BROTHERHOOD OF THE SEA

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West Coast Sailors

Official Organ of the Sailors' Union of the Pacific

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Navy League urges congressional leaders to reject administration proposal to decimate Food for Peace

The drastic changes in the Food for Peace program proposed in President Obama's fiscal year 2014 budget, prompted Bruce Butler, Executive Director of the Navy League of the United States to send the following letter on May 7, to Senate Majority Leader Harry Reid (D-Nevada), Speaker of the House of Representatives John Boehner (R-Ohio), Senate Minority Leader Mitch McConnell (R- Kentucky) and House Minority Leader Nancy Pelosi (D-California):

"On behalf of the 47,000 members and 250 councils of the Navy League of the United States, we urge you to reject the Administration's FY 2014 budget request proposing to eliminate the Food for Peace (PL 480) program, which would put at risk 44,000 American jobs in the merchant marine and farming communities.

Of chief importance to the Navy League, the proposed elimination of this important program will significantly undermine the U.S.-flag Merchant Marine and our national defense sealift capability. The United States Merchant Marine has been a necessary part of our national independence of action since the founding of our nation. More than 95% of surge and sustainment cargoes to support the conflicts in Afghanistan and Iraq during the past decade were carried on U.S. flag commercial and government ships all of which were crewed by civilian U.S. citizen merchant mariners.

The U.S. government relies on the U.S.-flag, U.S.-crewed ships in a public-private partnership with the Department of Defense to ensure the trusted and reliable transportation of critical cargo anywhere in the world at any time –especially during times of national emergency. According to a recent Lloyd's report, China will own more than a third of the world's shipping tonnage by 2030. Without an independent, American merchant marine, both our economy and our military are at the mercy of foreign actors and foreign governments.

Because we can rely upon the U.S.-flag commercial fleet, our nation achieves significant savings by not having to replicate those 100 commercial ships in international trade and 11,500 mariners with federal assets. To recreate the capacity it obtains from the U.S.-flag commercial industry, the Department of Defense would have to incur an additional $9 billion in capital costs and $1 billion in annual operating costs. Leveraging the private fleet is a good deal for the taxpayer, and certainly offsets any putative savings to be achieved under the Administration's Food for Peace elimination scheme.

Since the passage of MAP-21 (the Highway Bill) last summer, one third of U.S. food aid cargo preference was eliminated and has resulted in the loss of at least four U.S. flag vessels and more than 200 U.S. mariner jobs, Any loss of U.S. flag commercial vessels results in the reduction of jobs necessary to sustain a viable supply of trained and experienced mariners necessary to meet our U.S. security needs.

The Administration's scheme will needlessly sacrifice a valuable component of our economic and defense capability that will take many years and many billions of taxpayer dollars to rebuild. The Navy League strongly recommends rejecting the proposed changes and upholding the current structure of PL 480 in order to retain the ships and jobs necessary to maintain our U.S. merchant mariner pool."

Government report blasts TWIC

A recent Government Accountability Office (GAO) study of the pilot test aimed at assessing the technology and operational impact of using the Transportation Security Administration's (TSA) Transportation Worker Identification Credential (TWIC) with card reader showed that the test's results were incomplete, inaccurate, and unreliable for informing Congress and for developing a regulation (rule) about the readers. The report identified numerous challenges related to pilot planning, data collection, and reporting which affected the completeness, accuracy, and reliability of the results. According to the GAO, these issues call into question the program's premise and effectiveness in enhancing security.

Congressman John Mica (R-Florida), said TWIC was intended to be a card with a biometric component and "be a secure, durable identification that could ensure the identity of those entering secure areas in our port facilities. GAO continues to find that TSA is failing to properly administer the TWIC program," he said, adding GAO's most recent report "cites a whole host of problems with the program" and that while the cards have been issued since 2007, there are still no readers for them.

Nearly 2.3 million cards have been issued since 2007 of which more than one million are soon due for renewal.

"What you have is a farcical system of a card that –not by my evaluation, but which previous GAO studies have shown– is not what we intended," Mica said. "What you have is a card that is produced at great expense to individual workers, at great expense to the government, does not have a guarantee that it is a secure card, it is tamper-able," he added. "It has become a joke among transportation workers because in almost every port they are now required to produce a driver's license or some other identification that is used for entry."

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Keeping America afloat: A modern maritime strategy is key to preserving trade and security

The following commentary by Congressman Duncan Hunter (R-California), Chairman of the House of Representatives Committee on Transportation and Infrastructure Subcommittee on Coast Guard and Maritime Transportation was published this month by The Washington Times:

"The old saying "he who rules the seas rules the world" is still relevant today. National and global interests –for America, in particular– are inextricably linked to the seas. With oceans covering 70% of the Earth's surface, they are just as important now as they were centuries ago when exploration and discovery were possible only by setting sail.

The magnitude of commerce dependent on shipping alone is staggering. Approximately 75% of global commerce moves by water and the volume of international trade by vessel will only climb. Even so, the U.S. flag fleet is carrying just 2% of cargo tonnage, down from 25% in 1955. Several factors have led to this decline, but the ramifications are not simply economic. The consequences also transcend into the realm of U.S. security as a result of commercial trade vessels serving as military sealift assets through the Maritime Security Program, which provides operational support to 60 U.S.-flag commercial vessels.

The fewer number of commercial vessels that are available to supplement military transport add to the strain of an already reduced and undersized naval fleet. With emerging threats requiring the full attention of naval resources and the shifting of America's defense strategy to the Pacific, the support provided through the Maritime Security Program is absolutely essential. In continuing the program, Congress must look ahead and consider policies that support the growth of the U.S. international flag fleet to alleviate pressure on limited naval resources.

Equally important, the U.S. domestic flag fleet carries more than a billion tons in cargo each year and contributes $100 billion in economic output. The fleet is U.S. owned, U.S. built and U.S. crewed, carrying grains, coal, iron ore, limestone and petroleum through inland waterways, across the Great Lakes and along the coasts. The fleet consists of 40,000-plus tankers, barges, tugboats and offshore support vessels, many of which are owned and operated by family businesses that have been in the maritime industry for generations.

Emerging to the disadvantage

continued on page 2

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SUP Quarterly Finance Committee Report

SUP QUARTERLY FINANCE COMMITTEE REPORT
FOR THE QUARTER ENDED MARCH 31, 2013

The Quarterly Finance Committee, duly authorized to act by the regular meeting at Headquarters on April 8, 2013, hereby submits the following report:

SUMMARY OF CASH AND INVESTMENTS

General Fund	$1,096,225.48
Political Fund	$18,067.78
Strike Fund	$1,293,730.99
Total Cash and Investments 1st Qtr. 2013	$2,408,024.25

GENERAL FUND

Income:	
Dues, Initiation, Assessments	$126,066.15
Interest	15,928.09
Donations - *West Coast Sailors*	990.00
Tanker & Joint Committee, Hiring Hall	151,923.88
Advertising & Promotion	520.00
Miscellaneous Income, Reimbursements, Fines	785.99
Reimbursed Administrative Expenses	22,800.87
Contributions - General Fund	5,545.90
Total Income:	$324,560.88
Expense:	
Auto & Travel	$563.50
Rent	10,260.59
Postage, Printing & Office	6,447.69
Equipment Purchase	3,105.95
Telephone & Telegraph	4,349.62
West Coast Sailors Publishing Expense	11,960.36
Accounting	2,375.00
Per Capita	15,071.00
Salaries & Payroll Taxes	222,233.40
Office Workers Pension	8,126.30
Insurance	37,050.77
Field Expense	531.80
Committee & Neg., Conference & Conv.	5,121.80
Investment Expense	1,351.62
Advertising & Promotion	700.00
Officials Pension	1,757.91
Miscellaneous	(359.60)
Contributions	1,500.00
Subscriptions	2,425.21
Election	9,110.15
Total Expense:	$343,683.07

BUILDING CORPORATION

Income:	
Rents	$185,854.04
Building Utilities & Service Reim.	2,744.81
Total Income:	$188,598.85
Expense:	
Building Services & Utilities	$26,004.57
Repairs & Maintenance	15,648.70
General Tax	0.00
Insurance	4,099.05
Salaries & Payroll Taxes	21,763.94
Pension	909.48
Auto	155.70
Office	1,098.32
Accounting	2,375.00
Total Expense:	$72,054.76

POLITICAL FUND

Income:	
Contributions	$5,350.00
Total Income	$5,350.00
Expense:	
Contributions	$2,500.00
Filing Fee	50.00
Total Expense:	$2,550.00
Net Income 1st Qtr.	**$100,221.90**

/s/ Robert Copeland /s/ Romaine Dudley
/s/ Diane Ferrari /s/ Kaj Kristensen
/s/ Arthur Thanash

ACTION BY THE MEMBERSHIP May 13, 2013. M/S/C—That we concur in the report of the SUP Quarterly Finance Committee and, as per past practice, publish in the ***West Coast Sailors****. Carried unanimously.*

Keeping America afloat *continued from page 1*

of these businesses are obstacles and complications imposed through the prevalent failure to recognize the importance of a strong flag fleet to the U.S. industrial base and national security. For the entire maritime industry, a last line of defense is the Jones Act, which requires flag vessels to carry cargo between U.S. ports.

Recognizing what's at stake, Fred Harris, CEO of General Dynamics National Steel and Shipbuilding Co. (NASSCO), cautions that without a renewed commitment to the Jones Act, the United States could lose its shipbuilding capability, the same way the United Kingdom lost theirs. In 1963, almost 20% of the world's commercial tonnage was built in the United Kingdom, but they have not constructed a commercial ocean-going vessel in nearly a decade, leading the Ministry of Defense to recently award a contract for military tankers to a South Korean shipyard.

NASSCO and others are working to make sure America doesn't make the same mistake. For instance, NASSCO is currently teaming with Totem Ocean Trailer Express Inc., to build the first liquefied-natural-gas container ships in the world, creating new jobs and preserving critical capability.

On May 22, the nation will observe National Maritime Day, commemorating the first trans-Atlantic steamship voyage in 1819. Not only is this a time to observe our history, it's also an opportunity to recommit to America's maritime industry. In the process, preserving what works — such as the Maritime Security Program and the Jones Act — will go a long way, but it's equally important that we explore new avenues such as short sea shipping, the liquefied-natural-gas trade and an improved ship-financing program, all of which can be accomplished through a national maritime strategy.

As global trade will continue to grow, maritime policies must take center stage for the United States to remain an industry leader. America definitely has a proud maritime past. Together, let's vow to have more firsts in our maritime future."

Final Departures

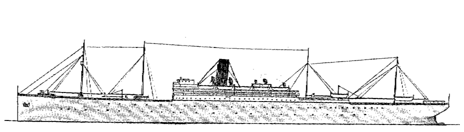
Robert Hill-Tout, Book No. 5806. Born in Canada in 1936. Joined SUP in 1967. Died April 18, 2013. (Pensioner)

Ramey Simpson, Book No. 5429. Born in Montana in 1918. Joined SUP in 1941. Died in Seattle, Washington, April 19, 2013. (Pensioner)

Demetrio Ledesma, Book No. 4039. Born in Hawai'i in 1927. Joined SUP in 1949. Died in Hawai'i, April 24, 2013. (Pensioner)

Wendell Allen, Book No. 3779. Born in Montana in 1926. Joined SUP in 1961. Died in Grants Pass, Oregon, April 27, 2013. (Pensioner)

Gregorio M. Vizcarra, Book No. 835. Born in California in 1928. Joined SUP in 1950. Died May 7, 2013. (Pensioner)



Cargo increases in Long Beach; but declines in Los Angeles

The Port of Long Beach reported this month that cargo volumes increased 12.5% during the month of April compared to the same month a year ago to 519,464 TEUs. Imports increased 13.5% to 264,337 TEUs while exports increased 14.5% to 137,864 TEUs.

