



# West Coast Sailors

Official Organ of the Sailors' Union of the Pacific

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Friday, July 19, 2013



The APL Belgium reflagged from Singapore to U.S. registry in Hong Kong on July 8 with the SUP onboard. Pictured above from left are: SUP Delegate Roger Berioso, Cezar Paeste, Bosun Sam Scott, Mark Relojo, Edgar Juluat and Ramon Duran.

## Agreement reached with Matson Navigation Company

### SUP President's Report – July 8, 2013

The SUP, MFOW and SIU-Marine Cooks, which comprise the SIU-Pacific District, completed bargaining with Matson on June 29, after ten meetings including those covering the respective Unions' Work Rules and Maintenance Agreements.

The Unions were firmly determined to raise wages, improve pension benefits and resist any initiative by Matson to negotiate "kick-backs" or concessions in the Aloha-Class vessels slated for delivery in 2016 and 2017.

The company, represented by Captain Jack Sullivan, Vice President for Labor Relations; Roger Franz, Director of Vessel Operations; Danny Defanti, Manager of Offshore Labor Relations & Contract Analysis; and Dale MacGillivray, Manager of Offshore Labor Relations & Contract Administration, were equally committed to opposing meaningful wage and benefit improvements as well as proposing changes to the Agreements that would have been detrimental to the unlicensed mariners that work aboard Matson vessels.

After often contentious bargaining sessions, the Unions—armed with strike resolutions

authorized by the memberships of the SUP and MFOW—ultimately prevailed.

The following General Rules provisions were agreed to, subject to membership approval:

**Term of Agreement: July 1, 2013 through June 30, 2017.**

**Wages & Wage-Related Items (Overtime, Supplemental Benefits, etc.):** Effective July 1, 2013, a 2.75% increase; effective July 1, 2014, a 3% increase; effective July 1, 2015 a 2.75% increase; effective July 1, 2016 a 2.5% increase.

**Cost-of-Living Allowance (COLA):** Increases shall be made on the basis of comparing the May 2014 Consumer Price Index for all Urban consumers as published by the Bureau of Labor Statistics

of the Department of Labor to the May 2013 Consumer Price Index. Any increase in this index above 4% shall be added to the negotiated base wages. This formula shall be applicable in each succeeding year of the Agreement.

**Pension Benefits:** The Unions and Matson remained poles apart during bargaining, however, the Unions prevailed in negotiating a benefit increase of \$250.00 per month to those retiring on or after July 1, 2013. The parties also agreed to a 2% cost-of-living increase for current pensioners who qualified for a long-term or basic pension. The benefit improvement will be included in the September pension checks, retroactive to July 1.

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The *Belgium* was built in 2002 by Samsung Heavy Industries in Korea. The 67,500 dwt vessel is 909 feet long with a beam of 131 feet. When fully loaded, she can carry 5,514 TEUs.

As part of American President Lines East Coast/Asia (AZX) service, the *Belgium* will call at the following ports eastbound: New York, Savannah, Norfolk, Cagliari, on the Italian island of Sardinia; Damietta, Egypt; Suez, Jebel Ali, Dubai; Singapore and Laem Chabang, Thailand. The westbound rotation is: Laem Chabang, Singapore, Columbo, Suez, Damietta, Cagliari, Halifax, Noval Scotia (Canada) and New York. The company projects the run will be approximately 70 days from New York to New York.

## SUP ratifies new pact with Matson

The membership of the Sailors' Union of the Pacific at the July coastwise and Honolulu meetings ratified the new five-year collective bargaining agreement with Matson Navigation Company.

New wage scales are on page 5.

## House vote demonstrates support for Food for Peace

On June 19, the House of Representatives voted to reject a legislative amendment that—had it been approved and later passed into law—would have cut deeply into shipments of domestically purchased U.S. food aid by imposing the Obama Administration's proposal to radically restructure the Food for Peace (PL-480) program.

Members of the House voted 203-220 on the amendment presented by Representatives Edward Royce (R-California) and Eliot Engel (D-New York) to the Federal Agriculture Reform

and Risk Management (FARRM) Act of 2013, legislation to reform and reauthorize U.S. agricultural programs through 2018, which was brought to the floor of the House last month for consideration.

However, the next day, the House of Representatives voted down the FARRM Act itself 195-234. When the House brings up the legislation again, further attempts to attach amendments harmful to the PL-480 Food for Peace program may be made.

"The House's rejection of the Royce amendment is a

very good sign, but is one of many battles that will be fought in what has become a multi-pronged assault on Food for Peace," said SUP President Gunnar Lundeborg. "The SUP will continue to work strenuously with labor and industry allies, and with lawmakers on both sides of the aisle, to maintain the proven and successful Food for Peace program."

The amendment rejected by the House would have added legislation sponsored by Representative Royce—H.R. 1983—to the FARRM Act.

Strongly opposed by the Sailors' Union of the Pacific and the other members of the USA Maritime coalition, H.R. 1983 would impose provisions of the Obama's Administration's fiscal year 2014 budget request, including the elimination of up to 45% of the funding for the domestic purchase of U.S. food aid for shipment overseas. H.R. 1983 would instead use the funding for a cash-transfer and food voucher system, and for the purchase of food aid from foreign interests rather than U.S. farmers.

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# SUP Honor Roll

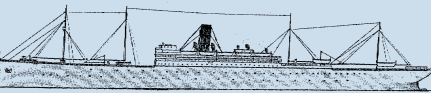
Voluntary contributions from the membership to the following funds:

## Organization/ General Fund

Anonymous .....	500.00
Justin Foster .....	25.00
Clinton Gregg .....	100.00
James Kolm .....	25.00
John Linderman .....	50.00
James Stelpstra .....	100.00

## West Coast Sailors

Edward Ching .....	50.00
Jay Dillon .....	20.00
Thor Erikson .....	10.00
Michael Fox .....	50.00
John Gugich .....	25.00
Brandon Keopuhiwa .....	50.00
Mark Lafayette .....	20.00
David Munroe .....	25.00
Charlie Noble .....	10.00
William Tice .....	25.00
Ed Vargas .....	25.00



## Dues-Paying Pensioners

Gordon Abbott	Book #3785	James K. Larsen	Book #4055
Robert Copeland	Book #4763	Duane Nash	Book #2437
Donald Cushing	Book #4777	John Perez	Book #3810
Romaine Dudley	Book #2593	Alex Romo	Book #3193
Diane Ferrari	Book #2251	Francisco Salvatierra	Book #7498
Knud Jensen	Book #3940	James Savage	Book #7488
Kaj E. Kristensen	Book #3120	Ralph Senter	Book #7323
Hannu Kurppa	Book #3162	David Shands	Book #7483

## Political Fund

Archie Bickford .....	50.00
James Buckowski .....	50.00
Rey Clores .....	20.00
Kevin Conroy .....	25.00
Jay Dillon .....	20.00
Mike Dirksen .....	50.00
Justin Foster .....	25.00
Val Goncharov .....	20.00
Lesnek Jeziorski .....	200.00
JanPeter Johnsson .....	50.00
Robert Jones .....	50.00
Monte Kalama .....	50.00
Gunnar Lundeborg .....	50.00
Raul Macalinao .....	50.00
David Munroe .....	30.00
Charlie Noble .....	20.00
Vince O'Halloran .....	100.00
Jose Obsuna .....	10.00
Miguel Palacios .....	10.00
Ricky Pangan .....	100.00
David Reinking .....	50.00
Mike Soper .....	30.00
William Sullivan .....	50.00
Raul Taganas .....	20.00
Tulilo Tautala .....	30.00
Daniel TinTun .....	100.00
Julian Torre .....	20.00
Louis Urbano .....	50.00
Frank Walsh .....	50.00

# Two World War II mariner bills introduced in House

Congresswoman Janice Hahn (D-California) has introduced legislation to provide benefits to merchant mariners who served during World War II. In particular, the bill she has introduced, H.R. 1936, directs the Secretary of Veterans Affairs to establish the Merchant Mariner Equity Compensation Fund to provide a benefit of \$1,000 per month to American merchant mariners who served on a vessel during World War II.

When she introduced the legislation, Hahn reminded her colleagues that many of those who made the ultimate sacrifice during World War II were not actually part of the U.S. military. In fact, civilian mariners were responsible for transporting troops and delivering supplies in that as in other conflicts.

"Even though they were mainly used as an auxiliary fleet, hundreds of ships and thousands of men were lost to enemy submarines and aircraft," Hahn said. "Though knowledge of the role of non-uniformed merchant sailors in World War II may have faded, it was one of the most critical roles played during the early part of the war."

The congresswoman also underlined the fact that the merchant mariners who served the nation so valiantly "have never been eligible for the tuition subsidies, home loan guarantees or other provisions of the G.I. Bill that helped millions of veterans go to college, secure a home and transition seamlessly into civilian life. The fact that we are not providing similar benefits to those who have risked their lives for this country is," she said, "simply unfathomable ... By providing this modest benefit, we will finally be giving our brave merchant mariners the recognition they rightfully deserve."

Another bill, sponsored by Congressman G.K. Butterfield (D-North Carolina), the World War II Merchant Marine Service Act of 2013 (H.R. 1288), would extend honorary veterans' status to "a forgotten segment of the World War II merchant marine, the coastwise merchant seamen," as noted in a statement from the congressman's office. The bill would extend burial benefits to these merchant marine veterans of World War II, and would expand the list of documentation accepted by the Department of Homeland Security to establish seagoing service during World War II.

In testimony for the hearing conducted by the House Subcommittee on Disability Assistance and Memorial Affairs, Butterfield urged the leadership of the Veterans' Affairs Committee "to schedule a markup soon so that these few remaining unsung American heroes have a chance to gain the recognition they rightly deserve."

"My bill is very simple," Butterfield said. "It would expand the types of documentation accepted by the federal government when a very small group of mariners that operated tugboats and barges domestically during World War II apply for veterans' status. Once recognized as veterans, they would be provided benefits limited only to burial and a U.S. flag. Let me repeat that: qualifying merchant mariners, who can prove service through expanded acceptable documentation, would receive only burial benefits and the honor of being recognized by their country for their sacrifice and service. My bill does not provide for health coverage, disability payments, or payouts of any kind to merchant mariners who served during World War II and does not impact direct spending."

"Estimates show that fewer than 2,000 of these mariners who served the United States during World War II are still living," Butterfield said. "In fact, it's very possible that there are only hundreds left today. Colleagues, we are quickly running out of time to recognize these few remaining Americans that stood up for freedom and democracy when their country needed their help."

## Congressman Duncan Hunter: Advocates of U.S.-flag fleet stand firm in defense of PL-480

The following article was published online by USA Maritime, a coalition of ship-owning companies, maritime labor organizations and maritime trade associations of which the SUP is a member:

"Supporters of the American merchant marine in the U.S. House of Representatives will continue to defend the PL 480 Food for Peace program, says Representative Duncan Hunter. In an interview published in the June 20 issue of *IHS Fairplay*, the California Republican said delivery of food aid by American mariners aboard U.S.-flag ships is vital to maintaining America's military and sealift capability.

"People understand that as a nation's merchant fleet and its navy goes, so goes the nation," Hunter told *Fairplay's* Senior America Correspondent John Gallagher. "If you lose your maritime capability... your ability to project naval power or economic power can wither on the vine."

"Hunter was among the Congressional supporters of the American merchant marine who sent a strong message on June 19, when the House of Representatives rejected an amendment to implement the Obama administration's proposal instituting a voucher plan in place of shipments of PL 480 food aid on American ships. The vote took place as the House considered amendments to the Farm Bill. The final tally against the amendment was 220-203. Since the entire Farm Bill failed on final passage, opponents of our industry may well have another opportunity to mount an attack on the Food for Peace program in the not-too-distant future.

