



West Coast Sailors

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Friday, September 22, 2006

Pension benefit increase approved for future retirees Matson scuttles old-timer raise

After four months of contentious meetings, the SUP, MFOW and SIU-Marine Cooks, on September 12, secured a pension increase under the provisions of the collective bargaining agreements with American President Lines and Matson Navigation Company. For those members who retired or will retire on or after July 1, 2006, the benefit will increase by \$120. This will raise the pension benefit from \$1,091 per month to \$1,211 per month.

SUP members employed by Chevron Shipping Company, Foss Maritime and the San Francisco Bar Pilots are also beneficiaries of the increase.

The increase will be applicable on a pro-rata basis to members retiring on or after July 1, who have less than 25 years seetime, are younger than 60, or those who retire due to disability. For a full breakdown of the benefit improvements see page 11.

However, this benefit increase was not what the Unions originally proposed. Unlike most defined benefit pension plans across the country, the SIU-Pacific District Pension Plan is in solid shape. So solid, in fact, that it is approximately 160% funded. Taking this factor into account, but realizing that bargaining for a general increase to cover both

current and future retirees could not occur until negotiations with Matson in 2008, the Unions proposed a \$100 per month benefit increase for future retirees and a \$50 per month increase for current retirees. This proposal was based on the assumption that the employers would do the right thing and accept the proposal that would have cost neither APL or Matson anything.

Regrettably, but not surprisingly, Matson wanted its pound of flesh for the retiree increase: a change in the General Rules that affected all three Unions and conditions aboard ship.

"If the Unions had knuckled under to the Matson gimmick, it would have set a precedent that would have long-term implications," said SUP Secretary Gunnar Lundeberg. "Matson's intransigence will not be forgotten in 2008. With the entire contract open in collective bargaining, we expect a long overdue and sorely needed benefit increase for pensioners."

For more on the pension issue, see Secretary Lundeberg's report on page 10.

APL returns to East Coast

After an absence of 29 years, SUP-contracted American President Lines resumed U.S.-flag liner service to the East Coast with the arrival of the C-10 class vessel *President Adams* at Port Newark Container Terminal, New Jersey, on August 27.

Built in Germany, the *Adams* had been in the trans-Pacific service since she was delivered to the company in 1988. This post-Panamax motor vessel now calls Newark, Norfolk and Charleston then heads east, across the Atlantic through the Suez Canal to Colombo, Sri Lanka, two ports in India then back to the East Coast.

The last APL vessel to call the East Coast on a regular basis was the old C-6 class vessel *President Eisenhower* which departed Port Elizabeth, New Jersey, in September 1977. At that time, APL decided to give up its round-the-world service and Atlantic/Straits service (the Jungle Run) to concentrate its business in the Pacific. However, APL did operate one J-10 class vessel—*America* (ex-*President Hoover*, ex-*Neptune Topaz*)—out of the East and Gulf

Coasts to Europe from June 1999 through January 2001.

The *Presidents Jackson, Polk and Truman*—sisterships to the *Adams*—operate out of Seattle to

East Asia, while the C-11 class containerships *APL China, APL Korea, APL Philippines* and *APL Singapore* call Los Angeles and Oakland before heading west.



SUP members on the stack deck of American President Lines's C-10 containership m/v *President Adams* after arrival at Port Newark, New Jersey Container Terminal. In the back row is AB Harold Uriarte, Riding Gang AB Bill Esselstrom, AB Standby Chris Roblee and AB Standby Joe Nugent. In the front row is AB Frank Rosales, AB Pedro Guerrero, AB and SUP delegate Bert Genita, Riding Gang Bosun Norm Christianson, AB Julian Torre and Ship's Bosun Bob Burns. Brothers Christianson and Esselstrom who rode the vessel from Singapore as "riding gang" sailors accomplished shipyard quality work under the recently ratified riding gang agreement with APL. See page 4.

Bob McEllrath elected ILWU President

After a secret-ballot, mail-in election that concluded in August, Robert McEllrath was elected International President of the International Longshore and Warehouse Union. McEllrath, who ran unopposed, succeeds James Spinosa.



ILWU President Robert McEllrath

Other titled officers elected were Joseph Radisich, who succeeds McEllrath as Mainland Vice President and Westley Furtado who was reelected as Hawai'i Vice President. Both were unopposed. Radisich is from Local 13 in Los Angeles and Furtado is from Local 142 in Hawai'i.

William "Willie" Adams was reelected as International Secretary-Treasurer and was also unopposed.

McEllrath, nicknamed "Big Bob", began his career as a casual longshoreman in Vancouver, Washington in 1969. After gaining his "A" seniority registration in 1975, Brother McEllrath began to serve ILWU Local 4 (Vancouver) as a member of its Executive Board, its Labor Relations Committee and its Memorial Building Associa-

tion. He also served as the Local's dispatcher and as a delegate to the Longshore Caucus and the International Convention since the 1980s.

In 1993, McEllrath was appointed to finish the term of the Northwest Coast Committeeman through 1994. McEllrath won election to that position in 1997 before being elected International Vice President for the Mainland in 2000 and 2003.

McEllrath has extensive contract negotiating experience, having served as the representative for five small ports in the Columbia River area on the Longshore Negotiating Committee for the 1993 and 1996 contracts. He served as cochair of that negotiating committee for the 1999 contract and also co-chaired that committee during the lengthy and contentious 2002

West Coast longshore negotiations with the Pacific Maritime Association. He has also chaired the Negotiating Committee for the ILWU-PMA Shipboard Grain contract in 1999. He served as chair of the Union's Negotiating Committee for the Northwest Grain Handlers contract in 2000 and 2003. McEllrath also helped secure a second contract at Portland, Oregon's Powell's Books in 2003-2004 that maintained health care coverage and stepped in to finalize a contentious bargaining session between ILWU Alaska longshore workers and their employers in 2004.

In other ILWU races, Ray Ortiz, Jr. (Local 13) was reelected unopposed as Coast Committeeman from California, while Leo Sundet was

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SUP Honor Roll

Voluntary contributions from the membership to the following funds:

Organization/ General Fund

John Benson	20.00
George Blake	50.00**
Charles Bulmer	20.00*
James Clay	50.00**
Romaine Dudley	20.00*
Diane Ferrari	40.00*
Barry Fisher	20.00
Rex Harper	30.00
Arthur Kardinal	50.00**
Hannu Kurppa	80.00
Norman Kwak	50.00**
Jose Lopez	50.00**
Duane Nash	20.00
David Pangan	20.00*
Gino Segreti	20.00
Ernest Stimach	30.00
John Thompson	50.00**
Tom Tynan	20.00*
Harold Uriante	70.00*
Will Williamson	20.00*

*In lieu of dues increase.
**Contribution for Archie Green's book.

Political Fund

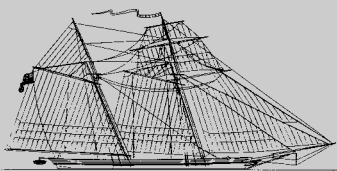
John Benson	100.00
John Benson	100.00
Chris Bognowski	100.00
Charles Bulmer	50.00
Alex Capistrano	40.00
Steven Clemens	50.00
David Connolly	70.00
Douglas Crute	20.00
Ed Figurcio	10.00
Barry Fisher	20.00
Steven Foster	25.00
Ed Franco	25.00
Rex Harper	30.00
Michael Henderson	90.00
Phil Howell	60.00
David Larsen	100.00
Gunnar Lundeberg	100.00
Duane Nash	20.00
John Perez	25.00
Jack Post	50.00
Gabriel Sipin	20.00
Vincent Sullivan	100.00
Tulilo Tautala	30.00
Erik Williamson	100.00
William Williamson	25.00

West Coast Sailors

Karl Andersen	25.00
Thomas Basford	30.00
Joseph Bracken	25.00
Steven Clemens	50.00
Douglas Crute	25.00
Patrick Flynn	100.00
Rex Harper	30.00
Ray Jalom	10.00
David Johnson	20.00
Hans Lilledahl	25.00
John Perez	25.00
Bruce Thompson	25.00
Colin Walker	10.00

Dues-Paying Pensioners

Rafael Cooper	Book #4687
Romaine Dudley	Book #2593
Duane Hewitt	Book #5748
Knud Jensen	Book #3940
John Jewett	Book #4291
Tony Jones	Book #4305
Kaj E. Kristensen	Book #3120
Eli Lalich	Book #4062
Gunnar Larsen	Book #3516
John McKeon	Book #6456
Joseph Napier	Book #2299
John Pedersen	Book #3834
John Perez	Book #3810
Cliff Rouleau	Book #3144
Ralph Senter	Book #7323
Jack Stasko	Book #7430



Final Departures

Harlow Hiebert, Book No. 5802. Born in Maryland in 1931. Joined SUP in 1957. Died in California, July 15, 2006. (Pensioner)

Gustave Lukaszski, Book No. 4010. Born in New York in 1923. Joined SUP in 1947. Died in Suisun City, California, June 7, 2006. (Pensioner)

Reid Verbeck, Book No. 861. Born in Idaho in 1932. Joined SUP in 1961. Died in Oregon, September 2, 2006. (Pensioner)

John Corrigan, Book No. 3572. Born in New York in 1915. Joined SUP in 1944. Died in New York, September 1, 2006. (Pensioner)

Arthur Hansen, Book No. 4716. Born in North Dakota in 1920. Joined SUP in 1943. Died in Seattle, Washington, September 7, 2006. (Pensioner)

IMO previews World Maritime Day 2006

World Maritime Day 2006 will be celebrated on September 28. The International Maritime Organization's (IMO) theme for this year's World Maritime Day is "Technical Cooperation: IMO's response to the 2005 World Summit", which was chosen to focus on the Millennium Development Goals adopted by the United Nations as the world community's response to challenges such as hunger, disease and environmental degradation.

"Maritime activity has a key role to play in meeting the Millennium Development Goals, for shipping not only moves the world's burgeoning trade, but can also contribute substantially to sustainable development, which international commerce promotes production, job creation and greater socio-economic prosperity. And the combination of all these has, undoubtedly, the potential to lift people from hunger and poverty and also eradicate life-threatening diseases," said Efthimios E. Mitropoulos, IMO Secretary-General.

ILWU election results *continued from page 1*

elected Northwest Coast Committeeman.

Those elected by geographical area to the ILWU's Executive Board are as follows:

- Alaska: Peter Hendickson
- Canada: Tom Dufrense
- Hawai'i: Local 142: Nate Lum (Longshore); Joey Silva (Tourism); Avelino Martin (Pineapple); Kenneth Ige (General Trades); Bob Zahl (Sugar)
- Southern California (Mining): Michael Davenport (Local 30)
- Northern California: Fred Pecker (Local 6); Richard Cavalli (Local 34); Lawrence Thibeaux (Local 10)
- Southern California: Mike Mitre (Local 13); John Tousseau (Local 63); Luisa Gratz (Local 26)
- Washington/Puget Sound: Max Vekich (Local 52); Conrad Spell (Local 23)
- Inlandboatmen's Union: Alan Cote

Korean company banned from U.S. waters for pollution

The Sun Ace Shipping Company, based in Seoul, South Korea, has pleaded guilty to violating the Act to Prevent Pollution from Ships, in relation to the operation of its bulk carrier vessel the *m/v Sun New*, the Justice Department announced on September 8.

Sun Ace, which was the operator and manager of a fleet of five ships, is charged with failing to maintain an accurate Oil Record Book that fully recorded the disposal of oil residue and bilge into the ocean and then falsifying records to conceal illegal discharges. A joint factual statement filed in District Court in New Jersey stated that, on the night of January 3, 2006, U.S. Coast Guard inspectors boarded the *Sun New* and discovered that members of the engine room crew had used bypass hoses to discharge oily wastes overboard into the ocean without using the vessel's oil-water separator. Upon further investigation, inspectors discovered that the crew of the *Sun New* had disposed of oil waste into the ocean at least twice during the voyage from South Korea to New Jersey.