The number of empty containers leaving the Port of Long Beach to be refilled overseas increased 8.1% during the month to 117,263 TEUs.

For the first four months of 2013, cargo container volume is up 17.2% at the Port, including an 18.5% increase in imports, an 11.8% increase in exports and a 21.5% increase in the amount of empty containers. The port attributed the increases due to the larger ships calling at the Port more frequently and the addition of service lines starting during the later portions of 2012.

Meanwhile, Long Beach's neighbors at the Port of Los Angeles reported a 9.5% decline in cargo volume during the month of April to 640,330 TEUs compared with the same month a year ago.

Imports coming into the Port of Los Angeles declined 10.4% to 326,780 TEUs while exports fell 14.3% to 160,129 TEUs. The amount of empty containers leaving Los Angeles dropped 1.5%.

SUP Meetings

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

	Hdqs.	*Branch*
June	10	17
July	8	15
August	12	19
September	9	16
October	Tues. 15	21
November	Tues. 12	18
December	9	16

West Coast Sailors

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Congressional support for full Maritime Security Program funding

In a letter to Senator Patty Murray (D-Washington), Chairwoman of the Subcommittee on Transportation, Housing and Urban Development and Related Agencies, and Senator Susan Collins (R-Maine), Ranking Member on the subcommittee, 10 senators requested that full funding for the Maritime Security Program (MSP) be included in fiscal year 2014 appropriations legislation.

The senators expressed their support for $186 million in funding during the next fiscal year, "the Congressionally-authorized amount necessary to ensure that the U.S. Maritime Administration, in conjunction with the Department of Defense, has the necessary funds available to fully implement the MSP for FY 2014."

Among other things, the senators noted, "without funding the MSP and ensuring the continued operation of its maritime security fleet, America would either have to place the safety of our troops and the security of our nation in the hands of foreign shipping interests or be forced to spend billions of dollars more of the taxpayers' dollars to achieve the commercial sealift capability that will be lost if the requested funds for MSP are not appropriated.

"We again ask that you support this highly efficient and low-cost public-private partnership by including $186 million in your Subcommittee's FY 2014 appropriations legislation in order to fully implement the MSP," the senators wrote. "In so doing, you will be saving the American taxpayer billions of dollars because the Department of Defense will be able to utilize privately-owned U.S.-flag vessels to meet its commercial sealift requirements rather than buying and maintaining this capability on its own."

Signing the letter were Senators John D. Rockefeller IV (D-West Virginia), Roger Wicker (R-Mississippi), Ron Wyden (D-Oregon), David Vitter (R-Louisiana), Mary L. Landrieu (D-Louisiana), Maria Cantwell (D-Washington), Frank Lautenberg (D-New Jersey), Sheldon Whitehouse (D-Rhode Island), Jeff Merkley (D-Oregon) and Richard Blumenthal (D-Connecticut).

In the House of Representatives Armed Services Committee Chairman Howard "Buck" McKeon (R-California) and Ranking Member Adam Smith (D-Washington), a total of 46 congressional representatives urged colleagues to fully fund the Maritime Security Program (MSP) in the fiscal year 2014 appropriations bill for the Departments of Transportation, Housing and Urban Development, and Related Agencies.

In a letter to Representative Tom Latham (R-Iowa), Chairman of the Appropriation Committee's Subcommittee on Transportation, Housing and Urban Development, and Related Agencies, and Representative Ed Pastor (D-Arizona), Ranking Member on the subcommittee, the representatives requested $186 million for the Maritime Security Program in fiscal year 2014 –the "amount necessary to ensure that the U.S. Maritime Administration, in conjunction with the Department of Defense, has the necessary funds available to fully implement the MSP in fiscal year 2014.

"The MSP was originally enacted to ensure that the United States has the U.S.-flag commercial sealift capability and trained U.S. citizen merchant mariners available to crew the government and privately-owned vessels needed by the Department of Defense in time of war or other international emergency," the representatives wrote. "Most importantly, the Maritime Security Program and the uninterrupted operation of its maritime security fleet of 60 U.S.-flag militarily-useful commercial vessels ensures that America will in fact be able to support and supply our troops overseas. It guarantees that American-flag vessels and American crews will continue to be available to transport the supplies and equipment our troops need to do their job in behalf of our nation. "Without having the MSP and its maritime security fleet to rely on, the options available to the Department of Defense and to our country to meet America's commercial sealift capability requirements are totally unacceptable," they wrote.

"On the one hand, our country would be faced with the option of giving foreign flag shipping interests and their foreign mariners, interests who many not share America's goals, objectives and values, the responsibility for supporting and advancing America's security interests overseas," the representatives noted.

"On the other hand, our country would be faced with the option of having the Department of Defense build, maintain and operate the requisite vessels itself, at a tremendous cost to the American taxpayer. In fact, a 2006 report prepared for the National Defense Transportation Association - Military Sealift Committee concluded that 'the likely cost to the government to replicate just the vessel capacity provided by the MSP dry cargo vessels would be $13 billion.' In addition, the United States Transportation Command has estimated that it would cost the U.S. Government an additional $52 billion to replicate the 'global intermodal system' that is made available to the Department of Defense by MSP participants who are continuously developing, maintaining and upgrading their systems."

In addition to Congressmen McKeon and Smith, the following signed the letter:

Robert Andrews (D-New Jersey)	Jim Langevin (D-Rhode Island)
Tim Bishop (D-New York)	Rick Larsen (D-Washington)
Suzanne Bonamici (D-Oregon)	Daniel Lipinski (D-Illinois)
Madeleine Bordallo (D-Guam)	Frank LoBiondo (R-New Jersey)
Jim Bridenstine (R-Oklahoma)	Alan Lowenthal (D-California)
Corrine Brown (D-Florida)	Dan Maffei (D-New York)
Kathy Castor (D-Florida)	Sean Maloney (D-New York)
Howard Coble (R-North Carolina)	Jim McDermott (D-Washington)
Elijah Cummings (D-Maryland)	Mike McIntyre (D-North Carolina)
Suzan DelBene (D-Washington)	David McKinley (R-West Virginia)
John Duncan (R-Tennessee)	Michael Michaud (D-Maine)
William Enyart (D-Illinois)	Gary Miller (R-California)
Blake Farenthold (R-Texas)	Scott Peters (D-California)
Randy Forbes (R-Virginia)	Nick Rahall (D-West Virginia)
Lois Frankel (D-Florida)	Cedric Richmond (D-Louisiana)
Chris Gibson (R-New York)	Scott Rigell (R-Virginia)
Michael Grimm (R-New York)	Dutch Ruppersberger (D-Maryland)
Brian Higgins (D-New York)	Carol Shea-Porter (D-New Hampshire)
Duncan Hunter (R-California)	Albio Sires (D-New Jersey)
Walter Jones (R-North Carolina)	Marc Veasey (D-Texas)
Derek Kilmer (D-Washington)	Robert Wittman (R-Virginia)
Leonard Lance (R-New Jersey)	Don Young (R-Alaska)

SUP-contracted American President Lines has nine vessels enrolled in MSP.

A victory for the Jones Act

Court dismisses Hawai'i lawsuit

A federal court in Honolulu has dismissed a lawsuit challenging the effectiveness of the Jones Act in the island state.

Plaintiffs Patrick Novak, Daniel Rocha, Larry Kenner, Ken Schoolland, Bjorn Arntzen, Philip R. Wilkerson, and William Akina, collectively filed the complaint in November 2012 seeking declaratory and injunctive relief, as well as monetary damages, in connection with the U.S. government's enforcement of the Jones Act in Hawai'i. The plaintiffs argued that the enforcement of the Jones Act, as applied in the state of Hawai'i, is an unlawful restraint of interstate trade and subsequently raises costs to consumers.

The court, however, determined that the plaintiffs merely asserted a generalized disagreement with the Jones Act and unsubstantiated claims of economic harm allegedly caused by it, and dismissed the complaint with prejudice.

The case's dismissal is the latest victory for the Jones Act. In March, the U.S. Government Accountability Office released a report disproving shippers' claims that the Jones Act raises prices for consumers in Puerto Rico. (See the April *West Coast Sailors*).

Horizon Lines reports $20.1 million loss in the first quarter

Horizon Lines this month reported a net loss of $20.1 million for the first quarter of 2013, an improvement over the $26.8 million the company lost during the first quarter of 2012. Operating revenues for the quarter declined to $244.5 million from $263.4 million during the same time frame last year.

Horizon Lines produced a 25.7% increase in adjusted Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) for continuing operations, recording a $13.7 million profit compared to $10.7 million during the first quarter of 2012. The company said that it expected adjusted EBITDA to come in between $85-97 million for all of 2013, compared to $65 million last year.

The company's container loads declined 10.1% for the quarter compared to a year ago to 57,086. The company said the decline was primarily a result of the reduced number of sailings between Jacksonville, Florida and San Juan, Puerto Rico, but revenue per container increased to $4,363 compared to $4,257 during the first quarter of 2012.

"Horizon Lines first-quarter adjusted EBITDA increased 25.7% over the same period a year ago, driven largely by improved fuel recovery, reduced dry-dock transit and crew-related expenses, lower vessel charter expense, continued execution of the Puerto Rico business improvement plan, and reduced overhead," said Sam Woodward, Horizon Lines President and Chief Executive Officer. "The positive factors resulting in adjusted EBITDA growth were partially offset by reduced container volume, higher stock-based compensation expense, mechanical issues on one of our vessels and increased vessel operating expenses."

"In recent months, we have taken steps to improve the competitiveness of our Puerto Rico service by reducing sailings between Jacksonville and San Juan to once a week and moving our northeast service to Philadelphia," Woodward continued. "The move to Philadelphia resulted in a $4.1 million charge in the first quarter, but, along with our other initiatives, should allow Horizon to strengthen the financial performance of our Puerto Rico trade lane."

Matson posts $9.1 million profit in first quarter

Matson, Inc. reported, on May 6, a net income of $9.1 million for the first quarter of the calendar year, compared to a net income of $3.8 million for the same quarter a year ago. Consolidated revenue for the first quarter of 2013 was $394.7 million compared with $366.1 million for the first quarter of 2012.

"We had a good first quarter, driven by increased volume in our Hawai'i trade and higher rates in our China service," said Matt Cox, Matson President and Chief Executive Officer. "We also benefited from operating an optimal nine-ship fleet for most of the quarter, which led to reduced vessel expenses compared to the 10-ship fleet deployed for the first quarter last year."

Matson reported a slight increase in its eastbound volume during the quarter due to what the company called, "modest market growth and gains." The company said it anticipates moderate volume gains in the Hawai'i trade for all of 2013. Matson said that its Guam trade volume declined during the quarter due to lower shipment levels from the U.S. military and that it does not expect any growth for the year.

Matson said that freight rates in its China trade were higher during the first quarter of the year compared to the same quarter a year ago but that those rate gains were expected to erode due to the current surplus of capacity in the China trade.

