. Because those cases were filed at the courthouse, they generally took two, three or more years for the claimants to receive compensation, if at all.

**Currently, the Clinesmith Wooten law firm is accepting claims where the exposed worker had at least one (1) year of exposure prior to 1983.** More importantly, can resolve your claim without the necessity of a lengthy lawsuit and with no out of pocket expense to you.

**To apply, call toll free: 855-898-7800."**

*The Union is publishing this communication for informational purposes only.*

## SUP Meetings

These are the dates for the regularly scheduled SUP meetings in 2011/2012:

|           | Hdqs.    | Branch   |
|-----------|----------|----------|
| December  | 12       | 19       |
| January   | 9        | Tues. 17 |
| February  | Tues. 14 | Tues. 21 |
| March     | 12       | 19       |
| April     | 9        | 16       |
| May       | 14       | 21       |
| June      | Tues. 12 | 18       |
| July      | 9        | 16       |
| August    | 13       | 20       |
| September | 10       | 17       |
| October   | Tues. 9  | 15       |
| November  | Tues. 13 | 19       |
| December  | 10       | 17       |

## Oman sends pirates to prison for life

A Muscat court has sentenced ten Somali pirates to prison for life. Oman's Appeal Court on November 1, also handed down three-year sentences to three other pirates in a separate case.

The ten pirates were captured when Omani forces foiled their attempt to pirate a vessel waiting for a berth just outside the port of Raysut. The ship was not identified.

Taking part in the interdiction were forces from Oman's coastguards, navy and air force, the *Gulf News* reported. No shots were fired.

## Final Departures

**Carmine Canonico**, Book No. 4694. Born in New York in 1921. Joined SUP in 1952. Died June 20, 2011. (Pensioner)

**Reuben Ingram**, Book No. 369. Born in Alaska in 1926. Joined SUP in 1948. Died August 28, 2011. (Pensioner)

**Jose Alves**, Book No. 3805. Born in Brazil in 1938. Joined SUP in 1981. Died September 8, 2011. (Pensioner)

**Earl Crist**, Book No. 4559. Born in Kansas in 1927. Joined SUP in 1949. Died September 22, 2011. (Pensioner)

## Imports at Port of Seattle drop 22.6%

Containerized imports coming into the Port of Seattle fell 22.6% for the month of September compared with the same month a year ago as a volatile month along the ports of Pacific Northwest brought a poor showing during the middle of the peak shipping season.

Loaded inbound container volume came in at 60,809 TEUs, down 8.2% from the previous month. That is the second consecutive monthly decline at the Port of Seattle and the lightest inbound container volume there since March.

Demand for exports was stronger, growing 17.7% in September on a year-over-year basis. However, Seattle's loaded container export volume remained relatively unchanged compared to August.

The nearby Port of Tacoma saw its strongest month for containerized export since March of 2009, with a 20.2% year-over-year jump in outbound TEUs.

Tacoma also reported its busiest month for imports in a year and a 21.2% jump from imports in August. Tacoma's imports, however, were down 2% on a year-over-year basis for the first nine months of the year.

## West Coast Sailors

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## Neptune Orient has third straight quarterly loss

Neptune Orient Lines, Ltd., (NOL) Asia's No. 3 container line, posted a third straight quarterly loss because of falling freight rates and higher fuel costs.

The \$91.1 million loss in the three months to September 23, compared with a profit of \$282.3 million a year earlier, the Singapore-based company said in a stock exchange statement issued on October 31, sales dropped 9% to \$2.21 billion.

Ng Yat Chung, who took over as chief executive officer on October 1, has to contend with excess capacity in the global fleet that caused the company's average container rates to tumble 19% in the third quarter. China Cosco Holdings Company and Evergreen Marine Corp., the operators of Asia's two biggest container lines, also reported quarterly losses.

"It could get worse" because of rising U.S. inventory levels, said Johnson Leung, head of regional transport at Jefferies Group in Hong Kong. "We can't be sure when we will hit bottom."

APL Ltd., NOL's container-shipping arm, moved 699,000 40-foot containers in the third quarter, 7% more than a year earlier. Average revenue per box was \$2,539. The shipping line filled 94% of its vessels, compared with 97% a year earlier.

NOL reiterated that it expects to report a loss for 2011. Mitsui O.S.K. Lines Ltd. and Nippon Yusen K.K., Japan's largest shipping lines, also said they are cutting container services amid expected losses in the year ending in March.

"The line shipping industry is faced with slowing trade demand, excess capacity and fuel costs that are significantly higher than a year ago," Ng said in the statement. "Our urgent priority is to drive down costs and increase efficiency."

The price of 380 Centistoke marine bunker fuel, used by ships, also averaged \$661.04 per metric ton in the third quarter in Singapore trading, 49% higher than a year earlier, according to data compiled by Bloomberg.

Average freight rates dropped on Asia-Europe routes by 39% in the third quarter from a year earlier, according to Leung. TransPacific charges fell 22%, he said. Container-shipping capacity may expand 8.7% next year, surpassing an expected 8.4% increase this year, he said.

Container lines were also forced to cut and delay peak-season surcharges that usually help bolster earnings in the third quarter because of the excess capacity, said Jee Heon Seok, an analyst at NH Investment & Securities Company in Seoul.

NG joined NOL from Singapore state investment company Temasek Holdings Pte, the shipping line's biggest shareholder. Prior to that, he also served as the city-state's defense force chief. Ng succeeded Ron Widdows, who remains at the shipping line as a senior advisor.

APL operated 147 vessels with a combined capacity of 593,542 20-foot containers as of March 6, according to Neptune Orient's website. It is scheduled to receive 10 ships next year, 17 in 2013 and seven in 2014.

## A&B profits plummeted 66% during 3rd quarter—Matson's in the black

Losses from Matson's foreign-flag China service hurt third-quarter profits for Alexander & Baldwin, Inc. The Honolulu-based company reported on November 8, that its net profit for the July-September period sank 66% to \$8.7 million from \$25.7 in the same quarter last year. Revenue was flat for the quarter at \$440.2 million compared with \$437.3 million a year earlier.

Stan Kuriyama, A&B president and chief executive officer, said in a conference call with stock analysts that A&B's core businesses of ocean cargo transportation to Hawai'i, real estate and agriculture are generating stable earnings despite a difficult economic environment. "Aside from the (discontinued foreign-flag China cargo service) losses, the company's overall performance in the third quarter was relatively consistent with last year," he said. "We continue to be well positioned for a market recovery." However, Kuriyama also said the company would continue to pay close attention to expenses, and he announced a freeze on pension benefits effective December 31, for all non-Union employees. A&B will convert its defined-benefit plan to a cash-balance plan.

A&B said third-quarter earnings benefitted from agriculture operations and real estate business that included the sale of an industrial property on Maui. But expenses and losses from the discontinued service between China and California at subsidiary Matson Navigation Company reduced overall earnings.

Matson launched China cargo runs in 2006 and doubled service on the route with five foreign-flag ships in September 2010. But falling demand from shippers and an oversupply in capacity led Matson to cut its China service by half in August by discontinuing the foreign-flag run. A&B said it incurred a \$28.5 million pretax loss related to the cutback in the third quarter. A&B said Matson's remaining China cargo service is profitable, as is Matson overall. Total operating profit for Matson in the third quarter was \$28.6 million, down 33% from \$42.5 million in the same quarter last year. The results were aided by 3% gains in Matson's core service, cargo and automobile deliveries to Hawai'i, A&B reported. "Our Hawai'i service continues to be a bright spot with Matson," Matthew Cox, Matson president, said on the conference call.

A&B's real estate leasing produced a relatively flat operating profit of \$9.2 million in the third quarter compared with \$9.3 million a year earlier. Real estate sales accounted for an operating profit of \$3.5 million in the third quarter, up from \$2.9 million a year earlier.

The biggest improvement among A&B divisions in the third quarter came from its agriculture subsidiary that includes Hawaiian Commercial & Super Company on Maui. The segment's operating profit in the quarter was \$3.8 million, up from \$800,000 a year earlier. A&B said the surge was primarily from electricity sales from power plant operations tied to farming.

## Solidarity aboard *Matsonia*



The SUP Deck and SIU-Marine Cooks Steward Department takes a break for a photo aboard Matson's roll-on/roll-off vessel Lurline. From the left, top row: AB Ben Bracerros; AB Marvin Glasgow; Bosun Joe McDonald; OS Joe Carson; AB Justin Foster; AB Randy Runyan. From the left, bottom row: Chief Cook Ali Mansar; Chief Steward Joey Gallo; Asst. Cook Utility Vic Molina; and Officer BR Neil Ball. Missing from the photo is AB Robert Grange.

## Republican presidential candidate expresses support for Jones Act

The presidential campaign of Texas Governor Rick Perry on November 3, said in a statement that the Governor supports the Jones Act because the law bolsters national, economic and homeland security.

"Rick Perry believes that America benefits from a vibrant domestic maritime industry, including vessel operators, shipyards, seafarers and mariners, on the coasts, in the Gulf, on the inland waters, and throughout the Great Lakes," the statement said. "Governor Perry supports the Jones Act that makes the domestic maritime industry strong, contributes to national and homeland security, and makes an important economic contribution to our nation. Governor Perry believes there are times during a national emergency when suspending the Jones Act may be in the best interest of the country, like when President George W. Bush suspended the Act after Hurricane Katrina."

## Philippines closes training schools on quality grounds

The Philippines has shut down three allegedly substandard maritime training establishments in the face of the European Commission's threat to not recognize all new certificates issued anywhere in the country. The move has sparked protests in both Manila and Quezon City, where up to 13,000 students were only told of the closure of the BS Marine Engineering and BS Marine Transport degree courses at the Philippine Maritime Institute (PMI) two weeks after they had enrolled. One student leader has claimed that half of undergraduates might be forced to drop out as a result of financial difficulties, as most schools offering similar courses charge twice the fees of PMI. Even those who transfer elsewhere will end up out of pocket, and will find their graduation delayed by a semester.

Secretary of the Department Labor and Employment Rosalinda Dimapilis-Baldoz defended the government's decision, insisting that it was necessary following a report from the European Maritime Safety Agency (EMSA) to the commission, understood to be critical of some schools. As the rules stand, the commission has only the sledgehammer option of refusing to recognize all new seafarers from what is by far the largest labor supply country, and cannot single out training establishments case by case. "We have taken measures to close down three higher education institutions despite strong pressure from stakeholders, Ms. Dimapilis-Baldoz said. "This proves our strong commitment to higher quality maritime education."

PMI went to Quezon City court asking for a restraining order on the closure, but the judge upheld the decision on October 28.

Making her comments at an opening address at the Asia Pacific Manning and Training Conference in Manila, Ms. Dimapilis-Baldoz said the government was committed to protecting the quality assurance, maritime education and training certification system in the Philippines. She said the government had taken the "corrective measures and serious prompt attention" to protect the reputation of the Philippines' maritime education sector and to address the issues raised in the EMSA report, came after a follow-up inspection in 2010. She noted that the Philippines was already on the "refresh list" for flag state white list status by the International Maritime Organization.