"Hunter, a Marine Corps veteran of the wars in Iraq and Afghanistan, is chairman of the House Subcommittee on Coast Guard and Maritime Transportation. 'We're not going to let them cut the food aid program,' Hunter told *Fairplay*. 'That's the President's proposal, but in the House we control the budget.'

"The legislation to supplant the use of U.S.-flag ships in the Food for Peace program was submitted by Congressmen Ed Royce (R-California) and Eliot Engel (D-New York). It would have taken half the funding for PL 480 and converted it to a cash scheme in which taxpayer money would be wired or handed to foreign interests without accountability or transparency. The cash transfers could be used for anything, not just food, unlike the procedures in place under the PL 480 program, which requires that all funds be used for the purchase and delivery of wholesome U.S.-grown commodities.

"It's a military issue,' Hunter says. 'During the wind down in Afghanistan there are millions of tons of cargo that are going to have to be brought back. That's not going to be the navy, that's going to be our merchant marine.'"

## Hijacked ship sinks in hands of Somali pirates; at least four crew killed

The Malaysian-flagged *MV Albedo*, hijacked by Somali pirates in 2010 and held at an anchorage close to the Somali Coast, has sunk in rough seas, the European Union Naval Force announced on July 8. The *MV Albedo* has been held by pirates since it was attacked in the Indian Ocean in November 2010, and was in pirate hands when it sank.

*Reuters* reported that at least four crew members and seven Somali pirates died when the *MV Albedo* sank, and 13 others were missing. The vessel had a crew of 23 when it was hijacked early on November 26, 2010, about 900 nautical miles east of Mogadishu, Somalia.

## Final Departures

**Karl Andersen**, Book No. 3480. Born in Denmark in 1917. Joined SUP in 1944. Died in Washington, June 22, 2013. (Pensioner)

**R.W. Rasmussen**, Book No. 17343. Born in Texas in 1942. Joined SUP in 1977. Died June 8, 2013. (Pensioner)

## SUP Meetings

These are the dates for the regularly scheduled SUP meetings in 2013:

	Hdq.	Branch
August	12	19
September	9	16
October	Tues. 15	21
November	Tues. 12	18
December	9	16

## West Coast Sailors

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## Three Somalis convicted of piracy, murder in yacht attack off Oman

Three Somalis were convicted on July 8, of piracy, kidnapping and murder in the 2011 shooting deaths of four Americans sailing in the Indian Ocean off of Oman and could face the death penalty, according to court documents. The three men, and 11 others who previously pleaded guilty, boarded the Americans' yacht armed with assault rifles and planned to sail it to Somalia and hold the Americans for ransom. Instead, the hostages were killed by the pirates as they were being trailed by U.S. military forces.

A jury, which has been hearing the case since early June in U.S. District Court in Norfolk, Virginia, found Ahmed Muse Salad, Abukar Osman Beyle and Shani Nurani Shiekh Abrar guilty on all 26 counts against them, according to court records. The jury will be hearing more evidence during the sentencing phase of the trial later this month.

Scott and Jean Adam, retirees from Marina del Rey, California, and their friends Phyllis Macay and Robert Riggle, both of Seattle, were killed aboard the California couple's 58-foot sloop, *Quest*. Prosecutors have said all four passengers were asleep when the boat was boarded on February 18, 2011, by the armed assailants.

Negotiations at sea by U.S. Navy officials to free the Americans failed after four days according to the indictment. Navy SEALs subsequently raided the yacht, killing two of the hostage-takers and capturing the rest.

Some of the most emotional testimony during the trial came from Elizabeth Sem, daughter of yacht owner Scott Adam. She was quoted in press accounts as saying her father, who had worked on the production crew of movies and TV shows including "The Dukes of Hazzard," and "The Love Boat," had attended a theological institute after he retired. His sea voyages were part of his ministry, she said, adding that he handed out Bibles to people he met along the way.

## Exporting LNG: Are U.S. mariners included?

by Denise Krepp June 25, 2013

Reported in *The Maritime Executive*, June 25, the United States will soon be in the business of exporting liquid natural gas. This LNG will be exported on foreign-flagged and foreign-crewed tankers, therein making a significant profit for foreign-owned companies. U.S. tankers and U.S. crews will not be part of this process absent direct involvement from the Obama Administration. The Administration has indicated that it may support U.S.-flag fleet participation but more must be done to ensure that U.S. vessels and crews are employed.

During a recent hearing before the House Transportation and Infrastructure Coast Guard and Maritime Infrastructure, Deputy Secretary Porcari told Chairman Hunter and Ranking Member Garamendi that future jobs for U.S. mariners will be found in the energy sector. He did not give the members a plan on how mariners will be used and instead stated that "we need to get there". The lack of details was troubling to many in the audience as the Administration did not use U.S. vessels and crews during the recent release of the Strategic Petroleum Reserve (SPR) and there is no indication of how the Administration will do so to move future energy shipments.

Employing U.S. mariners to transport LNG and other energy products is not a new idea. Former Maritime Administrator Sean Connaughton, a Bush era political appointee, approved several offshore LNG facility siting applications. His approval was contingent upon the applicant's employing U.S. mariners aboard vessels used to service the facilities. Administrator Connaughton called the employment practice a "sound public policy" and commended the companies for complying with the U.S. crewing arrangements.

Sadly, the Obama Administration has not adopted the same clear standard. The Department of Energy Office of Fossil Energy recently received a comment requesting that the Department condition its approval of an LNG export application to the use of U.S. mariners. DOE declined to do so stating that the request had "far-reaching consequences," "inadequate support," and lacked an analysis of "the consistency of such a requirement with trade policy and law."

Congress provided specific direction to the executive branch about the use of U.S. LNG tankers in 2006. Section 304 of the Coast Guard and Maritime Transportation Act of 2006 tasks the Secretary of Transportation with "develop(ing) and implement(ing) a program to promote the transportation of liquid natural gas to the United States on United States flag vessels." Then Maritime Administrator Connaughton used this authority to put U.S. crews on LNG import vessels and the Obama Administration could use the same authority for exportation.

The placement of U.S. crews aboard LNG export vessels will involve multiple agencies and departments. These entities include the Maritime Administration, the Coast Guard, the Federal Energy Regulatory Commission, and the Department of Energy. Each of these entities has its own policies and procedures. Their procedures will all need to be updated if the overarching Administration's policy, as stated by Deputy Secretary Porcari, is to place U.S. mariners aboard vessels transporting U.S. energy products.

A comprehensive plan to utilize U.S. mariners and vessels must be finalized in the next couple of months. The Administration is currently reviewing over 20 applications for LNG export facilities and the crewing and vessel requirements must be in place before the applications are approved. Applicants will strenuously object to any extra requirements that are placed upon them after formal approval is given. The Administration was criticized for not requiring U.S. crews and mariners before approving SPR contracts several years ago. Hopefully, the Administration has learned that it must definitively act before the ink is dry.

*Denise Rucker Krepp is a homeland security, transportation, and energy expert who began her career as an active duty Coast Guard officer in 1998. After September 11, Ms. Krepp was part of the team that created the Transportation Security Administration and the U.S. Department of Homeland Security.*



*The SUP, MFOW and SIU-Marine Cooks concluded bargaining with Matson on June 29, at SUP Headquarters. At the table from the right: Matson representatives Roger Franz, Dale MacGillivray, Jack Sullivan, "Cajun" Callais (MFOW), MFOW Vice President Bill O'Brien, SUP President Gunnar Lundeborg, MFOW President Anthony Poplawski, and SIU-Marine Cooks Vice President Nick Marrone. Photo by SUP Vice President Dave Connolly.*

## APL, ANL and Hanjin Shipping team for new service

American President Lines (APL), Australia National Line (ANL) and Hanjin Shipping have teamed together to offer a new weekly service covering Asia, Australia and New Zealand.

The AAZ service, as Hanjin will call it, is scheduled to commence at the beginning of September through a vessel sharing agreement (VSA) with APL and ANL. Each company will contribute two containers ships to the service with a capacity of up to 2,200 TEUs. The port rotation for the AAZ service will be: Singapore, Port Klang, Brisbane, Sydney, Auckland, Tauranga, Brisbane and Singapore.

"The new weekly service will provide more competitive options to shippers moving dry and reefer cargoes between New Zealand, Australia and Asia; particularly New Zealand reefer exports destined for key Asian markets," the partners said in a joint announcement. "We are confident that trade between these markets will continue to expand and we look forward to supporting their growth with our new service offering."

The service will commence its first southbound sailing from Singapore on September 1, and its first northbound sailing from Auckland on September 24.

## Falling bunker prices prompt Matson to lower surcharge

In response to a continued fall in bunker prices, Matson Navigation Company, Inc. on July 2, said, in an email notice to customers, that it is lowering its fuel surcharge for its Hawai'i service by two percentage points, from 36.5% to 34.5% effective July 7.

"This marks the third consecutive decrease in 2013 of our Hawai'i fuel surcharge. For most customers, this downward adjustment represents a reduction in shipping costs ranging from \$45 to \$80 per container," said Dave Hoppes, senior vice president, ocean services. "We continue to be encouraged by the recent moderation in bunker fuel prices, and remain focused on diligently exploring ways in which we can maximize fuel efficiency for our fleet. We will continue to monitor fuel costs and adjust the surcharge accordingly," Hoppes added.

Matson's last adjustment to its fuel surcharge was a decrease of 3.5 percentage points, effective April 28, 2013, while the last upward adjustment for the service's surcharge was an increase of 4.5 percentage points effective October 7, 2012.

## New requirement of the STCW 2010 Manila Amendments

"Vessel Personnel with Designated Security Duties" as laid out in Coast Guard Policy letter 12-06.

**In the future all sailors will have to take a 12 hour training for the endorsement. For a limited time, (until January 1, 2014), the Coast Guard will grandfather sailors (who started their careers before January 1, 2012) and recognize for endorsement a company letter (attached to a completed Form 719B) attesting to six months of service in the last three years with designated security duties. All SUP sailors have designated security duties under the vessel security plans.**

**After some considerable instigation from the Union both APL and Matson are now issuing the letters. APL masters are doing it at sign off for qualifying sailors. Matson agreed at the bargaining table to facilitate production of the letters, although I think the office is going to generate them and not the masters. In any case, sailors should be requesting the letters at sign off or before or while on the beach.**

**Once in possession of the letter sailors must submit the letter and form to the USCG for the endorsement. There is some debate about whether or not the letter will still be an option after January 1, 2014 but until there is new guidance on that we should assume that the window of alternative compliance (the letter) closes next New Year's Day.**

# 75<sup>th</sup> Anniversary of Fair Labor Standards Act

by Richard Trumka, AFL-CIO President

President Roosevelt signed the Fair Labor Standards Act (FLSA) into law 75 years ago on June 25, 1938. The FLSA outlawed child labor, guaranteed a minimum wage, enshrined the 40-hour work week into law, and required a time-and-a-half cash premium for overtime work.

Passing the FLSA was an historic milestone on America's journey towards becoming a more just and civilized society. But the FLSA was also a key factor in the explosion of the American middle class and the reduction of economic inequality after the Second World War.

The FLSA was a landmark expression of the groundbreaking idea that we all do better when we all do better. When America raises wages for all workers, the middle class thrives and robust consumer spending drives a virtuous circle of broadly shared prosperity. It was a fantastically successful idea. But the FLSA is not a monument where we lay a wreath every year. It is a living promise that must be constantly redeemed.

Most urgently, we need to restore the buying power of the minimum wage. If the minimum wage had kept pace with inflation since 1969, it would be \$10.59. If it had kept up with productivity growth, it would be \$18.72.