"With this solid quarter behind us, our outlook for the full year has shifted slightly higher," said Cox. "We continue to expect mixed results in our ocean transportation trade lanes as compared to 2012, as evidenced by a decrease in Guam volume during the first quarter, better than expected Hawai'i volume trends and anticipated weaker China freight rates for the balance of the year. All said, we are off to a good start."

SUP Honor Roll

Voluntary contributions from the membership to the following funds:

Organization/ General Fund

Archie Bickford 50.00
Joseph Rene Castege in memory of Francis John Castege and George Pierre Castege 10,000.00
Clinton Greg 100.00
John Mancilla .. in memory of Tommy Basford, Barney Taylor, Freddie Cato and Duane Hewitt 100.00
Nicholas Marinovich 100.00
John Perez 50.00
Charlie Rafael 50.00
Rich Reed in lieu of dues increase 50.00

Dues-Paying Pensioners

Gordon Abbott	Book #3785
Robert Copeland	Book #4763
Donald Cushing	Book #4777
Romaine Dudley	Book #2593
Diane Ferrari	Book #2251
Knud Jensen	Book #3940
John Jewett	Book #4291
Kaj E. Kristensen	Book #3120
Hannu Kurppa	Book #3162
James K. Larsen	Book #4055
Duane Nash	Book #2437
John Perez	Book #3810
Alex Romo	Book #3193
Francisco Salvatierra	Book #7498
James Savage	Book #7488
Ralph Senter	Book #7323
David Shands	Book #7483

SUPPORT THE SUP POLITICAL FUND

Political Fund

Saher Ali 60.00
Robert Bourne............ 50.00
Milton Cabellero...........10.00
Rich Cogswell 10.00
J. Eckert................. 20.00
David Eriksen 300.00
David Fadoul 100.00
Paul Farillas 10.00
Diane Ferrari............. 50.00
JanPeter Johnsson 30.00
Monte Kalama............ 50.00
Mike Koller 50.00
Norman Kurtz............ 25.00
Gunnar Lundeberg........ 50.00
Raoul Macalinao.......... 50.00
Dave Mercer 100.00
Michael O'Boyle 20.00
John Perez 50.00
Jesper Pfeil.............. 30.00
Raymond Pinochi 25.00
Charlie Rafael 100.00
Emmanuel Rezada 20.00
James Salera 50.00
Robert Taylor 100.00
Gary Thompson 50.00
Ken Thueringer.......... 200.00

West Coast Sailors

Billy Bell 25.00
Burnett Green 25.00
Lester Hofstad............ 25.00
Richard Kingsbury........ 50.00
James Kula 25.00
Mark Lafayette 30.00
John Mancilla 100.00
Angelo Rossano........... 25.00
Dennis Scott.............. 25.00
Andy Simkanin 25.00
Eugene Souza............. 25.00
Freeman Stamp.......... 100.00
Capt. V.G. Valentine...... 200.00
Peter Villanueva 25.00

ITF presses IMO for timely maritime casualty reporting

The International Transport Workers' Federation (ITF) has reported that shipowners and maritime Unions believe some flag states are failing to submit the required reports on maritime casualties. The Unions made their position know in a joint submission to the International Maritime Organization (IMO).

They point out that the Safety of Life at Sea Convention (SOLAS) requires maritime administrations to conduct investigations into any serious casualty on ships under their flag, involving the total loss of the ship, a death or severe damage to the environment, and inform the IMO of the findings.

"The lack of investigation and accident reports hinders the development of appropriate measures by IMO to address the cause of serious incidents in which seafarers may have lost their lives," said ITF Acting General Secretary Stephen Cotton.

"It also frustrates efforts by ship operators to learn from the reports and to amend or develop new procedures, or implement other measures to prevent or mitigate similar future incidents," said International Chamber of Commerce (ICS) Secretary General Peter Hinchliffe.

The ICS and ITF have suggested that the IMO considers what constitutes "a very serious marine casualty", and the latitude that flag states currently enjoy when determining whether they submit the results of any investigation to the IMO. They have also suggested that lessons might be learned from the aviation industry's approach to the submission and dissemination of air accident reports.

Bosun Billy Sullivan on the deployed sideport door of the Mahimahi prepares to secure the gangway to the turntable on arrival in Oakland on April 17. Photo: Dave Connolly.

Panama Canal loses volume to Suez

The Panama Canal Authority expects the volume of goods moving through the canal to decline 2.4% during the current fiscal year as shipping firms switch their routes to use the Suez Canal, according to a *Reuters* report. The decline in volume is expected to cost the canal about $40 million per year in revenue.

American President Lines (APL) recently announced a new Asia-U.S. service starting in May that will use the Suez to accommodate post-Panamax vessels, although it will also use the Panama Canal for smaller vessels.

"In the past few years, the TransPacific east coast trade has seen a general migration of services from Panama to Suez," said Kenneth O'Brien, Senior Vice President for TransPacific trade at APL. "At current rates, the Panama Canal transit is non-remunerative, and while it does present a shorter voyage for Asia-U.S. East Coast trade, the Suez Canal allows carriers to deploy larger ships that yield lower slot costs."

Maersk Line announced in March that it was switching its Asia-U.S. route from the Panama to the Suez so it can use larger, more fuel-efficient ships while CMA-CGM and Mediterranean Shipping Company have also switched at least some Asia-U.S. East Coast routes to the Suez.

An expansion project currently underway that will allow the Canal to handle larger ships is currently expected to open in mid-2015, six months later than originally planned.

Convicted pirates flown to Somalia to serve out their sentences

More than 50 convicted pirates have transferred from the Seychelles, where they were tried and found guilty, to serve their sentences in Somalia, according to the UN Contact Group on Piracy (UNCGP) in Somalia. In its latest quarterly update, the group said the UN Office on Drugs and Crime organized the latest transfer of piracy prisoners from Seychelles to Somalia last month.

Some 25 pirates flew on three charter flights to Bosasso from the Seychelles, where they were being held at Montagne Posse prison. Thirteen had been apprehended by the U.S. Navy and 12 by the European naval force. Previously, 34 pirates transferred to Somalia, 29 to Hargeisa in Somali1and and five to Bosasso in Puntland.

The report details activity from January–April and said the European Union (EU) Naval Force vessel *FS Surcouf* transferred 12 suspected pirates to the authorities in Mauritius for prosecution in January. The French naval frigate captured the suspected pirates after a merchant vessel came under attack off Somalia's coast earlier that month.

On February 25, the EU Naval Force frigate *HNLMS de Ruyter* transferred nine suspected pirates to authorities in the Seychelles. The suspects were captured on two skiffs after an alarm report from a merchant vessel on February 19.

Documenting piracy trials, the report said a federal jury in Norfolk, Virginia convicted five Somali men on piracy-related charges for the 2010 attack on the *USS Ashland* in February. Such convictions carry a mandatory life sentence in the United States. Trials have been held in the Seychelles for 16 suspected pirates detained in April 2012, by the Danish naval vessel *Absalon*, operating as part of NATO's Operation Ocean Shield. The court sentenced three of the pirates to prison terms of 24 years and a fourth to 16 years. Denmark collaborated with Pakistan to free Pakistani fishermen held hostage by the pirates to serve as witnesses in court. The report said that the next step would be to transfer the convicted pirates to serve their sentences in their home country, Somalia.

The Contact Group's Working Group Four and One met in March, in Addis Ababa, Ethiopia.

"Food is strength, and food is peace, and food is freedom, and food is helping whose goodwill and friendship we want."

Senator John F. Kennedy
in a speech in 1960, shortly before being elected president.

House members blast Obama administration's fiscal year 2014 budget proposal to decimate Food for Peace program

During a hearing held by the Subcommittee on Coast Guard and Maritime Transportation in the House of Representatives April 16, members of the panel voiced powerful criticism of the Obama administration's proposal to cut by up to 45% in-kind shipments of food aid purchased from U.S. producers under PL-480. Lawmakers also emphasized their strong support for the Food for Peace program in its current form, which provides thousands of American jobs in the farming, agriculture and maritime transportation sectors, and sustains a job base for U.S. merchant mariners, who are vitally important to the nation's defense sealift capability of manning military- and government-owned vessels in times of war, conflict and crisis.

The hearing was convened to address the administration's fiscal year 2014 budget proposals for the U.S. Coast Guard, Maritime Administration and Federal Maritime Commission, and witnesses from all three agencies testified before the panel.

"The budget request for the Maritime Administration represents a 3.6% increase over current levels. But the increase comes as a result of the President's misguided effort to effectively eliminate the hugely successful Food for Peace program," said Subcommittee Chairman Rep. Duncan Hunter (R-California). "Since 1954, the Food for Peace program has provided agricultural commodities grown by U.S. farmers and transported by U.S. mariners on U.S.-flagged vessels to those threatened by starvation throughout the world. The President's restructuring of Food for Peace will eliminate a vital program for our farmers, put U.S. mariners out of work and undermine our national security by reducing the domestic sealift capacity on which our military depends."

Proposed cut to U.S. food-aid shipments

The administration's budget proposal for fiscal year 2014 seeks to shift more than $1.4 billion away from the Department of Agriculture for PL-480 Title 11 and reallocate the funding to the U.S. Agency for International Development (USAID).

In a statement posted on the USAID website, the agency announced its intentions to spread the funding over three assistance accounts, resulting in the use of as much as 45% of the money to purchase food aid from "regional" producers (foreign interests) rather than U.S. farmers and food producers, and to expand the Food for Peace International Disaster Assistance (IDA) cash-based account from the fiscal year 2012 level of $300 million to a total of $1.4 billion in fiscal year 2014. According to USAID, "the food aid reform proposal guarantees that in 2014 no less than 55% of the requested $1.4 billion in total funding for emergency food assistance in IDA will be used for the purchase, transport, and related costs of U.S. commodities."

Under current cargo preference requirements, 50% of U.S. food-aid shipments must be carried by U.S.-flagged merchant vessels.

During the hearing, Subcommittee Ranking Member Representative John Garamendi (D-California) voiced severe skepticism regarding the administration's proposal. "I think that's a mistake, having spent 40 years of my life working on famine and food issues around the world," he said. "I don't think this is the right way to go about solving that problem.

"I also come at this from a different perspective, and that is the availability of food in those parts of the world where there is hunger," Representative Garamendi said. "And the proposal by the administration is essentially one of purchasing food regionally, rather than using American commodities on American ships to be delivered to those areas.

"I've been at this some 40 years and I don't think it works," he said. "I'm trying to figure out where the regional food purchasing is available. Presumably, there's a shortage of food in that area, so what is the region?"

Representative Frank LoBiondo (R-New Jersey) also presented pointed criticism of the proposal. "The administration's decision to restructure the Food for Peace program, I think, is absolutely wrong," he said. "These are American jobs that will be lost.

This is American capacity that will be lost." Representative Elijah Cummings (D-Maryland) emphasized the need to do more to expand the U.S.-flag merchant marine, rather than to put forth policies that will drive U.S.-flagged ships out of the industry and U.S. merchant mariners out of work. During the hearing, Representative Cummings addressed both the administration's budget proposal and the reduction in the U.S.-flag cargo preference requirement for U.S. food-aid shipments enacted last year.

"I am also deeply concerned by measures proposed in the administration's budget that would have devastating consequences for our merchant marine," Representative Cummings said. "Recent policy developments threaten only to drive more vessels away from our flag," he said. "As we're all aware, section 100124 of the MAP-21 legislation, a provision slipped into a highway bill in the dead of night, reduced the amount of U.S. food aid required to be carried on U.S.-flagged ships from 75% to just 50%."