Although EMSA has consistently declined to make its findings public, it is understood to recommend that recognition of Filipino Standards of Training, Certification and Watchkeeping certificates be withdrawn unless the issue is resolved.

Ms. Dimapilis-Baldoz said that the government was committed to making sure that all maritime educational institutions in the Philippines fully meet the requirements of the international convention on standards of training, certification and watchkeeping, including major amendments to the STCW convention hammered out in Manila in June 2010.

Maritime academies in the Philippines reportedly turn out 280,000 graduates every year. That is well in excess of the 229,000 said to be serving on ships at any one time.

# SUP Honor Roll

Voluntary contributions from the membership to the following funds:

## Organization/ General Fund

|                         |        |
|-------------------------|--------|
| Dave Connolly .....     | 100.00 |
| Oliver Franceliso ..... | 35.00  |
| Clinton Gregg.....      | 100.00 |
| James Kolm .....        | 50.00  |
| Albert Laurel .....     | 20.00  |
| Douglas Taylor .....    | 50.00  |
| Roy Yates .....         | 150.00 |

## Political Fund

|                          |        |
|--------------------------|--------|
| Pio Aujero .....         | 100.00 |
| Emo Aulelava .....       | 10.00  |
| Rogelio Berioso .....    | 25.00  |
| Reynaldo Clores .....    | 50.00  |
| Rick Cogswell .....      | 30.00  |
| Dave Connolly .....      | 100.00 |
| Nick Cooper .....        | 25.00  |
| Richard Crowell.....     | 50.00  |
| Marc Dulay .....         | 20.00  |
| Mike ElMobdy .....       | 50.00  |
| Oliver Franceliso .....  | 35.00  |
| David Green.....         | 30.00  |
| Steve Huggins.....       | 50.00  |
| Monte Kalama .....       | 50.00  |
| Brandon Keopuhiwa .....  | 50.00  |
| Czeslaw Knobbe.....      | 20.00  |
| Mike Koller .....        | 10.00  |
| James Kolm .....         | 50.00  |
| Gunnar Lundeborg.....    | 50.00  |
| Joseph Marusak .....     | 50.00  |
| Ramiro Montoya .....     | 10.00  |
| Hamilton Parone .....    | 20.00  |
| Edwin Pastolero .....    | 30.00  |
| Napoleon Ramon .....     | 10.00  |
| Knud Rasmussen.....      | 50.00  |
| Jim Stelpstra .....      | 40.00  |
| William Sullivan .....   | 50.00  |
| Albert Villacrusis ..... | 10.00  |
| Francis Walsh .....      | 50.00  |
| Dan Ycoy .....           | 40.00  |

## West Coast Sailors

|                         |       |
|-------------------------|-------|
| Gerald Allen .....      | 25.00 |
| Karl Andersen .....     | 25.00 |
| Oliver Franceliso ..... | 30.00 |
| Mamoru Fukano .....     | 25.00 |
| Herman Hallman .....    | 25.00 |
| Brandon Keopuhiwa ..... | 50.00 |
| Edward Pardo .....      | 25.00 |
| Rizal Rillo .....       | 25.00 |
| Peter Villanueva.....   | 25.00 |
| Paul Wuestewald .....   | 25.00 |
| Roy Yates .....         | 50.00 |

## Dues-Paying Pensioners

|                       |            |
|-----------------------|------------|
| Gordon Abbott         | Book #3785 |
| Robert Copeland       | Book #4763 |
| Donald Cushing        | Book #4777 |
| Romaine Dudley        | Book #2593 |
| Alexander Earle       | Book #1885 |
| Knud Jensen           | Book #3940 |
| John Jewett           | Book #4291 |
| Kaj E. Kristensen     | Book #3120 |
| Hannu Kurppa          | Book #3162 |
| Eli Lalich            | Book #4062 |
| Stanley Lane          | Book #4106 |
| James K. Larsen       | Book #4055 |
| Volkert Lories        | Book #4097 |
| Duane Nash            | Book #2437 |
| John Perez            | Book #3810 |
| Alex Romo             | Book #3193 |
| Francisco Salvatierra | Book #7498 |
| James Savage          | Book #7488 |
| Ralph Senter          | Book #7323 |



## Japan arrests Chinese captain for refusing inspection

In the latest maritime dispute between Japan and China, the Japanese Coast Guard has arrested the captain of a Chinese fishing vessel on November 6, after he refused to undergo inspection while sailing in Japanese territorial waters.

The Chinese boat had been spotted by the coast guard near the Goto Islands off of Nagasaki. The Japanese asked the vessel to stop using commands and signs in the Chinese language, however, the vessel ignored the calls, according to the Nagasaki coast guard office.

After the vessel ignored the calls for onboard inspection, the coast guard patrol ship chased down the vessel for nearly four-and-a-half hours. Once caught, the Chinese captain was arrested for violating fishing laws in Japan's exclusive economic zone (EEZ), the coast guard stated.

The incident follows a string of events that has caused crumbling diplomatic relations between the two nations. Tensions flared last year when a Chinese trawler

slammed two Japanese Coast Guard patrol boats near the islands of Senkaku and Diaoyu in the East China Sea. The Japanese Coast Guard arrested the boat captain and held him for two weeks.

China reacted to the event with fury, holding protests, canceling meetings and cultural events in a "diplomat offensive" that even continued after Japan released the captain. Nationalist sentiments were ignited on both sides at this point, with street protests in both countries.

China and Japan have been feuding over maritime territorial claims in the East China Sea. China had discovered an underwater natural gas field, which lies partly in Japan's EEZ, partly in China's EEZ, and partly in disputed areas that is hoping to be claimed by both countries.

The two countries agreed this year to try and improve ties as tensions were on the rise in 2010. How this latest incident will affect relations between China and Japan has yet to be seen.



Left: OS Phil Coulter, standby AB Michael Smith and Bosun Remoni Tufono before turning to for maintenance in the Lurline in Oakland on October 28. Above: Lurline AB and delegate Chris Bujnowski. Photo: Dave Connolly

## California maritime industry demands Congress release funds for ports and jobs

Public officials and maritime industry leaders joined together on October 3, at the Port of Oakland to call on Congress to release funds collected from California's port customers to improve maritime infrastructure, create jobs, and preserve California's role as an international trade leader.

"California's future as a global leader depends on much needed job creation and economic growth. Utilizing the federal Harbor Maintenance Trust Fund surplus doesn't cost anyone a dime in new taxes, and it would immediately boost our trade competitiveness, invest in California's infrastructure, and help to grow jobs on our waterfront, our terms and our manufacturing floors," said Lt. Governor Gavin Newsom, speaking against the backdrop of container cranes in the Port of Oakland's Inner Harbor.

Every year, California's port customers pay more than \$400 million in fees into a federal fund with assurances that the money will be available to fund the navigational maintenance and improvements necessary to keep U.S. ports competitive in a global marketplace. Unfortunately the revenues deposited in the Harbor Maintenance Trust Fund are not being spent and, instead of investing these funds to keep our parts competitive, the Trust Fund has now built up a surplus of over \$5 billion.

In an effort to see the money released, Lt. Governor Newsom, the California Association of Port Authorities (CAPA), the California Marine Affairs and Navigation Conference (CMANC), the International Longshore and Warehouse Union (ILWU), and the Pacific Merchant Shipping Association (PMSA) stood united in support of California Senate Joint Resolution 15, jointly authored by State Senator Mark DeSaulnier (D-Concord) and Senator Jean Fuller (R-Bakersfield). SJR 15 demands that the \$5.6 billion surplus in the Harbor Maintenance Trust Fund be released immediately to fund improvements at California ports, promote job creation, and support economic growth in California.

"The Californians calling on the federal government to release Harbor Maintenance funds aren't just on the waterfront. In fact, agricultural exporters in the Central Valley are hurt when this money isn't spent as promised," said Senator Fuller. "These funds were collected for the purpose of making the necessary infrastructure improvements and by seeing that the funds are spent on those improvements, we can ensure that California's ports are among the most competitive in the world. Having competitive ports will help ensure that every part of California once again has a thriving economy."

California's three largest ports contribute an estimated \$40 billion per year to national economic output and are responsible for an estimated 1.6 million jobs across the country. To move goods, these ports depend on properly dredged channels, without which California's international trade, including agricultural and manufactured exports, cannot be shipped in the most reliable, timely and efficient manner—resulting in increased costs for waterborne transportation users and consumers, increased air emissions and fewer jobs.

Fees paid by customers of California's public ports generate approximately 30% of the Harbor Maintenance Tax revenues which are collected from shippers at approximately 200 ports and harbors across the United States. However, from fiscal years 2005 to 2008, California received only about 4% of the total revenue collected. The ports of Los Angeles and Long Beach, two of the nation's largest container ports, currently receive less than a penny in benefits per dollar generated.

"California is facing the toughest job crisis since the Great Depression, so we need to make sure that federal investment in our trades infrastructure is a top priority," said Senator DeSaulnier. "This important resolution calls on Congress to release funds to our California ports in order to maintain their leadership role in international trade, and to create crucial job opportunities around our nation when we need them the most."

## Filipino mariners rule the waves

Crewing companies in the Philippines expect to deploy 400,000 seafarers worldwide by the end of this year. This record would inject about \$4 billion in foreign currency into the country's economy, according to the Joint Manning Group (JMG), which represents the crew management and overseas shipping sectors.

JMG chairman Eduardo Manese said that despite the financial crisis affecting European economies, demand for Filipino seafarers to operate commercial ships of various flags has hardly diminished. Last year, the Philippines deployed 347,000 shipboard personnel, representing 5.06% growth over 2009, figures from the Philippines Overseas Employment Administration showed. "We've maintained our position in the maritime manpower market, as shipowners rethink strategies to cut costs while keeping their commitment to meet minimum standards of international conventions in view of the regulatory changes that will affect maritime manpower," Manese said.

## Shipowners turn a blind eye to human cost of piracy

The international shipping community is being accused of ignoring the plight of seafarers held in captivity after their vessels are captured off the Somali coast. Humanitarian groups say the psychological plight of crews who are being beaten, starved and deprived of basic human rights while in the hands of the pirates has been forgotten as the industry focuses on the commercial impact of the problem.

Although deaths while being held captive are rare, there have been reports that the poor conditions crew are kept in have led to heart attacks or strokes for some.

The Maritime Piracy Humanitarian Response Program has been launched with funds from a number of maritime organizations. Chairman Peter Swift said more is needed to be done to push awareness of the trauma facing crews once they are hijacked.

Very few crew members have spoken publicly of the trauma, fear and suffering they are subject to. One of the first is Calixto Caniete, master of the Panama-flagged, Liberia-owned bulk carrier *Renuar*.

