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Friday, August 20, 2004

## on maritime security

Democratic presidential nominee John Kerry has left no doubt that his party will continue to make port security a major campaign issue leading up to the November elections.

In a prime-time address to the Democratic National Convention in Boston, on July 29, Kerry decried the lack of physical inspections of cargo containers entering the United States.

"We shouldn't be letting 95 percent of our container ships come into our port without ever being physically inspected," Kerry said Thursday. He did not say, however, what the rate of inspection should be, or offer any details for increased inspections.

Kerry's remarks came just days after former President Bill Clinton in his speech to the convention criticized Republicans and the Bush administration for failing to require more containers to be inspected.

Clinton said congressional Democrats had proposed doubling the number of containers physically inspected for weapons of mass destruction. Republicans opposed the \$1 billion measure because they preferred a tax cut for the wealthy, Clinton said.

Kerry also said that he would immediately implement all of the recommendations of the September 11 Commission. The commission also noted that the federal government has given short shrift to cargo security, focusing most of its attention and resources on securing air passenger travel.

Among other recommendations, the commission suggested that Congress direct the Transportation Security Administration to fully evaluate the security risks facing all modes of transportation – including air and maritime cargo—and develop a comprehensive plan to address shortcomings.

### Singapore bids for complete control of APL-parent NOL

Temasek Holdings, the investment arm of the Singapore government, bid a reported \$1.6 billion on August 3 to buy the shares of Neptune Orient Lines (NOL) that it does not already own. Temasek currently controls 30 percent of NOL.

Reliable maritime sources suggest that Temasek wants to take NOL private. NOL was publicly listed in 1981 and is the largest shipping and transportation company on the Singapore Stock Exchange. In 1997, NOL acquired Oakland-based American Presi-



dent Lines. Temasek also has a large stake in the Port of Singapore Authority, the logistics company SembLog, the parent company of Singapore Airlines and many other companies.

NOL chairman Cheng Wai Keung said on August 12, that the company is "carefully considering" the offer and has appointed the Hong Kong and Shanghai Bank as its independent financial advisor.

Meanwhile, NOL continues to perform strongly with net profit increasing by almost 300% to \$354 million in the first six months of 2004. NOL subsidiary APL turned in pre-tax earnings of \$189 million in the second quarter, up 130% over the same period in 2003.

## John Kerry blasts Bush | Senate and House members strongly oppose WTO limits on U.S. food aid

trong opposition has been developing in recent weeks in the U.S. Congress to a proposal by European Union nations, Canada, and Australia to limit existing United States food aid programs.

A bipartisan group of 15 Senators on July 19, urged U.S. Trade Representative Robert B. Zoellick to stand firm against proposals before the World Trade Organization's (WTO) Doha Round negotiations that would limit the use of in-kind food aid for humanitarian and development assistance programs.

"Proposals calling for the provision of cash donations instead of in-kind food aid are misguided," the Senators told Ambassador Zoellick. "Past experience proves that corruption and lack of transparency can lead to significant portions of cash donations disappearing into the pockets of foreign governments, rather than being used to procure the goods and services needed."

The lawmakers also noted that governments receiving food aid under a cash donation system "may not be able to source or transport adequate supplies of regionally produced food to fill the need in a timely manner."

Noting that 2004 marks the Fiftieth Anniversary of the Food for Peace [Public Law (PL) 480] program, the legislators emphasized the program's success in helping almost a billion needy people around the world, by "alleviating hunger and promoting economic development and security."

"Our food aid programs represent an appeal to the generosity of the American people," the lawmakers told the nation's chief trade negotiator. "Additionally, these programs have strong support within the U.S. agriculture industry that provides high-quality, highly nutritious products to impoverished nations. As such, they have enjoyed sustained bipartisan and broad public support."

"The PL 480 program and other U.S. food assistance programs are efficient and transparent mechanisms to help the world's neediest regions progress from food insecurity to sustainable development," the lawmakers concluded. "In-kind contributions maintain widespread support in the United States as the world's largest donor of food assistance. Any outcome of the Doha negotiations that undermines these essential programs is unacceptable."

The letter to Ambassador Zoellick was spearheaded by Senators Larry E. Craig (R-ID) and Byron Dorgan (D-ND). Also signing were Senate Democratic Leader Tom Daschle of South Dakota; Senators Max Baucus (D-MT); Sam Brownback (R-KS); Conrad Burns (R-MT); Maria Cantwell (D-WA); Norm Coleman (R-MN); Kent Conrad (D-ND); Michael D. Crapo (R-ID); Tim Johnson (D-SD); Patty Murray (D-WA); Pat Roberts (R-KS); Jim Talent (R-MO); and, Ron Wyden (D-OR).

These Senators joined opposition strongly expressed by Senator Charles Grassley (R-IA), Chairman of the Senate Finance Committee, and Senator Tom Harkin (D-IA), Ranking Democratic Member of the Senate's Committee on Agriculture, Nutrition, and Forestry. On June 22, Chairman Grassley told Ambassador Zoellick that: "I am wary of proposals that would require that food aid be provided through cash assistance only." He continued, "After all, while cash donations might be sent, they would not necessarilv be converted into food for those most in need."

Senator Harkin stressed that U.S. food aid programs do not distort agricultural trade and urged Ambassador Zoellick "to reject the EU's proposal to restrict food aid programs in WTO negotiations.'

In addition, the leadership of the Senate Committee on Commerce, Science, and Transportation—Chairman John McCain (R-AZ) and Ranking Member Ernest F. Hollings (D-SC) voiced their concerns in a letter

to Ambassador Zoellick. "To alter now a [food aid] program that has worked not only with such effectiveness and helped so many directly, but has also represented the America we both served to defend is more than mistaken. It turns the very meaning of common sense upside down," they warned.

On the House side, in an effort led by Congresswoman Jo Ann Emerson (R-MO), 25 Members of Congress expressed to Ambassador Zoellick their strong opposition to the EU proposal, noting that "millions of people will go hungry" if the proposal is adopted.

The Missouri lawmaker also cautioned that "the United States should promote, not restrict, food aid programs as tools in the global fight against the spread of terrorism."

Also signing this letter were: House Committee on International Relations Chairman Henry Hyde (R-IL), as well as fellow Representatives Todd Akin (R-MO), Tammy Baldwin (D-WI), Doug Bereuter (R-NE), Vernon Ehlers (R-MI), Bob Filner (D-CA), Kenny Hulshof (R-MO), Chris John (D-LA), Marcy Kaptur (D-OH), Tom Lantos (D-CA), Jim McGovern (D-MA), Juanita Millender-McDonald (D-CA), Dennis Moore (D-KS), Jerry Moran (R-KS), George Nethercutt (R-WA), Tom Osborne (R-NE), Earl Pomeroy (D-ND), Jim Ryun (R-KS), Bernard Sanders (I-VT), Ike Skelton (D-MO), Chris Smith (R-NJ), Hilda Solis (D-CA), Edolphus Towns (D-NY), and Frank Wolf (R-VA). Congressman Tom Lantos (D-CA), Ranking Democrat on the **International Relations Commit**tee, also sent a separate letter on July 23, to President Bush, stressing that the proposal to limit food aid would "threaten U.S. food aid programs" that have been "one of our country's most powerful symbols in the endeavor to encourage democracy and freedom throughout the world."

Source: AMC Washington Letter

CA (USPS 675-180)

## **SUP Quarterly Finance Committee Report**

SUP QUARTERLY FINANCE COMMITTEE REPORT FOR THE QUARTER ENDED JUNE 30, 2004

The Quarterly Finance Committee, duly authorized to act by the regular meeting at Headquarters on June 12, 2004, hereby submits the following report:

#### SUMMARY OF CASH AND INVESTMENTS

General Fund	\$898,545.73
Political Fund	\$2,386.45
Strike Fund	
Total Cash and Investments 2nd Qtr. 2004	\$2,194,663.17

#### GENERAL FUND

ncome.	
Dues, Initiation, Assessments	\$127,481.00
Interest	21,340.12
Donations - West Coast Sailors	3,560.56
Tanker & Joint Committee, Hiring Hall	85,570.64
Advertising & Promotion	235.00
Miscellaneous Income, Reimbursements, Fines	200.00
Reimbursed Administrative Expenses	16,181.69
Contributions - General Fund	<u>7,575.00</u>
Total Income:	\$262.144.01

#### E

Expenses:	
Auto & Travel	\$3,146.38
Rent	16,029.78
Postage, Printing & Office	6,902.75
Telephone & Telegraph	5,711.56
West Coast Sailors Publishing Expense	9,024.81
Per Capita	12,082.50
Salaries & Payroll Taxes	192,419.88
Office Workers Pension	5,787.60
Insurance	27,164.74
Field Expense	1,465.85
Committee & Neg., Conference & Conv	12,300.26
Investment Expense	1,359.38
Advertising & Promotion	909.95
Contributions	1,210.00
Flowers	373.46
Filing Fee	10.00
Officials Pension	1,426.23
Subscription	<u>5,766.26</u>
Total Expense:	\$303,091.39

#### **BUILDING CORPORATION**

ncome:	
Assessments	\$3,384.00
Interest & Principle on Mortgage No	tes 6,235.62
Miscellaneous	15.19
	<u>66,190.98</u>
Total Income:	
Expense:	
Building Services & Utilities	\$21,167.95
Repairs & Maintenance	9,673.64
Salaries & Payroll Taxes	14,704.04
Legal Expense	15,721.25
Consultant Fees	15,943.50
Filing & License Fees	548.00
Pension	190.44
General Tax	10,998.22
Insurance	
Total Expense:	\$94,513.36
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ncome:	CAL FUND
ncome: Contributions	\$3,734.00
ncome: Contributions Interest	\$3,734.00 
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ncome: Contributions Interest	\$3,734.00 
ncome: Contributions Interest Total Income	\$3,734.00 
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ncome: Contributions Interest Total Income  Expense: Contributions Office Expense Total Expense:  Net Income 2nd Qtr. Net Income 1st Qtr. Net Income YTD:	\$3,734.00  43  \$3,734.43  \$2,013.00  22.00  \$2,035.00  \$(57,935.52)  50,658.57  \$(7,276.95)

ACTION BY THE MEMBERSHIP August 9, 2004. M/S/C—That we concur in the report of the SUP Quarterly Finance Committee and, as per past practice, publish in the West Coast Sailors. Carried unanimously.

## **Final Departures**

Maurice S. Toich, Book No. 1983. Born in California in 1920. Joined SUP in 1944. Died in Sacramento, California, July 25, 2004. (Pensioner)

Francis J. Hart, Book No. 5817. Born in Arizona in 1921. Joined SUP in 1945. Died in Riverside, California, July 20,

**Armando E. Fuentes**, Book No. 2210. Born in California in 1922. Joined SUP in 1951. Died in Daly City, California, July 27, 2004. (Pensioner)

Paul Caldwell, Book No. 3953, Born in California in 1926. Joined SUP in 1944. Died in Dobbins, California, July 15, 2004. (Pensioner)

Benjamin Duvauchelle, Book No. 2691. Born in Hawai'i in 1919. Joined SUP in 1957. Died in Sacramento, California, July 29, 2004. (Pensioner)

Sidney Gold, Book No. 2969. Born in California in 1922. Joined SUP in 1949. Died in Los Angeles, California, July 11, 2004.

### **SUP Meetings**

These are the dates for the regularly scheduled SUP meetings in 2004:

	падѕ. В	rancn
September	13	20
October	12*	18
November	8	15
December	13	20
	*	Fuesda

## Labor Day festivities on the West Coast

To celebrate Labor Day on the West Coast the following events are scheduled:

The King County Labor Council in Seattle will have its annual Labor Day celebration on Monday, September 6, from 11:00 A.M. to 4:00 P.M. at Lower Woodland Park, located at N. 50th Street and Woodland Park Avenue North. Activities for all ages are planned.

In the San Francisco Bay Area, the San Francisco Labor Council's Annual Pre-Labor Day Breakfast featuring U.S. Senator Barbara Boxer, will be held on Friday, September 3, from 8:00 A.M. to 10:00 A.M. at the San Francisco Marriott Hotel. Tickets are \$35 per person.

The Central Labor Council of Alameda

the incident.

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County is sponsoring a Labor Day celebration at the Oakland Coliseum on Monday, September 6. Tickets for this events, which pits the Oakland A's against the Boston Red Sox, are \$12.50. A limited number of tickets are available at SUP Headquarters.