Senator Tom Harkin (D-Iowa) and Representative George Miller (D-California) have introduced legislation that would raise the federal minimum wage

from \$7.25 to \$10.10 and index it to inflation. Their bill would increase economic output by \$33 billion over the course of three years, and this increased economic activity would create 140,000 new jobs over the same period.

Another urgent task is to end the exclusion of home care workers from the FLSA's minimum wage and overtime protections. The Labor Department has proposed new rules that would raise wages and improve working conditions for workers who provide in-home care and services to the elderly disabled, but these protections have been bottled up by opposition from industry.

More generally, it is increasingly common for businesses to deny minimum wage and overtime protections to their employees by misclassifying them as "independent contractors." And it has become far too easy for firms to deny overtime protection to relatively low-level employees by claiming they are "executive" or "administrative" management who are not covered by the overtime law.

Addressing these rampant abuses must be part of a larger effort to address America's growing alarming wage crisis. For the past several years, inflation-adjusted wages have been stagnant or falling for the vast majority of American workers. This wage crisis is an important reason why the U.S. economy has been stuck in the doldrums, and it deserves our full attention.



Loading stores on the back deck of the Moku Pahu in Oakland on June 21, is standby Freeman Stamp, standby Paul Fuentes, Bosun Les Jeziorski and Second Mate Richard Crowell. Photo: Dave Connolly

## Panama Canal studying plans for fourth set of new locks

The Panama Canal Authority (PCA) is reportedly studying the construction of a fourth set of new locks, parallel to the third set of locks presently under construction as part of a \$5.2 billion expansion project. The plans were unveiled at the American Association of Port Authorities Latin America Congress of Ports held this month in Bogota, Colombia.

"We are looking at the demand and demand is what [will] rule [the project]," said Rodolfo Sabonge, Executive Vice President of Commercial Planning and Development for the PCA, said during his presentation.

The current stage of the Panama Canal expansion is set to be completed in June 2015. It will consist of two new sets of locks, one on each side of the Canal, as well as widening and deepening of navigational channels in Gatun Lake and the deepening of Culebra Cut. The expansion will allow the Panama Canal to accommodate larger post-Panamax vessels, but it will not allow for the passage of Super Post-Panamax ships.

Super Post-Panamax ships represented 3% of the total worldwide fleet in 2013 in terms of cargo units and is expected to grow to 9% by 2016, Sabonge said.

## Somali piracy at lowest levels in seven years

Somali piracy has fallen to its lowest levels since 2006, according to the latest global piracy report by the International Chamber Commerce's (ICC) International Maritime Bureau (IMB).

IMB attributes this significant drop in the frequency and range of attacks by Somali pirates to actions by international navies, as well as preventive measures by merchant vessels, including the deployment of privately contracted armed security personnel.

Through the month of June, Somali pirates were holding 57 crewmembers for ransom on four vessels. They were also holding 11 kidnapped crew members on land in unknown conditions and locations.

As piracy off the Somali coast has declined, the IMB is focusing its attention on the violent piracy and armed robbery off the West Coast of Africa. In the Gulf of Guinea, there has been a rise in piracy and armed robbery with 31 incidents so far this year, including four hijackings. IMB also reported a surge in kidnapping at sea and a wider range of ship types being targeted, causing a new concern in a region already known for attacks against vessels in the oil industry and theft of gas oil from tankers.

"There has been a worrying trend in the kidnapping of crew from vessels well outside the territorial limits of coastal states in the Gulf of Guinea," said Pottengal Mukundan, Director of IMB. "In April 2013, nine crewmembers were kidnapped from two container vessels, one of which was 130 nautical miles from the coast. Pirates have used motherships, some of which were smaller off-shore supply vessels hijacked by pirates to conduct the attacks."

"There continues to be significant under-reporting of attacks, a phenomenon highlighted by the IMB year on year," Mukundan continued. "This prevents meaningful response by the authorities and endangers other vessels sailing into the area unaware of the precise nature of the threat."

Armed pirates in the Gulf of Guinea have taken a total of 56 sailors hostage and were responsible for all 30 crew kidnapping reported so far in 2013. One person was reported killed and at least another five injured. Attacks off the coast of Nigeria accounted for 22 of the region's 31 incidents and 28 of the crew kidnapping.

Worldwide, the IMB Piracy Reporting Center (PRC) recorded 138 piracy incidents during the first six months of 2013, compared with 177 incidents during the same time period a year ago. Seven hijackings have been recorded so far this year compared with 20 during the first half of 2012 and the number of sailors taken hostage has dropped to 127 this year from 334 in the first six months of 2012.

## Chinese mariners off Korea rescued after collision

On July 10, the South Korean Coast Guard rescued 12 Chinese seafarers from a lifeboat off South Korea. The mariners were adrift after their 1,069dwt general cargo ship *Harmony Rise* sank following a collision with the 69,997dwt bulker *Panamax Blessing*, operated by Cyprus Sea Lines, the same day, China's *Xinhua* news agency reported.

The casualty took place in heavy fog and five foot swells about seven miles east of Ulsan off eastern South Korea. Fourteen vessels and two helicopters were sent to the sight of the sinking, said maritime police, who told *Xinhua* no serious injuries were reported.

### HERE AND NOW

Up on the bridge, just sitting in my seat  
Looking out the windows, at the sea  
Wondering if there's anybody else  
Out here, who's as crazy as me.

The chief mate on watch don't talk too much  
At least not to me, and that is sure OK by me  
He's pushing buttons, counting time  
And keeping within the budget with  
Our hours of sleep and overtime.

The Coast Guard has the rule; the STCW is tight  
The mate counts all the hours, just to get it right.  
We are told when you can work; and when to sleep  
The old days of the past, have sure gone away  
When a poor ole sailor could work or play.

Excuse me now mate; what did you just say  
There's no work for me today; the hours say I need rest  
So I'm the 4 to 8 relief AB looking out the windows  
At the mighty sea, wondering what the hell  
Has happened to the whole industry.

Tom Larkin Book #4065  
M/V R.J. Pfeiffer

**SUPPORT THE  
SUP POLITICAL FUND**

# Matson Navigation Company Wage Rates

## effective July 1, 2013

### 071, Roll-On/Roll-Off, C-8, C-9, CV-2500 & CV-2600 Class Vessels

Rating	Wages		Supp.	Supp. Benefit		Money
	Monthly	Daily	Benefit Base Monthly	Daily	Monthly	Purchase Pension Plan Daily
Bosun	\$5,738.02	\$191.27	\$5,913.13	\$111.69	\$3,350.70	\$25.00
A.B.	\$4,046.98	\$134.90	\$4,418.65	\$83.46	\$2,503.80	\$25.00
O.S.	\$3,106.57	\$103.55	\$3,472.14	\$65.58	\$1,967.40	\$18.51

**OVERTIME AND OTHER RATES**

The hourly overly overtime rate for all ratings except the Ordinary Seaman shall be..... \$32.94  
 Ordinary Seamen (overtime rate)..... \$24.70

**CARGO RATES**

The hourly cargo rate for all ratings shall be:  
 Straight Time..... \$24.70  
 Overtime.....\$40.71

**SHORTHANDED (SECTION 7. SUP Work Rules)**

Bosun..... \$56.24  
 A.B.....\$42.37

**STANDBY RATES (Section 43 SUP Work Rules)**

**Bosun**  
 Straight Time..... \$38.54..... \$25.00  
 Overtime..... \$62.53  
**A.B.**  
 Straight Time..... \$31.76..... \$25.00  
 Overtime..... \$52.64

**SHIFT SHIP GANGS (Section 44 SUP Work Rules)**

**Bosun**  
 Straight Time.....\$27.90..... \$25.00  
 Overtime ..... \$46.37  
**A.B.**  
 Straight Time..... \$26.22..... \$25.00  
 Overtime..... \$44.29

**DECK PORT WATCHES (SECTION 55. SUP Work Rules)**

**Bosun**  
 Straight Time ..... \$37.49  
 Overtime..... \$56.22  
**A.B.**  
 Straight Time ..... \$28.25  
 Overtime..... \$42.37

**FUEL OIL SPILL CLEANUPS**

All Ratings: Straight Time ..... \$19.18

**SHOREGANG: MAINTENANCE AGREEMENT**

**Working Bosun**  
 Straight Time ..... \$38.16..... \$25.00  
 Overtime..... \$62.53  
**General Maintenance**  
 Straight Time ..... \$31.38..... \$25.00  
 Overtime..... \$52.64  
 Spraying, Sandblasting enclosed spaces: additional per hour \$1.98

**SHOREGANG: EXTRA MAINTENANCE AGREEMENT**

**Standby Bosun**  
 Straight Time..... \$38.54..... \$25.00  
 Overtime..... \$62.53  
**Standby AB**  
 Straight Time..... \$31.76..... \$25.00  
 Overtime..... \$52.64

**“Whatever moments you get of happiness, use it up if you can, because it don’t come around that often.”**

*Bobby ‘Blue’ Bland  
1930-2013*

### Moku Pahu Wages

		Money Purchase Pension Plan Daily
<b>Bosun</b>	Monthly Base Wage.....	\$4,757.30
	Daily Base Wage .....	\$158.58
	Daily Supplemental Wage.....	\$58.51.....\$23.00

<b>A.B.</b>	Monthly Base Wage.....	\$3,193.24
	Daily Base Wage .....	\$106.44
	Daily Supplemental Wage.....	\$45.63.....\$19.00

Overtime ..... \$30.68

**CARGO RATES**

Straight Time Hours:..... \$23.00  
 Overtime Hours:.....\$37.91

**FUEL OIL SPILL CLEANUPS**

All Ratings: Straight Time..... \$17.90

Supplemental wages at 10 days per month.

### Patriot Contract Services

Effective July 28, 2013

## Ready Reserve Force Vessels

**Full Operating Status (FOS)**

Rating	Wages		Supp. Wage	Overtime	Penalty	Money Purchase Plan
	Monthly	Daily	Daily	Rate	Rate	Daily
Bosun	\$4,646.10	\$154.87	\$77.44	\$36.15	\$20.51	\$12.68
A.B.	\$3,666.79	\$122.23	\$61.11	\$30.86	\$15.71	\$12.68
O.S.	\$2,514.97	\$83.83	\$41.92	\$18.46	\$12.44	\$12.68

**Reduced Operating Status (ROS)**

Rating	Wages		Supp. Wage	Overtime	Money Purchase Plan
	Weekly	Daily	Daily	Rate	Daily
Bosun	\$1,453.75	\$207.68	\$10.38	\$36.15	\$12.68
GVU	\$750.06	\$107.15	\$5.36	\$18.46	\$12.68
O.S.	\$750.06	\$107.15	\$5.36	\$18.46	\$12.68

## Box rates to rise in TransPacific

Container lines in the TransPacific Stabilization Agreement (TSA) have announced another hike of \$400 per FEU for eastbound TransPacific trade from August 1, and will weigh “further initiatives later this summer”. About a month ago, the TSA announced a \$400 per FEU increase from July 1. This latest hike, described as guidance for a peak-season surcharge from Asia from all U.S. destinations, reflects expectations of a robust peak season, with high import demand for Asian goods in the United States.

“It is hard to say at this point what the size and the timing of the peak will be, but the lines are expecting a defined peak period and want to be prepared,” said TSA executive administrator Brian Conrad. “That means having the necessary vessel and equipment assets in place, the right mix of services and their costs adequately covered to quickly address contingencies,” he said.

## California ballast water law questioned

Ballast water treatment systems reliable enough to meet California’s strict performance standards do not yet exist, state authorities have determined.

A recent report by the California State Lands Commission, which has jurisdiction over the state’s public resources, concluded that “significant limitations” in existing data hamper the ability to determine whether the 75 shipboard ballast water treatment systems reviewed could meet California’s regulations.