In an exclusive video that can be viewed at [pirates.loydlist.com](http://pirates.loydlist.com), he shares vivid details of more than four months held hostage.

After being bound, beaten, starved and mentally tortured, Captain Caniete has yet to go back to sea after drugged gun-wielding Somalia pirates threatened to kill the crew when ransom negotiations stalled.

Shipowners need to be more aware of their humanitarian responsibilities, he told *Lloyd's List* in an exclusive interview. It is the crew that run their ships, he said, and the owners need crews.

He has only now, months after being freed once a ransom was finally paid, begun to tell his story. It took him weeks to accept an invitation to go to the World Maritime University anti-piracy conference in Malmo, Sweden, last month, to spend ten minutes calling for more awareness to the plight of crews, particularly ones from Asian countries that get forgotten.

The 70,156 dwt *Renuar* was sailing towards Fujairah after leaving Mauritius with a full cargo of grain when in the early daylight hours of December 11, 2010, it was attacked.

The ship was 550 miles off India, 1,050 miles off the Somali coast and close to the Maldives. It was heading north on a course given to it by the United Kingdom Maritime Trade Organization's center in Dubai, where it had been sending daily position reports, when it ran straight into a waiting pirate mothership.

Captain Caniete had been putting the crew through anti-piracy drills, the ship's railings were covered in barbed wire and the fire hoses rigged to pump water over the side of the ship at the press of a button. Dummy watchkeepers had been rigged around the side of the ship to make it look like they had more than the 25 crew onboard. But it was not enough on a large, slow drybulk vessel with a low freeboard.

The pirate mothership launched a skiff and began firing at the bulk vessel using AK47s, rocket propelled grenades and machine guns. The captain hit the emergency distress alarm that alerted both the

naval forces in the region and the ship's owners. In the six hours that the *Renuar* sustained the attack from the two pirate vessels, no help arrived.

When the pirates got onboard, they were angry, both at having taken so long to capture the ship, and because they claimed one of them had drowned falling off a ladder they tried to use on the stern of the ship.

The crew were corralled onto the ship's bridge, beaten, and told to sail towards the Somali coastline, beginning four months of torture and fear as the vessel's owner began ransom payments. Surprisingly for the captain, the pirates knew how to use the satellite communication equipment on board and would take photographs of the crew and send them off to the ship's owner to show how serious they were about their ransom demands.

"When they got fed up with the company over the long negotiations over the ransom, they said they would kill us," Captain Caniete said. "They were aggressive and there was no indication they were joking." Each time they threatened to kill him, he had to believe they were serious.

The crew were given barely edible rice to eat and yellowish water to drink, and kept continually under armed watch, night and day, for the whole duration of their captivity. Captain Caniete was singled out for punishment.

When the Somalis on board heard a rumor the ship had gold bars on board, they forced Captain Caniete into one of the laden holds full of fumigated grain and forced him to dig for hours at gunpoint. "I kept begging them to let me stop, telling them there was no gold, but they did not listen," he said.

He was also repeatedly humiliated by the pirates who never let him have more than a minute of privacy in the bathroom before opening the door and threatening him with their guns.

Captain Caniete tried to ensure his crew was not punished too. He told the pirates to punish him when a crew error led to a fresh water being salty. He was smashed in the ribs repeatedly with the butt of the pirates' guns.

"Everyday they were chewing knat or some substance. If they did not have it, they were very aggressive. Once they had it they were more relaxed, but at midnight they were evil."

Captain Caniete said the pirates may have wanted to use *Renuar* as a mothership. "At one point they told us to sail northeast, but I managed to convince the commander we have no more fuel," he said. "I was lucky he listened."

He dreamt of a rescue being made, but none came. As he and his crew were being kept in the same area as many of the pirates on board, Captain Caniete knew the crew was being used as a shield to prevent any rescue attempt being made. The crew of the *Renuar* was finally freed on April 23, this year after a \$6 million ransom was paid.

## ATTEND YOUR UNION MEETINGS



The SUP and MFOW crew of the USNS Gilliland in ROS status in Baltimore on the main deck in early October. From left to right is AB and SUP Delegate Teofilo Sison, OS Aaron Mitchell, Wiper Robert Pinkard, and Bosun Tom Cook. In the background is Baltimore's Inner Harbor. The Gilliland is operated by Patriot Contract Services. Photo: Dave Connolly.

## Escopeta oil company fined \$15 million for Jones Act violation

U.S. Customs and Border Protection has levied a \$15 million fine against Escopeta Oil Company for violating the Jones Act by transporting the *Spartan 151* jack-up rig from Texas using a foreign-flagged vessel. The rig eventually arrived in Cook Inlet. Customs, which is part of the U.S. Department of Homeland Security, or DHS, also said if Escopeta feels "there are extenuating circumstances," it can object and file a written "petition for relief" within 60 days with Patrick McGownd, Customs fines, Penalties and Forfeitures Officer in Anchorage, who signed both the letter and the accompanying penalty notice. The fine was issued on October 13. The \$15 million fine is equivalent to the value of the *Spartan 151*, a determination that was made by Customs, McGownd said.

## China threatens looting treasure hunters in South China Sea

China state media said this month the Chinese Government will be actively pursuing individuals looking for treasure to loot from sunken ancient merchant vessels on the South China sea without governmental permission and oversight.

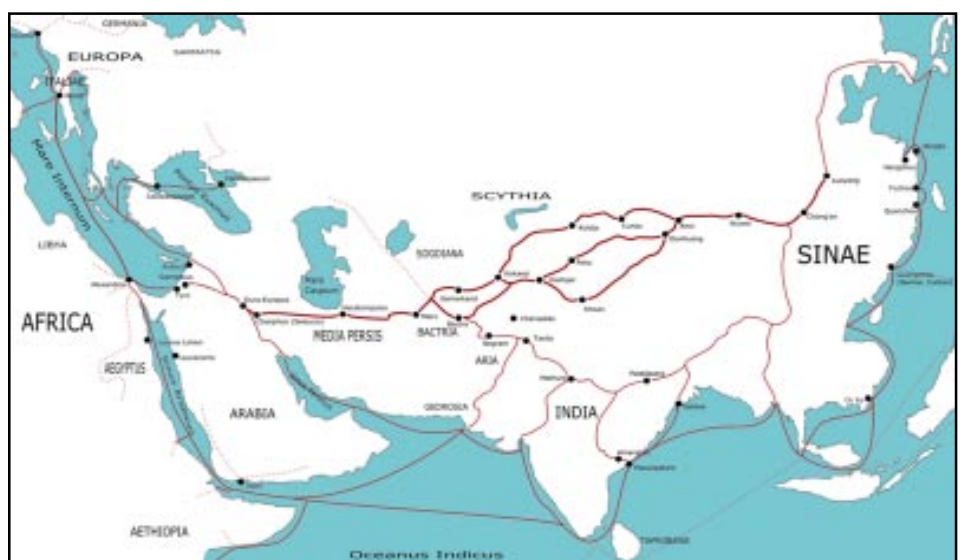
According to the Hainan province's Cultural Heritage Bureau, there are 48 cultural relic sites in Xisha which have all been looted to some degree, and 26 of them almost completely looted. Some treasure seekers have implemented explosives into their operations in attempts to gather porcelain, gold, and silver lying on the bottom of shipwrecks around the Paracel Islands. The Paracel Islands lie across the historic maritime route of the Silk Road, an ancient route that served as a bloodline for worldwide maritime and inland trade.

*China Daily* reported officials as saying that they will strengthen the surveillance and boost law enforcement manpower in order to curb the looting. They also said the use of explosives and other looting methods are negatively affecting the safety of these culturally relevant underwater relics.

The Chinese government is committed to trying to preserve the historically ancient sites on the bottom of the sea as they proclaimed to *China Daily*. "It remains a tough job to enforce the law in such a huge area, but we will not relent." An official said that multiple agencies and departments of their government are discussing further measures to ensure the safety of these relics.

In April of 2011, Chinese law enforcement had seized six boats contracted by looters and had confiscated over 1,400 porcelain artifacts from the sunken ships.

The South China Sea is a large area that also has conflicting territorial claims with Taiwan, Vietnam, the Philippines, and more Southeast Asian States. Other than cultural sites beneath the surface, the South China Sea is also believed to house untapped natural reserves of oil and natural gasses.



TransAsia trade routes from the 1st century. Geographical labels for regions adapted from the *Geography of Ptolemy* (c. 150 AD).

## ESU Office Assignments

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



NOVEMBER 2011

Official Publication of the Exxon Seamen's Union

## Joint Union Management Training meeting

On November 7, 2011, Executive Board members that make up the Joint Union/Management Training Committee (JUMTC) met with SeaRiver management in Houston, TX. The JUMTC committee members were Vice President Leo DeCastro and Departmental Trustees William Ackley and Kurt Kreick. Board Member at Large Joe Bernavich and ESU President John Straley were also in attendance. Joe was willing to fill in for the vacant Deck Department Trustee position. SeaRiver attendees included, new Vice President Jon Evans, Human Resources Manager Jennifer Shenefeld, Fleet Service Manager Ron Floyd, Fleet Manager Scott Bailey and HR Specialist Dona Steadman. The committee meets at least once annually as per the Collective Bargaining Agreement. The primary focus of this meeting dealt with evaluating current unlicensed training programs and what the training picture will look like in 2012.

**Confined Space, Entry and Rescue course** – This course has been offered since 2007 and there were two classes during 2011. The reviews about this course have been excellent, particularly the opportunity to get involved with hands on experience at Texas A&M in College Station. The class has been offered to Deck and Engine (PM) personnel. The current plan is to continue this course again next year and make it available to MS rating. The new facilitator for the course will be Captain Bill Skahan, Bill Shaffer has relocated to the Medical Department.

**Advanced Fire Fighting (4 day)** – Advanced FF has pretty much replaced the Basic course and is open to all unlicensed personnel. There is one more class remaining on the schedule during 2011 and there will be several classes scheduled next year.

**Maintenance Skills Training** – This week long course will continue next year in the Pleasant Hill, CA area. Part of the training is held at the hotel and some of the course is conducted at Cal Maritime in Vallejo. The target audience for this class is Deck and Engine department personnel and covers a variety of subjects with emphasis on safety and hands on training. The JUMTC reviewed this class and has received mixed reviews and the Company has acknowledge that some changes are needed in order to really address the targeted groups complains and suggestions. Will Ackley and the Deck Trustee will be working along with the Company on making some modifications that should improve the overall effectiveness of the course. The current plan is for 2 to 3 classes in 2012.

**Culinary Training** – Currently, there is no Culinary Training for the Steward Department on the schedule for 2012. We discussed Steward's Department training but no classes are in the works at the present time. Kurt Kreick the Trustee for this department expressed to the Company some concerns that affect this departments efficiency in the area of storing and the current stores providers, the company showed interest in working together with Kurt in order to address these issues and also in revamping the Stewards Department menu book, but Kurt will need some help and input from his peers in the department.