Per the terms of the plea agreement, the Sun Ace Shipping Company will pay a \$400,000 penalty and a \$100,000 community service payment to the National Fish and Wildlife Program, Delaware Estuary Grants Program, which will be used to protect and restore the natural resources of the Delaware Estuary and its watershed. The Sun Ace Shipping Company will also be subject to a three-year term of probation, during which its vessels will be banned from U.S. ports and waters.

Earlier this month, a grand jury in Newark, New Jersey, returned a three-count indictment charging the Chief Engineer and the Second Engineer of the *Sun New* with conspiracy, obstruction of justice, and a violation of the Act to Prevent Pollution from Ships in connection with the use of two bypass hoses used to discharge sludge and oil contaminated bilge waste overboard into the ocean.

Bush nominates new Secretary of Transportation

Mary Peters, former head of the Federal Highway Administration was nominated on September 5, by President Bush to head the Department of Transportation. If confirmed, Peters would be only the second woman to head the DOT, which is the parent agency of the Maritime Administration and other federal agencies. The only other female DOT secretary, was Elizabeth Dole, who now serves in the U.S. Senate from North Carolina.

The appointment of Peters, a staunch Republican, is not only a shift in gender but also in political party as Norman Mineta, who left in July after serving over five years, was the lone Democrat in—the Bush cabinet. Peters headed the Federal Highway Administration from 2001 to 2005 after heading the Arizona's Transportation Department.

In her role at the FHA, she helped craft Bush's position on highway legislation and is an advocate of new strategies for

financing road construction projects. "Mary Peters knows the legacy she has to live up to at the Department of Transportation," Bush said in a statement. "She will take this new post during a time of historic challenges for our economy and our transportation system."

Peters is subject to Senate confirmation.

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SUP Meetings

These are the dates for the regularly scheduled SUP meetings in 2006:

	Hdqs.	Branch
October	10*	16
November	14*	20
December	11	18

*Tuesday

Sean Connaughton takes the helm at Maritime Administration

President Bush's nominee for Maritime Administrator officially assumed the job on September 6, after being confirmed by the Senate on August 3.

Testifying before the Senate Commerce, Science & Transportation Committee on July 27, Connaughton said he would uphold the agency's "statutory mandates" to promote the U.S. shipping and shipbuilding industries.

Connaughton, a 1983 graduate of the U.S. Merchant Marine Academy and a U.S. Coast Guard veteran, said in prepared testimony before the Senate Committee on Commerce, Science and Transportation that the maritime industries are "squarely in the front line of the advancement of the American economy and the defense of the United States."

Connaughton said he would promote "efficient" water transportation and port services in all markets, an "adequate" U.S. ship construction and repair base, "effective" intermodal water and land transportation links and "sufficient intermodal shipping capacity for use by the Department of Defense in times of national emergency."

He added: "I will also strive to ensure that the industry and all the persons who serve it directly or indirectly are recognized, honored and appreciated for all that they have done and all that they will continue to do every day to support our economy, to protect our waterways and to preserve the marine environment."

Connaughton said MarAd, an agency in the Department of Transportation, would focus on "the strategic areas of commercial mobility and congestion relief, maritime and port development, national security and environmental stewardship."

He said MarAd would cooperate with the Department of Defense as DOD increases "its reliance on commercial transportation system."

Responding to questions from committee members, Connaughton said he "strongly supports" the Jones Act, the 1920 cabotage law that restricts domestic deep-sea, Great Lakes and inland waters markets to merchant vessels owned, built, documented and manned in the United States.

Asked to comment on the cargo preference laws that reserve shares of government financed imports and exports for U.S.-flagged vessels, he said: "I will make sure that we will enforce those laws and that we'll end up with a system that is transparent and that people know what the requirements are, and that those requirements are followed in accordance with the laws."



Sean Connaughton

Port security legislation clears Senate

On September 14, the United States Senate passed the "Port Security Improvement Act of 2006" (HR 4954, also called S.2459 "The Greenlane Maritime Cargo Security Act") by a vote of 97-0. The sweeping legislation earmarks \$6.7 billion for dozens of port security projects. The House of Representatives passed similar legislation (called the "Security and Accountability for Every Port Act") in May by a vote of 421-2.

The bill strengthens maritime transportation and port security by calling for radiation detection equipment to be installed in 22 of the nation's busiest ports toward the goal of screening 98 percent of all inbound cargo by the end of next year. It will award \$400 million in grants to individual ports. It identifies lead agencies in the case of a maritime transportation incident and develops a plan to resume trade in the aftermath. It establishes an Office of Domestic Nuclear Detection within the Department of Homeland Security.

Most important to mariners, and the realization of a legislative goal of the Sailors' Union of the Pacific since the enactment of the Maritime Transportation Security Act (MTSA) in 2002, this legislation will redefine a "transportation security incident" to generally exclude labor disputes. The term "transportation security incident," under existing law, is defined as an incident "resulting in a significant loss of life, environmental damage, transportation system disruption, or economic disruption in a particular area." If the House version survives, it will protect against federal agencies taking action against a maritime strike which could be classified as a security incident since it causes "economic disruption."

Also important to mariners is the legislation's changes to the Transportation Worker Identification Credential (TWIC) program. This credential will require new background checks for all workers who have access to "secure areas." It will add new costs to maritime employment, including time and money spent in securing the card. This legislation sets new deadlines, most significantly May 15, 2007 for the implementation of the TWIC in 25 seaports. Last month the Transportation Security Administration postponed implementation of the biometric card readers, undermining the overall security purpose and benefit of the program. The Department of Homeland Security's own Inspector General has identified serious problems with the TWIC system's security and privacy.

The bill now heads to a conference committee comprised of members of the House and Senate to work out the differences. Conferees are appointed to the committee by the leadership of the House and Senate. President Bush has indicated his intention to sign the bill into law.

The unanimous vote shows the political importance of port security in Congress, especially in an election year after the Dubai Ports World debacle. But unity in the vote does not mean the bill is without controversy. Dozens of amendments were attached to the bill in advance of the vote. Some are friendly to labor, others are not. As the *West Coast Sailors* goes to press, the texts of these amendments were not yet available, and it is not yet known what amendments will survive the conference and appear in the final legislation.

The war on workers

By David Sirota

U.S. Education Secretary Rod Paige labeled one "a terrorist organization." Former House Majority Leader Tom DeLay, R-Texas, called them "a clear and present danger to the security of the United States." And U.S. Rep. Charles Norwood, R-Ga., claimed they employ "tyranny that Americans are fighting and dying to defeat in Iraq and Afghanistan" and are thus "enemies of freedom and democracy," who show "why we still need the Second Amendment" to defend ourselves with firearms.

Who are these supposed threats to America? No, not Osama bin Laden followers, but labor unions made up of millions of workers — janitors, teachers, fire-fighters, police officers, you name it.

Bashing organized labor is a Republican pathology, to the point where unions are referenced with terms reserved for military targets. In his 1996 article, headlined "GOP Readies for War With Big Labor," conservative columnist Robert Novak cheered the creation of a "GOP committee task force on the labor movement" that would pursue a "major assault" on unions. As one Republican lawmaker told Novak, GOP leaders champion an "anti-union attitude that appeals to the mentality of hillbillies at revival meetings."

The hostility, while disgusting, is unsurprising. Unions wield power for workers, meaning they present an obstacle to Republican corporate donors, who want to put profit-making over other societal priorities.

Think the minimum wage just happened? Think employer-paid health care and pensions have been around for as long as they have by some force of magic? Think again — unions used collective bargaining to preserve these benefits. As the saying goes, union members are the folks that brought you the weekend.

The government's numbers explain how unions have helped their members. According to an analysis of federal data by the Labor Research Association, average union members receive a quarter more in compensation than non-union workers. Eighty-nine percent of union members have access to employer-sponsored health care, compared to just 67 percent of non-union workers. Unionized workers receive 26 percent more vacation than non-union workers.

Unions also benefit non-union workers. That's thanks to the "union threat

effect" whereby anti-union companies meet higher standards in order to prevent workers from becoming angry and organizing. For instance, Princeton researchers found in industries that are 25 percent unionized, average nonunion workers get 7.5 percent more compensation specifically because of unionization's presence.

The flip side is obvious: The more corporations and politicians crush unions, the more all workers suffer. It is no coincidence that as union membership and power has declined under withering anti-union attacks, workers have seen their wages stagnate, pensions slashed, and share of national income hit a 60-year low. As Council on Foreign Relations scholars put it, the decline in unions "is correlated with the early and sharp widening of the U.S. wage gap."

Big Business claims union membership has declined because workers do not want to join unions — a claim debunked by public-opinion data. In 2002, Harvard University and University of Wisconsin researchers found at least 42 million workers want to be organized into a bargaining unit — more than double the 16 million unionized workers in America. A 2005 nationwide survey by respected pollster Peter Hart found 53 percent of non-union workers — that's more than 50 million people — want to join a union, if given the choice.

Increasingly, however, workers have no real choice. According to Cornell University experts, 1 in 4 employers illegally fires at least one worker during a unit drive, 3 in 4 hire anti-union consultants, and 8 in 10 force workers to attend anti-union meetings. When workers petition the government to enforce laws protecting organizing rights, they are forced to go before the National Labor Relations Board, which is both run by anti-union presidential appointees, and chronically understaffed so as to slow down proceedings. When Democrats have tried to expand workers' union rights by introducing the Employee Free Choice Act, the GOP has prevented a vote on the legislation.

So when GOP lawmakers pledge their commitment to workers, remember — Republicans are waging a war on the very workers they purport to care about.

David Sirota is the author of "Hostile Takeover" (Crown, 2006). He is the co-chair of the Progressive States Network (www.progressivestates.org).

Chevron-led consortium announces major oil discovery in U.S. Gulf of Mexico

Initial test results from a deep-water well in the Gulf of Mexico could indicate a significant oil discovery and eventually represent the nation's biggest domestic energy find since production started from the Alaskan North Slope fields in the 1970's. Chevron, along with Statoil ASA of Norway and Devon Energy Corporation, announced the promising oil find on September 5. Although the full potential of the field has yet to be fully defined, industry observers were saying that the discovery could boost U.S. oil and gas reserves by as much as 50 percent.

The test well sustained a flow rate of more than 6,000 barrels of oil per day, according to Statoil. The *Wall Street Journal* reported that Chevron and Statoil officials had estimated that the region could hold more than 15 billion barrels of oil and gas reserves. The well was drilled at a location approximately 270 miles southwest of New Orleans. Chevron maintains a 50 percent stake in the field and Statoil and Devon each own 25 percent.

The Sailors' Union represents all unlicensed personnel in Chevron Shipping Company's U.S.-flag fleet.

New IMO online service helps mariners pinpoint piracy attacks on the internet

Sea captains and ship owners whose vessels must travel through piracy hotspots have a new tool to help them prepare their voyage. The International Chamber of Commerce's International Maritime Bureau (IMB) has launched an online piracy map which gives users a visual on the nature and location of attacks to help them better understand and track incidents.

The map is available as either a satellite view, provided by Google, a plain view (indicating countries and borders), or a combination of both. Viewers see not only the relief of the coastline but also the bays and coves from which pirates may initiate their attack.

"It is not easy to get an immediate picture of the piracy risk of an area by reading lengthy reports full of data and numbers," said IMB Director Pottengal Mukundan. "We hope the map, coupled with the IMB Piracy Reporting Center (PRC) alerts, will help seafarers spot the warning signs and better prepare for possible attacks."