In Wilmington the annual Labor Day Solidarity March will begin at Broad and E Street at 10:00 A.M.. The SUP contingent will marshal at the Union hall at 9:00 A.M. for coffee, etc. The march itself will be along Avalon Boulevard and conclude with a rally at Banning Park at noon.

The Hawai'i State AFL-CIO will not sponsor its usual march and picnic in Honolulu this year. Given the importance of the November 2 General Election, the labor movement in Hawai'i is channeling the funds set aside annually for the march/picnic to the Democratic Party to defeat Bush and company.

## West Coast Lailors

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## Piracy killings double in first half of the year

A Papua New Guinea seafarer was killed and another injured in a freak accident

The 10,553 dwt container vessel *Aotearoa Chief*, operated by Swire Group ship-

ping line Chief Container Service, was entering Bass Strait when a 23 foot high

wave crashed over the ship's bow, killing the sailor who was securing the anchor.

Another crew member suffered a broken leg and was nearly washed overboard in

The Victorian state coroner and the Australian Transport Safety Bureau are inves-

on August 15, when a wave crushed him as his ship was leaving Melbourne.

Sailor killed by freak wave off Oz

The number of seafarers killed in piracy attacks almost doubled in the first six months of 2004, rising to 30, as compared to the corresponding period last year, according to the International Maritime Bureau. Ships were boarded in 130 cases, while eight were hijacked. The main consolation is that the overall number of attacks has fallen markedly from 234 to 182 in the period under review. Indonesia is said to have seen the highest number of attacks, making up one-fourth of the attacks. It was also the scene of the worst violence with many attackers armed with guns and knives. "There are no signs that the number of attacks will drop unless Indonesia takes serious steps to address the problem," the IMB stated.

### Bush signs Coast Guard, Maritime Admin. budgets

President George W. Bush on August 10, signed into law the appropriation bill to fund the U.S. Coast Guard for the coming year and the Maritime Administration for the next four years. The bill provides \$5.4 billion to operate the Coast Guard and, an additional \$1.5 billion for repair and replacement of ships, aircraft and other equipment. MarAd is funded at \$19.5 million for 2005, rising to \$20.75 million in 2006, \$21.5 million in 2007 and \$22.6 million in 2008. The bill also contains an extra \$300 million for port grants under an amendment offered by Senator Fritz Hollings. The overall \$8.2 billion bill takes effect on October 1, when the fiscal year begins.

The bill strengthens the Coast Guard, adds 8,500 active duty personnel to its rosters, gives Coast Guardsmen added law enforcement powers in port areas and provides funding for new cutters and aircraft. In addition to its growing security responsibilities, the Coast Guard carries out search and rescue missions, interdiction of contraband, maritime resource and environmental protection and national defense functions. The bill also modifies myriad regulations including providing an exemption for certain passive owners (primarily institutional lenders) in OPA 90, and mandates oil spill response plans for non-tank vessels in excess of 400gt.

## More congestion projected for Southern California ports

At a meeting of the Los Angeles Customs Brokers and Freight Forwarders Association on August 4, a panel of speakers representing haulers, shipping lines, port workers, and the Marine Exchange of Southern California, painted a somewhat pessimistic picture concerning plans for congestion relief for the Ports of LA-LB.

Truckers are reporting a serious shortage of drivers, lack of compensatory rates, and extreme delays at the terminals. One broker reported that it took more than seven hours to collect one container.

The representatives from Pacific Merchant Shipping Association and International Longshoremen and Warehouse Union indicated that although new people are being hired to work the docks, it will take months before they are all employed, trained, and properly experienced for their jobs. The Marine Exchange reported that there are bigger and faster container ships coming soon, and the railways reported that they are short on both equipment and locomotive engineers to man the trains. Additionally, the peak season rush of cargo funneling into LA-LB Harbor will probably increase into the months of September and October— which will only worsen the congestion. The turnaround time for container ships has risen from the normal 3-4 days to 6-7 days.

## South Korean seafarers threaten general strike

The Federation of Korean Seafarers' Union (FKSU) will begin a general strike from August 28, unless its requests are included in the current revision of the seafarers law. The Union's requests include a shorter work week, paid holidays and an expansion of the law to cover all vessels over 10 tons. The Union agreement currently covers vessels over 25 tons. At a meeting between the government, shipowners and the FKSU, was the shipowners who rejected the Union's requests. The FKSU said the revision of the law, now underway, will favor management.

A spokesman for the Union confirmed that a general strike would begin on August 28, following the completion of a cooling-off period. The strike would include oceangoing vessels. The action is expected to bring all South Korea's ports to a standstill as fishing vessels would be used to block port entrances.

## Indian mariners poised to strike

Thousands of Indian seamen under the National Union of Seafarers of India (NUSI) will go on strike on August 31, in an effort to recoup losses suffered by the Seamen's Provident Fund (SPF). The SPF had suffered a loss of over \$20 million in a stock market scam in May 2002. NUSI general secretary Abdulgani Serang said the fraud has snatched away the only retirement benefit of Indian seafarers and their families. NUSI has served notices to the government, Indian and foreign shipping lines, informing them of its decision to launch direct action.

# Maersk wins ruling on MSP ships; USSM challenge's District Court's decision

The U.S. District Court for the District of Columbia on August 12, issued a ruling that clears the transfer of fifteen vessels owned by Maersk Sealand and operated by United States Ship Management (USSM) in the Maritime Security Program (MSP) to direct operation by Maersk Lines, Ltd. the first three ships immediately affected are the *Sealand Florida*, *Sealand Motivator* and *Sealand Pride*.

The ruling is the result of a suit filed with the Court on April 29, 2003, by U.S. Ship Management (USSM) against the U.S. Maritime Administration following MarAd's initial ruling that Maersk "qualifies as an eligible transferee of the MSP Agreements from USSM." District Court Judge Richard J. Leon subsequently denied USSM's motion for preliminary injunction.

Maersk senior vice president Ken Gaulden said that his company is pleased with the decision, but isn't certain how quickly the transfer can be handled. Maersk currently has four vessels under MSP.

USSM has asked the court to issue an injunction stopping the transfer pending an appeal.

# Britain's First Sea Lord warns of al Qaeda plot to target merchant vessels

The highest-ranking commander in the British Royal Navy warned on August 4, that al Qaeda and other terrorist groups are plotting to launch attacks on merchant shipping.

During a rare interview with *Lloyd's List*, the First Sea Lord and Chief of the Naval Staff, Admiral Sir Alan West, said that seaborne terrorism could potentially cripple global trade and have grave knock-on effects on developed economies.

"What we've noticed is that al Qaeda and other organizations have an awareness about maritime trade," he told *Lloyd's List*. "They've realized how important it is for world trade in general [and] they understand that significance."

The terrorist threat to merchant shipping is nothing new for the maritime industry and was sharply illustrated in 2002 by the attack on the French tanker *Limburg* off the coast of Yemen. Since then, there have been no other incidents of maritime terrorism, prompting some analysts to suggest the threat may have been overplayed. But the stark warning from such a senior figure in the British military establishment is likely to add further impetus to global efforts to increase security awareness at sea.

The First Sea Lord revealed that Western governments have intelligence that terrorists view shipping as an attractive target and have plans to blow up ships. "We've seen other plans from intelligence of attacks on merchant shipping," he said. "I can't give you detail on any of that, clearly, but we are aware that they have plans and they've looked at this. "We have got an underlying level of intelligence which shows there is a threat."

The biggest risk is in ports and maritime choke points such as the Strait of Gibraltar and the Suez Canal, where ships concentrate in large numbers as they sail through narrow waterways. On the open sea, West maintained, it is "almost impossible" for terrorists to attack a ship.

He also highlighted the role that the Royal Navy and its 'coalition' counterparts play in deterring maritime attacks. That role could be benefiting the UK's Red Ensign group of registers, whose vessels automatically enjoy the protection of the British naval fleet. "[Shipowners] realize that there are vulnerabilities and they realize how important the navy is to actually protect them," he said.

In the Strait of Gibraltar, for example, western merchant ships are regularly escorted by navy flotillas operating under the auspices of NATO's Operation Active Endeavor. The escorts were started after Moroccan authorities arrested an al Qaeda cell preparing to target ships in the strait. Fighting maritime terrorism is also forcing navies to adapt to new techniques, primarily focused on ensuring that warships can respond to a close-range contact with small, fast craft. That means increasing upper-deck armament and adjusting weapon systems so that they can take on targets at closer range.

## Matson's profits soar in second quarter in 2004

Matson Navigation Company, a subsidiary of Alexander & Baldwin, has reported second quarter (2004) operating profits of \$31.4 million, an increase of 35% from \$23.2 million in the same period last year. Revenue rose \$5 to \$208.1 million in the second quarter due to improved yields and cargo mix, increases in the bunker fuel surcharge and higher container volume.

Matson handled 40,400-teu in the second quarter and 80,100-teu in the first six months of 2004. These were 1% and 2% up respectively on the corresponding periods last year.

"Matson enjoyed unit volume increases, higher cargo yields and flat year-on-year costs. As a result, the profit margin was a record for any recent second quarter," A&B said.

#### **Guam Service**

The Oslo-based industry publication *Trade Winds* reported on July 29, that Matson's charter agreement with APL was unlikely to be renewed after February, 2006.

Matson currently receives approximately \$35 annually in time-charter revenues from the deal with APL, plus substantial additional revenues from its Guam trade.

Matson told *Trades Winds* that it was now exploring alternatives to the APL Alliance, but had no intention of pulling out of the Guam market. Matson also estimated that its operating profits would be reduced by \$10-\$20 million annually, and possibly higher, during the transition period immediately after the end of the alliance.

See SUP President Gunnar Lundeberg's report on page 10 for more information on this issue.

### Bill to rectify social security status for WWII mariners introduced by Congressman Bob Filner

Representative Bob Filner (D-CA) on July 22, introduced a bill in the House that would give veterans status to World War II merchant mariners for social security purposes.

Speaking on the floor on the House, Congressman Filner stated: Mr. Speaker, I rise today to introduce the "Social Security Fairness for Merchant Mariners Act of 2004" (H.R. 4904).

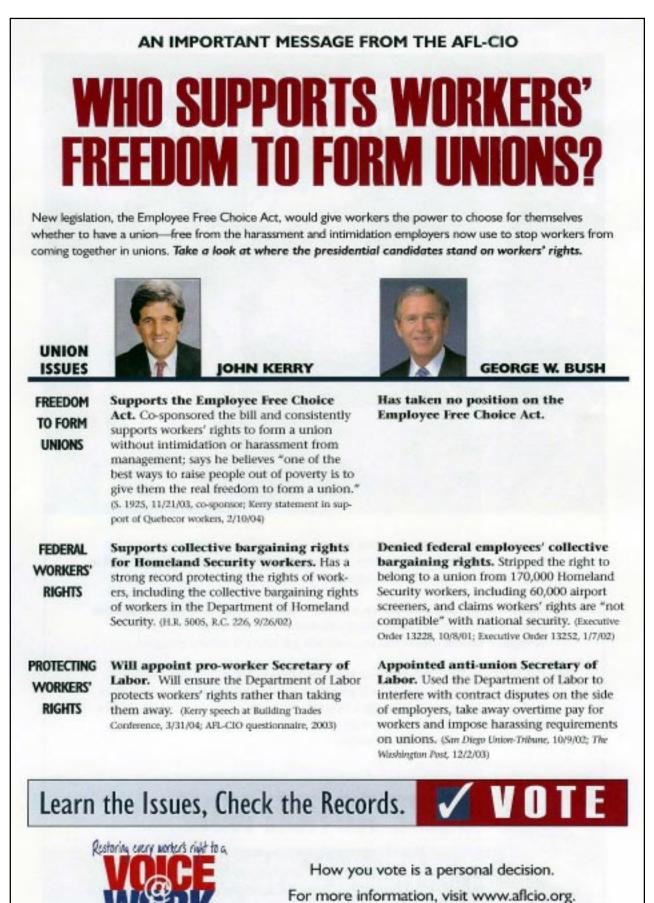
"There were three major roles in World War II: the fighting forces overseas, the production army at home, and the link between them—the United States Merchant Marine. The maritime power of the Merchant Marine may have been the difference between victory and defeat.