A Band-Aid for a bullet wound

In its FY 2014 proposal for USAID, the administration stated: "The budget also provides $25 million per year through the Department of Transportation's Maritime Administration for additional targeted operating subsidies for military-useful vessels and incentives to facilitate the retention of mariners. Worker adjustment assistance would be available for remaining eligible mariners."

Representative Hunter remarked on the proposal at the opening of the hearing: "the President's attempt to placate the concerns of U.S. mariners by throwing some additional money at the Maritime Security Program for one year will not work. I hope my colleagues will join me in rejecting the President's misguided proposal."

During the hearing, Maritime Administrator David Matsuda said: "We recognize that we have to do whatever we can to retain those vessels and those crews. Mariners are extremely valuable, both to the commercial industry and to the U.S. when we need them to crew up government-owned reserve vessels."

However, as discussion of this provision progressed, no explanation was provided as to how the one-time, one-year $25 million subsidy would replace the cargo base that would be lost in the proposed restructuring of Food for Peace, or how it would prevent numerous non-MSP commercial U.S.-flagged merchant vessels from leaving the fleet, eradicating a substantial portion of the job base for U.S. merchant mariners who work in the PL-480 trades and who man military sealift and defense reserve vessels that render crucial mission support in times of war and conflict, and vital assistance during domestic and international emergencies and natural disasters.

Questioning Matsuda during the hearing, Representative Cummings asked: "Why does the administration believe it will be sufficient to subsidize seafarers to allow them to maintain their unlimited deep ocean credentials if there is no cargo or ship for them to sail on?"

Representative Garamendi presented a similar assessment. "It's kind of like a short-term unemployment insurance program with no job in the future," he said.

When questioned by Representative Hunter regarding the number of ships that would be affected by the budget proposal to cut U.S. food-aid shipments, as well as the number of ships that could be supported with an additional $25 million, Matsuda said 20 U.S.-flagged ships enrolled in the Maritime Security Program, and 30 ships not enrolled in the MSP, carry some U.S. food-aid cargoes. "For comparison purposes, the Maritime Security Program currently apportions $3.1 million per vessel, so that would be about eight vessels," Matsuda said. "However, that does rely upon available cargoes to ensure that these vessels can stay commercially viable."

Hunter responded: "I think you realize –from the committee and the feedback– that we're going to try to save the Food for Peace program for our basic industrial capability and capacity, for our shipbuilders, our operators, our mariners and industry in general."

Egypt raises Suez Canal fees

Egypt raised the fees paid by vessels transisting the Suez Canal on May 1, in an effort to boost revenue as the economy struggles to head off a currency crisis. The strategic waterway is one of the main sources of foreign currency, bringing around $5 billion a year at a time when the country faces political unrest and economic turmoil.

The new toll fees will rise 5% on tankers and petrochemical product carriers and 2% for container ships and car carriers. Last year, tolls were raised by 3% for all ships passing through the canal.

The 120-mile canal is the quickest sea route between Asia and Europe, saving an estimated 15 days sailing around Africa.

Mariners freed from Somali pirates

Denmark's foreign affairs ministry on May 1, confirmed that six seafarers kidnapped from the general cargo ship *Leopard* since January 2011 are free.

The Danish ship was attacked off Oman on January 12, 2011, and found abandoned the following day. The vessel's two Danes and four Filipinos were thought to have been transferred to a pirate mother ship and taken ashore. In July 2011, the pirates released a video of the seafarers tearfully pleading for help. The footage showed crew members on the ground guarded by men with guns.

The ministry said that it "appeals to the public and the media to give the crew the time and peace needed to return to a life in freedom and be reunited with their families after having been captive for a very long period."

Crew saved in sinking

Seventeen crew members have been rescued by authorities after their tanker collided with another vessel and capsized off the coast of Myanmar, formerly Burma.

The Myanmar government-owned *Myan-Aung* collided with the K-Line-operated vehicle carrier *Malacca Highway* on April 29, at Thilawa's port, near the capital Yangon. The *Myan-Aung* was returning to Yangon after it unloaded oil in Mawlamyine, 300km southeast of Yangon. The *Malacca Highway* was loaded with cars and on its way to Thilawa. The *Myan-Aung* eventually capsized after the collision, while *Malacca Highway* was not reported to have sustained any major damage.

SUP members Arthur Thanash and Norman Kurtz aboard the Liberty Ship Jeremiah O'Brien, May 18, Maritime Memorial Cruise on San Francisco Bay.

SEAS Act reintroduced in the House to restore U.S.-flag share of food aid

Last month, Congressman Elijah E. Cummings (D-Maryland) and Congressman Scott Rigell (R-Virginia) introduced H.R. 1678, the Saving Essential American Sailors (SEAS) Act, a bill to repeal Section 100124 of the MAP-21 (the Highway Bill) legislation, which reduced from 75% to 50% the amount of U.S. food aid required to be carried on U.S.-flagged vessels. The same bill was introduced last year but was never voted on.

"The senseless cuts made to the cargo preference program in MAP-21 (the Highway Bill) dealt another blow to an already battered U.S. merchant marine," said Congressman Cummings. "It is essential that these cuts be reversed and that we begin implementing policies that will strengthen our merchant marine by increasing the cargoes carried on U.S.-flagged vessels."

"Our region, indeed, our national economy, depends on a robust American shipping industry, and we must protect those jobs," said Representative Scott Rigell who represents part of the Hampton Roads region and serves on the House Armed Services Committee and the House Committee on the Budget. "Further, we should not have to depend on foreign owned vessels to deliver cargo to our troops overseas. This legislation will ensure we keep Americans employed while defending the good men and women who are defending our freedom around the world."

In 1975, there were more than 850 ocean-going ships under the U.S. flag. At the end of 2012, there were just 109 U.S.-flagged vessels in the foreign trade. The Maritime Administration has estimated that with the enactment of Section 100124 the U.S. flagged fleet may lose as much as $90 million in annual revenues and could drive additional vessels away from the U.S. flag.

In a letter written in May 2011, General Duncan McNabb, Commander of the United States Transportation Command, indicated: "To date, over 90% of all cargo to Afghanistan and Iraq has been moved by sea in U.S. Flag vessels," and he noted that U.S. cargo preference laws and the Maritime Security Program have helped in "ensuring the continued viability of both the U.S.-flag fleet and the pool of citizen mariners who man those vessels." Without a U.S.-flagged sealift capacity, U.S. imports and exports would move solely on foreign, often state-owned shipping lines and the U.S. military would be left dependent on foreign-flagged, foreign-owned vessels manned by non-U.S. citizens to carry military cargoes.

Senator queries foreign cruise lines

Senator John D. Rockefeller IV (D- West Virginia), Chairman of the Senate Committee on Commerce, Science and Technology, has sent letters to the three largest cruise line companies requesting information regarding their passenger safety, security and health practices.

The letters, sent to Carnival, Royal Caribbean and Norwegian Cruise Lines, are a follow up to a series of oversight letters Rockefeller sent back in February 2012.

"The cruise industry enjoys many advantages operating out of the United States but the advantages to American consumers and taxpayers are less clear," said Rockefeller. "Recent cruise ship incidents underscore the need for a strong commitment to passenger safety and security from the entire cruise industry, not just those that wind up on the news most frequently."

"The responses from the cruise line companies will help Congress make sure the rules governing the cruise industry provide passengers with the safe and comfortable traveling experiences they expect and deserve, instead of giving the companies a free pass at taxpayer expense," said Rockefeller.

The latest letters are part of Rockefeller's ongoing efforts to provide robust oversight of the cruise industry.

This past March, Rockefeller wrote a letter to Micky Arison, CEO of Carnival Corporation, expressing his serious concerns surrounding recent Carnival cruise ship incidents. In the letter, Rockefeller asked Arison if Carnival intended to reimburse federal taxpayers for the cost of responding to the *Carnival Splendor* or *Triumph* marine casualties.

This past February, Rockefeller also wrote a letter to Admiral Robert Papp, Commandant of the United States Coast Guard, sharing his concerns regarding the *Carnival Triumph* incident. In addition, Rockefeller held an oversight hearing in March 2012 to examine the cruise line industry's compliance with federal safety, security, and environmental standards and review whether cruise ship industry regulations sufficiently protect passengers and the environment.

Matsuda stepping down at MarAd

David T. Matsuda, head of the Maritime Administration, plans to leave the agency at the end of the month.

In a memorandum sent to industry leaders to thank them for their assistance during his tenure, Matsuda said he "recently made the difficult decision to move on from my position at the Maritime Administration (MarAd) later this month." He added: "Taking the helm as Acting Administrator will be Deputy Administrator Chip Jaenichen. He and the rest of our team are dedicated to ensuring a smooth transition of agency leadership."

Matsuda also has critics, including the SUP, who questioned whether he and the Obama administration have done enough to promote U.S.-flag shipping. They point to:

- Waivers of the Jones Act granted in 2011 that allowed foreign-flag ships to carry oil released from the Strategic Petroleum Reserve. (Waivers were also granted following Superstorm Sandy, and while the industry did not oppose them, some privately question whether they were needed.)

- A provision in the MAP-21 (the Highway Bill) transportation bill that eliminated a requirement to reduce the percentage of food aid that must be shipped on U.S.-flag ships from 75% to 50% and repealed a requirement that 25% of bagged or processed food aid be shipped through Great Lakes ports.

- A current proposal by the Obama administration to allow more food aid to be sourced overseas instead of being purchased in the United States and transported on U.S.-flag vessels. U.S.-flag shipping interests feel MarAd is not doing enough to advocate on behalf of carriers which stand to lose business as a result of the proposed "reforms".

Matsuda was sworn in as Maritime Administrator on June 25, 2010. He had been the Acting Maritime Administrator since being appointed Deputy Maritime Administrator by President Obama on July 28, 2009. He was an Acting Assistant Secretary for Transportation Policy from March 2009, until his appointment at MarAd. Prior to that, he spent seven years on Capitol Hill. While working in the U.S. Senate, he was senior counsel and primary transportation advisor to Senator Frank R. Lautenberg (R-New Jersey).

Senate passes harbor bill

The Water Resources Development Act, last approved in 2007, was passed on May 15, in the Senate by a vote of 83-14 with bipartisan support. It must be combined with similar legislation in the U.S. House and passed there before it can be signed into law.

A key component of the bill addresses the collection and use of the Harbor Maintenance Trust Fund, into which shippers pay a tax based on cargo value. The bill would require that more money collected into the fund –currently about $1.6 billion per year– is used for maintaining harbor depths, beginning with $1 billion in 2014 and increasing by $100 million through 2019. Roughly half the money collected into the fund, which has a $7 billion surplus, has been used to pay off federal debts.

The bill also has a provision that allows donor ports, those that pay more into the fund than they receive back for harbor maintenance, to use their excess contributions for incentive payments to shippers. The provision is geared toward U.S. West Coast ports as a way to reduce cargo diversion to Canada and Mexico, according to Senator Patty Murray (D-Washington).

AB Andy Facundo pauses by the sailing board of the APL Singapore in Oakland on April 26. Photo: Dave Connolly

Leadership change at MSC: Admiral Shannon relieves Admiral Buzby

Rear Admiral T.K. Shannon relieved Rear Admiral Mark Buzby as Commander, Military Sealift Command (MSC) during a change of command ceremony aboard the *USNS Spearhead*, on May 10, at Virgina Beach, Virginia.