While the map is primarily aimed at helping shipowners, managers and their crews, Captain Mukundan noted that law

enforcement officials will find it useful in deciding where best to concentrate their searches for pirates, and researchers will benefit from actually seeing the geographical circumstances of piracy attacks to predict trends.

This user-friendly map can be accessed on the IMB website (www.icc-ccs.org). Red balloons mark actual attacks while yellow balloons show attempted attacks. Clicking on these initiates a pop-up with a summary of the attack including the date and time, the type of vessel attacked, the type of attack and the number of crew affected. As with IMB's quarterly and annual piracy reports, the information comes directly from ship masters and shipowners. Once verified by IMB's Piracy Reporting Center, new attacks or attempts will be added to the map within 24 hours.

Users can click on the year of their choice to bring up the corresponding map of attacks and their details for previous years, making visual comparisons of hot-spot activity much easier to understand. Feedback on the map and suggestions for future development are welcome and should be directed to the IMB directorate.

Pirates focus on kidnapping mariners

Pirates realize it takes a lot of organization to steal a ship and are now kidnapping the crew. The chance of getting the crew back is very slim unless you pay the ransom. That was the message from Pottengal Mukundan, director of the International Maritime Bureau, speaking at the International Maritime Industries Forum in London on September 1. Pirate attacks are down but violence is up, Mukundan noted. There were 276 pirate attacks last year, which is down for the second year running, and 440 crew hostages, which is the highest since 1992.

"Kidnapping crew also helps criminals negate security measures put in place post-ISPS (International Ship and Port Security Code)," he said. He gave the example of pirates who kidnapped a ship's master and threatened to kill the crew unless the master complied. The pirates then bypassed the security of an ISPS-compliant port, discharged cargo and sailed on. Worse, kidnapped crew are in extreme danger. One attendee at the forum told delegates: "In six of the vessels (with which we were involved) the masters and chief engineers were killed after being tortured."

Mukundan told delegates that any ships being pursued should not slow down as that would almost certainly result in a boarding. "The best response is to speed up and manoeuvre in such a way that it is difficult for them to pull alongside. Normally they will give up," Mukundan advised.

Shipowners support visas for foreign mariners

The World Shipping Council (WSC) went on record on September 20, as supporting the U.S. position that foreign seafarers must have individual visas, a position that goes against the International Labor Organization's (ILO) support of using seafarer credentials as entry documents.

WSC president and chief executive Christopher Koch told attendees at the Maritime Security Expo in New York that when it comes to travel documents, "a foreign seafarer is not different from a foreign airline pilot, businessman, student or artist". While saying that fair and humane treatment of seafarers is an important issue and deserves serious consideration by industry and government, Koch pointed to nearly 700 persons who have illegally entered the United States as seafarers absconding from or deserting their ship over the past three years.

"While it is true that this number may be less than the number of people illegally crossing the Mexican border in a day, it is also true that the maritime industry has shown itself to be a potential vector of illegal immigration," Koch said.

In defending the U.S. position, he added that: "It is no more correct to argue that the government is characterizing seafarers as 'potential terrorists' than it is to say that the government is treating all 11 million non-immigrant visitors to the United States from non-visa-waiver countries as 'potential terrorists'."

SUP Riding Gang spruces up the Adams



Pictured above on the foredeck of American President Line's m/v President Adams are SUP Brothers Norm Christianson and Bill Esselstrom who comprised the "riding gang" in the vessel during the voyage from Singapore to the East Coast last month. Chipping, priming and painting this part of the vessel were only one of many tasks Norm and Bill accomplished. All hands agreed it was first-class work, SUP style.

Hazardous cargo rules ignored by many shippers endangers mariners

Shippers are flouting the dangerous cargo rules for seaborne containers on an alarming scale, international surveys have revealed. The investigations have been carried out in the wake of spectacular maritime accidents, some of which have been blamed on fraudulently identified cargo. As many as one out of every three boxes could be in serious violation of the regulations, with cargo deliberately or accidentally misdescribed.

The claim, from leading expert James McNamara, president of the National Cargo Bureau in the United States and a delegate to the International Maritime Organization dangerous goods subcommittee, shook many underwriters attending a recent conference in Tokyo of the International Union of Marine Insurance (IUMI). Underwriters were told that a disaster involving a collision of two of the new generation of boxships could fuel massive insurance claims, potentially of up to \$2.77 billion.

IUMI's special session on containership cargo showed graphically that the transport industry at large, insurers and maritime watchdogs were still far from grappling successfully with the half century old question of "what's in the box". Captain McNamara said the attitude of some shippers was: "Do not declare it. Just shut the door, lock it, and ship it." At the same time, some shipowners were like the monkeys who "hear no evil, see no evil, speak no evil".

McNamara cited a survey in which 25,000 containers were opened to check against the cargo declaration. A total 32% were found to be in noncompliant with the rules on hazardous cargoes to such a degree that the authorities halted their movement. Countries involved were Belgium, Italy, Sweden, South Korea, United States, and Chile. He said that too few people were speaking about such problems although seafarers were losing their lives as a result of misdeclared cargoes.

McNamara said that every time he saw pictures of the latest tremendous-sized containerships entering service, he pointed to the midship section low on deck and asked the shipowners what would happen if containers stowed there caught fire? He has not received an answer yet and asserted that there is no efficient way of fighting such a fire. "Most ships that have had fires on deck have been total losses," he said. On the big new ships, more than half the cargo has to go on deck. He said one in 10 containers hold vulnerable cargo and on a 10,000 teu ship "that is a lot of hazardous cargo".

While misdeclaration is not new, the liability and risks have decreased dramatically, said Captain McNamara. As the role of non-vessel operating carriers grows, the International Maritime Bureau has said such operators are responsible for 95% of frauds involving bills of lading.

Something is kinky in Guinea

The Russian tanker *Luchegorsk*, with its 19-man crew, was released at the beginning of this month, after a 12-day detention at the Republic of Guinea port of Conakry. A Russian foreign ministry statement, issued on September 4, in Moscow, said Russian diplomats and representatives of the ship's owner, Primorsk Shipping Company (Prisco) "have taken necessary measures for the protection of the rights and interests of the Russian citizens."

In a hint that the affair is not over, and that some compensation may be negotiated, the ministry added: "The Russian side will continue to work with the Guinean authorities to receive comprehensive explanations for the fact of the tanker's arrest."

According to Prisco, the *Luchegorsk* was on charter to the Swiss bunker supply firm Addakh when it was boarded on August 21 by gunmen wearing Guinean government insignia on their uniforms. They claimed the vessel was without permission in Guinean waters.

Prisco says the ship's position was in the economic zone of Sierra Leone. When the vessel's master, Yury Scherbinkin, refused to pay a \$20,000 "fine", he was ordered to proceed into Guinea, and there the vessel remained under guard until its release.

Record of SUP Shipping August 2006

	Hdqs	Seattle	Wilm	Hono	Total
Bosun	3	3	1	1	8
Maint. Man	2	0	0	0	2
A.B. Dayworker	0	0	5	3	8
A.B	20	4	11	4	39
O.S.	1	2	1	0	4
Standby	22	20	53	31	127
TOTALS	49	29	71	39	188

APL Wage and Overtime Rates

Effective October 1, 2006

Maritime Security Program Vessels (C-10 Class & C-11 Class)

Rating	Wages		Supp. Benefit Base Monthly	Supp. Benefit Daily	Supp. Benefit Monthly	Money Purchase Pension Plan Daily
	Monthly	Daily				
Bosun over 20,00 GT	\$4,525.03	\$150.84	\$4,663.21	\$77.72	\$2,331.60	\$25.00
Bosun 15,001-20,000 GT	\$4,302.99	\$143.44	\$4,478.53	\$74.64	\$2,239.26	\$25.00
Bosun 9,001-15,000 GT	\$4,097.06	\$136.57	\$4,275.37	\$71.25	\$2,137.68	\$25.00
A.B. Maint.	\$3,075.99	\$102.53	\$3,368.15	\$56.13	\$1,684.07	\$25.00
A.B.	\$3,221.96	\$107.40	\$3,515.83	\$58.60	\$1,758.00	\$25.00
AB Watchstander/ Daystander	\$3,221.96	\$107.40	\$3,515.83	\$58.60	\$1,758.00	\$25.00
O.S.	\$2,495.91	\$83.20	\$2,787.03	\$46.45	\$1,393.50	\$18.51

Money Purchase Pension Plan Daily

OVERTIME RATES

The hourly overtime rate for all ratings

except the Ordinary Seaman	\$25.40
Ordinary Seamen	\$19.05

CARGO RATES

The hourly cargo rate for all ratings:

Straight Time Hours	\$19.05
Overtime Hours	\$31.39

SHORTHANDLED (Section 7 SUP Work Rules)

Bosun	\$43.36
A.B.	\$32.67

STANDBY RATES (Section 43 SUP Work Rules)

Bosun	
Straight Time Hours	\$24.25 \$25.00
Overtime Hours	\$39.88
A.B.	
Straight Time Hours	\$23.23 \$25.00
Overtime Hours	\$38.29

SHIFT SHIP GANGS (Section 44 SUP Work Rules)

Bosun	
Straight Time Hours	\$21.48 \$25.00
Overtime Hours	\$35.72
A.B.	
Straight Time Hours	\$20.25 \$25.00
Overtime Hours	\$34.15

DECK PORT WATCHES (Section 55 SUP Work Rules)

Bosun	
Straight Time Hours	\$28.92
Overtime Hours	\$43.36
A.B.	
Straight Time Hours	\$21.78
Overtime Hours	\$32.67

FUEL OIL SPILL CLEANUPS

Straight Time, all ratings	\$14.82
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Supplemental Benefits increased from 14 to 15 days per month. All other rates reflected the July 1, 2005 status-quo.

Maintenance and Extra Maintenance Rates

Rating

Rating	Rate	Money Purchase Plan
Rigging-Splicer and Sail Maker		
Straight Time	\$28.56	\$25.00
Overtime	46.26	
Rigging-Wire Splicer's Helper		
Straight Time	\$26.28	\$25.00
Overtime	42.97	
Rigging-General Maintenance Work		
Straight Time	\$25.19	\$25.00
Overtime	41.22	
Spray Painting, Sandblasting, Steam Cleaning and Welding		
Straight Time	\$27.33	\$25.00
Overtime	44.46	
Storekeeper-General Maintenance		
Straight Time	\$26.54	\$25.00
Overtime	43.16	
Bosun		
Straight Time	\$30.51	\$25.00
Overtime	48.94	
Bosun's Mate or Leaderman		
Straight Time	\$28.56	\$25.00
Overtime	46.26	
Carpenter		
Straight Time	\$27.97	\$25.00
Overtime	45.50	
Spraying, Sandblasting enclosed spaces additional per hour	\$1.65	

APL: Port infrastructure deters India's progress

A lack of infrastructure and high port and inland costs continue to limit India's economic progress, a senior executive of global container transportation leader, APL, told a high-level shipping industry gathering this month.

Addressing the Southern Asia Ports, Logistics and Shipping conference in Mumbai, APL President for South Asia, Kenneth Glenn, said that as global sourcing and manufacturing continues to shift to Asian locations, foreign investors will choose to invest near ports with world-class efficiency in port infrastructure.

Glenn said: "If India can develop thriving retail and manufacturing sectors to rival its services sector, the sky is the limit in terms of its economic potential. But currently, inadequate infrastructure and high costs are hurting its development as an exporter to the rest of the world." Glenn added that by late 2008 some 25% of world container ship capacity will be comprised of vessels of at least 6,000 TEU (twenty-foot equivalent units) but that India does not yet have a port that can handle this class of ship.

"Until India can develop these type of global class facilities, it will not fulfill its cargo carrying potential."