**Education Reimbursement Program** – For training that is related to your job, an individual can take advantage of SeaRiver's Educational Reimbursement Program. This program covers the cost of tuition and books for training that serves to maintain or upgrade currently held licenses and endorsements and for training that enhances an employees' skill in the job they perform (i.e. upgrade to AB, Oiler or culinary class).

## New contract books

The new contracts are coming your way. This time unlike in 2008, the ESU is getting the new printed contracts and will send them to every member via mail, either at their home address or on the vessel depending where you are at the time. We encourage everyone to take some time to review it to get familiar with the CBA and also carry this booklet with you to every assignment just like your mariner documents.

## Election Reminder

The deadline is rapidly approaching for the election of ESU officers. Positions that are currently being voted on are the Board Member at Large positions and the Ship Representative position for the *Kodiak*. Other positions (President/Secretary, Ship Representative *Sierra*) up for election had candidates that were unopposed. As of November 10, 2011, the American Arbitration Association has received 41 ballots. Although there is still time to mail in ballots, the participation thus far is below 38%.

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 9, 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 you another or see your Ship Representative if you are on the ship. Also the nomination period continues for the Deck Trustee position that is vacant due to AB Aaron Rathbun choosing to take the layoff option. The candidate declaration period will end on November 21, 2011 followed by a special election.

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

## Changes to ExxonMobil Savings Plan

Effective December 1, 2011, three new Roth accounts will be added to the Savings Plan for an opportunity to have tax-free retirement income. Participants will be able to elect contributions or convert existing Savings Plan funds to the Roth 401(k). Contributions to the Roth 401(k) are made on an after-tax basis. Earnings are tax-free if certain criteria are met. However, there are important tax implications to consider. The three new ways to participate are as follow:

- **Roth 401(k) Account** will contain employee Roth 401(k) contributions, including Roth catch-up contributions
- **Roth Rollover Account** will contain rollover contributions from other eligible Roth 401(k) plans (e.g., from former employers)
- **Roth Conversion Account** will contain assets you elect to convert from existing

### Savings Plan accounts

These new Roth accounts will be added to the following existing ExxonMobil Savings Plan accounts:

- **Before-Tax Account** contains employee before-tax contributions, including catch-up contributions
- **After-Tax Account** contains post-1986 employee after-tax contributions
- **General Account** contains the company match and rollover contributions from other eligible plans
- **Stock Match Account** contains the pre-2007 company match provided in the form of ExxonMobil stock.

If you're not sure what a Roth 401(k) is, a Roth 401(k) is a retirement savings account that combines the features of a 401(k) account (or Before-Tax Account in the Savings Plan) with the tax-free growth benefits of a Roth IRA. Contributions to a Roth 401(k) are made on an after-tax basis. Earnings are tax-free if certain criteria are met. If you choose to not participate then you don't have to do anything, but if you want to look at this new option there are different venues to research and decide if the Roth 401(k) is for you, below are some of the places that can help you make a decision:

**Ernst & Young Financial Planning Center Web site:** Go to <http://exxonmobil.eyfpc.com>, Company code XOM, Company program FFP, for financial education tools and resources to help you secure a better financial future. This service is for active employees only.

**Savings Plan Web site:** Learn more about Roth at <https://xomsavings.ingplans.com>.

**Your tax advisor:** Tax considerations for making Roth contributions and/or conversions are complex. You should consult with an independent qualified tax advisor before making a decision. Your financial advisor: He or she can help you

evaluate how the different contribution types may fit within your overall retirement investment strategy and the specific investments for each contribution type.

Everyone will be getting an Information Booklet at home but one thing to keep in mind before you make any elections is make sure you have all of the necessary information and understand what options you are choosing.

Also, effective January 1, 2012, the International Equity Units fund is being expanded to include small-capitalization stocks in these markets as well as large, mid, and small-capitalization stocks in Canada. Concurrent with this change, the investment management fee for the International Equity Units fund will change from 0.01% to 0.025%.

The text below replaces the "International Equity Units" description in the "Investment Options" section of the (SPD) Summary Plan Description.

### International Equity Units (Effective January 1, 2012)

International Equity Units represent an interest in an index fund that invests in approximately 3,700 international equity securities composed of approximately the top 99% of market capitalization in 23 developed countries outside of the United States. The fund is managed to closely approximate the total rate of return of the MSCI World excluding U.S. Investable Market Index (IMI). The rate of return on this fund should approximate the weighted average return for all traded stocks that are "free" to be owned by foreign investors in these countries. In addition, the following text will replace the "Fund Expenses" information in the "General Information about Indexed Funds" section of the SPD.

### Fund Expenses (Effective January 1, 2012)

NT selects brokers on the basis of best net execution. Any fees, associated charges or brokerage commissions in connection with the management of the funds are charged against the assets of the portfolios. NT's monthly management fee is currently computed at approximately the following annual rates, expressed as a percentage of portfolio net assets:

- 0.01% for Equity Units
- 0.01% for Extended Market Units
- 0.01% for Balanced Fund Units
- 0.01% for Bond Units
- 0.025% for International Equity Units

You have the right to know of any operating expenses that reduce the rate of return and the total amount of these expenses expressed as a percentage of average net assets. These have been described in this SPD. If any additional expenses occur, you will be advised. To view the SPD, visit the Savings Plan Web site at <http://xomsavings.ingplans.com> or [www.exxonmobilfamily.com](http://www.exxonmobilfamily.com).

## No tolerance for harassment in the work place!

Although not a problem today, harassment in the workplace has been an issue in the past and this type of behavior is inexcusable and should never be tolerated. There are avenues available to members to report such conduct and seek relief from this degrading behavior. Below is Sea River's policy on harassment:

### POLICY

"It is the policy of SeaRiver Maritime, Inc. to prohibit any form of harassment in any company workplace. The policy prohibits unlawful harassment based on race, color, sex, religion, national origin, citizenship status, age, physical or mental disability, veteran or other protected status, as well as any other form of harassment, even if the harassing conduct is lawful. The objective of this policy is to provide a work environment that fosters mutual employee respect and working relationships free of harassment. The Company specifically prohibits any form of harassment by or toward employees, contractors, suppliers, or customers.

Under the Company's policy, harassment is any inappropriate conduct which has the purpose or effect of:

- Creating an intimidating, hostile or offensive work environment;
- Unreasonably interfering with an Individuals work performance; or
- Affecting an individual's employment opportunity.

Harassment will not be tolerated. Forms of harassment include, but are not limited to, unwelcome verbal or physical advances and sexually, racially, or otherwise derogatory or discriminatory materials, statements or remarks. All employees, including supervisors and managers, will be subject to disciplinary action up to and including termination for any act of harassment.

Individuals who believe they have been subjected to harassment should immediately report the incident to their supervisor, higher management, or Human Resources. All complaints will be promptly and thoroughly investigated. The Company will treat such complaints as confidentially as possible, releasing information only to those with a need or right to know.

Any employee or supervisor who observes or becomes aware of harassment should immediately advise their supervisor, higher management or Human Resources. No employee should assume that the Company is aware of a problem. All complaints and concerns should be brought to management or Human Resources' attention so that steps can be taken to correct them. No retaliation will be taken against any employee because he or she reports a problem concerning possible acts of harassment. Employees can raise concerns and make reports without fear of reprisal. Questions about what constitutes harassing behavior should be directed to the employee's supervisor or Human Resources."

No member should ever tolerate any form of inappropriate behavior from either managers or peers that would result in them being harassed or intimidated in the workplace and should report such instances immediately to the Union. Written complaints can be directed to Ms. Dona Steadman at SeaRiver Maritime, Inc. Members are encouraged to seek guidance from the Executive Board as how to best proceed if a written complaint is not addressed in a timely manner.

## The Last Dock



The *SR Wilmington* alongside the city dock in Beaumont, Texas in October. The last ESU crew members left on November 2, 2011.

### S/R Wilmington sold for recycling

After a few months of cold layup at Beaumont City Dock in Beaumont, Texas, the fate of the *S/R Wilmington* has finally been sealed with the sale of the vessel to Southern Recycling on November 3, 2010. The vessel was towed to Brownsville, TX where it will be dismantled by a skilled workforce, using advanced technologies to manage the vessel's hazardous waste stream.

Even through the final phase of the ship's existence, which most of us think as a simple one, the *Willy* managed to make the maritime news on a positive note. Most of the world ships end their life's at the ship breaking beaches of South Asia, where nearly a quarter of the exploited workforce at these yards are child laborers making less than US\$1 per day, and where little is done to protect their health and safety or that of the environmentally sensitive tidal flats where these vessels are scrapped.

Exxon Mobil and wholly owned subsidiary SeaRiver Maritime chose to go a different path even if it meant not selling the vessel for a higher price to the Asian ship breaker companies they opted for the safe and environmentally preferable ship recycling methods of U.S. ship recyclers, while creating green U.S. jobs in a tough economy.

This move got some positive comments by Basel Action Network (BAN) which is the toxic trade watchdog organization, "We applaud this decision and hope this is a harbinger of many more such corporate choices – to internalize costs and not use the global commons or developing countries as convenient dumping grounds for pollution and harmful activities," said Mr. Colby Self, Green Ship Recycling Campaign Director for BAN.

"BAN is pleased with this outcome after having been in close contact with Exxon/SeaRiver for months," said Self. "Building on this positive result, we now call on Exxon to further lead by example to make a corporate commitment to Off the Beach environmentally sound management of all end-of-life vessels owned, operated or leased on behalf of Exxon/SeaRiver."

Prior to arriving in Beaumont in July of 2011, the *SR Wilmington* recently completed over 27 years service. This equates to over 2.8 million man hours she was the last of two specialty product tankers designed and built for Exxon in the early 80's at Avondale Shipyard in New Orleans Louisiana. As some of you may recall three new vessels, the *Charleston*, *Wilmington* and *Baytown* were constructed to replace the aging steamships *Bangor*, *Gettysburg* and *Huntington*. At the last minute the *Baytown* design was changed to accommodate transportation of crude.

The *Wilmington* was designed with particular attention to safety, efficiency and versatility. With a total cargo capacity of 369,700 barrels she was capable of transporting up to 42 different products between Exxon's Gulf Coast refineries and East Coast terminals. Unique at the time of construction she was fitted with a totally segregated ballast system consisting of select wing and double bottom tanks. This system significantly improved the vessel's ability to avoid pollution incidents. She was the second vessel in the fleet to be equipped with a fuel efficient slow speed diesel engine, waste heat boiler and self polishing hull coatings. The complexity of the cargo and engineering systems were a challenge for fleet personnel above and below decks and the vessel served as a training ground for many individuals. The camaraderie shared and friendships developed aboard remain strong today.