The regulation limits the number of organisms with dimensions of less than 50 microns that can be retained in a ship’s ballast water, and is considered much stricter than International Maritime Organization (IMO) standards. Vessels with ballast water capacity of 1,500-5,000 tons built prior to January 1, 2010, must comply with the California law by January 1, 2014.

Based on its assessment, the agency recommends that the California lawmakers delay putting the regulation in place “until such time that technologies can be deemed available to meet the standards”.



Gus Silva and Joe McDonald, both former Bosuns in the *President Adams*, Joe was her last, take the ship's name off the Wilmington Branch shipping board.

## Five guilty in *Costa Concordia* trial

A court in Italy has convicted five people of manslaughter over the *Costa Concordia* shipwreck off Giglio island which killed 32 people in January 2012. Two officers, the helmsman, the head of cabin service and the head of the crisis team were given up to two years and 10 months in jail for multiple manslaughter, negligence and shipwreck. They had agreed plea bargains and may avoid custodial sentences.

Captain Francesco Schettino is being tried separately. He is charged with multiple manslaughter for causing the shipwreck and abandoning the vessel with thousands still aboard. His case will resume on September 23, and his request for a plea bargain has been rejected by the prosecution.

The five defendants were Roberto Ferrarini, director of the Italian cruise company's crisis unit, Cabin Service Director Manrico Giampedroni, First Officer Ciro Ambrosio, Helmsman Jacob Rusli Bin and Third Officer Silvia Coronica. They received prison sentences ranging from 18 months to two years and 10 months as the court agreed to plea bargains in order to avoid a lengthy trial. The heaviest sentence was given to Roberto Ferrarini who was ashore as the disaster unfolded and in charge of coordinating the cruise ship company's response to the crisis.

None is likely to go to jail as sentences of under two years are suspended in Italy, while longer sentences may be appealed or replaced with community service, *Reuters* cited judicial sources as saying.

Prosecutor Francesco Verusio told reporters that Captain Schettino's trial was the most important. "Justice is beginning to be done but there will be real justice in the end, when we can determine with certainty what the responsibilities of the captain are," he said.

But lawyers for the victims reacted with dismay. "What will the families of the victims think? This is truly disappointing," Daniele Boccolini told the media. "Schettino remains the only one on trial, but not the only one at fault, in my opinion." Massimiliano Gabrielli, lawyer for the group Justice for Concordia, compared the "shameful" length of the sentences to the seven years given to Emilio Fede, who was convicted of procuring prostitutes for former Prime Minister Silvio Berlusconi.

Captain Schettino's lawyers say he faces a maximum 20 years in jail if found guilty. He denies the charges and says that without his actions many more people would have died.

He has been accused of leaving the luxury liner before all those on board - 4,229 - had been evacuated and steering it too fast and too close to shore during a night-time, sail-past salute to people on the tiny island off Tuscany.

Captain Schettino has already accepted some degree of responsibility, asking for forgiveness in a television interview last year as he talked of those who died. However, Captain Schettino maintains he managed to steer the stricken vessel closer to shore so it did not sink in deep water where hundreds might have drowned. His lawyers say he is being made a scapegoat for what was simply an accident.

The vessel was holed by rocks just as many passengers were dining on the first night of their cruise. A disorganized evacuation followed as many of those on board panicked when the ship began to tilt to one side.

Costa Crociere, part of the American-based Carnival Corporation, agreed to pay a \$1.3 million fine in April to settle possible criminal charges. Most passengers have already accepted compensation of about \$14,200 each, but remaining groups of survivors are holding out for more.

The *Costa Concordia* still lies partially submerged while salvage crews work to refloat it.

## Senate confirms Anthony Foxx to head Transportation Department

The U.S. Senate on June 26, voted 100-0 to approve Charlotte, North Carolina Mayor Anthony Foxx to head the U.S. Transportation Department, handing him the job as tight budgets are forcing lawmakers to rethink how to fund huge U.S. infrastructure needs.

The 42-year-old Foxx joined President Barack Obama's Cabinet after four years as mayor of the 17th largest U.S. city and four years on the Charlotte city council. Under his leadership, Charlotte was selected host city for the 2012 Democratic party convention, which propelled Obama to a second term in the White House and brought Foxx national recognition.

He now will oversee a department with about 53,000 full-time employees and over \$72 billion in budget authority. In addition, over 12 million Americans are employed in transportation-related jobs that could be affected by decisions Foxx makes. The Maritime Administration is part of the Department of Transportation.

Foxx will succeed current Transportation Secretary Ray LaHood, a Republican. He has promised to continue LaHood's focus on safety, including a program to reduce distracted driving, while working with Congress and the transportation community to find new ways of funding highway projects and other infrastructure needs.

A recent study from the American Society of Civil Engineers estimated the United States needs to spend \$2.75 trillion by 2020 to maintain and improve highways and other important infrastructure. That's roughly 66% more than the \$1.66 trillion in expected funding over that period.

For decades, Congress has relied on the federal gasoline tax to fund highway projects, but that is seen as an increasingly ineffective way of raising revenue because rising fuel efficiency means less gas is sold. The gas tax is currently 18.4 cents per gallon and has not been raised since 1993.

Congress will confront the issue again next year when the current two-year highway bill expires.

## Africans urge Gulf of Guinea pirate patrols

African leaders meeting in Cameroon last month have urged forming a naval force off the Gulf of Guinea to mirror EU NAVFOR (European Union Naval Force) off Somalia. Ivory Coast's Yaounde, President Alassane Quattara, speaking at a meeting of West and Central African leaders in capital, said: "I urge the international community to show the same firmness in the Gulf of Guinea as displayed in the Gulf of Aden." Off East Africa "the presence of international naval forces has helped to drastically reduce acts of piracy," he noted, according to the BBC.

Cameroon President Paul Biya said it was vital to respond to the threat, to protect shipping routes and the economic interests of the region.

More pirate attacks now take place off West Africa than off Somalia. And about 960 seafarers were attacked in West Africa in 2012, compared with 851 off Somalia, the International Maritime Bureau reported.

"Some form of multilateral naval initiative appears highly likely, although what form it will take and in what time frame it could be deployed has not yet been discussed," *IHS Global Insight* commented. "The Yaounde summit is the clearest sign yet that regional leaders are committed to strengthening their cooperation to tackle piracy which is mainly focused on the Niger Delta," it added. "Unlike off Somalia, states such as China, the United States, and Russia have so far appeared reluctant to deploy large security patrols to the Gulf of Guinea. However, the UN's facilitation of the conference shows that the situation figures prominently in security considerations outside the region itself."

## Attend your Union meetings!

## New indictments handed down in *Deepwater Horizon* case

Federal prosecutors unveiled new criminal indictments in June against a former British Petroleum (BP) executive David Rainey and a former BP engineer Kurt Mix, charging them with obstructing investigations into the April 2010 oil spill in the Gulf of Mexico. The new indictment charges Rainey with obstructing, claiming that he provided false information concerning the rate of oil flowed from the ruptured Macondo well to members of the U.S. House Committee on Energy and Commerce. A second count accuses Rainey of lying to investigators in an April 2011 interview about how he calculated the flow rate.

In May, U.S. District Judge Kurt Engelhardt in New Orleans dismissed a count of obstruction of Congress against Rainey in part because it lacked sufficient detail, which the revised indictment is intended to address.

The other revised indictment still accuses Mix of two obstruction counts for allegedly deleting records related to the oil flow rate, but reduces the number of voice mails he allegedly deleted.

Both Rainey and Mix pleaded not guilty to similar indictments last year and are scheduled to be arraigned under the new indictments. Court records show that Rainey's trial is scheduled to begin October 15, while Mix's trial is scheduled to start December 2. In addition, two former well site leaders, Robert Kaluza and Donald Vidrine, were also criminally charged and have pleaded not guilty.

The explosion of the *Deepwater Horizon* resulted in 11 deaths and caused the worst offshore oil spill in U.S. history. BP agreed to plead guilty to obstruction of Congress, a felony, as part of a \$4.5 billion criminal settlement last November with the U.S. Department of Justice.

**"Cargo preference requirements continue to be whittled away if not ignored by Federal agencies as if these requirements were a hindrance and not the law of the land. Not only does this reduce the number of job opportunities for U.S. seafarers, it denies important cargoes to U.S. carriers, which also provide invaluable sealift capabilities when our armed services are deployed abroad."**

**Congressman John Garamendi (D-California)  
Ranking Member of the House Subcommittee on  
Coast Guard and Maritime Transportation**

## ESU Office Assignments

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

# ESU NEWS

JULY 2013

Official Publication of the Exxon Seamen's Union

## Domestic crude production has positive effect for Jones Act traders

Over the past couple months there has been increased buzz in the domestic tanker industry in the United States due to the boost in the nation's crude oil production. After falling to 5 million barrels per day in 2008, the lowest level since 1946, US crude oil production has climbed sharply to over 7 million barrels per day and has held steady above this level since the end of 2012.

One of the most significant contributors to the rise in US crude oil production has been the employment of fracking technology in North Dakota's Bakken shale formation. Illustrating this, crude oil production in North Dakota has increase by approximately 45% from January 2011 to roughly 780,000 b/d in March of this year. This occurrence has supported the use of railcars, combined with the domestic barge and tanker fleet, to transport hydrocarbons. Data from the North Dakota Rail Authority show that railcar take away capacity from North Dakota is expected to reach just over 1 million b/d on the back of newly established projects by year's end compared to just 115,000 b/d in 2010.

Although these gains to take away capacity are impressive, rail offloading terminals at refineries or transfer hubs are still lagging behind delivery volumes. As a result, the use of barges and tankers to move crude between regional consuming hubs has been on the rise.

The requirement to move crude oil and petroleum products have had a knock-on effect on the US flagged tanker and barge fleet due to domestic cabotage regulations. Known as the Jones Act, cargoes that are transported between US ports must be shipped on vessels registered under the US flag, constructed in a US shipyard and staffed by US citizens.

These increased trade volumes have brought some owners back to yards to place new orders. Year-to-date, the

General Dynamics NASSCO shipyard in San Diego, California has benefited from this increase in Jones Act demand. At the start of June, the yard received an order for four 50,000 dwt tankers for US \$130 million each. These orders came on the back of an order for two 49,180 dwt vessels in October last year. These units also had a price tag of US \$130 million. While these orders are listed as product tankers, should market conditions dictate, they could be dirtied up if demand for crude oil shipments justifies such a move.

The prospect of US crude oil production volumes continuing their upward trajectory is providing a foundation for increased development of infrastructure. These developments, along with the expectation that US crude oil production will continue to rise in the short term, should provide support for US flagged vessels. The domestic shipping industry is another element of the US economy that is finding support and providing jobs on the back of the current oil evolution.

This is great news for all of US Merchant Mariners, because with possible increase of tonnage that means the demand for qualified, experienced and adequately endorsed Mariners will likewise increase. This should translate in higher wages for the industry in order to keep and attract highly qualified and experienced Mariners.

We already see a trend in the rising daily rates for these companies to charter Jones Act vessels. In fact, ExxonMobil recently entered into a long-term charter on the U.S.-flagged American Phoenix oil tanker at a near record rate of around \$100,000 per day. The 339,000-barrel tanker, which was re-leased by Koch Shipping and Supply, is thought to have been the only one of around three dozen so-called Jones Act tankers available for lease, with traders having snapped up others to help move surging output from

Texas's Eagle Ford shale to Gulf Coast refiners.

It is unclear how Exxon will use the tanker, or whether it will seek to convert it from carrying refined, or "clean" products to carrying "dirty" crude oil. The Phoenix was employed for crude oil service late last year, but was converted back to refined fuels several months ago. The re-lease will run for two years, until the

end of Koch's term charter from owners Mid Ocean Marine.