Last year, Mumbai's Jawal Nehru Port Trust (JNPT) was the only Indian entry in the list of the world's top 100 container ports at number 36, with Chennai next at 109. "This suggests that investment in ports is too fragmented and spread across too many sites of insufficient scale," said Glenn. "When India's ports are assessed against the attributes of a world-class port, they do not stack up well, lacking many of the characteristics international ship operators look for in order to increase vessel calls."

Glenn pointed out that the imbalance of container trade towards JNPT, which accounts for around 60% of total Indian volumes, is creating acute congestion. However, he said that simply adding more port capacity at multiple locations is not the answer, citing a recent analysis conducted by leading industry analyst Drewry for APL. See a related article on page 1 regarding APL.

Labor Day in Southern California



Members of the Sailors' Union and the Marine Firemen's Union prepare to march in Wilmington's annual Labor Day Parade.

ESU Office Assignments

For the month of October, Tom Thompson will be in the Seabrook office and Leo DeCastro will be in the Benicia office.

ESU NEWS

SEPTEMBER 2006

Official Publication of the Exxon Seamen's Union

Insurance, training and communications meetings to be held in Houston October 2

A busy day of important meetings will be held in the conference room at the Holiday Inn Express in Seabrook, Texas on October 2, 2006. In fact, three different meetings will be held including the annual Blue Cross Blue Shield report, the yearly Joint Union Management Training Committee (JUMTC) and our monthly union/management communications meeting. The ESU will attempt to have present all three department trustees and the four primary executive board officers. As the *ESU News* was going to press it was still unclear whether the *S/R Baytown* would be back from Singapore in time to have Steward's Department Trustee Joe Pereira present but arrangements were being made for Joe to be in contact with company representatives at a later date if he is unable to participate in these meetings with the rest of the Board.

In the insurance meeting, the ESU officers will meet with SeaRiver and Blue Cross Blue Shield of Texas representatives to review medical and dental insurance issues. At last year's meeting we learned our claim experience from the

previous year had been favorable and the favorable claim history plus an increase in the company contribution to the officer's medical plan (which put into effect the "me too" clause in our contract) resulted in no increase in premiums for single employees and a three dollar decrease in the employee +1 and employee +2 rates for 2006. There are several variables which can affect premiums such as the prior year claim experience, the rate of medical inflation and what if any subsidy increase the officer's plan may receive. On October 2 our new claims history data should be available and those figures will strongly influence whether rates in 2007 will go up or down. The ESU will try to have premium rates published in the *ESU News* by October so members will have them before filling out their pre-tax spending plan forms for the next year. The ESU Board is committed to our present plan and insuring that members and retirees have quality medical coverage now and in the future.

Another meeting scheduled on Oct. 2 is the Joint Union Management Training Committee. The purpose of the JUMTC

is to advise management regarding skills and safety training for unlicensed personnel and is described in Article III on page 10 of our contract. The contract stipulates that the committee is to meet at least once annually. At the JUMTC a Training Steering Committee will be established for each of the three departments, deck, engine and steward and it will be made up of the following four people: 1.) the Union Trustee for that department 2.) a Ship Group Coordinator (either Ron Floyd or Capt. Bill Sheehy) 3.) the company Training Coordinator (now Kharon DeLaney) and 4.) another fleet officer or shoreside professional. Past JUMTCs have contributed to the establishment of the Advanced Deck and Engine Skills courses, Dangerous Liquid Cargo courses, shipboard Steward's Department training and other types of instruction.

The third meeting of the day will be the monthly Union/Management communications meeting. These meetings were first established by the Memorandum of Understanding of 2001 which was the same MOU in which the ESU won an

across the board pay increase of 9% and which struck the side letter from the Contract requiring arbitrations to be held only in the state of New Jersey. Since the inception of these meetings union-management relations have improved steadily showing that sitting down and talking about issues frankly and openly is the best way to get them resolved. Normally these communications meetings are conducted with just the 2 ESU Board officers who are currently in office along with 2 representatives from management attending. Typically, one management representative is from operations such as Ron Floyd or Bill Sheehy and the other is most often Labor Relation Head Chris Matteson. From time to time others such as our attorney or company representatives from Fleet Manning or other departments may attend as well depending on the issues being discussed. By holding a communications meeting on this day the trustees will have an opportunity to bring up any issues they may wish to discuss and to observe how these meetings are held. We will report on the outcome of the meetings in upcoming editions of the *ESU News*.

Members encouraged to obtain and keep current a valid passport

With Singapore now the most common location for shipyard periods and with our ships more frequently calling into foreign ports it has become increasingly important for all ESU seamen to possess a valid passport. While it is not required by our contract that one have a passport the ESU highly encourages everyone to get one and for those who already have one, to keep it current.

The days when z-cards alone were sufficient to go ashore in foreign ports are long gone. A passport is the only truly internationally recognized travel document that verifies one's nationality and identity and a valid passport is almost always required to enter and leave foreign countries. If you are assigned to a vessel that is sent overseas and you do not have a valid passport in your possession you will most likely be prohibited from going ashore the entire time you are overseas. If you sign off a vessel in a foreign port without a passport, chances are the agent or his representative will be required by local law to escort you directly from the ship to the airport and you will forfeit the night in a hotel as provided by our contract. You will probably be in for a major hassle and a long delay at Customs and Immigration upon your landing back in the United States as well.

Obtaining a passport is easy but can be time consuming. To get one for the first time, you need to go in person to one of the 7,000 passport acceptance facilities located throughout the United States with two passport size photographs, proof of U.S. citizenship (usually a birth certificate with a raised seal) and a valid form of photo identification such as a driver's license. Acceptance facilities include post offices, some public libraries and a number of county and municipal offices. There are also 13 regional passport agencies located in major cities throughout the country including cities near which many ESU members live such as Houston, Boston, New Orleans, Seattle, New York, Los Angeles, Miami and San Francisco. You will need to apply in person if you are applying for the first time or if your expired U.S. passport is not in your possession or if your currently valid passport has been lost or stolen. In most circumstances you can renew a passport by mail if it is available to submit, is not damaged and you received the passport within the past 15 years.

SeaRiver will reimburse the fees to anyone applying for or renewing their passport. For first time applicants this includes the \$55 application fee, the \$12 security surcharge, and the execution fee of \$30, for a total of \$97. For renewals the company will reimburse the \$55 application fee and the security surcharge of \$12 for a total of \$67. There is no execution fee for renewals. Rush fees, unless initiated by the company and the cost of photographs however are the responsibility of the employee. For more information on obtaining and renewing passports check online at www.travel.state.gov/passport/ or call the National Passport Information Center at 1-877-487-2778.

SeaRiver job scam operating

SeaRiver Human Resources Dept. recently informed the ESU of a jobs-for-money hoax, which was purportedly offering employment aboard the *S/R American Progress* in exchange for a fee paid to a bogus lawyer in the United Kingdom. SeaRiver became aware of the scam through the website of Maritime Business Strategies LLC which is run by Mr. Tim Colton, an independent maritime consultant. Mr. Colton stated in his online column on August 26, that "Several merchant mariners from around the world have sent me copies of e-mail messages that they have received which appear to offer them a job on SeaRiver's *S/R American Progress*, which is apparently a chemical carrier operating in European coastal trades. The messages appear to come from Scandic American Shipping, which is a real Norwegian company that manages the tankers owned by Nordic American Tanker Shipping. They include a link to the page that lists the Jones Act fleet of product carriers, including, of course, the *S/R American Progress*". All the applicants have to do is send 350 US dollars to a lawyer in England, identified as Gideon Fiadzomor, 11 Cromwell Road, Hounslow, TW3 3QE, who will process their contract for them".

SeaRiver has no relationship to any Mr. Gideon Fiadzomor and has asked the ESU to make the membership aware of this scam. SeaRiver does not charge a fee to anyone applying for employment. The company is not currently hiring but anyone interested in possible future employment should direct their inquiries directly to SeaRiver Human Resources at P.O. Box 1512, Houston Texas 77251-1512 or call Ms Marsha Shorts at (713) 656-2991.

Retiree Carlos Castro passes away after brief illness

With great sadness the ESU learned of the passing of loyal member Carlos Castro at Tobey Hospital in Wareham, Massachusetts on September 6, 2006. He was 59 years old.

Born in Brava, Cape Verde, Carlos lived in New Bedford and Wareham most of his life. He will always be fondly remembered as a good friend and shipmate. Carlos was a QMED in the ocean fleet who in his final years at SeaRiver often sailed aboard the *S/R Charleston*. He left the company on disability retirement in 1998 after a severe injury to his leg.

He is survived by his wife and loving companion of 32 years, Caroline Castro, his son Scott Pires, his mother Eva DaLomba of Brava, and many nieces, nephews, aunts and uncles. A funeral mass was held in Our Lady of the Assumption Church on September 11, preceding burial services at St. Johns Cemetery in Wareham. The ESU extends its condolences to the Castro family.

Ship reports

S/R American Progress

The *Progress* was visited on September 1, while alongside the dock at ExxonMobil in Beaumont. Great crew on this ship. Regular Ship Rep. Chuck Bell was aboard and reported no major beefs. Some local crewmembers from the Beaumont/Port Arthur area were concerned about being told by Fleet Manning not to "overuse" the ship-to-gate contracted transportation. ESU Board officer explained they could use the service as normal but be aware the company had voluntarily incurred extra cost for the new contractor and that it should be used responsibly. The members understand and it's working out well. She continues in her regular cross-gulf trade.

S/R Baytown

The *Baytown* sailed from Singapore bound for Valdez on September 9 after completing her post shipyard sea trials. AB Charlie Hartman still filling in as Temporary Rep. and reported via email that all is going well. The *Baytown* now sports a new heavy-duty centerline crane and the ESU has learned the much need replacement of carpet on the crews deck was completed during this yard as well. She is scheduled to continue in her regular Valdez to West Coast trade upon her return to U.S. waters.

Kodiak

The *Kodiak* finished her CAIP and sailed from Port Angeles the week of September 11. We've heard its lots of hard work to clean this ship up. Regular Ship Representative Tim Williams has been in frequent contact with the ESU offices via e-mail and reports despite lots of work all is well. Recent questions regarding tank cleaning code 454 and licensed possibly doing unlicensed work were satisfactorily resolved. She continues to trade between Valdez and ports in Puget Sound.

S/R Long Beach

A Board officer visited the vessel at

Valero in Benicia, CA on September 10. Regular Ship Representative Joe Graca was heading home but reported no problems before he left. Fleet Chef Dave Franklin now filling in for Joe. After discharge the vessel proceeded to Anchorage 9 to bunker and load stores. At the time of printing it was still very uncertain where the *Long Beach* was heading next. The ESU was informed that she would eventually go overseas to enter into the old *S/R Mediterranean* run between the Middle East and Asia but the possibility still existed that she be sent to do her CAIP first and then back to Valdez for one more load.

Sierra

After her initial discharge in Japan the *Sierra* returned to the yard in Singapore for some follow-up warranty work. Ship Rep. Thor Floreen reported no major beefs outside of much animosity over the removal and non-replacement of the TV's and refrigerators from the crew's quarters during the refit. He also reported lots of hard work by the crew in hot and tough conditions with no one getting hurt, again reflecting the quality and caliber of the ESU membership. At press time the *Sierra* was steaming to Valdez to enter into the West Coast ANS trade.

S/R Wilmington

At press time the *Wilmington* was due to dock at ExxonMobil Baytown on September 19 and an ESU Board officer was scheduled to stop by when all fast. Our thanks to AB Aaron Rathbun for taking the Temporary Rep. job while Jeff Harris is home on paid leave. Aaron reported that a potential problem, which could have caused a delay in the OT from being posted on time, was avoided by quick measures taken by Capt. Skahan, and payroll. The *Wilmington* continues in her regular Gulf of Mexico to East Coast trade.