## Ship reports

### S/R American Progress

The AP continues on the regular run between Valdez and the Puget Sound. AB Wen Shie Tai filling in as Ship Representative and reports everything running OK now, after a small issue with the master not paying all meals that were due to reliefs traveling to paid leave. Apparently, he was unaware the membership had ratified a new contract in August. Vice President of Operations, Jon Evans joined the vessel on November 11 in Valdez to ride the ship south and get acquainted with the vessel and crew.

### Kodiak

Vessel continues with discharges in the SF Bay area. Regular Ship Representative Tim Williams on board and had to deal with some minor issues and questions that were promptly taken care of. Looks like the vessel's next trip south will be the Puget Sound area and after that it appears the vessel will continue to alternate between California and Washington for discharges.

### S/R Long Beach

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

### Sierra

The *Sierra* arrived to Valdez on November 7 where it spent a day at the city dock before shifting to VMT to load crude for delivery at Chevron Richmond. Board Member at Large, John McCarthy is aboard and reported in frequently while the vessel was in route. Regular ship Representative Thor Floreen will join the vessel in San Francisco. No issues or problems reported.

### S/R Wilmington

This will be the last official report for the *Willy*. By the time you receive this paper, the vessel will be in Brownsville, Texas, at its last resting place being recycled (see article). The last crew left the vessel on November 2, 2011. Farwell *SR Wilmington* from the ESU membership.

## EXXON SEAMEN'S UNION

Founded March 28, 1941

Affiliated with the Sailors' Union of the Pacific

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Board Member at Large John McCarthy

Deck Trustee TBN

Engine Trustee William Ackley

Steward Trustee Kurt Kreick

## Sea Star Line agrees to \$14 million fine in Puerto Rico price-fixing case

U.S.-flag Sea Star Line has pled guilty to felony price-fixing in the Puerto Rico trade, the Department of Justice confirmed on November 18.

Sea Star will pay a fine of \$14.2 million after admitting its participation in a conspiracy to fix rates and surcharges in the U.S./Puerto Rico route from May 2002 to April 2008. Horizon Lines previously pleaded guilty to a similar charge and had its fine reduced from \$45 million to \$15 million because the Justice Department determined that the higher fine would bankrupt the company.

The Justice Department also announced that "a federal grand jury in San Juan returned an indictment against Frank Peake, the former president of Sea Star, for his role in the same conspiracy". As previously reported in the *West Coast Sailors*, five former executives of Horizon and Sea Star are already serving a collective sentence of more than 11 years for their roles in the price-fixing scheme.

The Justice Department prosecutions, together with civil suits, have raised fears in Puerto Rico's shipping community about its future Jones Act service from the U.S. mainland. The financial impact to Horizon was partly responsible for its recent out-of-court restructuring.

Horizon's financial condition remains tenuous. A second Puerto Rico carrier, Trailer Bridge, filed for Chapter 11 bankruptcy protection this month. It remains unknown whether Crowley, the fourth Jones Act carrier serving Puerto Rico, will be charged.

Prosecutors launched the price-fixing probe into the Puerto Rico trade in April 2008, and started investigating a selected set of companies active in the business. The Sea Star felony charge says the com-

pany "engaged in a conspiracy to fix rates and surcharges for water transportation of freight between the continental U.S. and Puerto Rico from as early as May 2002, until at least April 2008".

A Department of Justice statement said, "Sea Star, Mr. Peake and coconspirators carried out the conspiracy by agreeing during meetings and communications to allocate customers of Puerto Rico freight services and to rig bids and fix the rates and surcharges to be charged to purchasers". The defendants also are said to have "engaged in meetings for the purpose of monitoring and enforcing adherence to the agreed-upon rates and sold Puerto Rico freight services at collusive and non-competitive rates".

## Ferry passenger dies escaping Red Sea fire

Rescuers saved more than 1,200 passengers from the burning Egyptian ferry *Pella* in the Red Sea on November 2, but a Jordanian passenger was killed after jumping into the sea to escape the flames.

The fire broke out as the ferry was 15 nautical miles from Aqaba, Jordan, Egyptian sources said. The *Pella* had been headed for Nuweiba, Egypt.

As the blaze erupted, passengers were ordered into safety vessels, then a tug and a second ferry were sent from Nuweiba, according to maritime sources.

In 2006, more than 1,000 people were killed when the Egyptian ferry *Al Salam Boccaccio 98* capsized in the Red Sea after an engine fire.

## Cannon raised from Blackbeard's pirate ship

U.S. archeologists raised another cannon from the shipwreck of legendary pirate Blackbeard's ship, *Queen Anne's Revenge*, off the North Carolina coast last month, making it the 13<sup>th</sup> cannon to be raised amid over 280,000 artifacts pulled from the site over the past 14 years. The cannon dubbed by researchers as the "Baby Ruth" measures out at 8-feet long and is the 13<sup>th</sup> out of 25 found aboard the *Revenge* since the wreck's discovery in 1997.

The big question the North Carolina Department of Cultural Resources wanted to know was: *is this thing loaded?* Four cannons retrieved and cleaned by archeologists have proven to be loaded and ready for firing. The teams will uncover its secrets only after they laboriously remove concretion (cement-like shell of sand, salt and sea life) from the outside of the weapons which could take up to five years.

The *Queen Anne's Revenge* has been sitting just two miles off the coast of North Carolina's Atlantic Beach, under a veil of 25-foot of water, since Blackbeard left the ship in the summer of 1718. Fay Mitchell of North Carolina Department of Cultural Resources believes that Blackbeard and his 300-400 strong crewmen intentionally ran the ship aground. *Queen Anne's Revenge* was originally a French slave vessel in 1717 until Blackbeard and company captured and renamed the ship.

Project director, March Wilde-Ramsing, said that these finds are like Christmas to the archeologists working on the site throughout this fall. Other than the arsenal of cannons, teams have also retrieved shackles, bar shot, crystal stemware fragments, and various artifacts linked to the ship's rigging. So far, about 50% of the site has been excavated and researched at the Queen Anne's Revenge Conservation Lab at East Carolina University. The team hopes to conclude excavation at the site by 2013.



Drawing by Charles Johnson in 1736 of Captain Blackbeard

## Welfare Notes

November 2011

### INITIAL ACTIVE ELIGIBILITY & COVERAGE

Active members become eligible for coverage in the month after they complete 120 mandays within a 12-month period. Once a member becomes eligible, the member must enroll in a plan for coverage. The medical and dental plan choices are dependent upon your residence or the port from which you ship.

### CONTINUING ELIGIBILITY & COVERAGE FOR ACTIVE PARTICIPANTS

After initial eligibility requirements have been met, continuing coverage requires the participant to work at least 60 mandays within the eligibility period earned. Depending upon the months in which those 60 days are worked, the beginning and ending months for the new eligibility period will vary because continuing coverage is based on a "rolling" eligibility period. The new eligibility period starts in the month following the 60<sup>th</sup> day worked. As an example, if a member with an initial Group One eligibility period January 1, 2011 through December 31, 2011 ships 60 Group One days in June and July 2011, the new Group One eligibility period and coverage earned would be August 1, 2011 through July 31, 2012.

In another example, if a member initially earns Group Two eligibility for the period January 1, 2011 through June 30, 2011 and subsequently works 60 days in March and April 2011, the new Group Two eligibility period and coverage earned would be May 1, 2011 through October 31, 2011. Each time another 60 Group Two days is worked, a new rolling eligibility period begins in the month following the 60<sup>th</sup> day worked.

Group One Mandays can count for Group One, Group Two, or Group Three eligibility. Group Two Mandays can count for Group Two or Group Three eligibility. Group Three Mandays can count only for Group Three eligibility.

Group One eligibility is good for 12 months of member and dependent coverage. Group Two eligibility is good for 6 months of member and dependent coverage. Group Three eligibility is good for 6 months of member only coverage.

To reestablish eligibility that has lapsed due to insufficient qualifying mandays, 120 qualifying mandays must be worked in the appropriate Group or Groups in a consecutive 12-month period beginning after eligibility lapsed. Please contact the SUP Welfare Plan Office for any eligibility or benefit coverage questions.

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## Britain announces lifting of armed guards ban

British Prime Minister David Cameron announced earlier this month that his country will lift a ban prohibiting armed guards on British major shipping fleets. The decision to beef up their vessels against piracy attacks is in response to growing piracy concerns.

Britain was one of only a few countries left that had banned the use of such arms on their vessels, along with Japan, Greece, and the Netherlands. However, with the increase of piracy attacks and a more stringent global stance to combat it, Cameron told the BBC that Britain now plans to license guards to carry firearms on ships while traveling in the notoriously dangerous waters of the Indian Ocean. Under the new plan, the British Home Secretary will be able to license certain vessels to carry armed security and automatic weapons in danger zones, which is currently prohibited by firearm laws in the country.

Cameron said that evidence has proven that ships with armed guards either don't get attacked, or don't get taken hostage for ransom. He stated that the fact that these pirates are managing to hold shipping companies all over the world by their throats for steep ransom payments is an insult to the trading system.

The decision was unveiled after a Commonwealth summit in Australia where leaders from countries along the Horn of Africa countries discussed the escalating problem off their shores. In addition to loosening firearms regulations, Britain's Treasury is also working to support Kenya's initiative towards seizing pirate assets.

Despite the tough new stance from Britain, officials from the International Chamber of Shipping (ICS), which represents 80% of the worldwide merchant fleet say that armed guards are only at best a short-term measure that has the potential to make pirate attacks even more violent. The ICS stresses that long-term measures to combat piracy are still needed.



# USCG reauthorization bill passes House

The House of Representatives passed H.R. 2838, The Coast Guard and Maritime Transportation Act of 2011, by voice vote on November 5.

The bill is a reauthorization of the U.S. Coast Guard (USCG) for fiscal years 2012 through 2014, which also includes reforms to help ensure the USCG can utilize their resources more efficiently while replacing its aging assets.

The legislation was first introduced in the House by Coast Guard Subcommittee Chairman Frank A. LoBiondo (R-New Jersey) and was cosponsored by Transportation Committee Chairman John L. Mica (R-Florida). The bill provides money for a service strength of 47,000 active duty personnel and authorizes \$8.49 billion for the USCG for fiscal year 2012, \$8.6 billion for fiscal year 2013, and \$8.7 billion for fiscal year 2014. The bill passed through the House Transportation Committee back on September 8, 2011.

The bill includes provisions that will put the Coast Guard and its personnel on equal footing within the Department of Defense (DOD). Parity among the uniformed services has been a top priority of the Committee and this bill makes significant progress towards aligning the Coast Guard's authorities with those granted to DOD. The bill also contains a title intended to reform and improve Coast Guard administration. It also includes several provisions to improve the safety and efficiency of the maritime transportation system, as well as to protect and grow maritime related jobs.