Rates for Jones Act tankers, previously used primarily to ferry gasoline and diesel from Gulf Coast refiners to Florida or the East Coast, have surged this year as traders take up half a dozen vessels to carry Eagle Ford from the port of Corpus Christi to refiners up the coast in Houston or Louisiana.

## Third quarter 2013 lump sum pension rate increased to 3%

The interest rate for calculating the lump sum payments of ExxonMobil pensions for July 1–September 30, 2013, has increased another quarter percent from the last period of 2.75% to 3%. If you are considering retirement and plan to take a lump sum pension, the lower interest rate should generate a larger lump sum pension payment.

The ESU advises all members that may be considering retirement in the near future to closely evaluate their financial position before deciding on retirement and whether to take the lump sum pension option or the monthly pension payment. Members deciding whether to continue employment or to retire should consider other factors that may affect their financial security in retirement. For example, employees continuing to work will receive additional months of salary, additional months of Savings Plan contributions and additional months of age and service that will normally increase pension benefits.

The ESU also recommends that everyone that is eligible, or soon to be eligible to retire from the Company, you should consider attending a pre-retirement planning seminar that is offered by ExxonMobil. Scheduling is prioritized by age and/or definite retirement plans. Eligibility normally means within 3 years of the minimum age to retire for the unlicensed group (50) with a minimum 15 years of service at the time you elect to retire. Spouses are invited to participate in this class. The classes tend to fill up quickly; some may be filled up by the time we go to print and keep in mind there a fewer courses on the 2012 schedule than last year.

If you are interested in attending and know the session you wish to attend, you should then notify Helen Wright at 713-656-2786 for enrollment, limited space is available.

## QMEDs Tran and Mumuni



Left to right: QMEDs Tuan Tran and Ish Mumuni taking a well-deserved coffee break on the *Kodiak*. The engine department gang has been extremely busy with post yard cleanup since leaving Singapore.

## Ship reports

### S/R American Progress

The vessel continues service between Valdez, Alaska, and the Puget Sound area refineries. Regular Ship Representative Mike Harrison on board doing a good job with meetings aboard ship and communicating with the ESU office every port and no beefs. Looks like the vessel will make couple of trips to the San Francisco bay for cargo delivery next month.

### Kodiak

The vessel finally state side with its first discharge at Richmond Long Wharf. ESU Board officer Leo DeCastro visited the vessel while in port on July 12. AB Joe Buffington filling in as Temporary Ship Rep. reporting all is well, great gang on board. The return trip from Singapore was smooth sailing with everyone working hard to get the ship ready for service and also a SIRE audit while alongside the dock discharging. Hats off to the crew!!

### Sierra

The vessel was in Port Angeles from July 11 through 20, for tank inspections and getting ready for the trip to Singapore for the vessel's yard period. Pumpman Tim Williams filling in as Temporary Ship Rep. and Engine Trustee Will Ackley also onboard. The vessel was visited by ESU Officer Leo DeCastro prior to departure for Singapore, the gang is working hard to get ready for the yard period with no issues to report.

## EXXON SEAMEN'S UNION

Founded March 28, 1941

Affiliated with the Sailors' Union of the Pacific

P.O. Box 754, Seabrook, TX 77586

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President/Secretary John Straley

Vice President/Treasurer Leo DeCastro

Board Member at Large Joe Bernavich

Board Member at Large John McCarthy

Deck Trustee Kevin Conroy

Engine Trustee William Ackley

Steward Trustee Kurt Kreick

The *ESU News* is written and edited by the Exxon Seamen's Union.



Members of the SUP and MFOW Negotiating Committee at SUP Headquarters on the evening of June 29, shortly before reaching an agreement with Matson for a new contract. From left to right: MFOW members Harold "Sonny" Gage, Aaron McTaggart, Ivy "Cajun" Callais and Neil Murrmann and SUP members Mike Worth, Paul Fuentes, Sam Scott and Art Thanash. Photo Dave Connolly.

## Keeping Social Security solvent

The Social Security Board of Trustees recently released its Annual Report to Congress on Social Security's long-term finances. Despite all the hype from the doom-and-gloomers, the program remains in very good shape.

According to the trustees' report, Social Security trust fund reserves are at \$2.73 trillion, and will continue to grow through 2020. Beginning in 2021, trust funds will begin to shrink. After 2033, even when the reserves are gone, the program's on-going income will cover 77% of scheduled payments.

With only a 23% shortfall starting in 20 years, it's not too difficult to balance Social Security's finances. In May, Senator Mark Begich of Alaska announced a plan to strengthen the program for the long haul.

Begich's Social Security Fairness Act would lift the cap on high-income earners. Currently, income of more than \$113,700 is not subject to the payroll tax, which funds the Social Security trust fund. This cap is a huge tax giveaway to wealthy people, allowing them to pay at a lower rate than middle income and poor wage earners.

Begich says eliminating this cap and taxing all income would keep Social Security solvent for the next 75 years.

Begich's bill would also change the way cost-of-living adjustments are calculated, replacing the consumer price index (CPI) for workers with a formula commonly called CPI for the elderly (CPI-E), which would increase seniors' benefits.

He said he could not support a "chained CPI," which was included in President Obama's 2014 budget. Begich said a chained CPI hits low-income seniors and people with disabilities especially hard because it would reduce their benefit payments over time. Republicans have insisted on including a chained CPI in any entitlement reform legislation.

Seniors and future-seniors mounted public protests against the "chained CPI" proposal during nationwide demonstrations on July 2.

Social Security remains a highly efficient program, proof that the federal government does some things right. Operating overhead is 0.8% of total expenditures, about the same as a discount mutual fund. It's been a fraction of 1% for decades.

## Panama charges North Korean mariners with smuggling war material via canal

Panamanian officials have charged 35 North Korean seaman of endangering public security by illegally transporting war material through the Panama Canal.

A five man team from the United Nations is scheduled to arrive in Panama on August 5, according to Panamanian government officials to inspect a North Korean ship which was seized carrying arms from Cuba, a potential breach of U.N. sanctions. The military cargo is suspected of being in violation of a U.N. arms embargo that covers all of North Korean exports and most of their imports. North Korea has been under numerous sanctions since 2006 due to repeated nuclear and ballistic missile tests.

North Korea has asked for the ship, the *Chong Chon Gang* and its crew to be returned but Panama has not responded, saying the country has no official representation in the Central American nation. "There are no North Koreans in Panama, and we don't have any plans to respond to them," said Panamanian Security Minister Jose Raul Mulino. "According to Panamanian law they committed a crime. We won't speak with North Korea, period."

The United States government has strongly backed Panama's seizure of the ship. "There is a process in place and we are supportive of that process, because the bottom line is that any alleged violation of Security Council sanctions is incredibly concerning to us," said U.S. State Department spokeswoman Marie Harf.

This month, a Panamanian frigate on routine patrol stopped the ship off its Atlantic coast and seized its cargo after a tense standoff with the North Korean crew. The 35 crew members were arrested and charged with attempting to smuggle undeclared arms through the canal.

Officers on the frigate were first alerted by the fact that the *Chong Chon Gang* was not issuing a transponder signal as required by maritime law and suspected it was smuggling drugs, according to Panamanian officials. An inspection of the ship found the electrical equipment on board burned and that access to its storage areas had been blocked.

# Welfare Notes

## July 2013

### Mailings from the SUP Welfare Plan office

The Plan office will be mailing Money Purchase Plan statements and Active Member Eligibility information within the next few weeks. If you do not receive a mailing, please contact the Plan office. Many Money Purchase Plan statements are returned to the Plan office because we do not get updated information on address changes.

### Welfare Plan Eligibility

Please contact the Plan office if you have any questions about your eligibility. A new eligibility period does not necessarily start when you get off of the ship. We can review your information and explain what you will need to do to prevent your coverage from terminating. If you may be off work for an extended period of time, please keep in touch with the Plan office.

### New Fiscal Year

The new Fiscal Year starts August 1, 2013. Pensioners may want to contact the Plan office to see about any remaining benefits before the end of the fiscal year. The dates of services determine which fiscal year may be used for reimbursement. As an example, if you have used all available benefits in this fiscal year a service in July 2013 cannot be reimbursed to you if you wait to send the claim after August 1, 2013. Services from August 1, 2013 through July 31, 2014 can be submitted for the new fiscal year August 1, 2013 through July 31, 2013.

### New Phone Number for Training Representative

The Training Representative's new Seattle telephone number is listed below.

Michelle Chang, Administrator [mesupsiupd@sbcglobal.net](mailto:mesupsiupd@sbcglobal.net)

Patty Martin, MPP & 401(k) Plans, Death Benefits  
[martinpatty59@sbcglobal.net](mailto:martinpatty59@sbcglobal.net)

Virginia Briggs, Claims [vbriggs80@sbcglobal.net](mailto:vbriggs80@sbcglobal.net)

Michael Jacyna, Eligibility [mjacyna67@sbcglobal.net](mailto:mjacyna67@sbcglobal.net)

Training Representative, Berit Eriksson

206-551-1870 [berittrainrep@sbcglobal.net](mailto:berittrainrep@sbcglobal.net)

SUP Welfare Plan 730 Harrison Street, #415 San Francisco, CA 94107

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

Fax: 415-778-5495

SIU-PD Pension Plan 415-764-4987

SIU-PD Supplemental Benefits Fund 415-764-4991

Seafarers Medical Center 415-392-3611

## U.S. unveils cruise disability access plan

Cruiseships would be required to provide mobility-enhanced guest rooms and limited-use elevators for disabled people under a proposal unveiled last month. The United States Access Board, which published the proposal in the *Federal Register* on June 25, estimated the cost to the industry to comply with the new rules at \$66-\$74 million, annualized over 20 years. The guidelines would apply to the building and alteration of passenger vessels permitted to carry more than 150 passengers or more than 49 overnight passengers. It would also apply to ferries permitted to carry more than 99 passengers and tenders permitted to carry more than 59 passengers.

Specifically, the proposal stipulates that cruiseships with 501-1,000 guest rooms would be required to provide at least 3% of them with mobility features. Those with more than 1,000 guest rooms would be required to provide at least 30 with mobility features for the first 1,000 guest rooms (3%), plus two rooms with mobility features for each additional 100 guest rooms or fraction thereof over 1,000 (2%).

Limited-use elevators or platform lifts would be required to connect passenger decks unless one of the 10 exceptions applies. The Access Board estimated the elevators to cost \$108,700-\$371,000.

Owners and operators would not be required to comply with the guidelines until they are adopted by the U.S. Transportation and Justice departments.

## Membership and Ratings Committee

Met on July 3, 2013, and found the following members eligible for advancement in seniority and rating stamps in the various departments:

Name and Membership Number	Seatime	Rating	Seniority
Wilbert Bowens Bk #5757	6 Years	A.B.	A
Ebo Jaybir Aidoo 19332	1 Year	O.S.	B
Raul Taganas 19333	1 Year	A.B.	B
Expeditus Abaya C-2395	30 Days	O.S.	C
Paul Parisi C-2396	30 Days	A.B.	C

Rating Stamps - None

Membership and Ratings Committee's Report - M/S to concur with the Committee's report. Carried unanimously. Membership and Ratings Committee: Arthur Thanash #3249, Liam Casement #4802, and Sam Scott #7515.