Gil Randall Retires



ESU Vice President John Straley presents a Certificate of Appreciation to AB Gil Randall at his retirement ceremony aboard the *S/R Long Beach* in July

Four members to retire

On September 1, 2006 Fleet Manning officially announced via email the retirements of four long-time ESU members.

Pumpman Robert "Bob" Knight chose to retire with 36 years of company service effective August 31. Bob began his career with Humble Oil and Refining aboard the *Esso Bangor* as an oiler in July of 1970. During the early years of Bob's career he sailed consistently as oiler, 2nd pumpman and pumpman aboard the *Esso Newark*, *Esso Huntington*, *Esso Gettysburg*, *Exxon Charleston*, *Exxon Wilmington*, *Exxon Princeton* and others. Bob was officially promoted to pumpman in September of 1977.

Of particular note in Bob's career was his service as a member of the ESU Board of Governors and as Ship Representative of the *S/R Charleston*. He was elected twice to the board most recently as Secretary Treasurer in December of 2004. He served in that position until his resignation for health reasons the following year. Bob will always be remembered as a hard working guy and a great shipmate. His years of loyalty and dedication to the Union are greatly appreciated. The entire membership wishes him and his wife Linda a hearty farewell and a long and happy retirement.

Melvin Barnes will be retiring effective September 30, 2006 after 15 years of faithful service. Melvin began his employment with Exxon Shipping Co. as a maintenance seaman aboard the *Exxon Benicia* in February 1991. In June of 1996 Melvin was promoted to able seaman and then in June of 2000 he was promoted again this time to QMED. Over Melvin's career, he has sailed aboard the *Exxon Jamestown*, *Exxon Philadelphia*, *Exxon Benicia*, *Exxon San Francisco*, *Exxon Mediterranean* and *Exxon Long Beach*, to name but a few. During the past year Melvin has been sailing aboard the *S/R Wilmington*. We will all remember Melvin as a true gentleman, always pleasant and willing to help out whenever asked. We thank him for his many years of service and wish him and Tina the very best as they begin a new chapter in their lives.

Able Seaman Gillette "Gill" Randall will be retiring on September 30, 2006 with over 15 years of service. After many years of sailing with the Military Sealift Command and Mobil Oil Corporation, Gil joined Exxon Shipping Company on October 31, 1990 as a maintenance seaman aboard the *Exxon New Orleans*. He was promoted to able seaman in 1991 and sailed in that capacity aboard such vessels as the *Exxon Benicia*, *Exxon North Slope*, *Exxon San Francisco*, *Exxon Philadelphia* and the *S/R Baytown*. His shipmates gave Gill a nice send off aboard the *S/R Long Beach* on his last voyage back in July (see photo). The members sincerely thank Gill for his many years of service and extend our best wishes to him as he enters retirement.

Nicholas "Nick" Wise, AB in the Ocean Fleet will also retire on September 30, 2006. Nick has over 16 years of combined service with Exxon Shipping Company and SeaRiver Maritime. Following lengthy service with the Military Sealift Command, Nick joined Exxon Shipping Company on July 28, 1990 as a maintenance seaman and first toured on the *Exxon Jamestown*. He was promoted to AB in September of 1991 and served aboard many vessels including the *Exxon Charleston*, *Exxon San Francisco*, *Exxon Mediterranean*, *S/R Hinchinbrook*, *S/R Columbia Bay* and the *S/R Long Beach*. His final tour was aboard the *S/R American Progress*.

We wish Nick and all the recent retirees fair winds and following seas and the best of luck in their retirement years.

S/R American Progress



Taking a break at coffee time in the mess hall of the *S/R American Progress*. Back row from left: AB Rudi Benavides, QMED Donald Hatch, and AB Bob O'Connor. In front from left: Ship's Cook Kevin Linden and Fleet Chef Tim Gallegos.

EXXON SEAMEN'S UNION

Founded March 28, 1941

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Vice President John Straley

Secretary/Treasurer Leo DeCastro

Recording Secretary Thomas Thompson III

Deck Trustee Michael Harrison

Engine Trustee William Ackley

Steward Trustee Joe Pereira

Transiting Panama in *Maunalei*



Pictured on deck of Matson Navigation Company's new CV-2500 Class containership *Maunalei* while transiting one of the Panama Canal's locks in August, are SUP members Bob Morgan, Rich Reed and Harry Naole. The other SUP members on the vessel's maiden voyage from Aker Philadelphia Shipyard to Long Beach were Miguel Villegas, Tony Montoya and Jim Meador. The *Maunalei* is currently on the Long Beach/Honolulu run but is expected to join the other Aker newbuilds —*Manukai*, *Manulani* and *Maunawili*— in the Long Beach/Honolulu/Guam/China service.



Photos taken by Spike Martin and 3rd mate Nick Moore.

Dear Editor:

The late Captain Dave Lyman started a tradition of making bell ropes for the new Matson ships. For the *Maunalei*, the honor was passed on to me. Didn't have much to work with and scrounged up some small stuff in a dumpster at the shipyard.

As in past tradition, the hitched handle is painted Matson grey, the turks heads red, white and blue to represent the colors on the Hawai'i state flag. The rope ain't nothing fancy, but it's better than a piece of rope yard.

Rich Reed #3181

Welfare Notes

September 2006

Port Visits Thank You

Welfare Plan Administrator, Michelle Chang, makes yearly visits to the ports in Wilmington, Seattle and Honolulu to meet with the members and answer any questions they may have. On recent visits to Wilmington and Seattle, she was accompanied by Training Representative, Terry O'Neill, and Money Purchase Pension Plan and 401(K) Plan Representative, Todd Smithpeter. We would like to thank everyone who attended. The questions and general feedback we get from you is helpful in organizing our office to serve you better. There is a visit scheduled for Honolulu on October 16. If you are in that area, please be sure to stop by.

Reminders from your Medical Director

Keep a written list of your medications and dosages with you. If you require emergency treatment, it is important for the treating physician to know the medications you are taking. If you lose consciousness, the information in your wallet about your prescriptions or allergies to certain drugs may help save your life.

If possible take an extra supply of medications with you when you ship. This will help you maintain your necessary dosage if there is any accidental loss of your drugs. It is important that you continue to take your medications as prescribed by your doctor and do not cut down the dosage unless approved by your doctor. If you have asthma, you should always have extra inhalers while you are away from home.

Remember to wash your hands frequently when at sea and especially in port. It is a good way of decreasing your chances of picking up germs or becoming ill.

When working in hot environments, performing rigorous physical activity, and on hot days increase your normal fluid intake. Drinking lots of water can help prevent dehydration that can affect certain medical conditions.

Michelle Chang, Administrator—mcsupsiup@sbcglobal.net

Patty Martin—martinpatty59@sbcglobal.net

Virginia Briggs—vbriggs80@sbcglobal.net

Michael Jacyna—mjacyna67@sbcglobal.net

Terry O'Neill, Training Representative—terenceo@gmail.com

SUP Welfare Plan

730 Harrison Street, #415

San Francisco, CA 94107

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

Fax: 415-778-5495

Training Representative Terry O'Neill: 415-957-1816

Bangladeshi mariners rescued from sinking ship

Thirty-four Bangladeshi seafarers were rescued on September 7, from a stricken general cargo ship off southern Sri Lanka.

The abandoned vessel, *Amanat Shah*, sank 6.5 nautical miles off Galle in rough seas, port officials said.

The ship developed engine trouble off the port of Galle on September 5, while en route from Mumbai (formerly

Bombay) to Myanmar (formerly Burma) with a cargo of timber.

The crew was rescued by the Sri Lankan navy when the ship started sinking while under tow in Galle.

The Bangladesh-registered *Amanat Shah* is operated by AK Ship Management of Chittagong and owned by Continental Liner in the same city.

Medicare premiums to increase next year—surcharges added

The basic Medicare premium will rise next year to \$93.50 a month, an increase of \$5, the Bush administration announced. It said more affluent beneficiaries would have to pay a new surcharge, from \$12.50 to \$68.60 a month, depending on their incomes.

The surcharge applies to 1.5 million people with annual incomes exceeding \$80,000 for individuals or \$160,000 for married couples filing joint tax returns.

Medicare officials said the standard premium for 2007 was lower than they had predicted. In May and again in July, they estimated that the monthly premium, now \$88.50, would climb to about \$98 in 2007.

The premium in question is for Part B of Medicare, a voluntary program that covers doctors' services, diagnostic tests and outpatient hospital care for 40 million people who are 65 and older or disabled. It shot up 50 percent from 2003 to 2006.

Kirsten A. Sloan, a health policy analyst at AARP, the lobby for older Americans, said: "The standard premium for Part B is less than originally projected, and that's good news. But the premium

is artificially low. It assumes a continuation of current law, under which Medicare payments to doctors will be cut 5 percent next year. If Congress decides to prevent that cut, beneficiaries may have to make up the difference by paying higher premiums in 2008."

The premium is set each year to cover about 25 percent of projected spending under Part B. If Congress had eliminated the cut planned for doctors and simply frozen their Medicare fees in 2007, it would have required a further increase of roughly \$1.50 in the monthly premium, Medicare officials said.

Congress established the ' surcharge under a little-noticed provision of the 2003 law that added a prescription drug benefit to Medicare. Federal officials said the surcharge, to be phased in over the next three years, represented a major change. Until now, high-income and middle-income beneficiaries have generally paid the same premium. Medicare officials said the surcharge would raise \$7.7 billion in the first five years and a total of \$20.8 billion in the first 10 years.

Federal health officials estimate that 9,000 people will drop out of Part B because of the surcharge in 2007, while 30,000 will drop out in 2009, when the surcharge becomes larger.

In calculating the extra premiums for 2007, the government will generally use income data from tax returns for 2005. For a single person with income of \$80,001 to \$100,000, and for each member of a couple filing a joint return with combined income of \$160,001 to

\$200,000, the surcharge will be \$12.50 a month, and the total premium will be \$106 a month.

The surcharge rises with income. For an individual with income greater than \$200,000 and for each member of a couple with combined income exceeding \$400,000, the surcharge will be \$68.60 a month in 2007, and the total premium will be \$162.10 a month. The surcharge will be much higher in 2008 and later years.

New Increases

The basic Medicare premium, now \$88.50 a month, will rise to \$93.50 next year, with a surcharge for higher-income beneficiaries.

Income of beneficiaries who have filed...		Monthly surcharge	Total monthly premium
Individual tax return	Joint tax return		
Up to \$80,000	Up to \$160,000	--	\$93.50
\$80,001 to \$100,000	\$160,001 to \$200,000	\$12.50	\$106.00
\$100,001 to \$150,000	\$200,001 to \$300,000	\$31.20	\$124.70
\$150,001 to \$200,000	\$300,001 to \$400,000	\$49.90	\$143.40
Over \$200,000	Over \$400,000	\$68.60	\$162.10

Source: Department of Health and Human Services

MARITIME CABOTAGE TASK FORCE

COMMENTS ON THE BENEFITS OF THE JONES ACT

TO THE UNITED STATES INTERNATIONAL TRADE COMMISSION

In comments responding to the International Trade Commission, the Maritime Cabotage Task Force (MCTF), to which the Sailors' Union of the Pacific is a member, detailed the national security and economic benefits directly attributable to the enforcement of the Jones Act cabotage laws. The MCTF comments were submitted in response to the fifth annual "Significant U.S. Import Restraints" economic assessment.