The World War II Merchant Mariners suffered the highest casualty rate of any of the branches of service while they delivered troops, tanks, food, airplanes, fuel and other needed supplies to every theater of the war. Enemy forces sank over 800 ships between 1941 and 1944 alone. Given the role of the Merchant Mariners in World War II, it is unbelievable that they were not given their proper recognition as "veterans." I would hope that this was an oversight, not a deliberate attempt to exclude them from benefits.

One of the results of this lack of the "veteran" designation is that the law does not recognize Merchant Mariners as veterans for Social Security purposes. If they had the veteran designation, their Social Security would have been calculated as if they had earned \$160 more a month than they did earn during their time in service in the Merchant Marines. Of course what this means is a smaller Social Security check, now that they are retired.

My bill H.R. 4904, will fix this unfair situation! It will provide benefits with the status of "veteran" under the Social Security Act to the Merchant Mariners who served during World War II.

Combined with my bill, the "Belated Thank You to the Merchant Mariners of World War II" (H.R. 3729), which would compensate them for their exclusion from GI Bill benefits, Congress can fix the injustice that has been endured by the Merchant Mariners. We can never make up for years lost, but we can provide additional benefits to Merchant Mariners, many of whom are living on small, fixed incomes, in their final years. I urge my colleagues to support and cosponsor H.R. 4904. Congressman Filner's bill was referred to the House Ways and Means Committee."



## UC Berkeley study finds Wal-Mart employment policies cost California taxpayers \$86 million a year

According to a University of California, Berkeley, study released August 2, employment policies at Wal-Mart, the nation's largest employer, cost California tax-payers approximately \$86 million a year in public assistance to company workers.

The study indicates that Wal-Mart workers in California rely on the State for about \$32 million annually in health-related services, and \$54 million a year in other assistance such as subsidized school lunches, food stamps and subsidized housing.

"When workers do not earn enough to support themselves and their families through their own jobs, they rely on public safety net programs to make ends meet," said the report by Arindrajit Dube of UC Berkeley's Institute for Industrial Relations, and Ken Jacobs of the campus's Center for Labor Research and Education.

The researchers said they conservatively estimate that the approximately 44,000 workers at 143 Wal-Mart and its sister Sam's Club stores in California earn about 31 percent less than workers in large retail as a whole, and that 23 percent fewer Wal-Mart/Sam's Club workers generally are covered by employer-sponsored health insurance than workers in large retail. There is an array of reasons for the low rates of coverage, said the researchers. They include higher employee turnover, eligibility issues, employee costs for health plans and plan quality. In the end, Wal-Mart essentially "is shifting part of its labor costs onto the public," the report said.

To determine Wal-Mart's costs for taxpayers between March 2001 and March 2002, Dube and Jacobs relied on a variety of sources. They examined Wal-Mart's compensation policies, and wage data for part-time and full-time Wal-Mart workers contained in public testimony in a sex-discrimination case against the company. Then they worked with a statistical model of public assistance use based on wages, employer-based health coverage and demographic details such as age, race, gender and family size.

## Inland "port" planned in California at Victorville

Plans to turn a former U.S. Air Force base at Victorville into an inland port are being considered, aimed at reducing congestion at the ports of Los Angeles and Long Beach. Stirling Airports International has already spent \$100 million building an airport and freight facility on the site of the former George Air Force Base.

The addition of a rail link to the transcontinental train tracks less than 4.8km away, and a rail yard, would

allow the site to accept containers sent from the ports through the Alameda Corridor. The overall rail project is expected to cost \$450 million, including \$60 million for the link between the facility and the existing tracks.

Stirling plans to request bids this autumn for the rail link, funded through sales of developed land at the site and from Victorville's redevelopment district. Groundbreaking on the expected two-year construction project is planned to begin by the end of this year.

## AFL-CIO President tells Democratic National Convention: Working people choose John Kerry for President

On November 2, the nation's voters have a choice "between a president who ships our best jobs overseas and turns his back on the men and women who built the strongest democracy and most competitive economy in the history of the world, or a president who will fight for America's jobs," AFL-CIO President John Sweeney told the nearly 5,000 delegates to the Democratic National Convention on July 29.

"That's our choice," Sweeney said. And in choosing the candidate who will honor "the decent hard-working people who are the backbone of this great nation, we choose John Kerry."

Speaking prior to Senator John Kerry's (D-MA) acceptance speech at Boston's Fleet Center, Sweeney introduced three workers who "represent millions of Americans whose dreams have been put on hold for the past four years."

Stephen White, of Silver Spring, Maryland, was fired from his job at Comcast after being at the forefront and actively trying to form a Union. Little Rock, Arkansas, resident Maricella Garcia lost her full-time job when the city, facing a severe budget crisis—as have many cities and states since President George W. Bush took office-slashed funding to the agency where she worked. Jerry Nowadsky from Cedar Rapids, Iowa, lost two family-supporting jobs when companies shipped them overseas. Speaking to reporters, White said: "John Kerry knows what happens when workers want a Union—the harassment, union-busting lawyers, dirty tricks and intimidation from management." Kerry "supports the Employee Free Choice Act. You bet he'd help us tremendously. No question about it."

"John Kerry understands the problems of Jerry and Maricella and Stephen and the millions of Americans who ask no more than to be allowed to work hard and care for the families," Sweeney told the convention.

## Union delegates return home and work to elect Kerry and Edwards

Some 800 union members took part in the convention as delegates returned home to mobilize their coworkers, Union brothers and sisters, neighbors and friends to elect Kerry and his vice presidential running mate, Senator John Edwards (D-NC).

"We have to change the way things are going," said delegate Barbara Thomas, an AFSCME Council 8 member from Cleveland. "Bush has stolen and wiped out jobs," she says, with tax breaks and giveaways to corporations while workers are laid off with no pensions after decades on the job.

Dodie Ditmar, vice president of Communications Workers of America District 4 in Cleveland, also is concerned about the loss of good jobs in this country. "What are our grandchildren going to grow up to be? Ohio alone has lost 270,000 manufacturing jobs. It's just a travesty," she says.

Speaking at the convention, AFL-CIO Secretary-Treasurer Richard Trumka told delegates, "Last month, our suicidal trade policies sent another 11,000 manufacturing jobs overseas. That makes 2.7 million good jobs shipped out over the last three-and-a-half years—highly-skilled jobs that pay decent wages, provide health insurance and pensions."

More jobs have been lost, he said, because Bush has waived the long-standing federal 50 percent limit on goods and materials produced overseas for national security. "That's not only self-destructive trade policy, it's bad economic policy and it is insane defense policy," Trumka said.

Earlier, AFL-CIO Executive Vice President Linda Chavez-Thompson told convention delegates: "Everywhere from Maine to Honolulu, working families are joining together to elect a president on our side. Together with John Kerry, we'll build a country that values us all, a nation that creates good jobs for those who need them, where you can hold your head high because you're earning enough to support your family, and you have health insurance for your kids and a pension for your future."

## **SUP Honor Roll**

Voluntary contributions from the membership to the following funds:

### Organization/ General Fund

### **Political Fund**

Conoral Lana	K
Mike Dirksen 40.00*	K
Thomas Fate 10.00	M
Mark Hurley 100.00	Pe
Mike Koller 75.00	Bı
Ricky Pangan 50.00*	G
Jesper Pfeil 20.00*	Ja
Milburn Pond 40.00	Da
Thomas Riley 100.00	Eı
Gary Rynel 20.00*	M
Whitey Secrest 50.00	Jo
John Svane 20.00*	M
Douglas Taylor 20.00*	Jo
*In lieu of dues increase.	St
	Ве

Knud Andersen	15.00
Karl Babl	20.00
Mike Boyle	20.00
Peter Bragg	20.00
Brian Burns	10.00
Gene Castano	25.00
James Clay	25.00
Dave Connolly	
Eric Davis	20.00
Mike Dirksen	50.00
John Drolla	30.00
Mike ElMobdy	20.00
John Farley	20.00
Steve Foster	
Bert Genita	10.00
Dale Gibson	20.00
D' L LC'ee L	25.00

## West Coast Sailors

Ganors
Jerome Dominguez 10.00
Ted Filipaw 25.00
Mike France 10.00
Anthony Labor 50.00
David Moore 25.00
Mercea Opricu 20.00
Milburn Pond 20.00
<b>Charles Rafael 50.00</b>
Glen Rector 100.00
Charles Schroeder 20.00
William Self 25.00
Robert Taylor 30.00
Ivar Thorbjornsen 40.00
Grant Thorne 20.00
Wil Williamson 25.00
Carl Ziegler 20.00
Steven Zombro 50.00

John Drolla 30.00
Mike ElMobdy 20.00
John Farley 20.00
Steve Foster 25.00
Bert Genita 10.00
Dale Gibson 20.00
Richard Gifford 25.00
Philip Howell 50.00
Mike Koller 75.00
Jereld Komoto 100.00
Gunnar Lundeberg 50.00
Virgilia Managbanag 20.00
Gary McDevitt 30.00
Scott Oliphant 25.00
Mike Orton 20.00
Ricky Pangan 50.00
Mike Parenteau 20.00
David Partikian 20.00
Milburn Pond
Ion Dose 100.00



## **Dues-Paying Pensioners**

<b>Romaine Dudley</b>	Book #2593	Orson Larsen	Book #4095
<b>Duane Hewitt</b>	Book #5748	John McKeon	Book #6456
Knud Jensen	Book #3940	Joseph Napier	Book #2299
John Jewett	Book #4291	John Pedersen	Book #3834
<b>Tony Jones</b>	Book #4305	John Perez	Book #3810
Kaj E. Kristensen	Book #3120	Cliff Rouleau	Book #3144
Eli Lalich	Book #4062	Ralph Senter	Book #7323
Gunnar Larsen	Book #3516	Jack Stasko	Book #7430

## Cruise hoaxer orders 'abandon ship'

In an incident that raises serious security questions, a passenger aboard the 85,942 gt cruise ship *Carnival Miracle* gained control of the ship-wide public address system and told passengers to abandon ship. The incident occurred at 3:45 A.M. on July 31, when the vessel was about four hours from New York City, said a Carnival spokesman.

According to reports, the hoaxer mimicked the captain's accent and successfully convinced "several hundred frightened passengers" to get ready to abandon ship—some wearing lifejackets and fearing a terrorist incident. The third purser on duty and the master made repeated follow-up announcements to reassure passengers, but the master eventually had to appear in person at about 4:15 A.M. to calm passengers. A Carnival spokesman said that the area housing the PA system was "supposed to be locked" and "we have moved immediately [fleetwide] to ensure that this doesn't happen again".

### Two real 'abandon ships' in one week

On July 31, an Alaskan cruise ship, carrying 126 passengers and 72 crew, hit an uncharted rock off Unalaska Island and the passengers and crew were forced to abandon ship. The 5,126 gt *Clipper Odyssey*, was reported to have "minimal" damage and all passengers and crew were safely evacuated. A freshwater tank, a greywater tank and the port-

side fuel tank were damaged, however, no spill was reported at the accident site. The ship was able to make it to Dutch Harbor on its own power.

This accident follows the July 25 evacuation of 161 people from the *Star of Northwest*, owned by Major Marine Tours, that struck an unknown object and began taking on water in the Gulf of Alaska.

### Drugs to blame in Staten Island ferry tragedy

U.S. prosecutors have concluded their investigation into the Staten Island ferry accident that killed 11 people last October. According to U.S. Attorney Rosylnn Mauskopf, the ship's assistant captain Richard Smith "lapsed into a diminished state of consciousness" from a cocktail of prescription and nonprescription drugs and rammed the ferry and its 750 passengers at near cruising speed into a concrete pier. With the collusion of his doctor, Smith failed to list medical conditions, prescriptions and side effects on his Coast Guard medical certificate. Meanwhile, the management of New York's City Department of Transportation, in particular director of ferry operations Patrick Ryan, had not implemented a "two pilot rule," the prosecutor alleges, thus leaving Smith alone in the pilothouse.

On August 5, Smith pleaded guilty to 11 counts of manslaughter, and Mauskopf announced the filing of manslaughter and other charges against Ryan under the Seaman's Manslaughter Statute. Charges have also been filed against Smith's doctor, William Tursi; the ship's captain, Michael Gansas; and port captain John Mauldin—all for obstruction of justice and/or making false statements.

## Local 13 leader slams security

ILWU Local 13 president Dave Arian, who last month warned of an imminent and dramatic increase in ship congestion at Los Angeles and Long Beach, has also criticized security at the two California ports.