Also included in the legislation are provisions that set a nationwide standard for the treatment of ballast water that remedies the current patchwork of varying and inconsistent ballast water regulations across states. Currently the Coast Guard and the Environmental Protection Agency (EPA) have developed separate regulations under two different federal laws to govern the discharge of ballast water. The EPA's ballast water program under the Clean Water Act currently allows each individual state to implement their own requirements regarding the treatment of ballast water which is usually more stringent than federal regulations. Twenty-nine states and tribes have created their own ballast water rules to date, making it difficult for businesses which are required to follow the multitude of state laws which in some cases conflict with each other.

"Under current law, both the Coast Guard and EPA regulate ballast water, while every state and tribe is allowed to add their own requirements to those regulations," said LoBiondo. "As a result, ships engaged in interstate and international commerce must comply with two federal standards, as well as 29 differing state and tribal ballast water standards, many of which are contradictory and technologically unachievable."

"The current system is simply impossible. It threatens our international maritime trade. It is driving industry away from coastwise trade. It is undermining our attempts to revitalize the U.S.-flagged fleet. It is destroying jobs and it is hurting our economy. This legislation eliminates this ridiculous regulatory regime and establishes a single, uniform national standard that is based on the most effective technology currently available. The EPA must update the standard on a regular basis or at the request of a state," LoBiondo continued.

In addition, the bill strengthens existing authorities against the threat of piracy, as well as improves an existing training program to instruct mariners on acceptable use of force against pirates. It authorizes armed security on vessels carrying government impelled cargo through high risk waters and includes a report on ways to improve U.S. efforts to track ransom payments and the movement of money through Somali piracy networks.

"Somali pirates have vastly expanded the range of their attacks on merchant vessels. But even more alarming, the pirates have dramatically increased the number and viciousness of their attacks in recent months," said LoBiondo. "To protect American seafarers, this legislation will strengthen an existing training program on use of force against pirates. Additionally, it will provide authority for government agencies to reimburse shippers for armed security aboard vessels carrying U.S. aid to the region."

The bill includes an amendment that will increase government transparency surrounding the issuance of waivers allowing non-Jones Act-qualified vessels to carry cargo between U.S. ports. It is nearly identical to the American Mariners Job Protection Act (H.R. 3202), a bill that was introduced by Representatives Jeff Landry (R-Louisiana) and Elijah Cummings (D-Maryland) earlier this year.

Under current law, when the head of the agency responsible for the administration of the Jones Act believes it necessary to waive the Act's requirements in the interest of national defense, the agency must request the Maritime Administration to assess whether Jones Act-qualified vessels are available to carry the cargo under consideration.

"Americans are desperate for jobs," said Cummings. "In this time of economic turmoil, we owe it to the people we represent to make full use of American maritime capabilities by adhering firmly to the Jones Act. Every single ship that can carry cargo under the Jones Act should be full and every American mariner should be able to work a fair day's work for a fair paycheck."

The Cummings-Landry amendment will require the Maritime Administration to include in such assessments information on the actions that could be taken to enable Jones Act-qualified vessels to carry the cargo for which the Jones Act waiver is sought. The Maritime Administration would also be required to publish its determinations on its website. The amendment would require notification to be provided to Congress when a waiver is requested or issued.

# Proposed ban on U.S. lawsuits by foreign mariners in passenger ships sparks outrage

A draft provision in upcoming legislation that would bar non-U.S. citizen crew on foreign-flag passenger vessels from seeking damages for injury or death in U.S. courts has sparked outrage among seafarer rights advocates. Other legal experts are bemused that the provision—whose main effect will be on cruise line employees—sets a different standard for this category of mariners as compared with crewmembers on cargo ships or container ships, or any other merchant vessel.

The House of Representatives' version of the new U.S. Coast Guard Authorization Act contains a section that stipulates that a seafarer who is not a U.S. national or permanent resident, and who suffers injury or death outside U.S. territorial waters, be prohibited from bringing a damages lawsuit before a U.S. court, so long as the mariner has a right to seek compensation under the laws of his homeland or in the ship's flag state.

The Senate version of the USCG Authorization Act does not contain this provision. Experts said the Democratic-controlled Senate is not expected to vote on its own bill until next year, and questioned whether such a provision would find favor with the Democratic majority.

The House provision would benefit top cruise lines, which are based in the U.S. and carry a predominantly American base of passengers, but whose ships are foreign-flagged and employ mainly foreign crew.

Cruise lines are known to be guarded about multimillion dollar lawsuits brought by injured crew, often aided by trial lawyers in the United States. However, legally awarded damages in many foreign jurisdictions are derisory or nonexistent, and experts have called for a balance to be struck between the cruise lines' concerns and the traditional protection the U.S. court system offers foreign crew.

Seafarer rights advocates said the proposed law up-ends this balance. "This section raises grave concerns for the well-being of the tens of thousands of migrant seafarers who serve, clean for and entertain American cruise line passengers," said the Rev. Sinclair Oubre, diocesan director of the Apostleship of the Sea of the USA, the Roman Catholic ministry to mariners. "It is impossible to imagine that these poor workers from China, Myanmar or Russia will be able to travel to a flag state like Liberia, and file their claim for an injury. If this legislation becomes law, the U.S. government will be telling these thousands of men and women, 'We want your labor, but we do not want to deal with any of the hazards of your work'."

Miami attorney Ross Toyne added: "I am aghast that American lawmakers have specifically identified 'foreigners' in a draft law and told them that they do not belong in an American court. I have not seen this in any other statute."

Maritime regulatory consultant Dennis Bryant was more intrigued by the apparent differentiation the section makes between cruise line employees and other mariners. "What I find curious is how seafarers performing many of the same functions, but only on a different kind of ship, could still seek legal redress in the U.S. court for the same kind of injuries, but those on passenger vessels would not be able to do so," said Bryant.

# TransPacific container lines take emergency action to halt drop in freight rates

Fifteen of the world's largest container lines are taking emergency action to halt mounting losses on the TransPacific trades. Members of the TransPacific Stabilization Agreement (TSA) plan to each raise freight rates by \$400 per 40 foot container at the start of 2012. This will be a stop-gap measure ahead of the usual round of annual contract negotiations that typically takes place in March and April ahead of the May 1 start for most 12-month contracts.

The TSA said each member would individually lift all-in rates "as an interim step prior to rolling out the agreement's customary annual service contracting guidelines". The recommended increases apply to all shipments moving under individual carrier tariffs, as well as service contract cargo in all commodity segments where volume commitments have been met and/or contract provisions permit.

Eastbound TransPacific spot rates are about 30% lower than a year ago, with Drewry's latest Hong Kong-Los Angeles benchmark down to \$1,521 per feu the second week of November from \$2,170 in November 2010. The traditional peak season was both brief and weak, and several smaller carriers have been forced to withdraw from the trade or cut some services, including Horizon Lines, Matson's foreign-flag fleet, Grand China Shipping and, earlier in the year, the Containership Company.

Unless the big carriers can restore spot and contract rates, they will be in a very weak bargaining position at the start of the 2012-2013 negotiating season. TSA lines, including Maersk, Mediterranean Shipping, APL and Hanjin Shipping said that rather than adopt a single formal guideline increase, they will pursue various approaches to interim cost recovery and revenue restoration, "whether in the form of across-the-board general rate increases, peak season surcharges and other mechanisms, depending on each carrier's unique situation". In all cases, they said the objective is to meet expected cargo demand growth and begin reversing 2011 revenue losses resulting from slower-than-expected demand, ongoing market uncertainty and the impact of short-term concessionary rates bleeding into 12-month 2011 service contracts.

**SUPPORT THE SUP  
POLITICAL FUND**



# SUP President's Report

November 14, 2011

## GUAM

Horizon Lines announced on October 24, that it was discontinuing its five ship, U.S.-flag service from the West Coast to Guam and China. The last eastbound Horizon vessel sailed Shanghai on November 2, with westbound service to China via Guam ending with a November 10 sailing from the West Coast. All five 2,800 teu vessels, chartered from Ship Finance International through 2018-2019 for \$32 million per year, will be laid up.

The cessation of Horizon Line's Guam service leaves SUP-contracted Matson Navigation Company as the only U.S.-flag liner company to call that island territory.

In the wake of the Horizon announcement, Matson has mobilized its sales force to contact Horizon's customers and has stated that it currently has sufficient vessel capacity to pick up the slack. However, it should be noted that the *Kauai* and *Lihue* are in lay-up and the *Lurline* and *Matsonia* were in lay-up prior to being broken out to relieve C-9 Class vessels for drydocking and are scheduled to return to lay-up once that process is completed.

The continued viability of Horizon Lines remains murky at best. Already deeply in debt, the company will suffer a pre-tax restructuring charge of \$105-\$110 million in the fourth quarter of 2011 related to the Guam service cancellation. That service has lost \$43.7 million since the beginning of the year. The company said it will continue to operate in the Hawai'i, Alaska and Puerto Rico trades with steamships built between 1968 and 1980.

In other Matson news, the company announced the retirement of Tom Percival and the promotion of Dale MacGillivray to Manager of Offshore Labor Relations and Contract Administration. Ms. MacGillivray will be the primary point of contact to handle day-to-day labor relations issues. In addition, Danny Defanti has been promoted to Manager of Offshore Labor Relations and Contract Analysis. Both MacGillivray and Defanti will report to Jack Sullivan, Vice President of Vessel Operations and Offshore Labor Relations.

## EXPLODING REEFER CONTAINERS

Recently there have been isolated incidents of refrigerated containers that were serviced in Vietnam exploding. Whether these incidents happened at sea or ashore has not been ascertained. MFOW President Anthony Poplawski gave a comprehensive report on the issue to the MFOW membership on November 7. That report, in full, follows:

"On October 18, representatives from Maersk Line informed the World Shipping Council's Safe Transport of Containers Working Group that it had recently experienced three cases in which refrigeration units had exploded for no apparent reason. Maersk ascertained that all three refrigeration units received refrigerant system repairs in Vietnam between late March and late April and advised other shipping lines to identify and investigate refrigeration units that had undergone similar repairs or maintenance in Vietnam.

The major reefer container machinery brands - Carrier, Daikin, Thermo King and Star Cool - are potentially affected by what is suspected to be the introduction of contaminated or otherwise unsuitable refrigerant gas into the system. This causes a chemical reaction when it comes into contact with R-134a, oil or air, creating a flammable and/or explosive mixture. At least two Carrier and one Star Cool unit were reported to have suffered compressor ruptures in separate incidents in Brazil, China and Vietnam, while refrigerant gas from a Daikin unit was said to have spontaneously combusted when exposed to air.

On October 21, Carrier Transcold, the world's biggest reefer container machinery manufacturer, sent an urgent safety bulletin to all its authorized service centers reporting that four reefer units were known to have experienced compressor ruptures. Carrier said Maersk, CMA CGM, Hapag-Lloyd and other shipping companies had identified at least 900 refrigeration units that

they suspect may contain contaminated refrigerant and have quarantined those units. As part of the quarantine, Maersk has given instructions to cross stuff -cargo where possible, unplug the suspect reefers and store them in an isolated location with the machinery units facing away from people or traffic or stacked with the units facing each other.