The United States International Trade Commission is an independent quasi-judicial Federal agency with broad investigative responsibilities on matters of trade. The agency investigates the effects of dumped and subsidized imports on domestic industries and conducts global safeguard investigations. The commission also adjudicates cases involving alleged infringement by imports of intellectual property rights. Through such proceedings, the agency facilitates a rules-based international trading system. The Commission also serves as a Federal resource where trade data and other trade policy-related information are gathered and analyzed. The information and analysis are provided to the President, the Office of the United States Trade Representative (USTR), and Congress to facilitate the development of sound and informed U.S. trade policy. The commission makes most of its information and analysis available to the public to promote understanding of international trade issues.

The mission of the commission is to (1) administer U.S. trade remedy laws within its mandate in a fair and objective manner; (2) provide the President, USTR, and Congress with independent analysis, information, and support on matters of tariffs, international trade, and U.S. competitiveness; and (3) maintain the Harmonized Tariff Schedule of the United States.

The full comments of the Maritime Cabotage Task Force is as follows:

I. INTRODUCTION

This is the sixth occasion upon which the Maritime Cabotage Task Force (MCTF) has commented on the record of subject investigation for the purpose of challenging the Commission's proposition that the Jones Act (Section 27 of the Merchant Marine Act, 1920) is an import restraint under common principles of international trade practice that imposes a significant - albeit rapidly disappearing - "welfare cost" on the U.S. economy. Over the last decade, the Task Force, and to a lesser extent, the General Accounting Office, have found fault with: (a) the Commission's methodology and portrayal of the Jones Act fleet; (b) the Commission's underlying assumptions that foreign vessels and crew could operate in U.S. domestic commerce without incurring the compliance costs associated with U.S. laws and regulations applicable to U.S. operators in the same trades, and that foreign vessels would do so at a substantial discount from U.S.-flag rates; (c) the suspect nature of the imputed "welfare costs" reported by the commission based on the flawed methodologies and assumptions; and (d) the Commission's failure to consider offsetting economic and national security benefits derived from the Act when computing its purported economic cost.

To its credit, the Commission has made limited changes to address some of these concerns - e.g., changing from a rate-based to a cost-based analysis, incorporating sensitivity analyses designed to allow for differing views as to the extent to which cost differentials would translate into reduced shipping costs as a result of the application of U.S. laws, etc. - but in general those criticisms remain as valid today as when first expressed.

The Task Force does not intend to restate here its arguments on these points that are contained in its prior submissions for the record and which are incorporated herein by reference. Nonetheless, the following excerpt from the Introduction to the Task Force's Post-Hearing Statement submitted in anticipation of the Commission's Third Biennial Update in 2002 is repeated here because it encapsulates both the MCTF's position and the underlying national and economic security interests preserved by the Act in all its variations:

As a sovereign state, the United States of America has a recognized interest in maintaining its national and economic security against all threats, foreign and domestic. While international trade plays an important role in our national economy, the desire to facilitate trade is at all times secondary to those broader national security interests. The domestic transportation system of the United States is at the core of both national defense and economic security. Recognized by a Presidential Commission in 1998 as one of eight critical infrastructures essential to the functioning of our economy, the domestic transportation system supports both our national economic welfare and our national defense.

Nothing better underscores that importance - and the heightened national interest in maintaining both economic and physical control over that system - than the events of [September 11, 2001]. ... As the Commission once again undertakes to study the effect that elimination of U.S. maritime cabotage laws would have on the U.S. economy, it would do well to remember those events and the view of at least one expert on maritime and port security that such events "exposed to plain view the soft underbelly of globalization."¹

Since 1789, the maritime cabotage laws of the United States have played a key role in ensuring the safety, security, and economic competitiveness of U.S. waterborne domestic commerce. As a result, the United States now possesses a domestic marine transportation system without equal in the world. On a per ton-mile basis, 14 percent of the freight carried in the United States annually moves by water for 1 percent of the nation's for-hire transportation cost. Since 1990, when the Commission first began to study domestic shipping as part of this investigation, the cost per ton-mile for cargoes shipped in those trades has increased by less than a penny, notwithstanding a 55 percent increase in the CPI over the same period. These economic benefits are due in part to the substantial increases in productivity in coast-

wise marine transportation achieved during the last 10 years; in part to the highly competitive nature of the trades themselves; and in part because the cabotage laws have ensured that competition in those trades is conducted on a level playing field. Thanks to the cabotage laws, the coastwise shipping market remains free from the distortions that characterize international shipping as a result of foreign subsidies and other market distorting practices. As a result, new entrants and existing owners alike are willing to invest the millions of dollars needed to support the continued growth that has characterized the coastwise fleet over the last decade.

As the Commission undertakes its Fifth Biennial Update, the Task Force strongly urges it to incorporate the lessons learned over the last five reports by:

- Recognizing the right of sovereign states to impose restraints on trade in the interest of national and economic security, particularly where, as here, the activity in question takes place wholly within the state seeking to regulate that activity; and
- Recognizing that the economic impact of trade elimination cannot be assessed in a vacuum, as the Commission seeks to do, and considering the national and economic security interests served by the very policies the Commission seeks to liberalize, as well as other competing trade policies;

Because these issues have been discussed extensively in prior Task Force submissions, the Task Force here limits its comments to issues arising from the Commission's Fourth Biennial Update published in 2004 and events that have occurred since that date.

II. ECONOMIC IMPACT OF JONES ACT

In the course of its five previous attempts to portray the Jones Act as a barrier to the import of shipping services that imposes costs on the U.S. economy by denying access to assumed lower-cost foreign shipping for domestic services, the Commission has produced estimates of those costs ranging from a high of \$9.8 billion dollars (1991) to a low of \$119 million (2002). Interestingly, each successive update of the 1991 report has produced a significantly lower estimate of economic impact, to the extent that the low end of the current range of estimates is only 1.2 percent of the amount claimed by the Commission in 1991. Either this represents an astounding increase in the economic efficiency of the Jones Act fleet over the eight years covered by the reports (i.e., a 98.8 percent increase), or the Commission's methodology is flawed in some significant respect.

USITC Estimated Cost of the Jones Act

Year	Amount (\$ Billion)	Remarks
1991	9.800	High end estimate
	3.600	Low end estimate
1993	3.100	
1995	2.800	
1999	1.300	
2002	0.656	Complete elimination
	0.261	Liberalize U.S. build only
	0.262	50% realization of cost differential
	0.119	25% realization of cost differential

In its Fourth Biennial Update the Commission implicitly acknowledged the latter by admitting that the challenge of modeling the importation of services is beyond the capability of the USAGE-ITC model used by the Commission in its previous studies.

Previous versions of the Import Restraints study have provided quantitative estimates of the economic effects of Jones Act restrictions. The current report does not provide a model-based evaluation of the economic effects of the Jones Act. Modeling of outright import prohibitions is demanding, and the current version of the USAGE-ITC model does not include this capability.

Notwithstanding this admission, the Commission a few pages later repeats the now admittedly suspect findings of its 2002 Report. The Task Force suggests that now may be the time for the Commission to drop the Jones Act inquiry from this investigation. The results as summarized above certainly do not lend much credibility to the validity of its computations and the Commission admits that modeling the Jones Act is beyond the capability of its current analytical model. Nor do the sources cited by the Commission in support of its estimates, the most recent of which is now over 12 years old. While this may seem to some to be an academic exercise, the fact is that persons opposed to the Jones Act use the Commission's findings as the basis for attacks on the Jones Act, placing at risk the substantial national and economic security interests served by the Act.

III. COST OF DOMESTIC SHIPPING SERVICES

A consistent theme of previous Commission reports under this investigation is that the higher costs of United States-flag, coastwise qualified (i.e., U.S. built, U.S.-owned, and U.S. citizen crewed) vessels imposes economic costs on areas subject to the coastwise laws and that allowing foreign vessels into those trades would benefit consumers in those areas by the differential between the capital and operating costs of United States-flag and foreign-flag vessels. In addition to the Task Force's long-standing objections to this methodology - including not insignificantly the issue of the application of U.S. laws on foreign ships operating in U.S. domestic commerce, and the economic impact of such application on foreign operating costs - recent events call into question the underlying validity of the Commission's assumptions.

The non-contiguous trades - i.e., trades between the contiguous United States and Alaska, Hawaii, Puerto Rico, and Guam - should be the most sensitive to any

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SUP President's Report

September 11, 2006

SIU-PACIFIC DISTRICT PENSION PLAN

As reported for the past two months, the SUP, MFOW and SIU-Marine Cooks have proposed to APL and Matson that the maximum pension benefit be increased by \$100 for those members retiring after on or July 1, 2006 plus a \$50 pro rata increase for those already retired.

The proposal was made in good faith and based on the overfunded status of the Pacific District Pension Plan. However, it should again be understood by all that under the collective bargaining agreements with APL and Matson, a mid-contract pension increase outside of the provision of Section 30(e) of the General Rules, is only possible unless the companies agree.

To reiterate what has previously been reported, Section 30(e) states that during the 60-day period immediately following the Plan's actuarial report covering the one-year period preceding August 1, 2005, the parties shall meet to negotiate benefits for Plan participants who retire on or after July 1, 2006. The present value of any such benefit increase shall not exceed the combined actuarial net gain experienced by the Plan during the period covered by the applicable actuarial report, which in this case is the Plan year ending August 1, 2005. On May 18, Plan Actuary, Greg Pastino of the Hay Huggins Group, notified the Trustees stating that there was a gain of \$3,706,094 available for benefits pursuant to Section 30(e).

Matson's Trustee on the Pension Plan, Tom Percival, Labor Relations & Vessel Operations Manager, acting on behalf of his corporate masters has been the individual who has put the spanner in the spokes of what all—including Percival—have termed a reasonable proposal.

However, Percival's consistent response to the Union proposal is that Matson would agree only if the washdown language in Section 16(9) is eliminated to give the master the authority to washdown at his discretion. This lap dog for the pirates at Matson finally responded formally by email on August 17, to confirm the company's position.

Since this attempt to cherry-pick the collective bargaining agreement was completely unacceptable to the Unions, APL and Matson were notified on August 18, by the Unions that they desired to bargain a pension increase based on the Plan actuary's Section 30(e) calculations. Under this formula the maximum pension benefit for future retirees would increase by \$120 per month with pro-rata increases for those with less than 25 years covered employment. It should be noted that this proposal will cost \$3.7 million in surplus Pension Plan funds whereas to the Union proposal originally made on June 6, would have cost \$7.1 million, also in surplus funds. Neither proposal would have cost Matson or APL anything.

On September 12, at the regularly scheduled pension trustee meeting, the Union's 30(e) proposal should be discussed and finalized. But given the conduct of Percival, anything could happen as Section 30(e) gives the parties the right to go to arbitration if one side or the other disagrees with the actuary's calculations.

A general pension increase for current and future pensioners will certainly be a key demand in bargaining with Matson in 2008.

[Editor's Note: At the September 12 Pension Plan meeting, the Union's 30(e) proposal was agreed to by the shipowners. Full details will be in this month's *West Coast Sailors*.]

AMERICAN PRESIDENT LINES

In accordance with the agreement negotiated between the SUP, MFOW, and SIU-Marine Cooks with American Ship Management in January 2005, and assumed by American President Lines, Ltd. on July 29, 2005,

effective October 1, 2006, the Supplemental Benefit (vacation pay) for those working under the Offshore Agreement shall be increased from 14 to 15 days per month. The one-day supplemental benefit increase is the equivalent of 2.35%.

Under the SUP Maintenance and Extra Maintenance Agreements with APL, wages and wage-related items will increase by 2% effective October 1.

The new wage rates will be published in the September issue of the *West Coast Sailors*.

In addition, APL's contribution rates to the SUP Welfare Plan shall be increased October 1, by the percentage increase—as yet to be determined—in the medical services component of the Consumer Price Index (United States Average for Urban Wage Earners and Clerical Workers or its agreed upon successor) during the most recent 12-month period for which such index has been calculated by the Bureau of Labor Statistics of the U.S. Department of Labor.