Speaking during a conference call in Los Angeles, Arian said security and efficiency at the twin ports are being compromised by terminal operators and government officials. The Union charged that operators were failing to check seals on incoming and outgoing loaded containers, as well as repeating charges of failure to inspect empties. The ILWU remains very upset about the container that blew up in the port a few months ago, and says that containers security is becoming even more lax.

#### State Department: no more crew list visas

Citing security as its primary issue, the U.S. State Department has formalized a rule prohibiting 'crew list visas' and mandating that individual seafarers—like other foreign nationals entering the country— obtain the new BioVisas. The rule, which formally took effect July 21, requires each individual seafarer to obtain a U.S. visa endorsement from the state department.

Before finalizing the rule, officials received 100 comments on the proposal, most of which objected to the individual visa requirement and sought an exemption for merchant seamen. Many pointed to the uncertainty of itineraries as a prob-

lem and others asked that the U.S. adopt the policy of recognizing identity documents with biometric features to be issued under ILO Convention 185. But the U.S. noted that visas are generally valid for five years and multiple entries and, once issued, would permit mariners to travel freely into and out of U.S. ports without undue delay. As to ILO cards, officials pointed out that these do not currently exist and probably will not for some time. Kelly Shannon of the State Department said that even though interviews and background checks are now required in issuing visas, the time from application to issue is generally less than 24 hours.

## U.S. demands 2,000-mile track and trace zone to identify ships

The United States is pushing ahead with moves that would force all ships to carry equipment transmitting their identity and exact location at a range of 2,000 miles.

Any such step opens up a range of technical and political questions, not least the obvious unwillingness of hostile nations being forced to let each other know the latitude and longitude of all their ships at all times.

The regulations —which the International Maritime Organization could adopt as early as 2005— will be over and above the current drive to make the 50-mile range automatic identification systems compulsory by December this year.

Although little noticed at the time, the idea was first raised in principle at the IMO's December 2002 special conference on security, which drew up the International Ship and Port Facility Security Code. Since then, the idea has been discussed at several IMO bodies, most notably the subcommittee on radio communications, search and rescue, known in IMO-speak as COMSAR.

Now the U.S. Coast Guard has gone public with the idea, in an interview given by its commandant, Thomas Collins, to the *Reuters* news agency. "We are working closely together on what should be the international requirement that we impose on international shipping, what the technical dimensions and standards of that should be, and then require them to implement it by a certain date," said Collins.

Under discussion is a technology known as Long-Range Identification and Tracking (LRIT). The effect of its adoption would be that the United States could pick up information on vessels in the Caribbean, much of Central America, parts of South America and Canada, and swathes of the Pacific and Atlantic Oceans. It is proposed that LRIT will form a new SOLAS regulation, numbered XI 2/14.

But the published IMO documents concerning LRIT illustrate a wide range of potential pitfalls and loopholes. A maritime safety committee report in May says: "The material available so far, on which an impact assessment on the LRIT may be based, is very limited and thus the possible outcomes of any impact assessment on the LRIT may be diverse and misleading and even be disputed." The committee concludes that both flag states and port states to which vessels have indicated an intention to enter should have a right to receive LRIT information. But greater clarity is needed in the case of coastal states picking up readings from ships exercising the right of innocent passage. It should also be "capable of preventing a named coastal state from receiving the LRIT information, where requested by the administration, even if the coastal state is otherwise entitled to receive that information".

In what is effectively a war get-out clause, the committee maintains that any LRIT system should be "capable of being switched off on board in cases where the administration considers that the receipt of information by another contracting government may compromise the safety or security of the ship or of the administration".

## **ESU Office Assignments**

For the month of September, Thomas Thompson will be in the Seabrook office and Jerry Patterson will be in the Benicia office.



Official Publication of the Exxon Seamen's Union

### **PAY INCREASES DUE SEPTEMBER 1, 2004**

In accordance with the provisions of the current Collective Bargaining Agreement (CBA) increases in base wages and overtime rates for all ratings will be paid by payroll for the reporting period starting September 1, 2004. This Agreement, negotiated between the Exxon Seamen's Union and SeaRiver Maritime, Incorporated and ratified by the ESU membership is in effect from September 1, 2002 through August 31, 2005.

In this, the third year of the Agreement, base wages will increase by 3.5 % for all ratings. This increase follows a 3.5% increase on September 1, 2003 and a 3.5% increase on September 1, 2002. Overtime rates will increase by 3% for all ratings. Additionally, a lump sum of \$1,000 will be paid to each unlicensed employee after September 1, 2004.

A complete and comprehensive compilation of all wage tables can be found in Article XVII (pages 64-72) of the CBA. Below are excerpts of wage tables from the Agreement that reflect the increases for the year 2004.

The monthly wage schedule, including additional compensation for years of continuous service (CSB), shall be as follows:

#### TOTAL MONTHLY WAGES - BASE+CSB - EFFECTIVE 9/1/04

RATIN	G	START	1	2	3	5	10	15	20	25	30
451	Pumpman	3444	3658	3803	3831	3907	4052	4088	4120	4156	4193
452	MM/2nd Pump.	3250	3450	3589	3616	3686	3819	3852	3888	3924	3959
465	QMED-Oiler	2839	3016	3141	3165	3227	3351	3383	3412	3440	3471
481	Maint. Man/AB	2441	2593	2693	2714	2763	2860	2886	2912	2938	2965
442	Able Seaman 1	2448	2604	2706	2729	2785	2889	2916	2941	2967	2993
441	Able Seaman	2164	2298	2392	2411	2458	2553	2575	2599	2620	2645
468	Maint. Seaman	1921	2042	2125	2148	2191	2281	2301	2323	2344	2367
476	Fleet Chef	3243	3436	3567	3591	3660	3788	3820	3853	3883	3916
478	Cook	2423	2569	2665	2684	2734	2833	2857	2881	2905	2930

#### MONTHLY SUM FOR SATURDAY, SUNDAY, AND HOLIDAYS (SSHOT)

Monthly rates for work performed during regular scheduled hours on Saturday, Sunday and holidays remain unchanged

#### **OVERTIME AND PENALTY PAYMENTS**

The overtime and penalty rates of pay, as provided for within the Agreement, shall be as follows:

RATI	NG	OT	PT
451	Pumpman	\$ 23.11	\$ 7.92
452	MM/2nd Pumpman	\$ 21.80	\$ 7.47
465	QMED-Oiler	\$ 20.58	\$ 7.63
481	Maint. Man/AB	\$ 17.60	\$ 7.32
442	Able Seaman 1	\$ 16.55	\$ 7.76
441	Able Seaman	\$ 15.60	\$ 7.32
468	Maint. Seaman	\$ 13.29	\$ 5.70
476	Fleet Chef	\$ 21.64	\$ 7.47
478	Cook	\$ 16.21	\$ 7.32

#### TANK CLEANING RATES OF PAY

Tank cleaning off-watch rates are as follows:

If tank or bilge is entered: **Entry Ratings** \$17.05 If tank or bilge is not entered: QMED, PM \$21.13 QMED \$24.83 PM \$27.90 AB and other ratings \$21.13

## \$1,000 lump sum to be sent in September

The third round of lump sum payments will be sent period of having acquired the endorsement. to ESU represented employees by the middle part of September. These payments will be sent in the same manner that employees receive their paychecks, but will be sent separately from regularly scheduled paychecks. Federal income taxes will be deducted from the gross amount of \$1,000.

Additionally, Maintenance Seamen (MS) that have obtained their STCW endorsement; "Rating forming part of a navigation watch" will be qualified for an extra \$500 lump sum payment. This payment will be combined with the \$1,000 bonus amount. To be eligible for this supplemental payment, an MS must have obtained the endorsement between September 1, 2003 and September 1, 2004, and provided proof to Fleet Manning during that

The Collective Bargaining Agreement mandates that SeaRiver Maritime, Inc. make three lump sum payments during the three-year agreement. In addition to the \$1,000 payment now due, a \$1,200 payment was paid in September 2003 and a \$1,600 payment was paid in September of 2002.

Members frequently ask why these checks are not processed on the first of September. The Union has conferred with SeaRiver on this subject and has been told that a list of eligible employees cannot be compiled until September 1, or shortly after that date. This list is then double-checked and approved by Human Resources and then sent to the ExxonMobil Payroll Department for processing at the first available "offcycle" date from payroll runs.

## Former ESU member wins \$2.6 million jury award

On August 6, 2004, a Harris County State District jury in Houston ordered SeaRiver Maritime, Inc. to pay \$2.6 million to Ella Pike for injuries she sustained while employed on board the S/R American Progress.

On March 10, 2002, while enroute to Valdez, Alaska, Ms. Pike sustained injuries that resulted from a fall in the ship's galley. Her fall resulted in a laceration to her right leg and herniation of two cervical disks. Ms. Pike's case against SeaRiver alleged that the deck of the galley was a glazed tile too slippery for normal shipboard galley operations, and that it rendered the vessel unseaworthy. Furthermore, Ms. Pike also alleged that there had been at least three complaints in the months before her injuries about the slipperiness of the galley deck.

SeaRiver defended itself at trial by alleging that she was exaggerating her injuries, insisting that she did not report a neck injury to the captain or the emergency room physician in Valdez. The Company also alleged that the galley deck fully complied with Coast Guard regulations and inspections and Ms. Pike was negligent for choosing to cook bacon and spilling grease (leading to her slip) during a storm. Further, the Company alleged that Ms. Pike's neck condition was due to the aging process, she did not require surgery and she could return to work as a supervisor in a cafeteria or restaurant onshore.

The Jury's verdict had to answer the questions of whether the Company or the plaintiff was negligent and whether the vessel was in fact seaworthy. Their decision is as follows: 1) SeaRiver Maritime, Inc. was 100% negligent; No negligence on the part of Ella Pike. 2) The vessel on the date of the incident in question was unseaworthy; No negligence on the part of Ella Pike for the unseaworthiness. Damages were assessed by the jury as follows: Physical pain and mental anguish sustained in the past \$50,000. Physical pain and mental anguish that, in reasonable probability, Ella will sustain in the future \$500,000. Loss of earnings capacity sustained in the past 122,400. Loss of earning capacity that, in reasonable probability, Ms. Pike will sustain in the future \$352,512. Disfigurement that, in reasonable probability, Ms. Pike will sustain in the future \$15,000. Physical impairment sustained in the past \$75,000. Physical impairment that, in reasonable probability, Ms. Pike will receive in the future \$450,000. Medical cure that, in reasonable probability, Ms. Pike will sustain in the future \$1,000,000.

Ms. Pike was hired by the Company on May 13, 1987, and was a dedicated employee until the Company terminated her employment in 2003 due to her medical condition. During Ella's employment she was also a member and strong supporter of the Exxon Seamen's Union. Ella started her career with the Company as a Utility person, worked her way up through the Stewards Department and was eventually promoted to Fleet Chef. The ESU wishes Ella well and all the best with her ongoing struggle with her medical condition.

Incidentally, the Union has complained to no avail that the galley floor on the *S/R American Progress* needs to be replaced with a safe and suitable surface. The Company has tried mats and other temporary fixes but there were no mats on the floor at the time of Ella's injury.

## Union reports breaches of Vessel Security Plan

In a letter to SeaRiver President Will Jenkins on July 22, 2004, the Union notified the Company of several security breaches that had been brought to the Board's attention. These breaches occurred on one of the Company's vessels trading in the Gulf Coast.

The nature of these breaches pertain to visitors not having IDs checked, taking visitors badges without permission and in one case a pilot refusing to show proper identification. A significant underlying reason

for these security breaches is insufficient manpower on the vessel. Checking in visitors is hard to do when the deck watch is involved with cargo handling, tending lines, etc. These types of incidents are precisely the kind of concerns the Union expressed during its recent unresolved bargaining over the Company's Vessel Se-

The ESU takes these types of incidents very seriously and in the future we plan to report security breaches to the appropriate U.S. Coast Guard officials. Additionally, the Union has notified its members that they need to report all security breaches and all violations of the VSP to their VSO as well as to the Exxon Seamen's Union for appropriate follow-up.

On August 17, the ESU finally received a response from the Company and incredibly the Company found no fault on the part of violators of VSP procedures and instead places blame on the concerned ESU members.

#### **ESU News**

## Guard against harassment when reporting injuries

Recently, the Union has been made aware of an incident where an unlicensed employee was berated by shipboard management for reporting an injury. This is totally unacceptable to the Union and we are now recommending that the membership take appropriate protective steps when reporting injuries or making a request to see a physician for medical treatment. We are continuously bombarded about safety and the Company's safety record. Apparently the stress and pressure of being the Captain that may have to report an injury is making it difficult for some to maintain their cool.