Carrier advised its service centers to contact reefer customers and request that they immediately implement a reefer quarantine policy that follows the Maersk guidelines for units that have had refrigeration system work performed in Vietnam during 2011. It was also recommended that no work be carried out on any reefer unit until the reefer owner or lessee could provide service records verifying that the reefer did not have any refrigeration system service work completed in Vietnam during 2011.

On October 21, APL circulated a reefer containment and preventive measures bulletin to its maintenance and repair team worldwide. Based on the World Shipping Council and Carrier Transcold suggestions, APL issued the following directives:

1. Continue pre-trip inspections in Vietnam, but no system repair work until further notice.
2. Reposition Vietnam containers that need system repair work to Kaohsiung.
3. Isolate reefer units with system repairs that had been moved out of Vietnam.
4. Deadline 103 reefer units that had been identified as having system repairs done in Vietnam, including turning off the main power breaker and removal of the power plug.

On October 22, Matson Navigation Company sent a memo to all vessel chief engineers and masters concerning non-Matson owned or leased reefers, live or empty, aboard vessels. The memo stated that ship's personnel were not to attempt maintenance or repairs on the units, unless they had received confirmation that the unit had not been to Vietnam in 2011. Personnel were directed not to plug in any empty Vietnam-serviced reefers and to unplug any live Vietnam-serviced reefers.

Prompted by an inquiry from the reefer engineer aboard the *SS Maui*, on November 2, Matson notified the fleet that they had stopped loading any reefers on ships that had not been vetted and confirmed as being safe.

Both APL and Matson took immediate action to mitigate problems with Vietnam-serviced reefers, and appear to be actively addressing the situation. There have been several safety-related ILWU work stoppages at terminals in Seattle, Tacoma and Oakland, due to terminal operators not providing adequate maintenance and repair documentation of reefer units."

## SCHWAB STABLE VALUE FUND

On November 8, Charles Schwab notified the Trustees of the SUP Money Purchase Pension Plan, the SUP 401(k) Plan, through The Standard, and the Trustees of the San Francisco Bar Pilots Marine Employee Savings Plan Trust, that it is unilaterally terminating its Stable Value Fund effective April 30, 2012.

The reasons given included the current low interest rate environment, unspecified actions by the Federal Reserve Bank, uncertainty and risk in the fixed income markets due to the European debt crisis and the high cost of running stable value funds. As the membership will recall, the Bank of America Stable Value Fund was terminated in August of this year for many of the same reasons and those funds transferred to Schwab.

The instability of the stable value funds is of concern to the Trustees of the SUP Plans and Bar Pilot's Plan because a large percentage of participants with holdings in the stable value funds and the long history of stable value funds among participant investment options.

SUP Plan Administrator, Michelle Chang, has requested The Standard to provide a list of alternative funds for trustee review. The San Francisco Bar Pilot's Trustees have also made the same request to Charles Schwab.

Schwab and The Standard has prepared a notification to participants explaining why the Stable Value Fund is being terminated. That notification will be mailed by the end of the month.

## CHEVRON SHIPPING COMPANY

In accordance with the collective bargaining agreement with Chevron, notified the company on November 4 of the Union's desire to negotiate a new agreement. The current contract expires on January 31, 2012.

Anticipate that bargaining will begin next month.

## AMERICA'S CUP

As reported for over a year, the SUP, MFOW, IBU, MM&P and MEBA have been involved in drafting legislation to protect American cabotage laws for the 34<sup>th</sup> America's Cup to be held in San Francisco in 2013.

In September (see the September issue of the *West Coast Sailors*), reported that the parties involved including representatives from Congresswoman Nancy Pelosi's office, San Francisco City Attorney Dennis Herrera's office and representatives from the City of San Francisco and the Port of San Francisco had reached agreement on legislation for the event.

Accordingly, on October 20, Senator Dianne Feinstein (D-California) introduced the "America's Cup Act of 2011" (S.1759). The language in the bill was exactly what the Unions and the other parties agreed to, but included language granting waivers to three foreign-flag Liquid Natural Gas (LNG) vessels, added by Senator Pat Toomey (R-Pennsylvania). The legislation passed the Senate unanimously on November 2.

A companion bill (H.R. 3321) introduced in the House of Representatives by Congressman Wally Herger (R-California) had the same language as the Feinstein bill except that Republicans tacked on several more Jones Act waivers. That bill passed the House on November 4.

How the House and Senate bills and the Jones Act waivers will be reconciled is unclear at this time. But clearly the America's Cup legislation appears to have been hijacked by anti-cabotage interests.

## SUP CONSTITUTION

New SUP Constitution booklets, incorporating amendments made since 2000, are available at all SUP halls.

## HOLIDAY BENEFIT

For the 22<sup>nd</sup> 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 Plan.

The following are the dates and times of the benefit:

Seattle: Saturday, December 10, from 11:00 A.M. to 2:00 P.M. at the Union hall.

Honolulu: Sunday, December 11, from 11:00 A.M. to 2:00 P.M. at the Union hall.

San Francisco: Friday, December 16, from 11:30 A.M. to 2:30 P.M. at SUP Headquarters.

Wilmington: Saturday, December 17, from 11:30 A.M. to 3:00 P.M. at the Union hall.

## HOLIDAYS

### Thanksgiving Day

All SUP halls will be closed on Thursday, November 24, in observance of Thanksgiving.

### Christmas Day

Since Christmas falls on a Sunday this year, all SUP halls will be closed on Monday, December 26.

### New Year's Day

Since New Year's also falls on a Sunday, all SUP halls will be closed on Monday, January 2, 2012.

## ACTION TAKEN

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

Gunnar Lundeberg

## Seventh pirate sentenced for *Quest* attack

Yemeni national Mounir Ali was sentenced in a United States Federal Court in Norfolk, Virginia, to life in prison for his role in the piracy of the *S/V Quest*, which resulted in the murder of four U.S. citizens. Ali had previously pled guilty to the charges of piracy on July 7, of this year.

"Despite being a victim of piracy himself, Ali voluntarily joined his captors to attack and hold four Americans hostage for ransom," said U.S. Attorney Neil H. MacBride. "The greed for ransom money ultimately led to the cold-blooded murder of the hostages. Pirates who attack U.S. citizens on the high seas, whether successful or not, whether violent or not, must get the message that they will face lifelong consequences for their actions."

"Even after being victimized by piracy himself, Ali couldn't resist the temptation to plunder another ship in search of a cash payout," said FBI Assistant Director in Charge Janice K. Fedarczyk. "That selfish act resulted in the death of four Americans. Piracy is a scourge on our seas, disrupting trade and threatening Americans' lives. The FBI will continue to do all in its power to maintain the rule of law and protect our citizens, wherever they may be."

According to court documents, Ali is one of 14 defendants charged together with the piracy of the *S/V Quest* in February 2011. Ali was part of the crew of another boat that was hijacked by a separate group of pirates some months earlier and had been taken on at least two piracy outings in his captured ship.

On the second outing, Ali was with other pirates when the Yemeni fishing boat, used as a mother ship for the *Quest* hijacking, was captured. Ali transferred to the Yemeni fishing boat and then chose to go with the pirates when they located the *Quest* in exchange for a share of the ransom. Ali is the seventh defendant to be sentenced of the 11 who have pled guilty to offenses related to the *Quest* piracy.

"Corporation: an ingenious device for obtaining individual profit without individual responsibility."

Ambrose Bierce, *The Devil's Dictionary*, 1906

## MarAd needs new leadership

continued from page 1

deliver vital materiel to our armed forces."

As Tony Munoz, Editor-In-Chief of *The Maritime Executive* magazine and *MarEx Newsletter* wrote on November 14:

"The 'report' has brought nothing new to light, and it has taken a year and thousands of dollars to produce. The non-competitiveness of the U.S. Merchant Marine in foreign trade is the result of congressional complacency toward the maritime sector over many decades and foreign shipping agendas being pushed on the Hill by lobbyists. While *laissez-faire* government policies have dominated U.S. maritime affairs since the 1980s, all other modes of surface transportation have received robust subsidies, bailouts and infrastructure funding. For DOT and MarAd to produce a report of this nature, which recommends the U.S. Coast Guard allow third-world mariner standards to become the norm in the U.S. maritime industry, is not only disingenuous but demonstrates a lack of leadership.

As the U.S. Armed Forces expedition in the Middle East ends, future prospects of transporting military cargoes by the U.S. Merchant Marine will certainly be limited. However, with that said, there are still tremendous amounts of cargo volumes available for transport by the U.S. Merchant Marine in U.S. Food Aid programs and cargo preference from the Ex-Im Bank and other federal agencies including the Department of Energy.

This nation hands out over \$170 billion annually to aid U.S. corporations in their international export endeavors and gives them another \$1.3 billion in tax breaks on foreign revenues earned. The agricultural industry gets \$790 million in subsidies for foreign sales, and another \$300 million goes to assist foreign purchasers of U.S. agricultural products. U.S. arms manufacturers get \$10 billion in annual subsidies just for foreign sales programs. And a final point on the Ex-Im Bank: It currently has a \$100 billion lending cap, but there is a push on Capitol Hill to increase its cap to \$200 billion by 2015.

So with billions of dollars 'given' each year to U.S. corporations and agricultural and munitions industries to trade in international markets, it is ludicrous and demeaning for Congress, DOT and MarAd to insist that U.S. mariners lower their training and living standards. The federal government should be providing tax incentives and subsidies to U.S.-flag operators like it does for the aforementioned industries and assist the flag lines of this nation to prosper and become the envy and professional standard of the world. It is time to rebuild America and create jobs. It is not time to become a third-world maritime nation like Senator McCain and his contingent would make us."

In addition to calling for Matsuda's removal, Munoz says the "agency needs a deputy administrator and a deputy associate needs to be appointed immediately to oversee the cargo preference department."

Munoz added, "It is imperative that DOT Secretary LaHood include the maritime sector as a vital component of the surface transportation budget. For the maritime sector to get ZERO support beyond MSP needs to end now. The United States has the largest economy in the world, and for its flag line to be treated as a third-world carrier is unconscionable. This was once the greatest maritime nation on the planet, and there is no reason the current course to futility cannot be corrected with the right leadership."

## Vice President's Report

November 2011

**Lurline:** Chris Bujnowski, delegate. Clean payoff of shakedown cruise after long layup. Remoni Tufono is the bosun with a solid gang. Phil Coulter is Ordinary Seaman. Clarification on call-out duties.

**Maui:** Duke Maringer, delegate. In at Oakland with no problems. Knud Rasmussen is the bosun.

**APL Singapore:** Kris Skorodynski, delegate. Overhead panel repair and replacement payable as carpenter time, i.e., low cargo on straight time and overtime on overtime hours. Short-handed rate payable under Section 7(g) of the SUP Work Rules for sailors covering the missing man's watch or part thereof.