Buzby, who assumed command of MSC October 16, 2009, ensured ready logistics support for carrier strike groups, expeditionary strike groups and ground force commanders operating forward every day.

While under Buzby's command, MSC ships delivered services, supplies and equipment to all branches of the U.S. military and their combatant commanders around the world, including support to Operations Iraqi Freedom, Enduring Freedom, Unified Response in Haiti (2010) and Tomodachi in Japan (2011).

He also led the command through a worldwide reorganization, "One MSC," that streamlined operations, eliminated duplication and improved efficiency –ultimately saving the Navy millions in personnel costs over the next 10 years.

Under his command, MSC supported the successful planning and conversion of *USS Ponce* to an interim afloat forward staging base in 2012 and accepted delivery of the remaining T-AKE class, a new missile range instrumentation vessel (*USNS Howard O. Lorenzen*) and the first-ever joint high-speed vessel (*USNS Spearhead*) on-time and on-budget.

"It's been an honor and privilege of a lifetime to serve as the Commander of MSC and represent his team of sailors, civilian mariners, and shore-based civil servants who are truly the lifeline of support for our Navy and military worldwide," said Buzby.

A graduate of Maine Maritime Academy, Shannon assumes command of MSC following his last tour of duty as the Commander of Carrier Strike Group One in San Diego. His at-sea assignments aboard *USS Jack Williams*, *USS Nicholson*, and *USS Boone*. His afloat staff duty includes chief staff officer in Destroyer Squadron 14 and Surface Operations Officer in Cruiser Destroyer Group 12. He was also commanding officer of *USS DeWert*, commanding officers of *USS Vicksburg* and air defense commander for the *John F. Kennedy* Battle Group.

Shannon took command of Carrier Strike Group One in November 2011 and led the strike group through a successful Western Pacific and Arabian Gulf deployment, during which the strike group supported coalition forces in Afghanistan in the 5th Fleet area of operations and participated in Exercise Malabar 2012 with the Indian Navy in the 7th Fleet AOR.

While under Shannon's command, CSG-1 also became the first strike group to participate in the Oceania Maritime Security Initiative, a maritime law enforcement operation within the Oceania's exclusive economic zone.

MSC operates approximately 110 non-combatant, civilian-crewed ships that replenish U.S. Navy ships, conduct specialized missions, strategically preposition combat cargo at sea around the world and move military cargo and supplies used by deployed U.S. forces and coalitions partners.

ESU Office Assignments

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

ESU NEWS

MAY 2013

Official Publication of the Exxon Seamen's Union

2012 ESU Financial statements

As per the Exxon Seamen's Union Constitution and By-Laws, one of the duties of the Vice-President/Treasurer is to have the Union's finances reviewed by a certified accountant. The following is a summary of the year-end 2012 Financial Statements prepared for the ESU by Ratlliff & Jentho, Certified Public Accountants in Baytown, Texas.

"We have reviewed the accompanying statement of assets, liabilities, and net assets –modified cash basis of the Exxon Seamen's Union (a non-profit organization) as of December 31, 2012, and the related statement of support, revenue and expenses– modified cash basis for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of the Exxon Seamen's Union.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with the modified cash basis of accounting, as described in Note 1."

NOTE 1–ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

Exxon Seamen's Union ("the Union") is a non-profit union organized on March 28, 1941. Its purpose is to bargain collectively and seek to attain harmonious relations with their employer, to render service to their fellow employees, to secure proper representation and to provide adequate administration under their Constitution.

In September 1999, the Union organized a lateral affiliation with the Sailor's Union of the Pacific in order to strengthen the bargaining position of its membership. The Union pays a per capita affiliation fee to the Sailor's Union of the Pacific in the amount of $5 per month. The Union is exempt from federal income tax as a labor union described in Section 501(c)(5) of the Internal Revenue Code.

Basis of Accounting

The Union's policy is to prepare its financial statements on the modified cash basis of accounting. Under this method, revenue is recognized when received rather than when earned, and expenses (other than depreciation) are recognized when cash is disbursed rather than when the obligation is incurred.

NOTE 2–FIXED ASSETS

Fixed assets are recorded at cost and depreciated over the estimated useful lives of the assets using straight-line and accelerated methods. Expenditures for repairs and maintenance are charged to expense as incurred.

Fixed assets consist of the following as December 31, 2012:

	Cost	ACCUMULATED DEPRECIATION	Net
Automobiles	$ 19,211.00	$ (19,211.00)	$0.00
Office Equipment	1,553.00	(1,288.00)	267.00
Furniture and Fixtures	563.00	(381.00)	182.00
Total	$ 21,327.00	$ (20,880.00)	$447.00

Depreciation charged to income was $1,421 in 2012.

NOTE 3 – LEASES

During the year ended December 31, 2012, the Union leased alternative office space in Pasadena, Texas. The office facility in Pasadena, Texas was leased on a thirteen month basis with the current lease expiring January 31, 2013. The lease requires monthly payments of approximately $435 including certain utility expenses, through January 31, 2013. Rental expense for the office facilities amounted to $5,647 for the year ended December 31, 2012. The Union renewed the lease under similar terms and conditions through July 28, 2014. The future lease payments for the office facilities including the 15 month renewal amount to $9,489 through July, 2014.

NOTE 4 – CONCENTRATION OF CREDIT RISKS

The Union maintains bank accounts at institutions insured by the Federal Deposit Insurance Corporation ("FDIC"). As of December 31, 2012, the carrying amount of the organizations bank balance was $163,344. The bank balance was covered by $163,344 of FDIC insurance.

EXXON SEAMEN'S UNION Statement of Assets, Liabilities and Net Assets as of December 31, 2011:

Current Assets	Cash	$163,344.00
	Fixed Assets	$ 547.00
	Total	$164,291.00
Liabilities	Credit Card	$1,251.00
Total Net Assets Less Liabilities		$ 164,291.00

Every vessel will have a hard copy of the full report in June 2013, if you would like to review it, please ask your Ship Representative to make it available to you and if you have any questions, please feel free to call Vice President/Treasurer Leo DeCastro at the ESU office.

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

Contract Corner-Tank cleaning on deck off watch

When unlicensed employees are engaged in tank cleaning operations on deck off watch they shall be paid at the off watch tank cleaning rates. In 2005 contract negotiations the Company agreed to retain the premium pay code for tank cleaning on deck off watch as stipulated in the Contract Memorandum of Understanding.

In 2002 contract negotiations, tank cleaning on deck on watch monies were rolled into base pay for all ratings but the off watch on deck tank cleaning monies were not included. Through the grievance process and subsequently contract negotiations in 2005, the 454 OT code for this premium T/C work was restored. Members of the unlicensed crew will be eligible for this rate of pay when they:

(a)Enter fuel tanks, cargo tanks or water tanks and clean same

(b)Enter pump room bilges or engine room bilges and clean same

(c)Are engaged in the removal of sludge, either on deck or in the tanks, in the pump room bilges or engine room bilges, or;

(d)Are engaged in handling sludge drums while tank cleaning is being done.

(e)Are required to tank wash or to shift tank-cleaning equipment.

Tank Washing is defined as the actual line up of tank cleaning systems, including piping heaters and pump, tank cleaning operation and securing of tank cleaning systems. Shifting Tank Cleaning Equipment is defined as physically moving of tank cleaning equipment in preparation, during or after completion of tank cleaning.

Liberty Bay Ship Rep. position

The ESU Board will go ahead and add the *Liberty Bay* ESU Ship Representative to the list of Union positions that are up for election this October. This vessel is scheduled to enter service for SeaRiver Maritime in the spring of 2014 and it was decided to add this position to the ballot in order to avoid the costs of holding a special election next spring. The *Eagle Bay*, her sister ship, will enter service late next year and the election for that position will be scheduled to coincide with the 2014 ESU officers election.

As was mention in an earlier ESU NEWS edition, positions up for election this October are as follows: Vice President/Treasurer, Deck, Engine, Steward's Department Trustees and the Ship Representative on the *S/R American Progress*. If you are interested in running for a position please submit a "Candidate Intent Form" (CIF) for that particular office no later than October 1. Candidate Intent Forms are available from you Ship Representative or by contacting the ESU office.

To be eligible for an Executive Board position including Trustee, a candidate must be a member in good standing and have at least two years of continuous service with the company. Candidates must also be a qualified driver possessing a valid driver's license and have been a member of the ESU for at least one year.

A complete list of all the election requirements can be found in Article V of the ESU Constitution and Bylaws. The term for all the positions up for election this year will run through December 31, 2016.

Ship reports

S/R American Progress

ESU Board officer John Straley visited the *Progress* on May 9 while the vessel was at the Chevron Long Wharf in Richmond, CA. Ship Representative Mike Harrison departed for paid leave and Danny Breaux is filling in as Rep. Recent noise grievance while the vessel was completing minor repairs in Port Angeles, WA was addressed and resolved aboard ship by the ESU Ship Rep. Looks like the ship will make a couple of more trips to the San Francisco bay for cargo delivery.

Kodiak

Following a three week trans-Pacific crossing, the vessel arrived in Singapore for major shipyard work at the end of April. Ship Rep. Joe Butler aboard and reports everything is going well despite the scope of repair work and normal shipyard conditions. The crew is currently lodged ashore and will move back aboard ship towards the end of repair period. The *Kodiak* will depart Singapore for Valdez in early June to reenter normal ANS service.

Sierra

The vessel completed a split discharge in the San Francisco Bay between Chevron Richmond and Valero Benicia during the latter part of May. The next trip south is also scheduled for San Francisco. Regular Ship Rep. Thor Floreen reports all is going well aboard ship with no real beefs.

EXXON SEAMEN'S UNION

Founded March 28, 1941

Affiliated with the Sailors' Union of the Pacific

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SUMMARY ANNUAL REPORT FOR SUP WELFARE PLAN, INC.

This is a summary of the annual report of the SUP Welfare Plan, Inc., EIN 94-1243666, for the year ended July 31, 2012. The annual report has been filed with the Department of Labor, as required under the Employee Retirement Income Security Act of 1974 (ERISA).

The Board of Trustees of SUP Welfare Plan, Inc. has committed itself to pay certain medical, dental and death claims incurred under the terms of the plan.

Insurance Information

The plan has contracts with Health Net, Kaiser Foundation Health Plan of the Northwest, Kaiser Foundation Health Plan of Hawaii, Kaiser Foundation Health Plan, Inc., Dental Health Services of Washington, Group Health Cooperative, BlueCross BlueShield of Louisiana, Guaranty Assurance Company, Delta Dental of California, UnitedHealthcare Insurance Company and The United States Life Insurance Company in the City of New York to pay certain medical, dental, and death claims incurred under the terms of the plan. The total premiums paid for the plan year ending July 31, 2012 were $4,920,536.

Basic Financial Statement

The value of plan assets, after subtracting liabilities of the plan, was $14,578,566 as of July 31, 2012, compared to $14,428,002 as of August 1, 2011. During the plan year, the plan experienced an increase in its net assets of $150,564. This increase includes unrealized appreciation or depreciation in the value of plan assets; that is, the difference between the value of the plan's assets at the end of the year and the value of the assets at the beginning of the year or the cost of assets acquired during the year. During the plan year, the plan had total income of $7,316,911, including employer contributions of $6,650,652, employee contributions of $62,197, realized losses of $162,479 from the sale of assets, earnings from investments of $762,943, and other income of $3,598.