SAN FRANCISCO BAR PILOTS

As reported in July, bargaining for new agreements with the San Francisco Bar Pilots was scheduled to begin on September 7. However, the Pilots requested a postponement until the first week of October.

Since June, Vice President Dave Connolly and your secretary have had several productive caucuses with the marine personnel employed by the Pilots regarding contract issues. Similar meetings are slated for the dispatchers.

The collective bargaining agreements between the Sailors' Union and the Bar Pilots covering marine personnel and the dispatchers expires on December 31.

TRANSPORTATION WORKERS' IDENTIFICATION CREDENTIALS

In June of this year (see the June issue of the *West Coast Sailors*), the SUP formally responded to the government's proposal to issue Transportation Workers' Identification Credentials (TWIC) and the Coast Guard's proposal to replace Merchant Mariners' Documents with Merchant Mariners' Credentials.

While the Union first rejected the necessity of an additional credential for mariners, we supported, with many qualifications and adjustments, the introduction of the TWIC as a measure to protect against terrorism in American ports. Now, however, the Transportation Security Agency (TSA) has completely subverted the process whereby workers will bear the brunt of the program while the security benefit is forestalled.

On August 21, the TSA decided to postpone the installation and purchase of biometrics card reader while still forcing workers to undergo extensive background checks and pay for a biometrics ID card. The government says the TWIC program was designed to use biometrics technology and collect biographical data to control access to our nation's maritime facilities.

It makes no sense to impose onerous requirements on workers now and force them to pay almost \$150 for a glorified "flash pass" that may never be used as intended. Without the ability to verify a worker's identity through biometrics data, there are limited safeguards to ensure that someone with terrorist intentions does not assume a false identity. Thus the government is saying that it will burden workers with extensive background checks and new fees but it will take a pass on requiring and providing funding for installation of card readers. Why should workers bear the brunt of the government's transportation security programs?

If TSA is not ready to proceed with TWIC as Congress mandated, then the entire program should be halted. We urge TSA to work with transportation labor to ensure that the problems and concerns of workers surrounding privacy rights, background checks and due process in appeals are addressed before this program proceeds. And to be fair, the government—not individual workers—should absorb the costs of the program.

Accordingly, the SUP sent the following letter to Homeland Security Secretary Michael Chertoff on September 8:

Dear Secretary Chertoff:

This is to register the objection of the Sailors' Union of the Pacific to recent changes in the Transportation Workers' Identification program. Specifically, the postponement of the purchase and installation of biometrics card readers, while still requiring workers' to pay for new background checks and the card itself, is unfair and ill-advised. Without card readers the TWIC is little more than another expensive identification card, and the security benefits of the program—such as access control to secure areas—are deeply undermined.

We further object to being forced to pay for the background checks and card production, since it is our contention that U.S. port security is the responsibility of the U.S. government, including its cost. But forcing a cost that should properly be the government's onto the maritime workforce is one thing: to do it for a card that may never be used as intended is quite another. We urge you to be fair to the nation's maritime workers and direct TSA to stop the entire program until it can be implemented as Congress intended.

Sincerely,

GUNNAR LUNDEBERG

President/Secretary-Treasurer

SUP BUILDING CORPORATION

As reported late last year and in June of this year, the City of San Francisco's Board of Supervisors approved the Planning Department's Rincon Hill Plan, which, in part, calls for areas of the Headquarters building to be used for community purposes and that \$2.5 million would be earmarked for retrofitting the building (elevator, etc.) funded by area developers.

Since that time, your secretary along with other Building Corporation Trustees have had several discussions with representatives of the Planning Department over when the funds for renovation will be forthcoming as well as prospective lease terms from City agencies for space in the building.

The major stumbling block is that the Planning Department contends that it cannot use so-called public funds to invest in a privately owned buildings. The Building Corporation has responded on several occasions that the issue had not been raised in the last three years and the City is obligated to comply with its commitment to the SUP. Both the City and the Building Corporation continue to work on this issue.

The Building Corporation Trustees met on August 17, to further discuss the issue and decided to redouble our efforts to pressure the City and particularly San Francisco Mayor Gavin Newsom to fund the retrofit of 450 Harrison.

In other news, the MEBA has rented space at market rate at Headquarters while their new building in Oakland is being renovated, which should take two or three months.

MASTERS, MATES & PILOTS CONVENTION

At the invitation of Captain Tim Brown, President of the International Organization of Masters, Mates & Pilots, attended and addressed the Union's 81st Biennial Convention on August 22, at the Maritime Institute of Technology & Graduate Studies (MITAGS) at Linthicum Heights, Maryland.

After extending fraternal greetings from the membership of the SUP to the MM&P delegates, your secretary emanated the challenges facing the labor movement and maritime labor specifically.

In addition to your secretary, the MM&P Convention was addressed by ILA President John Bowers; MEBA President Ron Davis; SIUNA President Michael Sacco; James Patti, President of the Maritime Institute for Research and Industrial Development (MIRAID);

continued on next page

President's Report continued

Glen Paine, Executive Director of MITAGS; and Valerie Verrecchio, Administrator of the MM&P Plans. the holiday, the Headquarters meeting will be on Tuesday, October 10.

ACTION TAKEN

COLUMBUS DAY

All SUP halls will be closed for Columbus Day, Monday, October 9, a holiday under all SUP agreements. Due to

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

Gunnar Lundeberg

Pension Benefit increases for members retiring on or after July 1, 2006

I. Long Service Benefit (25YQT)

(1) Retiring at age 60 or older	\$1,211.00
(2) Eligible for Social Security Disability, any age	\$1,211.00
(3) Retiring between ages 55 and 60	\$1,011.55
(4) Retiring under age 55	\$300.00

II. Basic Service Benefit (20YQT)

(1) Retiring at age 60 or older	\$968.80
(2) Eligible for Social Security Disability, any age	\$968.80
(3) Retiring between ages 55 and 60	\$872.63
(4) Retiring under age 55	\$250.00

III. Reduced Service Benefit

(1) 15YQT	\$544.95
(2) 16YQT	\$581.28
(3) 17YQT	\$617.61
(4) 18YQT	\$653.94
(5) 19YQT	\$690.27

IV. Disability Retirement Benefit

(1) 25YQT retiring at age 60 or older	\$1,211.00
(2) 25YQT retiring at ages 55-59	\$1,011.55
(3) 25YQT retiring under age 55	\$300.00
(4) 20YQT-24YQT retiring at age 60 or older	\$968.80
(5) 20YQT-24YQT retiring at ages 55-59	\$872.63
(6) 20YQT-24YQT retiring under age 55	\$250.00
(7) 15YQT-19YQT	\$187.50
(8) 15YQT-19YQT and eligible for Social Security Disability	\$218.50
(9) 10YQT-14YQT	\$125.00

V. Dependent Child Benefit

(1) Per child under age 18	\$25.00
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VI. Deferred Vested Benefit per Year of Qualifying Time

(1) 200 or more Qualifying Days	\$36.33
(2) 125 to 200 Qualifying Days	Pro Rata
(3) Less than 125 Qualifying Days	\$0.00

Maritime Cabotage Task Force continued from page 9

increase in the cost of owning and operating United States-flag shipping because they depend exclusively on such shipping for transportation to and from the contiguous United States, with little or no competition from U.S. rail or trucking services. Thus, with the generally increasing cost of U.S.-built ships, U.S. crews, U.S. insurance and maintenance and repair in U.S. shipyards, one would reasonably expect the cost of Jones Act shipping to consumers in those areas to have increased accordingly. Yet a study recently released by the U.S. Maritime Administration found just the opposite - freight revenues in each of those trades have continued to decline since the early 1990's, notwithstanding the 55 percent increase in the CPI over that same period as noted above.

- Hawaii-real revenue per FEU has declined by approximately 1.3 percent annually since 1991;
- Guam-average freight revenue per FEU declined an average rate of 2.2 percent;
- Puerto Rico-average revenue per FEU declined by nearly 39 percent over the period 1991-2003; and
- Alaska-real rates in this trade have declined nearly 23 percent from 1991 to 2003.¹²

In 2005, as a result of the disruption to U.S. energy supplies due to Hurricanes Katrina and Rita, the United States issued limited waivers to the Jones Act allowing foreign tankers to transport petroleum products to and from areas affected by the storms. The Commission's previous analyses assume that given the opportunity foreign vessels would replace United States-flag in those services at substantially lower rates reflecting the cost differentials used in those analyses. In fact, this did not occur. Despite the stress placed on the domestic industry as a whole by the widespread damage caused by the storms, U.S. oil companies made limited use of the waivers, and, where foreign tankers were used, their rates closely approximated U.S. domestic rates. In short, foreign shipowners sought to maximize their own returns from engaging in U.S. domestic commerce, not to pass the benefit of their lower operating costs to the U.S. consumer. There is no evidence to suggest that this would not occur if the Jones Act were eliminated in its entirety, thus negating any economic benefit claimed by the Commission.

IV. OFFSETTING ECONOMIC EFFECTS

In its Post Hearing Statement submitted as part of the Commission's Fourth Up-

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Vice President's Report

September 2006

How to fight

Over the course of its long history, our great Union has overcome intense and daunting attacks. There were the crimps and the boardinghouse masters, government-sanctioned slavery, brutality at sea, the fink book, attacks from the government, attacks from other unions, and attacks from within. We not only survived them but thrived in spite of them. When we consider the threats we face today, the cost of health care cannot be ignored. If there is one thing that has the power to break the union it's the cost of health care.

As everyone knows, it's out of control. Nationally, premiums for employer-based health insurance rose by 9.2 percent in 2005, on average. It was the fifth consecutive year of increases over 9 percent. All types of health plans —including health maintenance organizations (HMOs), preferred provider organizations (PPOs) and point-of-service plans (POS)— showed this increase. For the SUP Welfare Plan, unfortunately, the costs were much higher. That pressure forced some changes to our eligibility system and slightly raised our co-pays but left our benefits intact. The costs continue to advance, however, and we should all think about what we can do.

It's worth some effort. In the nation's heartland some of the best Union jobs ever created are unraveling. The wages, benefits, and pensions of auto workers —not merely their eligibility— are being slashed primarily because of the cost of health care. At Delphi, workers are being asked to take an hourly wage cut of more than fifty-percent. Health-care is the industry's biggest single cost: at Chrysler alone health-care costs annually total \$2.3 billion. Yet the competition, which is every major industrialized trading partner on the planet, has some form of government subsidized health-care. It's tempting to think that this is a technical problem that we can fix with the right program or adjustment. But that would be wrong.

It is a political problem. The people in power in this country have an "ownership" ideology in which only the rich would survive via access to quality health care only they could afford. The people talking about an "ownership" society mean ownership for themselves, not everyone. The top one percent of the U.S. population has more money than the entire bottom ninety-five percent. In 1980, the top one percent controlled thirty-three percent of all American assets: today it's more than half. Meanwhile, median income for the American worker fell almost six percent since Bush took office. And it's not enough for the gluttons. They must simultaneously attack the "entitlement" ideology of social safety nets such as a national health insurance or even regulated medical costs. They keep pushing these costs down. From the government to the industry to individual companies to individual workers progressively narrowing the cost base until it cannot be maintained. Except to make the super-rich obscenely rich, that strategy has failed.

Our trading partners do the opposite. Rather than narrowing the cost of health-care, they spread it out, as wide as possible, among as many groups as possible, to share the burden and insulate against individual "shocks" of higher cost. Harry Lundeberg had the same idea over fifty years ago when he created one of the first multi-employer health-care plans in the country.

One answer to the question "what can I do?" to fight this enemy is to get and stay healthy. It's good for you and in the long-run it drives down costs (utilization rates). But a better answer is to get angry. This is an enemy that is threatening our total economic ruin and it is being backed by a class of people with whom we have nothing in common. It's class warfare and we all need to remember that a prime stratagem of class warfare is to prevent the victim's knowledge of the attack. If you know it, you've already started to fight back.