# SUP President's Report

## GENERAL RULES continued

The pension benefit breakdown is as follows:

	Monthly Benefit 7/1/2012	Monthly Benefit 7/1/2013
<b>I--Long Service Benefit (25YQT)</b>		
(1)-Retiring at age 60 or older	\$1,700.00	\$1,950.00
(2)-Eligible for Social Security Disability, any age	\$1,700.00	\$1,950.00
(3)-Retiring between ages 55 and 60	\$1,420.00	\$1,628.82
(4)-Retiring under age 55	\$300.00	\$300.00
<b>II--Basic Service Benefit (20YQT)</b>		
(1)-Retiring at age 60 or older	\$1,360.00	\$1,560.00
(2)-Eligible for Social Security Disability, any age	\$1,360.00	\$1,560.00
(3)-Retiring between ages 55 and 60	\$1,225.00	\$1,405.15
(4)-Retiring under age 55	\$250.00	\$250.00
<b>III--Reduced Service Benefit</b>		
(1)-15YQT	\$765.00	\$877.50
(2)-16YQT	\$816.00	\$936.00
(3)-17YQT	\$867.00	\$994.50
(4)-18YQT	\$918.00	\$1,053.00
(5)-19YQT	\$969.00	\$1,111.50
<b>IV--Disability Retirement Benefit</b>		
(1)- 25YQT, retiring at age 60 or older	\$1,700.00	\$1,950.00
(2)- 25YQT, retiring at ages 55-59	\$1,420.00	\$1,628.82
(3)- 25YQT, retiring under age 55	\$300.00	\$300.00
(4)- 20YQT-24YQT, retiring at age 60 or older	\$1,360.00	\$1,560.00
(5)- 20YQT-24YQT, retiring at ages 55-59	\$1,225.00	\$1,405.15
(6)- 20YQT-24YQT, retiring under age 55	\$250.00	\$250.00
(7)- 15YQT-19YQT	\$187.50	\$187.50
(8)- 15YQT-19YQT and eligible for Soc. Sec. Dis.	\$218.50	\$218.50
(9)- 10YQT-14YQT	\$125.00	\$125.00
<b>V--Dependent Child Benefit(1)-Per child under age 18</b>		
	\$25.00	\$25.00
<b>VI--Deferred Vested Benefit per Year of Qualifying Time</b>		
(1)-200 or more Qualifying Days	\$51.00	\$58.50
(2)-125 to 200 Qualifying Days	Pro Rata	Pro Rata
(3)-Less than 125 Qualifying Days	\$0.00	\$0.00

Other changes to the General Rules are as follows:

### Section 2. UNION RESPONSIBILITY

Amend the third paragraph, first sentence to read:

In dispatching men in accordance with the Shipping Rules, the person doing the dispatching shall accept as conclusive evidence of competence and qualifications the Government Merchant Mariner's Credential of the registrant,

### Section 3. VESSELS COVERED AND MANNING

Add the following sentence at the end of sub-paragraph (a):

**(a) In addition, this Agreement and its wages, hours, working conditions and benefits shall apply in full to all new-build vessels including the "Aloha-class" vessels.**

### Section 8. Record of Days Worked and Overtime Hours

Add the following sentence to the end of sub-paragraph (a):

**(a) Additionally, an accurate, transparent, and consistent means of tracking STCW rest hours shall be made available in accordance with the 2010 Manila Amendments to the STCW Convention.**

### Section 11. Quarters and Equipment for Quarters

Add the following sentence at the end of sub-paragraph (e)(2):

**(e) (2) After a foreign yard period, all mattresses shall be renewed when requested.**

Change the first sentence of sub-paragraph (o) to read:

(o) A television, television antenna and a radio antenna outlet shall be provided in each crewmember's room.

### Section 15. GENERAL DUTIES, EMERGENCY DUTIES, DRILLS, FIREFIGHTING

Change sub-paragraph (d) to read:

**(d) Firefighting Certification**

**The parties agree that each crew member must have fire-fighting certification as required by STCW.**

Add the following sentence as sub paragraph (e)

**(e) Lifeboat Drill Safety**

**The parties agree that sailors shall not be required to enter lifeboats during any part of a lifeboat lowering operation drill except as boarded within a safe distance from a launch at the waterline or a lifeboat embarkation ladder.**

### Section 17. TRANSPORTATION

Delete (a) (1) in full; sub-paragraph (a)(2) becomes sub-paragraph (a)(1); sub-paragraph (a)(3) becomes sub-paragraph (a)(2).

Change sub-paragraph (m) to read:

**(m) Regular baggage charges for the first and second bag shall be reimbursed by the Company except for items that must be declared for Customs.**

### Section 19. HOLIDAYS

Rename Washington's Birthday to President's Day (formally Washington's Birthday)

### Section 29. WELFARE

Change sub-paragraph (i) to read:

**(i) The Company agrees to increase its contributions to the SUP, MFOW and SIU A&G Training Funds \$0.50 per manday effective July 1, 2013; \$0.50 per manday effective July 1, 2014 and by the same percentage increase as Wages and Wage Related Items effective July 1, 2015 and July 1, 2016.**

Change sub-paragraph (j) to read:

**The Union agrees that there will be no bargaining on the effects of job loss when the "Aloha Class" Vessels enter service.**

### Section 35. GOVERNMENT APPROVAL

Add the following:

**To the extent provided by law and regulation, the parties agree that where applicable this collective bargaining agreement sets the terms and conditions of employment at standards no less favorable than those laid out in the Maritime Labor Convention of 2006 (MLC). The parties understand that this agreement gives effect to and is conducive to the full achievement of the general object and purpose of the provisions of Part A of the MLC, where applicable. In particular, hours of work and rest stipulated by this agreement and established by safe work practices are hereby deemed to be substantially equivalent to the MLC, or provide for reasonable exceptions that, as far as possible, follow the provisions of Standard A 2.3 of the MLC. Finally, with the understanding that the hours of work and rest standards in both in the MLC and the STCW 2010 Manila Amendments were intended in substantial part to address the problem of maritime fatigue, the Company will use its best efforts and the union will cooperate in this effort in order to schedule work so as to minimize the loss of established mandatory overtime as otherwise required by the Agreement.**

During bargaining, Matson proposed that mariners fill out a Declaration of Health and Medical Authorization which would have forced a crew member to disclose previous injuries or illnesses. This was rejected by the Joint Negotiating Committee.

The company proposed that Supplemental Benefits be paid as a separate allowance on the vessel payoff voucher. When that proposal was rejected, Matson proposed that if a mariner did not take Supplemental Benefits aboard ship at payoff, he/she would be charged \$1.06 per manday for administrative costs if the benefit was collected at the Plan office. The Joint Negotiating Committee rejected this off-the-wall proposal.

Finally, Matson proposed to eliminate the stem to stern washdown provision which was rejected by the Committee.

The company rejected Union proposals to increase maintenance and cure to \$40 per day; add an additional holiday; and increase Supplemental Benefits by three days.

## APPENDIX "B"

### TRANSPORTATION FARES

#### SAN FRANCISCO TO:

##### BART - West Oakland Station

	BART	Taxi	Total
Oakland - Howard Street Pier	\$2.90	\$9.00	\$11.90

##### BART - Richmond Station

L.U. Berth-Pasha Terminal	\$4.30	\$10.00	\$14.30
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##### BART - El Cerrito Del Norte Station\*

	BART	Taxi	Total
Crockett	\$5.30	\$10.00	\$15.30

\*use taxi or transfer to West CAT Route 11

#### HONOLULU TO:

	Taxi	Total
Matson, Sand Island Terminal	\$20.00	\$20.00

#### WILMINGTON TO:

	Taxi	Total
Matson Terminal, Long Beach	\$25.00	\$25.00

#### SEATTLE TO:

	Taxi	Total
Matson Terminal, Seattle	\$9.00	\$9.00

In the event a member joins a vessel at an outlying berth or port not listed above, he shall be paid the current fare based on the combined cost of public transportation (bus) and taxi.

Those rates that are not listed in the various areas shall be adjusted according to any future rate increases.

## President's Report continued

### SUP WORK RULES

The following provisions were agreed to:

#### Section 4. SCOPE OF WORK

Change sub-paragraph (b) third paragraph: "Rigging-replacing and rigging shrouds and stays, shipping and unshipping booms and maintenance of the structural portions of cranes and derricks, splicing ropes and wires, reaving and unreaving all running gear such as winch falls, lifeboat falls, renewing and maintaining all running gear on ship, overhauling and maintaining all guys and guy pennants and blocks; sewing canvas; cleaning, maintaining, sweeping, washing down and painting cargo holds and rose boxes, cleaning and Butterworth cargo oil tanks, painting and cleaning windlass and winches, cleaning and cementing water tanks, strapping cargo and shoring up cargo, rigging cargo gear including ramp blocks; and taking on and off tarpaulins, hatches and strongbacks, loading ship's stores, handling lines, hauling and mooring ship, lashing deck cargo, maintenance work on containers customarily performed by sailors, and handling of dockside gangway when customarily performed by sailors."

#### Section 11. OVERTIME PAYABLE

Add to end of sub-paragraph (c): A/B Dayworkers may be ordered to relieve watchstanders to achieve compliance with STCW rest hours. When this work is performed during overtime hours, the regular overtime rates shall apply."

#### Section 37. ARRIVAL-BREAKING WATCHES

Add to (f): Between Ningbo and Shanghai, lines may be laid out for preparation of docking, weather permitting. One hour overtime shall be paid for this work.

#### SUP APPENDIX "A" – MANNING

The following Appendix is intended to set forth the types of vessels and the manning for such vessels as are now in the Matson Fleet. It shall be amended from time to time, by mutual consent of the parties, as changes occur in the composition of said fleet. It is intended to cover vessels by type or by department, as the case may be, not including "ships of a radically different design or characteristics" referred to in Section 3(b). The manning scales deleted from the 1969 through 2008 Agreements shall apply if a vessel falling in these categories is placed into operation.

#### HAWAIIAN ENTERPRISE TYPE (CLASS 071)

MAUI

KAUAI

Deck Department	Offshore Trade
Boatswain (Dayworker)	1
Able Bodied Seamen (Watchstanders)	3
Able Bodied Seamen (Dayworkers)	2

#### LURLINE TYPE (Roll on/Roll off – Lift on/Lift off)

LURLINE

MATSONIA

MOKIHANA

Deck Department	Offshore Trade
Boatswain (Dayworker)	1
Able Bodied Seamen (Watchstanders)	2
Able Bodied Seamen (Dayworkers)	3
Ordinary Seaman (Watchstander)	1

#### C-8 TYPE

LIHUE (ex-PRESIDENT HOOVER)

Deck Department	Offshore Trade
Boatswain (Dayworker)	1
Able Bodied Seamen (Watchstanders)	3
Able Bodied Seamen (Dayworkers)	2

#### SD500 DIESEL TYPE

R. J. PFEIFFER

Deck Department	Offshore Trade
Boatswain (Dayworker)	1
Able Bodied Seamen (Watchstanders)	3
Able Bodied Seamen (Dayworkers)	2

#### C-9 TYPE

MAHIMAHI (ex-PRESIDENT WASHINGTON)\*

MANOA (ex-PRESIDENT LINCOLN)

Deck Department	Offshore Trade
Boatswain (Dayworker)	1
Able Bodied Seamen (Watchstanders)	3
Able Bodied Seamen (Dayworkers)	2
<b>Ordinary Seaman (Dayworker) MAHIMAHI Only</b>	<b>1</b>

#### CV 2600 MV MANUKAI TYPE

MANUKAI

MANULANI

MAUNAWILI

MAUNALEI (CV 2500)

Deck Department	Offshore Trade
Boatswain (Dayworker)	1
Able Bodied Seaman (Watchstanders)	3
Able Bodied Seamen (Dayworkers)	2

### STANDBY EMPLOYMENT

The Company agrees to use SUP standby shore support on the West Coast for a minimum of 1,300 manday during each of the following periods:

**July 1, 2013 to June 30, 2014**

**July 1, 2014 to June 30, 2015**

**July 1, 2015 to June 30, 2016**

**July 1, 2016 to June 30, 2017**

**\*In accordance with the requirements of Section 3 (c) of the General Rules requiring a mutual written agreement for any change in the manning scale in any department on any ship covered by this Contract, the SUP and the Company hereby agree to remove one (1) Ordinary Seaman billet from the s/s Kauai, upon layup, and add one (1) Ordinary Seaman billet to the m/v Mahimahi.**

During bargaining Matson proposed to reduce standby mandays from 1,300 to 900; eliminate the one hour travel time provision; and eliminate the early call out for the coffee man. The SUP Negotiating Committee rejected the proposals.