Plan expenses were $7,166,347. These expenses included $814,112 in administrative expenses and $6,352,235 in benefits paid to participants and beneficiaries.

Your Rights to Additional Information

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

1. An accountant's report;
2. Financial information and information on payments to service providers;
3. Assets held for investment;
4. Transactions in excess of 5% of plan assets; and
5. Insurance information including sales commissions paid by insurance carriers.

To obtain a copy of the full annual report, or any part thereof, write or call the office of SUP Welfare Plan, Inc., who is the plan administrator, at 730 Harrison Street, Suite 415, San Francisco, CA 94107, telephone (415) 778-5490. The charge to cover copying costs will be $28.25 for the full report, or $.25 per page for any part thereof.

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

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

Editor's Note: To receive the *West Coast Sailors* via first-class mail it's $25 per year U.S. mail; $45 per year international.

Welfare Notes

May 2013

Dependent Coverage

Dependents must be added to your health plan enrollment within 30 days of acquiring the dependent by marriage, birth, or adoption. Dependents who are not added within 30 days of becoming dependents can only be added during the Plan's open enrollment period. An exception is made for dependents who lose their coverage through another plan such as a spouse losing coverage through their employer.

If you need help completing forms, please contact the SUP Welfare Plan office. Be sure to respond to mail, e-mail, or telephone inquiries from the SUP Welfare Plan office that are needed to complete enrollments.

Also check to make sure you have ID cards for your Plan coverage. Most medical plans have individual ID cards for all covered Members and dependents. Many of the dental plans issue only one ID card for the family, but do have all dependents listed in their records.

Reimbursement for Vision Care

The vision care benefit for active participants is allowed once in a two year period. The $200.00 maximum includes the exam and glasses. The cost of tints is not included in the reimbursable amount. The vision benefit is for members only and does not include dependents. An itemized bill must be submitted to the Plan office within 90 days of the service. The bill must indicate the patient's name, date of service, and an itemization of the charges.

The vision care allowance for pensioners is included in the $500.00 maximum of the Pensioners Annual Allowance for medical, dental, and vision co-payments. Glasses are an allowable expense once in a fiscal year.

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Phone Numbers: 415-778-5490 or 1-800-796-8003 Fax: 415-778-5495
SIU-PD Pension 415-764-4987 & SIU-PD Supplemental Benefits 415-764-4991
Seafarers Medical Center 415-392-3611

SUMMARY ANNUAL REPORT FOR ANDREW FURUSETH SCHOOL OF SEAMANSHIP TRAINING PLAN

This is a summary of the annual report of the Andrew Furuseth School of Seamanship Training Plan, EIN 30-0162507, for the year ended July 31, 2012. The annual report has been filed with the Employee Benefits Security Administration, as required under the Employee Retirement Income Security Act of 1974 (ERISA).

Basic Financial Statement

The value of plan assets, after subtracting liabilities of the plan, was $732,664 as of July 31, 2012, compared to $772,347 as of August 1, 2011. During the plan year, the plan experienced a decrease in its net assets of $39,683. The plan had total income of $503,025 including employer contributions of $388,206, earnings from investments of $1,657 and other income of $113,162.

Plan expenses were $542,708. These expenses included $87,060 in administrative expenses and $455,648 in benefits paid to or for participants.

Your Rights to Additional Information

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

1. An accountant's report;
2. Financial information and information on payments to service providers; and
3. Assets held for investment.

To obtain a copy of the full annual report, or any part thereof, write or call the office of Andrew Furuseth School of Seamanship Training Plan, 730 Harrison Street, Suite 415, San Francisco, CA 94107, and telephone (415) 778-5490. The charge to cover copying costs will be $1.75 for the full annual report, or $.25 per page for any part thereof.

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

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Twinkie's new owners plan to shun Union labor

The company that bought the Twinkie, HoHo and Ding Dong brands out of bankruptcy is gearing up to reopen plants and hire workers, but it won't be using Union labor.

Hostess Brands LLC, Metropoulos & Co. and Apollo Global Management, LLC's new incarnation of the baking company that liquidated in Chapter 11– is reopening four bakeries in the next eight to 10 weeks, aiming to get Twinkie-deprived consumers the classic snack starting in July.

Chief Executive C. Dean Metropoulos said the company will pump $60 million in capital investments into the plants between now and September and aims to hire at least 1,500 workers. But they won't be represented by Unions, including the one whose strike sparked the 86-year-old company's decision to shut down in November.

"We do not expect to be involved in the Union going forward," Metropoulos said.

Hostess Brands Inc., the company that filed for bankruptcy protection in January 2012, and eventually sold off its brands and plants to several buyers, was once powered by 19,000 workers, 15,000 of whom were represented by Unions. The company's largest Union, the Teamsters, had agreed to a new labor contract. But the second largest, the Bakery, Confectionery, Tobacco Workers & Grain Millers International Union, launched a work stoppage after the company imposed new labor terms.

In February, before the $410 million sale to Metropoulos and Apollo was finalized, the bakers Union's President, David Durkee, expressed confidence that his thousands of out-of-work members would find opportunity at the Hostess facilities once the new owners reopened them. He said the only way for the brands to have a "seamless restart" would be to hire back Unionized bakers. "Only our members know how to get that equipment running," he said.

But Metropoulos and his son, Daren, the co-CEO of Pabst Brewing Co. who is also heading up the reborn Hostess' marketing strategy, expressed confidence they would be able to find skilled, non-Union workers near the four plants, which are in areas of high unemployment.

The new Hostess is firing up plants in Columbus, Georgia; Emporia, Kansas; Schiller Park, Illinois; and Indianapolis, Indiana. It also is considering whether to reopen a fifth plant it purchased, in Los Angeles. Previously, the Hostess products that Metropoulos and Apollo bought were made at 11 plants, but the elder Metropoulos said those plants were running at less than 50% capacity under the old model. The new Hostess plants will run at 85% to 90% capacity, making the business "as efficient as possible," he said. The new company expects total capacity to be back to where it was before Hostess' shutdown in September.

The new Hostess plans to use third-party drivers and an outside sales organization. It will also switch distribution models, delivering Hostess Twinkies and Cup Cakes directly to supermarket warehouses instead of individual locations.

Thomas Allegretti takes helm as Chairman of American Maritime Partnership

The American Maritime Partnership (AMP) announced the election of Thomas Allegretti as its new Chairman. Allegretti is President & CEO of The American Waterways Operators. He succeeds James Henry, Chairman and President of the Transportation Institute. Henry will now serve as AMP's Vice Chairman.

"It is an honor to serve AMP in this new capacity. The organization is evolving, growing and improving, a path set forth by my predecessor, Jim Henry," said Allegretti. "I hope to build upon Jim's efforts to promote the domestic maritime industry, its significant economic and national security benefits, and the importance of the Jones Act as the critical foundation that supports the industry's essential work."

As AMP Chairman, Allegretti leads the most broad-based coalition ever assembled to represent the domestic maritime industry. Its 450-plus members span the country and its territories and include vessel owners and operators, shipbuilders and repair yards, dredging and marine construction contractors, trade associations, pro-defense groups, and more. The Sailors' Union is a member of the AMP.

These diverse but allied interests all recognize that a strong domestic maritime industry is critical for America's economic, national, and homeland security, and is best supported by maintaining the Jones Act as the basis of America's domestic maritime policy.

American Maritime Partnership (AMP) is the voice of the U.S. domestic maritime industry, a pillar of our nation's economic, national, and homeland security. More than 40,000 American vessels built in American shipyards, crewed by American mariners, and owned by American companies, ply our waters 24/7, and this commerce sustains nearly 500,000 jobs, $29 billion in labor compensation, and more than $100 billion in annual economic output according to a study by PricewaterhouseCoopers for the Transportation Institute. So efficient are these vessels that they carry a quarter of the nation's cargo for only 2% of the national freight bill, and being American owned, built and crewed helps make America more secure.

Nautical terms in everyday speech

Knock Off ... (to stop instantly)

According to old nautical dictionaries, this expression was once a standard order aboard sailing ships and is still commonly used at sea today. It stems from when galleys used to be rowed to the rhythm of a mallet striking a wooden block. When the knocking stopped, it was a signal to stop rowing and rest. In *Two Years Before the Mast*, Richard Henry Dana used the expression in its colloquial form: "after we had knocked off work and cleaned up the decks for the night."

SUP Delegate Bert Genita (right) along with Relief Chief Steward Petey Schutz at breakfast aboard the Mahimahi after arrival in Oakland on April 17. Photo: Dave Connolly

Important TWIC information

Since August 30, 2012, if you hold a TWIC that expires on or before December 31, 2014 and you are a U.S. citizen or U.S. national you will be able to replace your expiring TWIC with a 3-year Extended Expiration Date (EED) TWIC. The EED TWIC is a one-time temporary extension intended to provide convenience and cost-savings to workers.

The EED TWIC has a reduced cost of $60 and requires only one visit to an enrollment center. This guidance provides direction on the eligibility and application process for an EED TWIC.

Eligibility:

You are eligible to obtain a 3-year EED TWIC if you meet the following:

1) They are a U.S. Citizen or U.S. National AND

2) Their current TWIC is valid and not revoked AND

3) Their current TWIC expires on or before December 31, 2014.

As long as an individual maintains eligibility, he/she can obtain a 3-year EED TWIC prior to the expiration of their current TWIC before December 31, 2014.

TWIC holders who are not U.S. citizens or U.S. nationals are required to enroll for a standard 5-year replacement upon expiration of their current TWIC.

Application Process:

Call the TSA TWIC Help Desk (1-866-347-8942, Mon–Fri, 8AM to 10PM Eastern) to begin the application process and to confirm eligibility.

Once the EED TWIC arrives at the enrollment center specified by the individual, the individual will be notified for pick up and activation of their three year EED TWIC.

The original TWIC shall be turned in at the enrollment center at the time of the activation of the new EED TWIC.

The new EED TWIC will have an expiration date three years from the original expiration date, regardless of when application for the EED is made.

More information on the EED TWIC, location of enrollment center, and related materials may be found at www.tsa.gov/twic

Italian prosecutors reject *Costa Concordia* plea bargain offer for vessel's master

Prosecutors in Italy have rejected a plea bargain offer by the captain of the cruise ship *Costa Concordia*, which capsized off Italy's west coast last year resulting in 32 deaths. Captain Francesco Schettino is accused of manslaughter, causing a shipwreck and abandoning ship. He has admitted making mistakes but says he should not be the only one blamed for the disaster.

State prosecutors have accepted plea bargains for five other officials, including four ship's officers and the crisis coordinator of hte vessel's owners, Costa Cruises, a subsidiary of Carnival Cruises.

The prosecutors said they had rejected Schettino's offer to serve three years and four months in prison because he bore the most responsibility for the disaster while the other officers had played a "marginal" role, they said.

The *Costa Concordia* went aground off the island of Giglio in January last year after it struck rocks off the coast of the island during a maneuver which brought the doomed vessel close to the shore. The accident triggered a chaotic night-time evacuation of more than 4,000 passengers and crew from the ship, which is still lying on its side on a rock shelf just outside the port.

"It must be reiterated that the accused Schettino almost exclusively carries the weight for the striking chain of errors committed," the Grosetto state prosecutor's office said in a statement.