If you are injured on the vessel, you should report this immediately to the Captain even if the injury appears to be minor. Additionally, the Union recommends that you have the ESU Ship Representative or an available unlicensed witness to be present when you meet with the Captain to guard against being subjected to hostile and intimidating treat-

ment. If you are treated unprofessionally or you feel you have been harassed, the Union requests you and the witness document what was said when you met with the Captain in writing and contact either Union office as soon as you can. Furthermore, let the Captain know you will be submitting a grievance to the ESU since harassment is a violation of our Agreement and Company policy. Furthermore, SeaRiver has polices and procedures for dealing with harassment in the workplace and steps to take to address this serious issue.

Depending on the circumstances, resolution of harassment situations shipboard may require reporting the incident to SeaRiver Human Resources, especially if a supervisor or the ship's Captain is perpetrating the harassment. The contact person in Human Resources is Terry Thompson (713-758-5243). The Union recommends that we are made aware of all incidents involving harassment of our members.

#### Limited cash advances violate agreement

The Union has recently been made aware of cash advances in some cases being limited to \$500. The Union has lodged a complaint with the Company that a \$500 limit on cash advances is a violation of our Collective Bargaining Agreement, unless the amount of available earned wages due to the employee is \$500 or less. Per the ESU Agreement under Article IV, Section 11, (Check Cashing & Draws) stipulates, "within twenty-four (24) hours after departure, the Master will post a notice of the time at which checks may be cashed and draws processed (cash advanced against available earned wages)." Should a Captain try to limit your cash advance to less than what you have in available earned wages, the ESU recommends you initiate a second-step grievance and inform either ESU office immediately.

## **Ship reports**

#### S/R American Progress

Vessel was visited on August 9, at ExxonMobil in Beaumont, TX. Ed Caldwell is filling in as Temporary Ship Representative. Question about limitations on cash advances. See article in this edition of *ESU NEWS*.

#### S/R Baytown

Ship last visited on July 6 at the Valero Dock in Benicia, CA. Vessel presently is trading exclusively in Alaska. Regular Ship Representative Mark Myser joined vessel in Anacortes on August 3. When last reported there were no major beefs.

#### S/R Columbia Bay

Executive Board Officer visited the ship on August 2 and 3 at the Valero Dock in Benicia, CA. Thor Floreen is back aboard and reports everything running smoothly. The ESU thanks AB George Taylor for filling in as Temporary Ship Representative.

#### S/R Galena Bay

Vessel currently is scheduled to deliver cargo from the U.S. West Coast to the U.S. Gulf Coast. No problems reported. AB George Taylor appointed Ship Representative due to resignation of Levy Ponce.

#### S/R Hinchinbrook

Vessel continues on ANS trade between Valdez and Puget Sound terminals with rumors of a couple of runs to Hawaii. Fleet Chef, Tom Mckee is filling in as Ship Representative and is in touch with the ESU office and reports no problems currently.

#### S/R Long Beach

Vessel was visited on August 8 and 9 at Valero Dock in Benicia, CA. AB Wen Shie Tai is filling in for regular Ship Representative Joe Graca and reports everything running well. Union is looking into the revision of the cook's duties aboard this vessel.

#### S/R Mediterranean

Ship Representative Frank O'Malia has been in contact via e-mail. The *Mediterranean* continues to trade in Far East markets. Frank reports everything is going well.

#### S/R Puget Sound

Vessel was visited by the Union at Valero in Corpus Christi, TX on August 15. Waverly Moore is filling in as Temporary Ship Representative. Vessel continues to trade between Tampa and Corpus Christi. No problems reported.

#### S/R Wilmington

Regular Ship Representative Charlie Pollard has checked in frequently with the Union office while the vessel has been in the shipyard in Singapore. The ship is due out of the yard around the third week of August and will call on Japan before returning to Los Angeles and then on to the Gulf Coast. Charlie reports that the yard period went well and without problems.

## **Culinary Reunion**



Fleet Chef Gordon Gibau and step-up Cook Russell Saia, who had the distinction of being the first Steward's Department personnel to undergo the recently established Steward's Department Training, are reunited aboard the SeaRiver Long Beach. It is reported that everyone aboard is extremely pleased with the Steward's Department. In essence, that is a resounding stamp of approval for the Steward's Department Training program. (See training article update in this issue of ESU News).

## Second phase of Steward Department Training commences

Former Fleet Chef Ayers Gonzales resumes training of newly promoted Fleet Chefs and Cooks. Ayers joined the *SeaRiver Columbia Bay* on August 1, 2004. Fleet Chef Johnny Navarro and Ship Cook Felix Jacobs are the latest recipients of his valuable expertise.

As stated in a similar article in the May 2004 issue of the *ESU News*, this training program was inaugurated on April 28, 2004. Trainees in Ayers first training tour were: Fleet Chef, Gordon Gibau and step-up Ships' Cook, Russel Saia, step-up Fleet Chef, Kurt Kreick and Cook, Edward Benjamin.

The ESU and SeaRiver Maritime formulated this training jointly at the urging of the Union as a result of the loss of many experienced Chefs and cooks through attrition and retirement in a short period of time. A need was identified as a result of these retirements and the number of promotions that were made within the department in the last several years. These promotions have outpaced available training

within the same period creating a situation where newly promoted Steward Department personnel need additional training to permit them to attain the necessary skills to excel in their new positions. This comprehensive curriculum addresses all tasks and responsibilities associated with not only the Fleet Chef's position, but also the Ships' Cook rating.

The selection of future trainees will be determined both by Ayer's availability and eligible members tour schedules. The JUMTC has an ambitious goal of providing this training to virtually all Cooks, individuals on the Cook's promotion list and all Chef's promoted in the last several years.

The Executive Board considers the ESU membership fortunate to have Ayers, widely considered as a "five star" Chef onboard with this program. The Union strongly endorses this training course and we feel fortunate to have Ayers performing this important training and his willingness to aid the membership in making this course a success.

## S/R Galena Bay Ship Representative appointed by ESU Executive Board

On August 1, 2004, the ESU Executive Board appointed George Taylor as Ship Representative to fill a vacancy on the *S/R Galena Bay*. As per the ESU Constitution and Bylaws, when a vacancy occurs in a Ship Representative position due to a resignation or for other reasons, the Executive Board can then appoint a member to fill the vacancy until the next scheduled election. The next regularly scheduled election for the Ship Representative position on this vessel is October of 2005. The Union looks forward to working with George and we appreciate his willingness to step in and fill this position.

#### **EXXON SEAMEN'S UNION**

Founded March 28, 1941

Affiliated with the Sailors' Union of the Pacific

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E-Mail: esuben@sbcglobal.net

#### President Jerry Patterson

Vice President John Straley Secretary/Treasurer Leo DeCastro Recording Secretary Thomas Thompson III Deck Trustee Patrick Campbell Engine Trustee William Ackley Steward Trustee Gerard Nelson

## Sailors' Union of the Pacific/ Training Resources, Ltd.

Schedule of Course Offerings for 2004

#### STCW 95 Basic Safety Training

· Basic Fire Fighting

Personal Safety and Social Responsibility

· Personal Survival

Aug 23-27 Sep 6-10

Oct 18-22 Nov 15-19 Nov 1-5 Dec 6-10

Dec 13-17

Sep 27-Oct 1

#### LMSR Vessel Training (MSC approved)

Aug 10-20 Sep 14-24

Oct 12-22 Nov 2-12

Nov 30-Dec 10

#### Small Arms Training (MSC approved)

Aug 23-25 Sep 27-29

Oct 25-27 Nov 15-17

Dec 13-15

### Able Seaman (AB)

Sep 13-25

Nov 1-13

Oct 11-23 Nov 29-Dec 11

#### Survival Craft (Lifeboatman)

Aug 23-26 Sep 27-30

Oct 25-28 Nov 15-18 Dec 13-16

#### Training Information and Enrollment

#### Contacts

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450 Harrison St., San Francisco, CA 94105 Tel: (415) 778-5490

Fax: (415) 778-5494

E-mail: supwelfarerep@hotmail.com

Dave Connolly, SUP Vice President c/o Andrew Furuseth School of Seamanship 450 Harrison St., San Francisco, CA 94105

Tel: (415) 777-3400 Fax: (415) 777-5088

E-mail: daveconnolly@msn.com

Corrected American Ship Management Wage Rates for the

#### SUP Shoregang Maintenance Agreements

Rigging-General Maintenance Work Straight Time ..... \$24.69 Overtime ..... 40.41

Storekeeper-General Maintenance Straight Time ..... \$26.02 Overtime ...... 42.31

#### **SUP** members join pension ranks

The following SUP members joined the rank of pensioner, bringing the total number of SUP members to 832:

Peter M. Karmelich, 55, Book No. 3159, joined SUP in 1948, 33 years seatime.

Lawrence Webb, 67, Book No. 3628, joined SUP in 1936, 15 years seatime.

Editor's Note: For those who want to receive the West Coast Sailors in a more timely manner, subscriptions via first-class mail are now available (one-year intervals only) for \$25 per year.

### Subscribe to the **West Coast Sailors** via First Class Mail

Name (print) —		Book No.	
Address —			
City —			
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## **Welfare Notes**

### August 2004

### New Investment opportunities for SUP 401(k) Plan participants

The trustees of the SUP Welfare Plan have elected to offer another investment opportunity to those participating members of the SUP 401(k) Plan. Along with the current investment choices with Columbia Funds, participants may now elect to invest in the Dodge and Cox Income Fund (DIDIX).

Dodge and Cox is a long-term investment company established in San Francisco in 1930. Now in their third generation they manage separate accounts and mutual funds for individuals, and retirement plans. The principles and goals of Dodge and Cox are to establish a long-term investment horizon, and portfolio diversification.

The objective of Dodge and Cox Income Fund is to seek a high and stable rate of current income, consistent with long-term preservation of capital. A secondary objective is to take advantage of opportunities to realize capital appreciation. More information is available on this fund by contacting the SUP Welfare Representative's office by phone or e-mail. You may also contact Columbia Funds for additional financial counseling and advise. New SUP 401(k) Plan enrollment and change forms, and fund brochure information will be sent out to all contracted SUP vessels in the next few weeks.

#### Sayonara from Rich Reed

Due to personal reasons, I have decided to leave my position as SUP Welfare Representative. I have enjoyed my four years behind the desk, and want to thank all of the active members, retirees, and spouses for their cooperation and Rich Reed valuable help.

#### **SUP Welfare Plan**

450 Harrison Street, San Francisco CA 94105

#### **Telephone Numbers:**

Main.....(415) 778-5490 Eligibility active members/dependents ......(415) 778-5491 SUP Money Purchase Plan, SUP 401(k) Plan, Pensioner Medical Benefits.....(415) 778-5493 Toll Free Number ...... (800) 796-8003

### **NOTICE TO PARTICIPANTS OF SUP** MONEY PURCHASE PENSION PLAN

This Notice explains changes to the SUP Money Purchase Pension Plan (the "Plan") which will take effect on January 1, 2005. You should read this notice carefully. You should also keep it with your Summary Plan Description for future reference.

Previously, the Plan provided that you could only receive a distribution from your Plan account upon your retirement from the industry (i.e., surrender of your seniority shipping rights). To meet legal requirements, you were required to start drawing on your Plan account no later than April 1 of the year following the year you reached age  $70^{1}/_{2}$  even if you were still working.

Federal law has since been changed to eliminate the requirement that the Plan begin distributing your Plan account once you reach age 70<sup>1</sup>/<sub>2</sub>, provided you continue working after that age. Because of this change, the Plan has been amended to provide that you cannot begin to draw on your Plan account until you have retired from the industry. If you are under age 70<sup>1</sup>/<sub>2</sub>, you are considered retired from the industry if you agree to surrender your seniority shipping rights. Once you are age 701/2, you are considered retired once you fail to complete at least 62 days of Qualifying Time in a calendar year under the SIU Pacific District Pension Plan.