The Union proposed that watchstanders be paid overtime on Saturdays, Sundays and holidays; be paid the high cargo rate for disposing dead livestock; adding an Ordinary Seaman to each company vessel; and establishing a three-month reserve to the SUP Welfare Plan. The company rejected the proposals.

### SUP/MATSON MAINTENANCE AGREEMENT

The following provisions were agreed to:

#### Section 1.1

Rotating employees of the Paint & Rigging Gang shall possess a valid U.S. Merchant Mariner **Credential** with an AB's endorsement, a valid medical card, a valid U.S. passport, and any other documents required by federal or state authorities.

#### Section 2. TERM OF AGREEMENT

This Agreement shall be effective as of **July 1, 2013** and shall be binding upon the respective parties for the same period of time as the Offshore Agreement between the SIU Pacific District and Matson Navigation Company.

#### Section 3. HOURS

(G) The initial gang shall consist of one Working Bosun, **one Working Storekeeper** and **six Rigging/Maintenance Men**.

(H) The Bosun and the Storekeeper shall be considered steady employees. The term of employment for rotating employees of the gang shall be as described in Section 1.

#### Section 4. WAGES

(A) Effective **July 1, 2013**, the straight-time and overtime rates of pay for all maintenance employees hired and employed in accordance with the provisions of this Agreement shall be as follows:

Working Bosun

Straight Time **\$38.16**

Overtime **\$62.53**

Working Storekeeper and General Maintenance Work

Straight Time **\$31.38**

Overtime **\$52.64**

Money Purchase Plan Daily

All Ratings **\$25.00**

(C) When spraying, sandblasting or high pressure (4,000 psi) waterblasting in enclosed spaces, there shall be an extra compensation of **\$1.98** per hour paid to each employee engaged in this type of work.

(D) When spraying shellac in enclosed compartments, including holds of vessels, there shall be an extra compensation of **\$1.98** per hour paid to each employee engaged in this type of work.

#### Section 5. TRANSPORTATION AND TRAVEL TIME

(C) When ordered to do so, employees shall be reimbursed for out-of-pocket expenses (e.g., bridge tolls, bus or taxi fares, etc.) and, if ordered to use their own car for Company business, they shall be reimbursed at the **applicable IRS mileage rate**.

#### Section 11. WELFARE AND PENSIONS

Welfare, Pension and **SUP Money Purchase Pension Plan** benefits and eligibility rules shall be the same as in the SUP-Matson Offshore Agreement.

#### Section 12. HOLIDAYS

Holidays for the shoregang members shall be the same holidays granted to the longshoremen in the Hawaiian ports. Wages at the straight-time rate shall be paid to the employees covered by this Agreement for work performed by them on the following days:

New Year's Day      Martin Luther King Day

Lincoln's Birthday      **President's Day** (Previously Washington's Birthday)

**Good Friday**      Memorial Day

Kamehameha Day      Independence Day

Labor Day      Columbus Day

Veterans' Day      Thanksgiving Day

Christmas Day      Employee's Birthday

ILWU holidays observed in Hawai'i

#### Section 13. DISPATCH HALL

**Contributions to partially defray the cost and expenses of the operation of the Dispatch Hall shall be made as determined in the Offshore Agreement.**

#### Section 14. SEAFARERS' MEDICAL CENTER

The SIU-Pacific District-PMA Seafarers' Medical Center Agreement and Declaration of Trust dated July 23, 1963 shall be deemed a part of this Agreement. **Contributions to the Seafarers' Medical Center shall be made as determined in the Offshore Agreement.**

#### Section 20. PAYMENT OF WAGES

**The Maintenance Agreement pay period will be transitioned from a weekly payroll to bi-weekly payroll. The pay period will end Friday at midnight and**

*continued on next page*

**the check/pay date will be on Friday.**

During bargaining, Matson proposed to reduce the Honolulu Paint & Rigging Gang from eight to six sailors; eliminate the guaranteed "full" half shift pay for work on a holiday; and eliminate the Special Vacation Benefit. These proposals were rejected by the SUP Negotiating Committee.

The SUP Negotiating Committee comprised of Paul Fuentes, Noel Isumaru (who shipped prior to the conclusion of bargaining), Sam Scott, Art Thanash, Mike Worth, SUP Vice President Dave Connolly and your secretary unanimously recommend ratification of the Agreements with Matson.

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## SAN FRANCISCO BAR PILOTS

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After five bargaining sessions, the SUP successfully concluded negotiations on June 27, with the San Francisco Bar Pilots for new agreements covering Marine Personnel and Dispatchers.

**MARINE PERSONNEL****TERM OF AGREEMENT: July 1, 2013 through December 31, 2015**

**WAGE AND OVERTIME INCREASES: Effective July 1, 2013, a 1% increase; effective January 1, 2014, a 2.5% increase; effective January 1, 2015 a 3% increase.** It should be noted that during bargaining, the Pilots –like Matson– pleaded poverty, but desired a long-term contract. It took hard bargaining to achieve the final wage settlement.

**COST-OF-LIVING ALLOWANCE (COLA): If the Consumer Price Index for all Urban Consumers, San Francisco-Oakland as published by the Bureau of Labor Statistics of Department of Labor exceeds 4% in 2014 and 2015, the percentage increase shall be added to wages.**

A key issue in bargaining was the Coast Guard licensing requirement to operate the Pilot boats. The parties agreed to a major structural revision of the method of employment, the advancement of deckhands to operator status and grandfathering deckhands currently employed at the negotiated wage rates.

Instead of being called "operators", the Chief Operator on the Station Boats and Run Boats are now designated as Captains holding a 200-ton Master Near Coastal License. The second and third operators on Station Boats must hold either a 200-ton Master's License (Captains) or a 200-ton Mates License (Mates). As previously mentioned, the current deckhands are grandfathered but must make all efforts to obtain a 200-ton license.

**To be eligible for dispatch to the Pilots, preference will be given to those holding 200-ton Masters Licenses, then 200-ton Mate. The minimum license for dispatch is 100-ton Master Near Coastal.**

Other changes proposed by the Union and agreed to by the Pilots were: The "change day" time was moved to 0600 from 1000 effective August 1; regular meal service on change days if a boat is on station during meal hours; and a new position of Relief Cook/Deckhand was added, exempt from the licensing requiring. In addition, new language was added to strengthen seniority and "just cause" and "progressive discipline" in disciplinary matters.

Due to the abuse of the sick leave procedures in the agreement by some members employed by the Pilots, the procedure was amended to state: **"Sick leave for two (2) days or less without a fit-for-duty slip is limited to two occasions per calendar year."** In addition, sailors must notify the Dock Bosun as soon as possible if they are going to claim sick leave.

The Pilots resurrected a proposal from bargaining in 2012 in which they would cover 90% of contributions to the SUP Welfare Plan with the remaining 10% deducted from an employee's pay. The Union rejected this proposal as it did last year. Also rejected was the Pilots proposal to shift the cost of license insurance to the employee and reduce the overtime minimum from one hour to a half-hour.

**DISPATCHERS**

The Regular Dispatchers and Assistant/Relief Dispatchers received the same wage increases as the Marine Personnel plus the same COLA provision.

An extra holiday (New Year's Eve) was added to the agreement and improved language on vacation relief scheduling.

Caucused with members employed by the Pilots who recommend general membership ratification.

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## SUP WELFARE PLAN

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Despite or in spite of the passage of the Affordable Health Act in 2010, health care costs continue to escalate with no relief in sight.

Since 2000, health care premiums have increased significantly: Kaiser Northern California by 158.5%; Kaiser Southern California 97%; Kaiser Hawai'i 159%; Health Net 166%; and Group Health Cooperative 68% to name a few of the providers under contract with the SUP Welfare Plan, which provides benefits for those employed by APL, Foss, Matson and the San Francisco Bar Pilots. The health care benefit, as well as all other benefits provided by the Plan, were bargained for by the Union and should be viewed as part of total compensation, although health care is not taxed, the idea has been discussed in Washington, D.C.

At the June 18, Board of Trustee's meeting of the Plan, the following rate increases were agreed to. It should be noted that these increases would have been higher if not for the negotiating skill of Plan Consultant Kirsten Shaffer from the firm Rael & Letson.

**KAISER:** Effective July 1, 2013, a 3.5% increase for the Northern California group and a 3% for the Southern California group.

In practical terms the rate for a single participant in Northern California increased to **\$707.22** per month from \$683.09. For a married participant without children, the rate increased to **\$1,414.44** from \$1,366.18. For married participants with children, the rate increased to **\$2,001.43** from \$1,933.14.

In Southern California, Kaiser increased rates to **\$548.11** from \$532.14 for a single participants; **\$1,096.22** from \$1,064.28 for married participants, and **\$1,551.15** from

\$1,505.96 for married participants with children.

**KAISER HAWAII:** Effective August 1, for single participants the rates increases to **\$546.90** per month from \$532.84; for married participants to **\$1,093.80** from \$1,051.68; and for married participants with children to **\$1,640.69** from \$1,577.52.

**GROUP HEALTH COOPERATIVE:** Effective August 1, for a single participant the rate increases to **\$500.36** per month from \$479.93; for married participants to **\$934.38** from \$896.22; and for married participants with children to **\$1,584.56** from \$1,500.66.

**HEALTH NET (HMO):** Effective August 1, rates will increase for a single participant to **\$848.41** per month from \$777.73; for married participants to **\$1,697.85** from \$1,555.48; and for married participants with children to **\$2,481.95** from \$2,255.51.

**HEALTH NET PPO (CALIFORNIA):** Effective August 1, rates will increase for a single participant to **\$1,013.16** per month from \$928.21; for married participants to **\$2,178.22** from \$1,995.62; and for married participants with children to **\$2,988.60** from \$2,738.19.

**HEALTH NET PPO (OUTSIDE OF CALIFORNIA):** Effective August 1, rates will increase for a single participant to **\$912.47** from \$835.96; for married participants to **\$1,961.86** from \$1,797.30; for married participants with children to **\$2,691.79** from \$2,466.08.

**BLUE CROSS/BLUE SHIELD OF LOUISIANA:** On June 1, a premium rate increase of 20.5% became effective.

It must be noted that health care premiums are the major cost item of benefits to members covered by the SUP Welfare Plan. The premiums do not cover dental, vision, disability, pensioner or death benefits.

If costs continue to out pace employer contributions, the Trustees of the Plan will have to consider various alternatives in order to keep the Plan viable while covering the needs of the working membership. Topping the list are the expensive out-of-area coverage plans.

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## SUP MONEY PURCHASE PENSION PLAN

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At the June 18 meeting of the SUP Money Purchase Pension Plan Board of Trustees, some good news was reported and acted upon: a reduction in participant fees. The participant fee assessment is used to cover the administrative expenses of the Plan.

Effective July 1, the assessment was reduced from a monthly charge of \$5.00 plus .03% of account balances to \$0.50 plus .02% of account balances.

On a quarterly basis, the participant fee assessment has been reduced from \$15.00 and .09% of account balances to \$1.50 plus .06% of account balances.

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## QUARTERLY FINANCE COMMITTEE

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In accordance with Article XVII, Section 2, of the SUP Constitution, a Quarterly Finance Committee shall be elected at today's Headquarters' meeting to review the finances of the Union for the second quarter of 2013, and report back to the membership at the August coastwise meetings.