Schettino's lawyer Francesco Pepe told reporters that they had always intended to fight the case at trial and had only entered the plea bargain because the five other defendants had done so, leaving the captain isolated as potentially the sole defendant on trial.

The presiding judge is expected to rule on whether or not to approve the plea bargains for the other five by the end of the month.

SUP President's Report

May 13, 2013

MARITIME INDUSTRY CONGRESSIONAL "SAIL-IN"

The maritime industry's seagoing Unions, U.S.-flag companies and industry associations, came out in force in Washington, D.C. on May 8, to increase Capitol Hill awareness of the importance of the maritime industry to the economic and national security of the United States, and to generate support for the programs and policies that are key to the survival and growth of the U.S. Merchant Marine and the jobs of American merchant mariners.

The fourth annual "Sail-In" was organized by the United States Maritime Coalition, which the Sailors' Union is a member.

In addition to the Jones Act and the Maritime Security Program, the primary focus of the 134 "Sail-In" participants was the Obama Administration's misguided budget proposal for fiscal year 2014 to gut the Food for Peace program by sending cash to hungry nations instead of food transported in U.S.-flag ships. The participants called on 157 members of Congress and/or staff –104 members of the House of Representatives and 53 members of the Senate.

Your secretary, along with MFOW President Anthony Poplawski, MM&P Inland Vice President Mike Murray, Matson Senior Vice President for Labor Relations & Vessel Operations Jack Sullivan and Steve Wines of the Maritime Institute for Research and Industrial Development met with the following: The staff of Senator Mark Begich (D-Alaska), the staff of Senator Tom Carper (D-Delaware), the staff of Senator Patty Murray (D-Washington), Senator Mazie Hirono (D-Hawai'i) and her staff, the staff of Senator Barbara Boxer (D-California), the staff of Senator Dianne Feinstein (D-California), and Senator Maria Cantwell (D-Washington) and her staff. All of the senators visited serve on committees that have jurisdiction over agriculture, appropriations, armed services, the budget and the merchant marine.

Support for the Jones Act and the Maritime Security Program was unequivocal. Support for Food for Peace in light of a Democratic president's budget proposal was somewhat problematic. The majority were in support of the program, but some need more convincing.

The SUP is committed to working with others to ensure that Food for Peace and the seagoing jobs it generates survives.

NEGOTIATIONS

San Francisco Bar Pilots

As reported last month, the collective bargaining agreements between the SUP and the San Francisco Bar Pilots covering Marine Personnel and Dispatchers expire at midnight on June 30.

By mutual agreement the parties have scheduled the following dates for negotiations: June 4, June 6, June 7, June 10 and June 11. The SUP Negotiating Committee shall be comprised of those interested members employed by the Pilots, as per past practice.

Matson Navigation Company

In accordance with Article XVII of the SUP Constitution, a Negotiating Committee shall be elected at today's Headquarters meeting to bargain with Matson. The Committee will turn-to on Wednesday, May 15, to review General Rules and Work Rules proposals submitted by the membership in preparation to caucusing with the MFOW and SIU-Marine Cooks Negotiating Committees to formulate General Rules proposals.

Matson was notified by the Unions last month of the intent to bargain prior to the midnight June 30 expiration date of the 2008-2013 collective bargaining agreement. By separate letter the SUP notified Matson of its desire to amend the Maintenance and Extra Maintenance Agreements. The company responded to both communications on April 29.

On May 3, the Unions and the company agreed on the following dates for bargaining at SUP Headquarters: June 13, 14, 16, 17, 22, 23, 24, 25, 26, 28 29 and 30.

APL MARINE SERVICES

On April 15, the Union was informed by APL Maritime CEO Erik Mensing that the company will scrap the four C-10 class vessels (*Presidents Adams, Jackson, Polk, Truman*) currently operating in the company's Suez Express Service. Mensing stated that the "market place has been under extreme pressure with the wind-down of military operations in both Iraq and Afghanistan. In addition, the U.S. and world economies have been in various levels of recession and have been slow to recover. As a result cargo volumes and rates have been depressed."

Mensing added that "the C-10s are our oldest ships (all built in 1988) and have aged out as far as being efficient and cost effective to operation." It should be noted that the four vessels are not enrolled in the Maritime Security Program.

The vessels will lay up in Singapore prior to being scrapped. The layup dates are as follows: *President Adams*, June 5; *President Polk*, July 3; *President Jackson*, July 17; and *President Truman* on July 24.

APL plans to maintain an East Coast/Asia service (the AZX service) using a string of four U.S.-flag vessels enrolled in the Maritime Security Program: *APL Agate, APL Coral, APL Cyprine, APL Pearl* plus the *APL Belgium* and five G6 Alliance foreign-flag vessels. The G6 Alliance is comprised of APL, Hapag-Lloyd, Hyundai Merchant Marine, Mitsui O.S.K. Line (MOL), Nippon Yusen Kaisha (NYK) and Orient Overseas Container Line.

The company originally planned to use the U.S.-flag *APL Japan* in the new service, but opted to bring in the *APL Belgium* which was built in 2002 and can carry 5,500 TEUs. The *APL Japan* will be flagged foreign upon arrival in Singapore on or about May 26, while the *APL Belgium* will be flagged to U.S. registry (non-MSP) in late July, with the SUP onboard.

The East Coast/Asia (AZX) service 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, Galgiari, Halifax, Noval Scotia (Canada) and New York. The company projects the run will be approximately 70 days from New York to New York.

When the *APL Belgium* is reflagged, APL will be operating five ships in the Atlantic (*Agate, Coral, Cyprine, Pearl* and *Belgium*) and five in the Pacific (*APL China, APL Korea, APL Philippines, APL Singapore* and *APL Thailand*).

MARITIME ADMINISTRATION

Last month seagoing maritime labor received an update via teleconference on the federal government sequestration and its impact on the Ready Reserve Fleet (RRF) and the Maritime Security Program (MSP) from Deputy Maritime Administrator Paul "Chip" Jaenichen.

The sequestration or sequester refers to budget cuts to particular categories of federal spending that began on March 1, 2013, as an austerity fiscal policy. The cuts are the result of the failure of White House and the Republican-controlled House of Representatives to reach an agreement on spending and the federal deficit. The reductions are approximately $85.4 billion during fiscal year 2013 (October 1, 2012 through September 30, 2013) with similar cuts for fiscal years 2014 through 2021. The cuts are split evenly (by dollar amounts) between defense and non-defense categories, with the exception of Social Security, Medicaid, federal pay and veteran's benefits which are exempt.

For fiscal year 2013 funding for the RRF will not be impacted. This is important as SUP-contracted Patriot Contract Services operates and maintains the RRF vessels *Admiral Callaghan, Cape Henry* and *Cape Orlando*. However, fiscal year 2014 is more uncertain as the Maritime Administration may be forced to operate the RRF with $49.7 million less than the previous year which could result in lay berth locations being consolidated and the number of vessels maintained in Reduced Operating Status decreased.

MSP funds for the balance of fiscal year 2013 will be short $19 million. Full monthly payments will be made to operators of the 60 vessels enrolled in MSP through July. But funding will be reduced by 25% in August with no payments made in September. This is a dangerous situation for, as the membership is aware, under MSP an operator such as SUP-contracted APL which operates nine MSP-enrolled vessels, can reflag their vessels foreign if payments are not received.

There is strong bipartisan support for MSP in Congress with House Armed Services Committee Chairman Howard "Buck" McKeon (R-California) and Ranking Member Adam Smith (D-Washington) urging their colleagues to fully fund ($186 million) for fiscal year 2014. The Department of Defense is a strong supporter and advocate for MSP so it is likely, but not guaranteed, that the program will survive intact.

The only real solution is for the factions in Washington to come to an agreement to end sequestration which at present does not seem likely.

Last month the Maritime Administration notified the Union that it has scheduled a simulated Breakout 2013 exercise plan for June.

The Command Post Table Top Exercises that began in 2000 are designed to test the procedures and coordination necessary for a complete activation of MarAd's Ready Reserve Force to meet strategic sealift requirements. According to the agency, periodic testing is necessary in view of the dynamics that affect the RRF program which include changes in composition, readiness status, ship locations and seafaring manpower base.

Members on the beach between June 5 though 14, who are Fit for Duty, are urged to contact SUP officers to sign up for this exercise. Members "dispatched" for the exercise could be called by MarAd for verification. For the Union to fulfill its obligations, membership participation is necessary.

HOLIDAYS

All SUP halls will be closed on Monday, May 27, in observance of Memorial Day, a holiday under all SUP contracts.

All SUP halls will also be closed on Tuesday, June 11, in observance of Kamehameha Day. In accordance with the Matson Agreement, Kamehameha Day is a paid holiday for all company vessels (except the Moku Pahu) at sea or in port and all members employed under the Maintenance and Extra Maintenance Agreements. If the Moku Pahu is in an Hawai'i port, the holiday is observed as per the ILWU Local 142 Agreement.

ACTION TAKEN

Nominated and elected to the Matson Negotiating Committee: Paul Fuentes, Izzy Idris, Noel Itsumaru, Sam Scott, Arthur Thanash, and Mike Worth. M/S; carried unanimously.

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

Gunnar Lundeberg

"To the spread of our trade in peace and the defense of our flag in war a great and prosperous merchant marine is indispensable. We should have ships of our own and seamen of our own to convey our goods to neutral markets, and in case of need, to reinforce our battle line."

President Theodore Roosevelt,
Last Annual Message to Congress
1908

American Farm Bureau Federation:

Let's keep the food in Food Aid

By Bob Stallman, a rice farmer and cattle rancher from Texas, is President of the American Farm Bureau Federation

Recently, a member of the American Farm Bureau Federation staff was interviewed on the subject of proposed changes to U.S. international food aid. The question was whether the United States should shift food aid donations to cash instead of American-grown food.

Like most interviews, this one went on for 15 to 20 minutes. The result was one pieced-together quote:

"Exports via food aid are a small drop in the market. Our concern is less about decreasing an important revenue stream for U.S. agriculture. It's more about the loss of a sense of pride."

Once the article ran, some organizations pounced, effectively charging: How could American agriculture, solely out of pride, take food out of the mouths of 2-4 million people?

Facts do suffer when skewed through the prism of agenda-driven politics. Not that long ago, a fact sheet posted by USAID (the United States Agency for International Development) reported that cash or voucher humanitarian relief systems and programs are more expensive than those using U.S.-procured commodities. Interestingly, now that President Barack Obama has proposed using cash in lieu of commodities, USAID's website, updated in late April, now says just the opposite.

There have been times when those programs accounted for a significant percentage of our exports. But that is simply not the case today.

In one breath, critics claim the Food for Peace program currently accounts for "less than two-tenths of 1 percent of U.S. agricultural production and about one-half of 1 percent of U.S. agricultural exports." Then, in the very next breath, they claim this program dealing with "less than one-half of 1 percent" of our exports is driving "Big Ag" to come out with "guns blazing." Their emotional response ignores a logical analysis of their own statements, and frankly gives Farm Bureau more credit than is due.

We will claim some credit for our nation's long-standing success in helping those in need around the world. The very origin of the Food for Peace program can be traced to a September 1953 meeting of the Cheyenne County (Kansas) Farm Bureau. A young farmer named Peter O'Brien put into motion a grassroots idea that made its way through our policy development process, from Kansas to AFBF and then as legislation introduced by Sen. Andy Schoeppel (R-Kan.) that was signed into law by President Dwight D. Eisenhower in 1954.