There are a number of reasons why we have decided to eliminate the ability of participants over age 70<sup>1</sup>/<sub>2</sub> to receive distributions from the Plan while continuing to work in the industry. The Plan is designed to provide income for you during your retirement. Allowing benefits to be withdrawn under the Plan before retirement would mean less is available to meet your retirement needs. The reason that the age 70<sup>1</sup>/<sub>2</sub> distributions were available at all was because they were required under prior law and that law has been changed. The law now allows benefits to remain invested under the Plan (with no income tax imposed) until you actually retire. Consequently, it was determined that the Plan should have a single rule regarding when benefits will be paid.

To allow a transition for individuals who are currently over age 70<sup>1</sup>/<sub>2</sub> the old rules will continue to apply through the end of this year for individuals who apply to receive Plan benefits on or before December 31. If you apply after the end of this year, the new rules will govern.

If you have any questions regarding this notice, please contact Michelle Chang, Administrator, SUP Money Purchase Plan, 450 Harrison Street, Room 202, San Francisco CA 94105. Telephone: 415 437-6832; Facsimile: 415-437-1533.

#### New Argentine flagging requirements

An emergency decree that will greatly reduce the benefits of the Argentine merchant fleet operating under foreign flags was announced in congress August 6. The decree was signed earlier this month by President Nestor Kirchner and will end the effects of Decree 1772/91 which in 1991 allowed an en-masse transfer of Argentine shipping to foreign flags in a bid to boost fleet competitiveness.

With immediate effect, ships now under foreign flags but under the provisions of Decree 1772/91 will be losing most of the benefits of operating under foreign registry. Incentives to returning vessels have been put in place including: depending on tonnage under the national flag, shipowners being entitled to bareboat foreign-flagged ships for operation as fully Argentine-flagged vessels, with Argentine seafarers. Additional bareboat capacity quotas will be provided when building ships in Argentine yards. Further, the heavy tax burden before the 1991 decree has been reduced.

It is estimated that about 90 percent of Argentine-owned shipping now operating under Decree 1772/91 will switch back to the national flag.

#### **British Union criticizes shipowners**

The failure of United Kingdom shipowners "to apply recognized decent minimum standards of pay and conditions" puts UK ships in danger of being classed as 'flag of convenience' vessels, warns the Rail, Maritime & Transport Union (RMT).

The Union reports that the ITF is "exasperated by the UK industry's failure to address problems of low pay and the exploitation of overseas seafarers," and has agreed to declare appropriate UK registered ships to be operating under a 'flag of convenience' on a ship-by-ship basis. This move was apparently adopted unani-

mously by the ITF's Fair Practices Committee at a meeting in Singapore. RMT national secretary warned UK owners that they "need to understand that those who seek to use the UK flag as a cloak of respectability while exploiting seafarers on unacceptable pay and conditions will be exposed." The RMT cited various company examples including P&O North Sea Ferries, Carisbrooke Shipping and Sealion Shipping. "We are in a highly competitive industry and we employ foreign seafarers through agencies at rates applying in local markets," said a spokesman for P&O Ferries.

### More migrants adrift in Mediterranean

Another 76 illegal African immigrants attempting to cross the sea from Libya to Italy were picked up by the Hartmann Schiffahrts-owned general cargo ship *Zuiderdiep* on August 7. According to the Italian press, survivors said there were originally about 100 people on the boat but 25 died of exposure before help arrived.

The migrants were found drifting in a wooden boat 133 miles east of Malta with few supplies remaining. The *Zuiderdiep* recovered the remaining occupants during a coordinated rescue operation involving Maltese and Italian rescue centers and was directed to proceed to Syracuse, Sicily, the nearest port. While en route to Syracuse the ship's master requested medical assistance for two of the rescued people and a helicopter was dispatched to ferry them to Malta. One of the immigrants died before the helicopter arrived, the other is recovering in a Maltese hospital.

The survivors are reported to be from Sudan, Liberia, Ivory Coast and Sierra Leone. Thirty-seven African migrants attempting to reach Italy were rescued earlier this month by a German humanitarian aid vessel.

#### Hong Kong encourages maritime careers

Hong Kong's Economic Development and Labor Bureau launched the Sea-Going Training Incentive, last month, aimed at encouraging young people to join the maritime industry. The move has been prompted by the low numbers of young professionals working in shore-side maritime positions and by an ageing seafaring workforce. "To maintain and develop Hong Kong's role as an international maritime center, it is essential to encourage more youngsters to take on and complete seagoing training with a view to

developing their careers in the maritime industry," a Bureau spokesman said.

Administered by the Marine Department, the scheme will provide financial incentives for qualified youngsters to take up seagoing training as cadets. At the end of the training program, cadets will be qualified to sit for the Class 3 Deck/ Engineer Officer examination. The government has been working closely with the maritime industry and the scheme will help enhance the supply of local qualified personnel with seagoing experience.

### 12 rescued from sinking ro-ro by U.S. Navy

A helicopter launched from the *USS Seattle* rescued all 12 of the crew of the sinking ro-ro vessel *Edha II* in the North Arabian Gulf at 2230 on August 8. The cause of the sinking of the 1968-built, 771gt Panama-flagged ro-ro is unknown. The Sh-60S helicopter responded to the *Edha II* 'Mayday' call, rescuing four crew members from the ships deck and the remaining eight from a deployed liferaft. The *Edha II*, owned and operated by Kalla Lines, was en route to an Iraqi port when it got into difficulties and subsequently sank. The rescued crew members were transferred to the *USS Belleau Wood* for medical treatment and were subsequently repatriated in Umm Qasr on August 10. Six of the crew were Iraqi, five were Indian and one was Tanzanian.

## Record of SUP Shipping July 2004

	Hdqs	Seattle	Wilm	Hono	Total
Bosun	3	3	2	1	9
Maint. Man.	6	0	0	3	9
A.B. Daywor	ker 0	5	6	4	15
A.B	11	12	13	2	38
O.S	1	2	0	2	5
Standby	8	41	59	33	161
Pump	1	0	0	0	1
TOTALS	49	63	80	45	237

### Japanese owners call for second register

With security becoming an ever-greater concern, Japan's ship owners are petitioning their government to create a second registry with both tax and security advantages. The Japanese Shipowners' Association (JSA) announced last month that it was supporting the Inland Sea shipping center of Imabari as the base for a second Japanese registry, which owners could use as an alternative to tax-friendly flags elsewhere.

"The JSA and the City of Imabari have jointly submitted a proposal to the Cabinet Office," confirmed Yuichi Sonoda,

general manager of the JSA Planning & Coordination Division. He added that discussions within the government agencies concerned are due to be completed in September, with parallel discussions between the JSA and the Ministry of Land, Infrastructure and Transport also planned.

Should the second register be established, the JSA expects "more than 500" vessels eventually to join it. The biggest potential loser could be the Panama Administration, which has long been Japanese owners' open register of choice.

## Low wages, heavy workloads cause Indian pilot shortage

Indian ports are facing an acute shortage of pilots, as poor wages and additional workloads have kept master mariners away from joining the service. With more Indian ports being privatized, the demand for pilots has been increasing. Port officials say that some are forced to go for exclusive arrangements with private pilotage companies, while others overburden their limited staff.

Major ports like Mumbai, JNPT, Kandla and Cochin are facing difficulties, while a host of minor/private ports such as Hajira, Pipavav, Mundra, Dhabol and Jamnagar rely on private pilotage companies. Cochin Port operates with three pilots against a sanctioned strength of eleven. In the past four decades, the number of ships calling at Cochin has steadily increased, while the number of pilots has not matched, thus the present pilot strength is insufficient. The shortfall is made up by extra work handled by the pilots and administrative officers as well as by using retired pilots on a contractual basis.

## Satellite technology used to track down origin of giant waves

Satellite technology has helped to establish the existence of giant waves and is now being used to try and understand their origins in a bid to forecast where they will occur next. The work, once concluded, could have important implications for navigational safety and ship design.

Mariners have recounted with horror tales of waves as tall as a ten-story apartment block but, until recent years, they were easily dismissed as nautical myth.

At the end of 2000, the European Union launched a scientific project called MaxWave to verify the existence of these waves and assess their implications for ship and offshore safety. The project included the use of satellite data collected by the European Space Agency's ERS radar satellites, which provided scientists with three weeks' worth of snapshots, or "imagettes," of the surface of the sea. Even in that short period of time, the MaxWave team identified over ten individual giant waves each over 25 meters in height.

"Having proved they existed, in higher numbers than anyone expected, the next step is to analyze if they can be forecasted," said Wolfgang Rosenthal, senior scientist with the GKSS Forschungszentrum research center and head of the three-year MaxWave project.

"MaxWave formally concluded at the end of last year although two lines of work are carrying on from it. One is to improve ship design by learning how ships are sunk, and the other is to examine more satellite data with a view to analyzing if forecasting is possible."

A new research project called WaveAtlas will use two years' worth of ERS 'imagettes' to create a global atlas of rogue waves and carry out statistical analyses. Some patterns are already beginning to emerge.

Rogue waves are often spotted in areas where ordinary waves encounter strong currents, which then concentrate the sea's energy to form larger waves, although some giant wages occur far from major currents.

## Attend your Union meetings!

## Maersk denies improper oil policy

Allegations that AP Moller-Maersk encourages its engineers to circumvent environmental laws or to hide evidence are completely unfounded, a company spokesman says.

Responding to charges from Johnnie Nielsen, an engineer on the *Jane Maersk*, that the company encourages engineers to hide soundings logs and oil logs during inspections, company spokesman Peter Beck-Bang said that the allegations are false. He also pointed out that contrary to media reports, Nielsen is still employed by the line. Nielsen pleaded guilty last month in federal court in San Francisco to falsifying oil log data and later destroying those records during a May boarding and inspection by the U.S. Coast Guard.

In papers released by the U.S. Attorney, Nielsen is reported as saying: "Based on my experience working on board vessels owned and/or operated by AP Moller-Maersk, I was aware of the unwritten rule of hiding the sounding book during an inspection. I had hidden the sounding book on one other Maersk vessel and observed other engineers doing the same on other Maersk vessels." Beck-Bang said this is not company policy and all engineers have very strict guidelines for handling oil and oily water as well as rules for maintaining proper records.



## **SUP President's Report**

August 9, 2004

#### **NEW BENEFIT FOR SUP MEMBERS**

Effective August 6, 2004, all SUP active members, their spouses, dependent children and all SUP pensioners were covered by new benefits agreed to between the Union and American Income Life Insurance Company.

The following benefits are at no cost to the member and no cost to the Union:

- · Accidental Death & Dismemberment Benefit which pays \$1,000 to a member (active or retired), \$500 to a legal spouse and \$250 to each dependent child.
- · Health Services Discount Program which provides 20%-60% discounts on vision care, prescriptions, chiropractic care and hearing aids.

Also in conjunction with American Income Life, the Union has arranged for the distribution of no cost, Child Safe Kits. These potentially lifesaving kits help you gather vital data, photos, even fingerprinting so if your child is lost or abducted, you can quickly get this critical data to authorities.

By the end of the month, a letter will be sent to all SUP members, active and retired, informing them of the new benefits. Included in the letter will be a postage-paid enrollment card which members should mail back to American Income Life to receive an insurance certificate, the health services discount card and the child safe kits.

These new benefits are not provided by the SUP Welfare Plan, but by the SUP and American Income Life. These supplemental benefits do not conflict with or replace any benefits currently provided by the SUP Welfare Plan, but are in addition to them.

If you have any questions about the new benefits, call American Income Life Insurance Company Representative Mark Gagliadi at (925) 698-0719. Do not call the Union or the Welfare Plan.

American Income Life, established in 1951, is a 100% wall-to-wall Union Label insurance company and is the largest provider of supplemental insurance in the United States. Many other Unions participate in the American Income Life program including locals of the ILWU, Teamsters, Ironworkers, Building Trades, Plumbers, UFCW and SEIU.

#### MATSON NAVIGATION COMPANY

On August 9, prior to the Headquarters' meeting, the SUP along with the other Unions that crew Matson's vessels, were not notified that the company desired a meeting during the week of August 16 to negotiate agreements "for the operation of three and perhaps four, 1100-teu container ships to be built, or time chartered, for continuance of Matson service to Guam and the Pacific Islands."