In the event the Committee cannot be filled today, recommend that when the quarterly audit is completed, which will be in about three weeks, necessary Committee members be shipped off the hiring hall deck as per past practice. The Quarterly Finance Committee will turn-to on Monday, August 12, at 8:00 A.M.

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## LONGSHORE HOLIDAY

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SUP hiring halls on the West Coast will be closed on Monday, July 29, in observance of Harry Bridges birthday, and ILWU holiday.

In accordance with the collective bargaining agreements with APL and Matson, it is a holiday for all company vessels in West Coast ports and for sailors employed under the APL and Matson Maintenance Agreements. It is also a holiday for run boat operators employed by the San Francisco Bar Pilots. It is not a holiday at sea or in Hawai'i.

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## ACTION TAKEN

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M/S to ratify the Matson Agreements. Carried unanimously. M/S to ratify San Francisco Bar Pilots Agreements. Carried unanimously. Quarterly Finance Committee – Nominated and elected: Romaine Dudley, Diane Ferrari, Paul Fuentes, Frank Portanier and Art Thanash. M/S to concur with the balance of the President's report in its entirety. Carried unanimously.

*Gunnar Lundeberg*



Flanked by rank-and-file SUP and MFOW members, MFOW President Anthony Poplawski (second from left) and SUP President Gunnar Lundeberg (in Aloha shirt) brief the press in Honolulu on June 20, on negotiations with Matson. SUP Branch Agent Mike Dirksen is holding the "No Kickbacks to Matson" sign.

# SUP Branch Reports

## Seattle

June 17, 2013

Shipped during the period: 5 Able Seaman jobs shipped and filled with 3 B-cards, 1 C-card and 1 registrant; 1 STOS filled with a C-card; and 8 standbys filled by 2 A-cards, 5 B cards and 1 registrant.

Registered: 5 A cards for a total of 21; 12 B cards for a total of 33; and 0 C cards for a total of 0.

### Ships Checked

Matson vessels *MV Manoa* and *SS Kauai* called twice in Seattle with little or no problems. The *President Jackson* and *APL Coral* called in New Jersey; and the *APL Philippines*, *APL China* and Patriot's *USNS Martin* all called for SUP/MFU crew replacements.

I represented the SUP/MFU at the following meetings: The King County Labor Council Executive Board and Delegates meetings, The King County Labor Council's COPE (Committee On Political Education) interviews whereby political candidates seeking a "Labor" endorsement are "educated" on the issues relevant to the affiliated Unions. The Seattle Mayor's race and Seattle City Council positions are at the forefront this September and we are working to "throw the bums out" for those that supported the building of a Sports Arena in Seattle's maritime industrial center.

Along with the IBU and ILWU Local 19, I attended a Lower Duwamish River Clean-up meeting. This project could negatively impact many of the Pacific Northwest's construction barge companies and the Seattle/Alaska towing industry which accounts for 80% of all dry goods shipped to South East Alaska. Seattle's American President Lines Terminal 5 sits at the mouth of the Duwamish River and will be impacted.

Along with the railway workers United Transportation Union, the ILWU's Local 19, the Pacific Merchant Shippers Association, and Stevedoring Services of America, the SUP/MFU met with Washington State's Department of Commerce's Director Brian Bonlender to warn of the dangers of an "all encompassing programmatic environmental impact statement" for the proposed commodity export terminals in the Pacific Northwest. This proposed impact study is a "win at

all costs" measure by some in the environmental community's extremist element. The United Transportation Workers' Herb Krohn stated it best to Director Bonlender "so you are going to limit commerce in Washington State?"

Vince O'Halloran, Branch Agent

## Wilmington

June 17, 2013

Shipping for the period: Bosun: 2, AB: 7, AB Maint: 3, OS: 3, and standbys: 56. Total jobs shipped: 71.

Registration: A: 29, B: 33, C:11 and D:3.

### Ships Visited

*APL Korea, Mokihana, Maunalei, APL Thailand, Mahimahi, R.J. Pfeiffer, APL China* (all good), *Mokihana, Manukai, APL Philippines, Manulani.*

On May 22, we had our usual Maritime Day celebration, except for the chairs which didn't get there. We moved the podium and sat around the statue. John Pitts did an outstanding job as emcee. We heard from Councilman Joe Buscaino, Rear Admiral Thomas Cropper, USN Retired and current CMA President, and many others. However, John Papadakis gave the best speech at the luncheon about making our port a world class destination for everyone. It was good to see retirees Captain Joe Itson, Frank Davinis, and Hugh Hunter. I would like to thank Eli Wegger, Robert Mintz, Dearl Scarboro, and Ken (Sinbad) Delancey for helping out.

Eli Wegger has been teaching marlin spike seamanship every Friday after the 1000 job call since he got home.

On June 13, attended the MTD meeting. It has been really tough on the junior members getting out these last couple of months. Several have burned, and the ones that shipped just got relief jobs. One thing we all can do is to write our Senators and Representatives and urge them to keep the Food for Peace program the way it is. We have form letters at the hall.

Mark Hurley, Branch Agent

## Honolulu

June 17, 2013

Shipped the following jobs in the month of June: 1 Bosun relief, 3 AB Day steady, 2 AB Day relief, 2 AB Watch steady to *USAV Worthy*, and 2 AB Maint. steady. The shipping jobs were filled by 3 A cards, 4 B cards and 3 C cards. Shipped 15 standby jobs. The standby jobs were filled by 6 A cards, 2 B cards, 3 C cards and 4 D cards.

Registered in June: 4 A cards, 5 B cards, 2 C cards and 2 D cards. To date totaled registered: 13 A cards, 7 B cards, 4 C cards and 2 D cards.

### Ships Checked

I visited the *Manukai, Maunawili, Maunalei, Manulani, R.J. Pfeiffer, Manoa, Kauai, Mokihana, Mahimahi*, and the Paint and Rigging gang. All are running smoothly with few or no beefs.

I represented the SUP at the Hawaiian Port Maritime Council and the AFL-CIO Executive Board meetings. Not much to report from these two meetings as this is the beginning of summer and everyone seems to be taking their vacations. The Hawai'i Port Maritime Council will be taking a break next month and will reconvene in August, just in time for the primary election season. Mahalo,

Michael Dirksen, Branch Agent

## Vice President's Report

July 2013

### Vessel Personnel with Designated Security Duties

The 2010 Manila Amendments to the STCW Convention mandated new security training and endorsements for sailors. There are three levels of endorsements: Vessel Security Officer (VSO), Vessel Personnel with Designated Security Duties (VPDSD), and Security Awareness (SA). Most SUP members will need the VPDSD endorsement.

The 12 hour course will be arranged by the Andrew Fureseth School of Seamanship and administered at SUP Headquarters and the Branches later this year and followed by periodic training in San Diego. For sailors who started their careers after January 1, 2012, and for those who are not grandfathered by January 1, 2014, taking the training is the only option. But for those with sea service before January 1, 2012, sailors may apply for the VPDSD endorsement provided they can document six months of service with designated security duties in the last three years. All sailors have designated security duties under the vessel security plan. The documentation takes the form of a company letter attesting to the both the service and the duties written by either the Master or a company official. The letter must be attached to a completed USCG form 719B (the standard application form for a license or Merchant Mariner's Credential). There is no physical needed and no fee for the endorsement.

**Mokihana:** Allen Gonzalez relieved Randy Runyan as delegate. Sweeping the garage is contained within Section 4 "Scope of Work" in the SUP Work Rules. It is paid at the straight time rate during straight time hours and at the overtime rate during overtime hours but it is separate from clearing decks and cannot be used to fill out the let go two hour minimum. Clarification on holiday pay. Investigation of recent terminations underway.

**Moku Pahu:** Brian McCarthy, delegate. Clarifications by email and at Howard's Terminal in Oakland. Watches rotate at the termination of the voyage when any single member wants to rotate. Headed for layup in San Francisco.

**Manoa:** Gerry Marshall to relieve Jesper Pfeil as delegate. Clarifications on ratification of new agreement and payroll interaction with retroactive increases: increases and retro paid together in mid-July check for those that remained on the ship. For all those who departed the ships between July 1 and payment of increase and retro a separate check will be issued and sent by mail.

**Manukai:** Intervened on STCW question to allow sailor to remain on board. Headed to a Chinese yard period. Unconfirmed rumors of Matsonia breakout to cover the cargo.

**Mahimahi:** Ruta Tulenken, delegate. In at Oakland with no problems. Full discussion of new contract improvements and increases.

**APL Belgium:** Ramon Duran, delegate. New crew joined in Hong Kong and re-flagged to the stars and stripes. Delegate reported a clean ship in good shape. Roger Berioso was promoted to bosun when first bosun's TWIC did not pass re-flagging Certificate of Inspection.

Assisted new AB with airport re-booking after a missed flight. For international flights early reporting to the airport is part of the job: the minimum two hours before the flight

**APL Cyprine:** Tim Benton, delegate. Crew enjoying new ports of call in Italy and Thailand but considerable Egyptian uncertainty persists at Damietta and Suez.

**APL Korea:** Dennis Belmonte, delegate. Time back issue still open.

**APL China:** Jill Holleman, delegate. Investigation of recent terminations underway.

**APL Agate:** Gabe Moreno, delegate. First ship into Halifax on the new run. Canadian immigration authorities declared crew member criminally inadmissible and required statement of agreement never to return. Members take note: a criminal record must be either expunged or "suspended with rehabilitation" by Canadian authorities prior to entry in Canadian port. This can be achieved by visiting a Canadian consulate or applying directly to the Parole Board of Canada. In general, eligibility for rehabilitation begins with an interval of at least five years since the end of the sentence following a conviction. More information available at SUP HQ. Norm Christianson is the new bosun. Food beef under investigation.

**APL Philippines:** William De Benedictis, delegate. Clarification on re-assignment of dayman to watchstander in short-handed situation: dayman retains weekend overtime.

**APL Thailand:** Gary McDeavitt, delegate. First ship to call at Oakland International Container Terminal. Delayed sailing claim lodged with Company but still under discussion.

**Oregon Voyager:** Anton Seravaseiyar, delegate. In at Richmond Long Wharf and in good shape with Mike Fox as bosun.

**Mississippi Voyager:** Roman Zaretski, delegate. Grievance filed on breaking watches at anchor in Long Beach when not maintained from arrival to departure. Still under discussion at press time.

**USNS Waters:** Wendy Joseph, delegate. Ship received an Environmental Achievement Award from the Chamber of Shipping of America, for "environmental excellence during two consecutive years of operation."

**Foss Maritime Company:** JD Rymel, delegate. Scheduling of tankermen under review.

**San Francisco Bar Pilots:** Mike Koller, delegate. Contract ratified with favorable reaction.

Dave Connolly

## Dispatcher's Report Headquarters—June 2013

Deck	
Bosun.....	4
Carpenter.....	0
MM.....	5
AB.....	13
OS.....	2
Standby.....	11
Standby New York.....	4
Total Deck Jobs Shipped.....	39
Total Deck B, C, D Shipped.....	10
Engine/Steward	
QMED.....	0
Pumpman.....	0
Oiler.....	0
Wiper.....	0
Steward.....	0
Cook.....	0
Messman.....	0
Total E&S Jobs Shipped.....	0
Total E&S B, C, D Shipped.....	0
Total Jobs Shipped - All Depts.....	39
Total B, C, D Shipped-All Depts.....	10
Total Registered "A".....	31
Total Registered "B".....	22
Total Registered "C".....	20
Total Registered "D".....	43

## SUP members join pension ranks

The following SUP members joined the rank of pensioner, bringing the total number of SUP members to 400:

**Douglas Gibson**, 55, Book No. 3006, joined SUP in 1977, 20 years seetime.

**Norman Kurtz**, 78, Book No. 3173, joined SUP in 1954.

**Richard Reed**, 66, Book No. 3181.