**APL Japan:** Tim Benton, delegate. Between Norfolk and Singapore eastbound and Colombo and New York westbound the one-man watch remains in effect in port and at sea. Clarification on gangway watch.

**APL Korea:** Teo Rojas was relieved by Liam Casement as delegate. Crew gets to choose the delegate by election. Ship added extra call in China and Yokohama. Rumors of 42 day trips being investigated.

**APL Agate:** Dave Rowland relieved by Gabe Moreno as delegate. Replacement lashings are not "original" lashings under Section 19(h) and therefore not payable at the cargo rate. One-man watch maintained between Norfolk and Singapore on the eastbound leg and between Colombo and New York on the westbound leg, even if a dayman is temporarily assigned to a watch.

**APL Thailand:** Joe Moniz, delegate. Cleaning the longshore head is payable at the low cargo rate of pay on straight time hours and overtime on overtime hours. Clean ship.

**Oregon Voyager:** Mikaela Carnes, delegate. Discussion on proposals for negotiations. Outside the breakwater in Long Beach is considered an open roadstead despite regular launch service.

**Florida Voyager:** Franklin Dyer, delegate. In good shape in Richmond before sailing for Willbridge near Portland. Several members with training and dues questions resolved. Full review of bargaining schedule and issues. John Svane is the bosun.

**California Voyager:** Bryan Short, delegate. Long meeting with the gang on negotiations, riding gang, and many other matters. Backhaul of urea from the Gulf discharged in Stockton. Loaded lubes at RLW and headed for the Panama Canal.

Dave Connolly



Bosun Robert Greene and AB Tom Koppel pause for the camera at the APL steam rack in Oakland this month. Photo: Dave Connolly

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# SUP Branch Reports

## Seattle

October 17, 2011

Shipped during the period: 1 Boatswain job shipped and filled with an A-member; 9 Able Seaman jobs were taken by 4 A's, 1 B, and 4 C's. 3 Ordinary Seaman jobs went to 2 C, and 1 D. And 13 standbys went to 10 B, 1 C and 2 D-registrants.

Registered: 9 A cards for a total of 30; 9 B cards for a total of 31; and 7 C cards for a total of 13.

### Ships Checked

Matson vessels *M/V Manoa* and *SS Maui* in twice with little or no problems. In the *Manoa* Boatswain Frank Portanier handed the "marlin spike" over to Don Bohle who now leads as the "snapper" continuing in full SUP style. We are sorry to hear Steve Huggins was taken off in Honolulu with kidney stones. By all accounts Steve is a steady sailor and good shipmate. We wish him a speedy recovery. The APL ship *President Polk* called in New York with Robert Jones as serang and running a very smooth ship. Patriot vessels *USNS Yano*, *USNS Gordon* and *USNS Martin* all called for sailors.

I represented the SUP/MFU at the following meetings: the Washington State Labor Council Political Action Committee meeting; the King County Labor Council meetings; the Puget Sound Harbor Safety Committee meeting; the Alaska Way Viaduct Replacement Committee meeting; the Seattle Marine Business Coalition meeting.

I was invited to a meeting with ILWU Local 19's Executive Board and the Inlandboatman's Union, represented by IBU National Secretary/Treasurer Terri Mast with the Port of Seattle on Industrial lands issues and Union jurisdictional issues. Both the ILWU and IBU will fully protect their traditional work in Seattle's mega "Tunnel" project. The digging spoils will go on to the docks and into tug and barges, loaded and manned by our sisters and brothers in the ILWU and IBU.

MEBA Seattle Branch Agent David Nashif and I met with U.S. Congresswoman Jamie Herrera-Buetler (R-Washington) in Vancouver, in a maritime round table event hosted by Rich Berkowitz of the Transportation Institute. Many of Washington State's maritime business leaders attended as we brought forward the importance of the Jones Act, the Maritime Security Program, the Harbor Maintenance Tax, and trade between Alaska and Washington. Shortly after our meeting Congresswoman Herrera-Buetler signed on to HR 104, the RAMP Act to ensure that the Harbor Maintenance Trust Fund is used for harbor maintenance programs. This is a position that IBU National President Alan Cote firmly demands in any meetings with federal legislators.

Vince O'Halloran, Branch Agent

## SUP members join pension ranks

The following SUP members joined the rank of pensioner, bringing the total number of SUP members to 475:

**Cordell Bendeck**, 71, Book No. 5740, joined SUP in 1998, 7 year seatime.

**Edgardo Franco**, 73, Book No. 18248, joined SUP in 1994, 12 years seatime.

**Peter Villanueva**, 77, Book No. 857, joined SUP in 1962, 45 years seatime.

## Wilmington

October 17, 2011

Shipping for the period: Bosun: 1; AB: 16; AB Maint.: 7; STOS: 2; and Standby: 60, for a total of 86 jobs shipped.

Registration: A: 29; B: 21; C: 10; and D: 8.

### Ships Checked

*Manukai*, *APL Thailand*, *Mokihana*, *Manulani*, *APL China*, *Mahimahi*, *Maunawili*, *APL Philippines* (food beefs), *Matsonia*, *Maunalei*, *APL Singapore*, *R.J. Pfeiffer*, and *APL Korea* (mate needs charm school).

On September 20, attended American Merchant Marine Veterans Memorial lunch and meeting. On October 6, the last Harbor Day Coalition Meeting for 2011 completed the business of this year's Labor Day Parade. The Committee will meet again in the spring.

I was lucky to be trained by Bill Berger the first time I was agent and also lucky to be trained by Vern Johansen the second time. Both have SUP blood running through their veins.

Congratulations to Rodel Hernandez and Mike Bloemhof for getting their AB tickets.

Thanks to all the bosuns and delegates for keeping it SUP style.

Glad to see retirees Duane Nash, Barry Fisher and George Shaffer (who started in 1942).

Mark Hurley, Branch Agent



SUP member Diane Ferrari protesting at Occupy Oakland on November 2 during a labor sponsored cookout. Photo: Dave Connolly.

## SUP Honolulu Agent Mike Dirksen elected Vice President of Hawai'i State AFL-CIO

At the 24th Biennial Convention of the Hawai'i State AFL-CIO held on October 12, in Honolulu, SUP Honolulu Branch Agent Mike Dirksen was elected as one of the 43 Vice Presidents of the Federation. As a Vice President, Brother Dirksen will sit on the organization's Executive Board.

Randy Perreira, from the Hawai'i Government Employees Association (AFSCME Local 153), was re-elected President.

Formed in 1966, the Hawai'i State AFL-CIO is comprised of 72 affiliated Unions and councils.

## Honolulu

October 17, 2011

Shipped the following jobs: 1 AB Day (steady), 2 AB Day (return), 3 AB Watch (steady), and 1 AB Watch (relief). The regular jobs were filled by 3 A cards, 2 B cards, 1 C card and 1 D card.

Also shipped 24 standby jobs. The standby jobs were filled by 4 A cards, 2 B cards, 5 C cards, and 13 D cards.

Registered: 2 A cards, 7 B cards, 5 C cards, and 3 D cards. To date totaled registered: 10 A cards, 10 B cards, 7 C cards and 4 D cards.

### Ships checked

*Manukai*, *Maunawili*, *Maui*, *Lurline*, *Matsonia*, *Manoa*, *Maunalei*, *Mahimahi*, *Manulani*, *RJ Pfeiffer* and the Paint and Rigging gang. All running with few or no beefs.

I represented the SUP at Hawaiian Ports Maritime Council meeting at which U.S. Congresswoman Mazie Hirono was our guest. I also represented the SUP at the Hawaii State AFL-CIO biennial convention where I was elected as one of the Vice Presidents of the Executive Board. (More meetings to go to.)

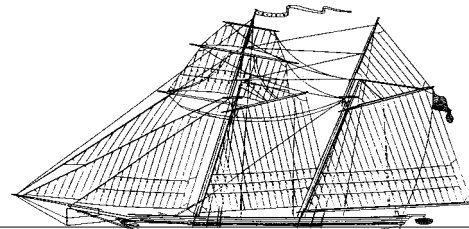
Mahalo,

Michael Dirksen  
Branch Agent

## Dispatcher's Report

Headquarters—Oct. 2011

| Deck                                       |           |
|--|-----------|
| Bosun .....                                | 4         |
| Carpenter .....                            | 0         |
| MM.....                                    | 5         |
| AB .....                                   | 5         |
| OS .....                                   | 2         |
| Standby .....                              | 24        |
| <b>Total Deck Jobs Shipped .....</b>       | <b>40</b> |
| <b>Total Deck B, C, D Shipped.....</b>     | <b>7</b>  |
| Engine/Steward                             |           |
| QMED .....                                 | 0         |
| Pumpman .....                              | 0         |
| Oiler .....                                | 0         |
| Wiper .....                                | 0         |
| Steward .....                              | 0         |
| Cook .....                                 | 0         |
| Messman .....                              | 0         |
| <b>Total E&amp;S Jobs Shipped .....</b>    | <b>0</b>  |
| <b>Total E&amp;S B, C, D Shipped .....</b> | <b>0</b>  |
| <b>Total Jobs Shipped - All Depts. ...</b> | <b>40</b> |
| <b>Total B, C, D Shipped-All Depts. ..</b> | <b>7</b>  |
| <b>Total Registered "A" .....</b>          | <b>25</b> |
| <b>Total Registered "B" .....</b>          | <b>22</b> |
| <b>Total Registered "C" .....</b>          | <b>20</b> |
| <b>Total Registered "D" .....</b>          | <b>33</b> |



## Fleet Management returns to U.S. doghouse

Fleet Management is under fire in the United States for what could be a major breach of its probation following the *Cosco Busan* oil spill.

According to court documents filed this month, auditors inspecting the company's 32,401dwt bulker *Promise 2* in July found "what appears to be a potentially significant" violation of the company's probation.

Hong Kong-based Fleet Management was fined \$10 million in February 2010, and sentenced to three years of probation for its negligence in the 2007 spill, when the container ship *Cosco Busan* struck a pier of the San Francisco-Oakland Bay Bridge in thick fog. That caused an oil spill that extended beyond San Francisco Bay to Pacific beaches in the region.

The probation terms included setting up a compliance program to ensure deck officers are familiar with vessel operations and safety procedures. But auditors found two of three officers responsible for the *Promise 2's* navigation were unfamiliar with rudimentary emergency steering procedures.

The court documents revealed the 2010-built ship had proceeded into Casablanca without first taking a pilot on board at a point designated in the vessel's voyage plan, violating a condition of the compliance program. Auditors also reported that deck officers had "pre-checked" a list of key vessel operations before any work had been performed. "These apparent violations are unfortunately similar to the facts and causes of the *Cosco Busan* casualty," a federal prosecutor stated in one court document.



OS *Jonah Cross* in the *Oregon Voyager* at the Richmond Long Wharf on October 19. Although sailing as an OS, *Jonah* has all the coursework and assessments done for AB and is completing his seatime. Photo: Dave Connolly.