Matson's action is consistent with statements made in the 10-Q report filed with the Securities and Exchange Commission on July 19, by Alexander & Baldwin, Matson's parent company, regarding the Guam trade. That portion of the report states:

Matson and American President Lines, Ltd. ("APL") are parties to a Successor Alliance Slot Hire and Time Charter Agreement ("APL Agreement") that expires in February 2006. The APL Agreement provides the structure of an alliance through which Matson provides a weekly service to Guam. Pursuant to the APL Agreement, Matson time charters three C-9 class vessels to APL and APL reserves a designated number of container slots on each C-9 vessel as well as two additional APL vessels for Matson's exclusive use. Matson's annual time charter revenues arising from the APL Agreement are approximately \$35 million, and Matson generates substantial additional revenues from its Guam trade. Taken together, such revenues contribute a significant portion of the Ocean Transportation segment's total operating profit. Based on discussions with APL in late June 2004, Matson currently believes that the APL Agreement will not be renewed in its present form after February 2006, and any new or revised agreement with APL, if a new or revised agreement is entered into with APL, would be on terms substantially less favorable to Matson. Regardless of whether an agreement is entered into with APL, Matson will continue serving the Guam market after February 2006, and Matson intends to pursue operating changes in that market and its Hawaii service in order to optimize service and profitability. For example, regardless of whether there is an agreement with APL after February 2006, it is Matson's present intention to redeploy the three C-9 vessels in its Hawaii service, replacing smaller, less cost-efficient vessels.

Although it is too early to estimate with certainty the financial implications of alternative service arrangements being explored by Matson, any such alternative is not expected to substitute fully for the operating profit contribution of the current APL alliance arrangement. Due substantially to the termination of the charter arrangement with APL described above, Matson currently estimates that an annual operating profit reduction of \$10 to \$20 million, and possibly higher during the transition period following the agreement's expiration, can be expected. With over 18 months remaining before the APL Agreement's expiration, Matson is focused on developing an optimal successor service to the current APL Guam arrangement.

Unrelated to the Guam service, Matson intends to further moderate the estimated reduction in operating profit in the Guam service described above through a combination of cost reductions, organic growth, acquisitions, and yield management initiatives.

Previously reported on the possibility of the end of the APL/Matson Alliance after meeting with representatives of APL in Washington, D.C. in May. (See the June, 2004, *West Coast Sailors*.)

Will keep the membership fully informed on meetings with Matson.

#### MILITARY SEALIFT COMMAND: LMSR BIDS

As reported in March of this year, the SUP, MFOW and SIU-AGLIWD/NMU, after formulating total crew costs per rating in order to remove the costs of labor from the bidding process, concluded negotiations with Patriot Contract Services in response to the Military Sealift Command's Request for Proposal (No. 00033-04-R-5300) for the operation and maintenance of eleven Large Medium-Speed, Roll-On/Roll-Off (LMSR) vessels. These vessels are currently operated by Patriot. The tentative Memorandum of Understanding includes wages and wage-related items, vacation and fringe benefit rates for an initial period of one year with four succeeding one-year options. The same agreement was given to Matson, which is also vying for the LMSRs.

Since March, the MSC has reviewed all bids, and all bidders have responded to MSC's request in July for a "best and final" offer. The Unions were notified of the changes requested by MSC and accordingly modified the Memorandum of Understanding with Patriot on July 19. The original MOU with Matson was not modified as there was no request made by that company.

MSC is expected to announce the successful bidder around October 1.

Since the agreements are tentative, and if either Patriot or Matson are successful, the agreements will be subject to membership ratification.

## MARITIME ADMINISTRATION: READY RESERVE FLEET BIDS

The Maritime Administration has issued a Request for Proposal for the operation of vessels in the Ready Reserve Fleet. The process is the same as for the LMSRs and accordingly the SUP, MFOW and SIU-AGLIWD/NMU have been working cooperatively to formulate wage scales, etc. per job rating so that labor doesn't compete with each other.

Although tentative agreements with Patriot and Matson have not been finalized as of today's meeting, expect that to occur this month as MarAd wants all bids submitted by early September.

MarAd is expected to award the RRF contracts in February, 2005.

## DEMOCRATIC NATIONAL CONVENTION

As authorized by the membership last month, attended the Democratic National Convention in Boston as part of the California delegation and a member of the convention's Rules Committee.

At a Union Caucus on July 25, the 800 Union members who were delegates to the convention rallied to support the need for affordable health care, the right to quality education and the right of workers to form Unions. It was the consensus of all, that in order to push labor's agenda to the forefront, the election of John Kerry as President and John Edwards as Vice President is an absolute necessity.

As the formal proceedings did not begin until 4:00 P.M. on each day of the Convention, it provided an opportunity for your secretary to meet with many members of Congress to press the SUP's maritime agenda. All agreed with Senator Kerry that the United States needs a decisive maritime policy, including support for MSP and the Jones Act.

Given the inept, dangerous and anti-Union stance of the Bush administration, the clear choice is John Kerry.

Four more years of President Bush would decimate American labor law, gut the already weak National Labor Relations Board and give him the opportunity to pack the courts with judges with a pro-employer, anti-Union bias.

Working people in this country who are being outsourced (flagged-out) by the thousands with the blessing of the Bush administration, need to turn this gang out of office and elect John Kerry president and a Democratic Congress so that progressive pro-labor legislation can be passed.

Urge all hands to support John Kerry and cast their vote for him on November 2, as it is in the best interests of the working class.

## 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 80th Convention on August 2, at the Maritime Institute of Technology & Graduate Studies (MITAGS), Linthicum Heights, Maryland.

In addition to extending greetings from the SUP, your secretary enumerated to the convention delegates the challenges and instabilities that face maritime labor. The effort to protect our work and gain new work in the next two years, will determine what will transpire in the next ten: the new Maritime Security Program—particularly in regard to APL and ASM; the LMSR contract awards, the Ready Reserve Fleet contract awards, and other potential government work.

Although the new MSP or Maritime Security Fleet program expands the current program from 47 to 60 vessels engaged in international commerce and increases payments to participating companies over the ten-year life of the program, the participation of APL still remains a question mark that won't be answered until October 15 of this year. The status of ASM as the operator of APL's MSP vessels remains unanswered as under the new program Section 2-citizens companies as defined by the Shipping Act of 1916 are not a requirement for participation in the program.

The status of who will operate the Large Medium-Speed Roll-On/Roll-Off (LMSR) vessels managed for the past five years by Patriot Contract Services for the Military Sealift Command and crewed by the SUP,

Continued on next page

#### President's Report continued

MM&P, MFOW and other Unions that are in APL's U.S.-flag fleet, are just as critically important for future employment as are the MSP vessels. Retention of this work will provide continuity and stability and ensure that the nation's maritime labor manpower pool remains diversified in times of national emergency.

Also pending is the bidding for vessels in the Ready Reserve Fleet. Both Patriot and Matson are in the process of putting together their bids and it is hoped that both companies receive a fair share of the vessels which will provide more employment opportunities for members of the West Coast Unions. The current arrangement is neither fair nor equitable as the SUP, MM&P, and MFOW are in only two RRF vessels: the *Cape Gibson* and *Cape Giradeau*, both operated for the Maritime Administration by Patriot.

Another threat to maritime labor in government-owned vessels, is the National Personnel Security System. Inserted into the Defense Authorization Act of 2004 by the Bush Administration, this so-called "system"—which is being challenged by organized labor— would effectively eliminate collective bargaining rights and remedies under the National Labor Relations Act for government work. The "system" redefines bargaining as "consulting". After a 60-day "listening" period on any disputes, the Defense Department can implement changes over the objections of the Union. Disputes will go to the Defense Labor Relations Board, instead of the NLRB. This initiative by the Bush Administration is a sure indication of what four more years would portend for labor in this country.

Rising health care costs are also a problem for all Union welfare plans and the SUP and MM&P are no exception. The only true long-term solution is a national health care system.

This country also needs a sound maritime policy, including a plan to build ships, to really secure our ports against terrorism and to fight to eliminate the rotten and lawless flag-of-convenience system that has all but destroyed the U.S. merchant marine. This will bring stability to the industry.

All working people need new strength in bargaining, backed by a government that values the benefits of organized labor.

In addition to your secretary, the MM&P Convention was addressed by Captain William Schubert, Maritime Administrator; John Bowers, ILA President; Michael Sacco, SIUNA President; Ron Davis, MEBA President; Treasury Secretary John Snow; Leo Gerard, President of the United Steelworkers; AFL-CIO Secretary-Treasurer Richard

Trumka, Mike McKay, AMO President; Senator Paul Sarbanes (D-MD); Ernie Greco, President of the Metropolitan Baltimore Labor Council; Valerie Verrecchio, Administrator of MM&P Plans; C. James Patti, President of the Maritime Institute for Research and Industrial Development; and Glen Paine, Executive Director of MITAGS.

## SUP WELFARE PLAN REPRESENTATIVE

Rich Reed, SUP Welfare Plan Representative since July 2000, has regrettably decided to return to sea and has given notice that August 20, will be his last day on the job.

Brother Reed has served with distinction handling the problems of the active membership, their dependents and pensioners. His duties have been anything but routine as he has assisted members with the Coast Guard, maintenance and cure issues and handled all the logistics and scheduling for those requiring training. In addition, he made periodic visits to the Branches to explain welfare issues. His service is appreciated by a grateful membership.

The Union Trustees (Dave Connolly and your secretary) have proposed that Brother Steve Messenger relieve Brother Reed. However, the employer Trustees led by Tom Percival of Matson have thus far taken the position that the position isn't necessary and the work performed by the Welfare Representative can be accomplished by the SUP Welfare Plan staff. As usual, the employers, who have no interest in the welfare of the membership, are wrong on this issue and we will have to beef it out.

In the meantime, Brother Messenger, who joined the Union in 1973, and last worked for the San Francisco Bar Pilots, is volunteering his time in order to familiarize himself with the duties of the office — pending employer approval.

#### LABOR DAY

All SUP halls will be closed on Monday, September 6, in observance of Labor Day which is a holiday under all SUP collective bargaining agreements.

#### **ACTION TAKEN**

M/S to extend a vote of thanks to Rich Reed. Carried unanimously.

M/S to accept the balance of the President's report. Carried unanimously.

Gunnar Lundeberg

## Foreign Arbitral Awards Convention trumps protections of the Jones Act

The U.S. Court of Appeals for the Fifth Circuit ruled that a mandatory arbitration clause in a maritime employment contract is enforceable despite the plaintiff alleging a personal injury claim under the Jones Act. In the instant case, plaintiff entered into an employment agreement with defendant company that led to his working as a barge leaderman on an offshore oil and gas project in Nigerian waters. The contract provided for mandatory arbitration of all disputes. After plaintiff was severely injured while working on the barge, he brought suit under the Jones Act and general maritime law.

Plaintiff contended that the Foreign Arbitral Awards Convention Act exempts contracts of employment of seamen from its coverage and thus the arbitration clause should be unenforceable. The court held that, because the employment contract provided for the work to be performed outside the United States, the Convention applied and the Convention has no seaman exception. Freudensprung v. Offshore Technical Services, Inc., No. 03-20226 (5th Circuit).

## **Vice President's Report**

August 2004

#### **Meeting with MSC**

On July 29, 2004 I represented the Union at a meeting at the Washington Navy Yard at the invitation of the Maritime Administration and the Military Sealift Command. The purpose of the meeting was to brief maritime labor on the likelihood of coming activations of government vessels. Without giving away any state secrets, we can expect another holiday season of extreme activity as we rotate gear in and out of the theater of operations. For those sailors in the dedicated LMSR pool, the nation's military will once again depend on your professional expertise to get the job done.

#### **Small Arms Recertification**

Members who are trained in the operation of the Union's contracted LMSRs are potentially eligible for Small Arms Recertification classes, subject to billet availability. As most SUP members are aware, all small arms certificates expire after one year. In order to qualify for the one-day recertification class, however, the member's certificate must be less than two (2) years old. If it has been more than two years since certification, only the full, three-day course is suitable for recertification. Anyone interested should be ready to return to the LMSRs and should contact their Branch Agent, SUP Welfare Representative Rich Reed, East and Gulf Coast Representative Bud Yost, or me. (See page 2 and 8 for phone numbers).

#### **Foss Update**

Along with SUP co-delegate Tom Tynan, met with the Company on August 11, 2004 at the Foss home dock in Richmond. Thanks to the perseverance of the membership, and to the continued dedication of the co-delegates, the Union has made considerable progress on several issues. The stateroom grievance appears headed to satisfactory resolution. The Company acknowledged an under-manning claim and paid eight hours to the senior-most deckhand without a regular schedule. Also, the Union's efforts to ensure an orderly and fair job posting process that adheres to the basic principles of seniority are now bearing fruit as more tankermen come on schedule. Despite the several issues still outstanding, we are going in the right direction.