For those who want more combat, this is how you get in the streets and fight these days: you register to vote, you contribute to your political action fund, you go to the phone bank at your labor council, you make precinct walks before the election, you encourage everyone you meet to vote in the election, you help get out the Union vote on election day, and on election day, you and your entire family votes Union.

Ships Checked

Cape Jacob: Steve Huggins, delegate. Numerous issues regarding discharge, overtime budgets, manning, contract renewal, and repatriation costs. Linen penalty no good. Calls and emails from the delegate indicate crew is missing Saipan alongside in Okinawa.

Manoa: Doug Taylor, delegate. Clarification on delayed sailing.

Maunawili: Edwin Suguitan, delegate. Dispute on carpenter's work resolved.

President Adams: Burt Genita, delegate. Made this ship in her first call in NJ at Port Newark. Clarification on Shipping Rule No 8: shuttle ship rules require minimum tour of 120 days and a maximum of 180 with no trips off. If a member has 179 days on the day of departure from the port of engagement (Newark) then he/she has the right to make another trip. Bosun Bob Burns and Norm Christianson worked together to make the first SUP riding gang a huge success. Norm and Bill Esselstrom, working with the available SUP deck gang, blasted, buffed and applied two coats of paint to more than 60% of the main deck, including every bulwark, breakwater, bitt, chock, winch and windlass on the bow in less than 30 days. This productivity shows the competitive importance of SUP riding gangs and augurs well for their continuation and possible expansion. Kudos also to Joe Nugent and Chris Roblee for traveling to stake out SUP jurisdiction on East Coast shore gangs.

Cape Girardieu: Allan Gonzales, bosun. Running smooth.

Cape Orlando: Steve Zombro, bosun. No problems.

San Francisco Bar Pilots: Louie Urbano, delegate. More caucuses and discussion, in particular with the Golden Gate operators; all hands are deeply involved in all aspects of pending negotiations.

Foss Maritime Company: Mike Worth, delegate. Proposals for engineer training program and jurisdictional sharing adjustment are under consideration. Objections raised to switching steady crews to "dead boat" operations upriver.

Dave Connolly

SUP Branch Reports

Seattle

August 21, 2006

Shipped the following during the period: 1 Boatswain job shipped to an A-card return; 9 Able Seaman jobs shipped to 2 A-cards steady and 1 A card to a relief, 3 B-cards to regular jobs and 2 B cards to reliefs; 1 B-card to Chevron; 1 Ready Reserve Fleet Ordinary Seaman shipped.

Registered the following: 12 A cards for a total of 29; 14 B cards for a total of 37; 2 C cards for a total of 10.

Ships checked

President Jackson and President Polk back from the Far-East with no problems. *Kauai* and *Manoa* in twice and running smoothly.

During the month, I attended the Seattle Freight Mobility Committee meeting; the King County Labor Council meetings; the Washington State Labor Council Political Round Table meeting; and a Port of Seattle update briefing on State Route 519.

I represented the SUP in a reception for United States Senator Maria Cantwell who is running for reelection this year. Senator Cantwell played a pivotal role in eliminating language submitted by Republican Party legislators which would have allowed foreign seaman to ship as riding gangs aboard U.S flag ships to do the work that has always been done by SUP sailors.

The SUP accompanied Governor Chris-

tine Gregoire on a tour of the Seattle waterfront and gave her hell regarding the Mayor and his idiot scheme for urban housing in the City's waterfront industrial area. As I have previously stated in my monthly reports the Governor sees things our way and recognizes the need for apple farmers and wheat growers to get their products to the docks.

Vince O'Halloran, Branch Agent

Wilmington

August 21, 2006

Shipped during the period: 3 bosuns, 9 ABW, 5 ABD, and 62 standbys for a total of 79 jobs shipped.

Registered 32 A members, 33 B members and 7 C members.

Ships checked

Mahimahi, Mokihana, Matsonia, Lihue, APL China, APL Thailand, APL Singapore, R.J. Pfeiffer and *Manukai*.

Attended many meetings with the Labor Day committee.

Attended MTD meeting also MTD luncheon with many members of the harbor coalition. Met with Janis Hahn and talked over port security.

Finally, thanks to Michelle Chang, Administrator of the SUP Welfare Plan and Welfare Plan Training Representative Terry O'Neill for attending the Union meeting and answering a variety of questions to the membership's satisfaction.

Yours in struggle,

Paul Calais, Branch Agent

Honolulu

August 21, 2006

During the month of July, dispatched the following: 1 bosun return, 1 maint., 4 ABD, 2 ABD reliefs, 1 ABW, 1 ABW relief, and 1 OS. These were filled by 5 A members, 5 B members, and 1 C member. Also shipped 32 standby jobs filled by 6 A members, 9 B members, 11 C members and 6 D registrants, for a total of 43 jobs shipped.

During the month of July registered the following: 8 A members, 7 B members, 3 C members and 2 D registrants. To date have registered: 14 A members, 20 B members, 5 C members, and 3 D registrants, for a total of 42 registered.

Ships checked

Manoa, Mahimahi, Kauai, Lurline, Matsonia, Manulani, R.J. Pfeiffer, Maunawili, Manukai, Mokihana, and *Lihue*. All with few or no beefs.

Paint and Rigging gang running smoothly with Monte Kalama as bosun.

Maunalei arrived at Honolulu Harbor on her maiden voyage. Running relatively smooth. Few post-delivery house-keeping issues. Fans, clocks and mission one crew dryer. Rich Reed delegate.

On August 16, attended a morning meeting requested by Senator Dan Akaka and staff to discuss the process and direction of the Senator's campaign. Large turnout of construction, teamster, and maritime Union leaders. In Union households, Senator Akaka has a 65%-35% lead over

challenger Ed Case. The anti-Jones Act people have shown up here in Hawai'i and local Union affiliate spokespersons have done a good job of rebutting their statements in our local newspapers.

On this same day, attended the Hawai'i Port Maritime Council meeting. Discussion was all politics with the big push for Senator Dan Akaka and dump Ed Case.

Jim Savage still in rehab. Had a setback.

Matt Ledesma also on binnacle list.

Mike Duvall, Branch Agent

San Francisco Business Agent

September 11, 2006

Visited and paid off the following ships:

Kauai— Gregory Schauf, delegate: Dispute on HAZMAT class. Will check with Labor Relations. Made twice during the month.

Lihue— Paul Fuentes, delegate: Lay up at Pier 27. Will check disputed time with company.

Lurline— Charles Butler, delegate, Charles Bulmer, relief bosun: Running smoothly with no disputes; made twice.

Mahimahi— Charles Duke, delegate, Sedek Idris, bosun: Coastwise no disputes; good crew. Made twice during the month.

Manoa— Douglas Taylor, delegate: Coastwise, no disputes, made twice during the month.

APL Philippines— Mark Pfaff, delegate, Gus Silva, bosun: Voyage pay off. No disputes.

APL Singapore— William Mitchell, delegate: Voyage paid, no disputes.

APL Thailand— Gino Segreti, delegate, Lee Dancer, bosun: Voyage pay off; no disputed time.

APL Shoregang— In good shape.

Washington Voyager— Jill Holleman, delegate: First trip in at Long Wharf from the shipyard; no disputes.

Also worked in the front office.

Bill Berger

Maritime Cabotage Task Force continued from page 11

date, the Task Force cited a U.S. Navy estimate that the national security cost of eliminating the Jones Act would be "hundreds of millions" of additional dollars, including developing federally-owned facilities for the construction and repair of Navy ships, employing additional seafarers on inactive ships to replace the jobs lost to non-citizen crews, and maintaining more vessels in reduced operating status to replace U.S.-flag vessels no longer available to meet defense shipping needs. Moreover, these would not be one-time costs, but rather would continue into the indefinite future as such capabilities would have to be maintained so long as the United States intended to preserve its national security.

The Commission's response to this issue was that non-economic objectives such as national defense are achieved most efficiently through targeted, direct interventions like a Naval subsidy. In effect, move from a market-based approach that has proven effective in reducing the cost of domestic waterborne transportation - by 99 percent since 1990 based on the Commission's own estimates summarized above - to the public sector, further burdening the Federal budget and the U.S., economy generally. This makes no sense.

V. CONCLUSION

It is the Task Force's belief that if the Commission were to proceed as suggested in its earlier submissions and supported herein, it would find that, as the Task Force has long maintained, the Jones Act and related maritime cabotage laws indeed serve important U.S. public policy interests, including economic and national security, to the net benefit of the Nation and its citizens. This has been recognized by U.S. Presidents, and

Congressional and military leaders for over 200 years and it is time for the U.S. International Trade Commission to do so as well.

In its deliberations, the Commission also is urged to consider carefully the fact that support for the U.S. ownership, U.S. documentation, and U.S. build requirements of the Jones Act is the stated position of the present Administration as has been the case for every administration in recent history. 'Presidents Reagan, George H. W. Bush, and Clinton, and now President George W. Bush, have publicly stated their support for the Jones Act and for the nation's commercial and defense maritime interests that are dependent upon it. As former Secretary of Transportation Mineta stated during his confirmation hearing—

"The Jones Act should be maintained.

The Jones Act is an essential element of U.S. maritime policy that provides important economic and national security benefits to the nation, such as support of the U.S. shipbuilding and ship repair industries, and maintenance of a labor base of skilled American mariners."

The uncertain accuracy, flawed assumptions, and lack of balance noted by the GAO in 1998 as having characterized previous Commission studies in this series have had the unfortunate result of providing aid and comfort to those opposed to this key element of U.S. economic and national security policy. The Fifth Biennial Update now underway provides the Commission with an opportunity to set the record straight in this regard.

The Commission may continue to argue as it has that it is doing no more than remaining within the parameters of its investigation as set forth in the 1988 request

of the Senate Committee on Finance and the U.S. Trade Representative's 1992 request for periodic updates of that investigation. The Task Force suggests that it may be time to reassess this policy, particularly in the case of national policies, like the Jones Act, where the policies targeted by the Commission targets in its investigation serve vital national and economic security interests. Indeed, given the findings of its previous updates and the Commission's own admission in its Fourth Update of the inability of its model to provide quantitative measures of the impact, if any, of the Jones Act, the Task Force respectfully submits that now may be time for the Commission to exclude Jones Act services from the scope of its investigation.

Timely Reminder

Fourth quarter 2006 dues are due and payable now!

SUP Constitution ARTICLE VI DUES AND INITIATION FEE

Section 1. The initiation fee shall be Eight Hundred Dollars (\$800.00) payable in installments with the sum of One Hundred Dollars (\$100.00) being due and owing upon the members's admission into the Union and the balance of Fifty Dollars (\$50.00) per month for each month or part thereof in SUP-contracted vessels.

The initial installment of One Hundred Thirty Dollars (\$130.00) shall accompany the application of membership and the dues shall be One Hundred Thirty Dollars (\$130.00) per quarter, payable in advance.

Dispatcher's Report

Headquarters—Aug. 2006

Deck	
Bosun	3
Carpenter	0
MM.....	2
AB	20
OS	1
Standby	23
Total Deck Jobs Shipped	49
Total Deck B, C, D Shipped	8
Engine/Steward	
QMED	0
Pumpman	0
Oiler	0
Wiper	0
Steward	0
Cook	0
Messman	0
Total E&S Jobs Shipped	0
Total E&S B, C, D Shipped	0
Total Jobs Shipped - All Depts. ...	49
Total B, C, D Shipped-All Depts. ...	8
Total Registered "A"	84
Total Registered "B"	73
Total Registered "C"	5
Total Registered "D"	2