#### **Ships Checked**

**APL China**: delegate Gabriel Sipin. Clarification on departure (last line, watch set at midnight) and filling out the minimum (not allowed). Delegate doing a good job.

President Grant: delegate Rudy Musgrove. Running smooth.

**USNS Benavidez**: delegate Dana Sargeant. Heading for northern European port. Clarification on reliefs.

**USNS Shughart**: delegate Kendrid Jackson. Mideast repairs. Call from delegate indicates ship in good shape

USNS Gordon: delegate Harry Freeman. Enroute USA. East Coast Representative Bud Yost will board the ship on arrival.

USNS Brittin: delegate Joe Jewell. Enroute USA.

Dave Connolly



#### 10% of world's ports yet to comply with ISPS

About 10 percent of the world's port facilities still do not comply with the International Maritime Organization's new security requirements over five weeks after they came into effect. The situation—as it has been over the months leading up to the July 1 implementation date of the International Ship & Port Facility Security (ISPS) Code—is slightly better on the ship side of the industry.

According to the latest statistics from the IMO secretariat, 89.5 percent of the over 9,000 global port facilities now have their Port Facility Security Plans approved which the IMO said is a "considerable improvement" over the 69 percent compliance reported on July 1. But in a statement, the IMO tried to temper its optimism by saying there "remain regional pockets in which progress has not been as rapid as might be hoped." In particular, Africa is falling behind other continents in complying with the new regulations, with just under half of the 30 countries in Africa having implemented the measures so far. Countries in the former Soviet Union and Eastern Europe have also been slow to implement the measures, the IMO said in the statement.

The compliance rate for ships, which are required to be in possession of a valid International Ship Security Certificate, is marginally better than the port sector and is more than 90 percent, the IMO said. This compares favorably with the July 1 figure of 86 percent.

The IMO secretariat is also continuing its program aimed at helping those countries that are experiencing difficulty in implementing the new security measures, including the \$2.5 million program started in January 2002. While the initial work of the program focused on raising awareness of maritime security threats, the IMO said it has now shifted the emphasis on specific operational measures which need to be taken in order to "safeguard the security of passengers and crew." This includes a new "Train-the-Trainer" program set to get underway in the second half of 2004 and aimed at instructors from national institutions responsible for maritime security training.

## **SUP Branch Reports**

## **Seattle**

#### July 19, 2004

Shipped the following during the period: 3 Boatswain billets filled by 2 Acards to relief jobs and 1 B-card to a USNS ship; 14 Able-seaman jobs of which 2 returns, 7 steady, 3 relief's and 2 Navy slots were taken by 4 A-cards, 9 B-cards and 1 C-card; 18 standbys were filled by 6 A's, 9 B's, 2 D registrants and 1 MFOW member.

Registered the following during the period: 17 A cards for a total of 31; 19 B cards for a total of 61; 13 C cards for a total of 33.

#### Ships Checked

President Adams, President Polk and the *President Truman* back from the Far East with little or no problems. Maui and Kauai in twice and running smoothly.

I attended the Puget Sound Area Maritime Security Committee meeting and the Puget Sound Harbor Safety Committee meeting. Both of these committee's have the ability to generate legislative proposals to state and U.S government agencies. While most of the participants who sit on these committees are U.S. citizens, it should be noted that many of these folks represent flag-of-convenience operators who are opposed to U.S. wages, medical benefits and U.S. labor laws: as well as being opposed to the "Jones Act" protections for U.S. companies and it's citizen mariners.

The National Governors Association held a meeting here in Seattle that was roundly protested by working families from all across the state of Washington. Though we were not let in to the proceedings, we rallied in close proximity to the hotel these leaders were cocooned in demanding that the elected governors and the states they represent stop outsourcing jobs overseas. Former presidential candidate and Ohio Congressman Dennis Kucinich gave an excellent speech at this rally titled "Put People First" where affordable health care for everyone was his passionately spoken topic.

The Washington State primary election will be held on September 15, 2004. We urge all Washington State residents to look closely at the Washington State Labor Council endorsements and vote for labor friendly candidates. This Branch endorses Ron Sims for Governor of the State of Washington. If you have never voted in an election or you have recently moved to this area and have not registered to vote yet or have family mem- | nia State Democratic Executive Board and

bers or friends who would like to register but are not sure how to do this just go to any U.S. Post Office and pick up a registration form. Pick up several and bring them to friends and relatives and tell them to vote. And tell them to vote for the candidate that supports your job!

Vince O'Halloran

#### Branch Agent

## Wilmington

#### July 19, 2004

Shipped the following during the period: Bosun: 4, AB: 12, AB Maint.: 7, OS: 2 and standby: 54. Total Jobs Shipped: 79.

Registration is at: A cards: 44 B cards: 29; C cards: 10 and D: 5.

#### **Ships Checked**

Manukai-Bert Genita delegate, clarification on lowering and raising lifeboat inshore on departure. One hour OT extra payable. Mahimahi-OK. President Jackson-OK, Tonny Nielsen delegate. APL China-OK. Ewa-Joe McDonald delegate, food beef, too many egg entries for lunch. President Grant-clarification on restriction to ship in L.A. at anchor. There was no restriction order for the captain and called customs and they said the captain called twice to clear the ship for launches and they said they would not come out, so no OT payable. Pres. Adams-OK, Gerald Marshall delegate. R.J. Pfeiffer-OK. APL Singapore-minor clarifications for mate. Mokihana-OK. President Polk-OK, Nick Hoogendam delegate. Matsonia-OK, Rob Morgan delegate, took Jerry AhSam's ashes aboard for burial off Diamond Head.

June 21, Eli Wegger attended the California Federation meeting with Bill O'Brien where they talked about how the Patriot Act, although well intended, controls citizens, not our enemies, despite arguments for it. The Patriot Act's very existence contradicts the principles of our founding fathers, free speech and freedom of association. Also talked about the health insurance act (SB2), which provides health care for uninsured Californians and the Labor Day Parade.

June 24 and July 8, went to a Harbor Coalition meeting about the Labor Day Parade.

June 25, attended an MTD lunch meeting on the Lane Victory and heard guest speaker, Jim Brandt, candidate for Congress, 46th District. Brandt is Regional Vice Chair for the L.A. County Democratic Party and member of the Califordelegate to the California State Democratic Convention, and good for labor.

July 9 and July 16, went to an MTD Board meeting concerning the Lane Victory cruise on September 5.

> Keith Miller Branch Agent

## Honolulu

#### July 19, 2004

Shipped the following during the month of June: 1 bosun, 1 bosun relief, 4 ABs, 1 AB maint., filled by 3 A members and 4 B members. Also shipped 40 standby jobs filled by 1 A member, 16 B members, 21 C members and 2 D registrants for a total of 47 jobs shipped.

Registered in the month of June: 6 A members, 3 B members, 3 C members and 4 D registrants. To date, registered are: 10 A members, 9 B members, 7 C members and 6 D registrants, for a total of 32 registered.

#### Ships checked

Maui, Lurline, Matsonia, Kauai, Ewa, R.J. Pfeiffer, Lihue and Manukai. All with few or no beefs.

Paint and rigging gang running smoothly with Monte Kalama as bosun. Strict security at Matson terminal Honolulu. Bring your picture I.D. and dispatch

On July 21 attended the Hawai'i Ports Maritime Council meeting. Reviewed applications and chose our annual scholarship award winner.

Placed the ashes of Lam Kula, brother of well respected SUP pensioners Jimmy and Roland Kula, aboard the s/s Matsonia. Lani's ashes as well as those of old friend Jerry Ah Sam will be scattered off Diamond Head. Smooth sailing guys!! Wish to thank Captains Norman Piianaia and B.J. Diggins for their time and effort.

The national elections are right around the corner. Voting information will be available on all Matson vessels and I urge all members to register and vote. It is imperative that we change the current antilabor administration. As for our Hawai'i 2nd District Congressman Ed Case, the anti-Jones and PSA Act Democrat, the local maritime unions are still trying to work this one out. More later.

Took off for the Mainland for a while. Wish to thank Bonny Coloma for his usual expert coverage of the waterfront during a very busy period that I was gone.

> Mike Duvall Branch Agent

#### Francisco Business Agen

August 9, 2004

Visited and paid off the following

Kauai - Edgar Drake, delegate: Coastal run to Hawai'i; no disputes. Coastwise from Seattle; question on delayed sailing. In good shape.

Lihue— Remoni Tufono, delegate: In from the Islands; no disputes. Will make one more trip before going to lay up.

Lurline— Charlie Brown, delegate: Van and car carrier; no problems; made

Manoa— Bill Henneberry, delegate: Clarification on loading steward stores.

Maui— Chuck Maringer, delegate: Seattle, San Francisco, Honolulu run; no disputes. Will keep track of storing steward stores. Made twice.

R.J. Pfeiffer— Tulio Tautala, delegate: Coastwise, in from Honolulu: no

President Truman— Joe Ginez, delegate: Voyage pay off. Skipped Wilmington due to port congestion. No beefs.

APL Korea— Lou Frazier, delegate: Voyage pay off. No disputes. New steward; hope he lives up to the agreement.

**APL Philippines**— Richard Crowell, delegate: Voyage pay off. No disputes.

**APL Singapore**— Frank Salvatierra, delegate: Voyage pay off. No disputes. New bosun "Singapore Sid". Good gang.

Cape Girardeau— Robert Taylor,

delegate: Returned from exercise near the Hawaiian Island which are intended to promote stability in the Pacific Rim region. Again the sailors did an outstanding job. Collected a few hours of dispute time, going into lay up.

**ASM Shore Gang**— All going well.

Colorado Vovager— Robert Edelhause, delegate, John Svane, bosun: Made at Richmond Long Wharf. Question on call back for early vacation.

Washington Voyager— Mike Fox, bosun: Made at Richmond Long Wharf; no problems.

Also worked in the front office during the month.

Bill Berger

## Jacksonville

#### **July 2004**

For the month of July five AB's and one OS were dispatched to USNS ships. These jobs were filled with three B's, one C and one D registrant.

#### **Ships Checked**

Chevron Arizona Voyager-Ship boarded in Port Everglades, Florida, on July 14. Bill Esselstrom was the delegate and Scott Oliphant the bosun. No beefs.

USNS Pililaau-Boarded in Violet, Louisiana, on July 15. Robin Tribble was the delegate and Dale Gibson the bosun. Beef resolved about lack of available OT and a misunderstanding about use of the OS in watch rotations was taken care of.

USNS Bob Hope-Boarded in Violet on July 15. Gordy Klein is the delegate and Mike McGahran the bosun. Ship very busy preparing for yard period in Mobile. Running smoothly without any beefs.

USNS Fisher-Boarded in Violet on July 15. Jonn Reed is the delegate and Doug Olney the bosun. Getting ready to go from ROS to FOS and running smoothly.

USNS Gilliland-Boarded in Newport News, Virginia, on July 22. Bill Brannon was the delegate and Lou Hathaway the bosun. Interpretation of mates doing unlicensed work resolved, and a problem with paying two hour minimum for call out was resolved. Second mate appears to have difficulty working with sailors on her watch. Company and shipboard management aware of the situation.

USNS Yano-Boarded in Baltimore, Maryland, on July 23. John Drolla is the delegate and Steve Huggins the bosun. No beefs. Just finished their COI and much credit is due to the gang for a great

LSMR sailors check your documents for expiration and currency soon after you get discharged from the ship. This will allow sufficient time to schedule physicals, drug tests or training if required, before you can be registered. Your registration is valid for 90 days so register early and don't wait until the last possible moment. Contact me or any branch agent if you have any questions.

**Bud Yost** 

East/Gulf Coast Representative

## **Dispatcher's** Report

Headquarters—July 2004

Deck	
Bosun	
Carpenter	)
MM	5
AB1	1
OS	1
Standby28	3
Total Deck Jobs Shipped $\overline{49}$	9
Total Deck B, C, D Shipped 12	2
Engine/Steward	
QMED	)
Pumpman (	
Oiler (	)
Wiper (	)
Steward (	)
Cook	)
Messman (	)
Total E&S Jobs Shipped	)
Total E&S B, C, D Shipped	)
Total Jobs Shipped - All Depts 49	)
Total B, C, D Shipped-All Depts 12	2
Total Registered "A"75	5
Total Registered "B"60	
Total Registered "C"	
Total Registered "D"10	)