If critics of Farm Bureau's policy on food aid ask whether we are proud of our role in this program, the answer is an unequivocal, "You bet we are." Are America's farmers and ranchers proud of our contribution to feeding multi-millions of people around the world, thanks to a Farm Bureau idea? Again, "You bet." Would we rather see crops produced here in the United States being used in these kinds of aid programs? Yes!

The problem with switching to cash donations is that cash too easily can be used for purposes other than feeding people. Food can only be useful going into someone's stomach. Shipping a cargo load of food, rather than the money to buy food (if it is available), is the best and most secure way to ensure that taxpayer-funded international food assistance actually makes it to hungry people overseas. Without that certainty, the full impact of our nation's donations could be easily slashed by administrative costs assessed by cooperating entities, or worse, siphoned off by inept or corrupt governments in recipient nations. That is why several international food aid organizations also oppose switching to cash donations.

Giving people sacks of food with "USA" on them is good international relations. Seeing those "USA"-labeled food donations in news photos does make a difference!

Our food aid program has excelled for nearly 60 years because it is built on the ability of America's farm and ranch families to produce an abundant supply of food.

At a time when even hunger assistance comes into question due to our nation's fiscal condition, it is vital to support efforts that clearly give our tax dollars more bang for the buck, and more certainty that our food aid will reach those in need.

To date, we have not taken a strong position on this issue, known in Washington as "cash in lieu of commodities." We have listened to both sides. The recent misrepresentation of Farm Bureau's motives now gives us the opportunity to go on record and stand boldly with many other farm groups and enlightened humanitarian non-governmental organizations in working to keep U.S.-produced food a part of the food aid program.

Our current approach to helping feed the world successfully ensures that we share our nation's bounty. Those who would rather just have American taxpayers write another check to pay for uncertain results should focus on how to feed more hungry people, rather than criticize the organization that helped start Food for Peace or malign the farmers and ranchers whose work makes our food donations possible.

Drug ring torpedoed

French police said officers have smashed a drug ring that used a torpedo-shaped cylinder attached to the underside of a tanker to smuggle cocaine from Colombia to Europe. Police in Nice said, in late April, that they had been able to tip off their Dutch colleagues that three French divers were preparing to recover the cylinder, which was attached to the underside of the 29,458dwt product tanker *Laguna D*, which had arrived in Rotterdam from Colombia. The three were arrested as Dutch customs divers recovered the cylinder, which was found to contain more than 100kg of cocaine worth an estimated $4.5 million.

At least three other people were arrested in southern France and Corsica and charged with drug trafficking. Police also said they found arms and drug processing equipment at their homes.

Vice President's Report

May 2013

APL Japan: Roger Berioso, delegate. Aaron Weibe, bosun. Re-flagging in Singapore at press time. All APL sailors are hungry for information on C-10 scrapping and new deployments. President Truman will be the last to go in mid-July. Reconfigured 70 day round-trip AZX service to call most of the same ports plus Cagliari in Italy, Laem Chabang in Thailand, and Halifax in Canada. See President's report. Clarification on severance: there is none. Clarification on extended medical eligibility: not available at this time. Clarification on payment of wages for the period of dispatch beyond re-flagging: not payable. Turning over an American ship to a foreign flag is an unwelcome task but it happens from time to time and comes with the job. We evaluate all the options and do not passively accept job loss. Members should remember, however, that in recent years we've participated in five re-flags to our favor. Also, the *APL Belgium* will be later this year flagged to the stars and stripes with an SUP crew onboard. Section 26 on Layoffs not applicable in re-flagging situations where ship is not laid up. Collected two days travel pay. Gang turned over the ship clean and in good working order—SUP style.

Mahimahi: Bert Genita, delegate. In at Oakland twice. Discussion on replacement of winch brake bands and electrical reel cover. Problem on call-out procedure resolved.

Moku Pahu: Mike Thomsen, delegate. Clarification on supplemental benefits—10 for 30 on this ship. Assisted in logistics for sailor injured on the ship in Portland.

Florida Voyager: Jonah Cross, delegate. In at Richmond with no problems. Scott Oliphant is the bosun. Headed to a Singapore yard next month. May return to the HERO run (Hawaii, El Segundo, Richmond optimization) formerly referred to as the triangle run.

California Voyager: David Fadoul relieved by Joe Cox as delegate with Paul Seager, bosun. In a shipyard watches should rotate on an alternating hour for hour basis as laid out in Article XI, Section D 4(e) but the bosun worked it out without a problem. Sailing at press time for the Panama Canal and Richmond, California.

APL Agate: Joe Carson, delegate. Clarification on spray painting and gangway watchstanding.

Kauai: Greg Schauf, delegate. In at Oakland after a short layup. Some storing issues but crew giving it time to get resolved. Robert Jones has things squared away as the bosun.

President Adams: Marcos Gil, delegate. Clarification on training and layup shipping rules.

APL Coral: Cody Clark, delegate. Laid up in Chinese yard. Clarification on rigging cargo lights and watchstander overtime. Collected a day's pay for the travel day and fixed an allotment problem.

APL Singapore: Liam Casement, delegate. In at Oakland with no beefs but later clarification by email on steward stores,

APL Pearl: Bill Remoto, delegate. In at Port Elizabeth, New Jersey with minor problems handled by MFOW Vice-President Bill O'Brien. Retaliatory shore leave restriction a contract violation.

Dave Connolly

SUP at Foss Maritime

With Mt. Tamalpais in the background, Foss tankermen Mike Higa, Tom Tynan, and Harold Presswood debrief after a meeting aboard Barge One at the Foss Home Dock in Richmond, California, on April 23. Photo: Dave Connolly

SUP Branch Reports

Seattle

April 15, 2013

Shipping for the period: 3 Boatswains shipped and filled with 2 A-cards and one B-card to USNS Bottom. 12 Able Seaman billets shipped and filled by 2 A-cards and 10 B-cards, 1 Ordinary Seaman and 1 STOS shipped and filled with 2 registrants. 15 Stand-bys filled with 3 A's, 4 B's, 1 C, 6 D's and 1 MFU member.

Registered during the period: 5 A cards for a total of 19; 15 B cards for a total of 24; and 2 C cards for a total of 5.

Ships Checked

Matson vessels *MV Manoa* and *SS Kauai* called twice in Seattle with the *Kauai* laying-up for two weeks as the *SS Maui* activates for a trip to the shipyard. The *Moku Pahu* called in the Columbia River and we shipped an Able Seaman for an unexpected billet. The *President Truman, President Jackson* and *APL Japan* called in New Jersey and we shipped SUP/MFU crew replacements. The *USNS Martin* and *USNS Shugart* called for SUP/MFU replacements.

I represented the SUP at the following meetings. The Puget Sound Ports Council, Maritime Trades Department AFL-CIO meeting.

I have been out of the office over the last three weeks of March. During that time SUP member Rhonda Benoit volunteered to perform the day to day operations and dispatching of SUP/MFOW jobs while I was gone. Sister Benoit did an excellent job immediately reaching out to both SUP and MFOW Headquarters and company offices on any matter brought before her. On behalf of both the SUP and MFOW Seattle memberships we offer Rhonda a hearty thank-you for taking the Con.

Vince O'Halloran, Branch Agent

ATTEND YOUR UNION MEETINGS!

Wilmington

April 15, 2013

Shipping during the period: Bosun: 3, AB: 7, AB Maint: 3, STOS: 1, standby: 41 for a total of 57 jobs shipped.

Registration: A: 34, B: 38, C: 12, and D: 5.

Ships checked

APL Philippines, Mahimahi, R.J. Pfeiffer, APL Singapore, Mokihana, Manukai, Mahimahi, Manulani, APL Korea, Mokihana, Maunawili (serving too many leftovers).

On March 18, I attended MFOW member Ben Godwins' Celebration of Life with MFOW Port Agent Bob Bugarin. He was a good man and will be missed.

On March 19, met with Joe Marusak's family on the *APL Philippines*. Expressed our condolences, gave them the card from the hall, and money collected from the ship's gang. Bosun Dave Sylstra said a few words about Joe. On March 22, the *APL China* dropped off a life ring 19 hours out of *Yokohama* where Joe was lost at sea.

On April 4, received a call from *APL Pearl* Delegate Joe Eckert. He reported four Chinese shipyard workers were killed when a shipyard gangway fell.

On April 11, attended MTD meeting. Dan Duncan, Executive Secretary Treasurer of the MTD, gave us a good run down of today's merchant marine in politics. He stressed we need to keep the Food for Peace Program as it is for the survival of our USMM Fleet. He said that he would send form letters for us to sign and send to our congressional representatives.

On April 13, attended Deborah Lords' funeral. She was a passionate Union sister of the United Steelworkers, who died too young at 57.

We had been looking for Joe Marusak's car all over the Harbor area. Glad to report that Joe's sister and brother finally found it.

Mark Hurley
Branch Agent

Honolulu

April 15, 2013

Shipped the following jobs in the month of April: 1 Bosun steady, 1 Bosun relief, 1 AB Day steady, 1 AB Day relief, 1 AB Day return, 3 AB Watch steady, and 3 AB Maint. steady. The shipping jobs were filled by 7 A cards and 4 B cards. Also shipped 9 standby jobs. The standby jobs were filled by 2 A cards, 4 B cards, and 3 C cards.

Registered in April: 10 A cards, 8 B cards, and 2 C cards. To date totaled registered: 12 A cards, 10 B cards, 8 C cards and 2 D cards.

Ships checked

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

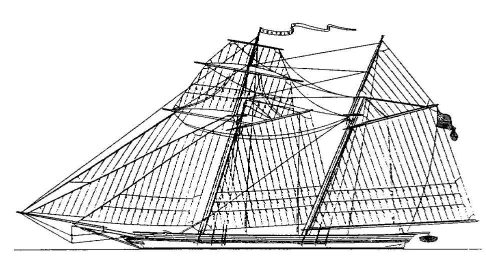
I attended the Hawai'i Port Maritime Council Annual Ohana Bar-B-Que on April 29. The SUP was well represented there. I had the chance to talk with Hawai'i Governor Neil Abercrombie, U.S. Senator Mazie Hirono, U.S. Congresswoman Tulsi Gabbard, and many other elected officials. After a few pictures were taken we all sat down to a good meal and beverage while we listened to all the support the Jones Act has here in Hawai'i by our elected officials and fellow Unions. I highly recommend that if you have the chance you should attend the next one. Mahalo,

Michael Dirksen, Branch Agent

Dispatcher's Report

Headquarters—April 2013

Deck	
Bosun	**3**
Carpenter	**0**
MM	**4**
AB	**5**
OS	**0**
Standby	**10**
Total Deck Jobs Shipped	**29**
Total Deck B, C, D Shipped	**8**
Engine/Steward	
QMED	**0**
Pumpman	**0**
Oiler	**0**
Wiper	**0**
Steward	**0**
Cook	**0**
Messman	**0**
Total E&S Jobs Shipped	**0**
Total E&S B, C, D Shipped	**0**
Total Jobs Shipped - All Depts.	**29**
Total B, C, D Shipped-All Depts.	**8**
Total Registered "A"	**34**
Total Registered "B"	**26**
Total Registered "C"	**21**
Total Registered "D"	**44**



Membership and Ratings Committee

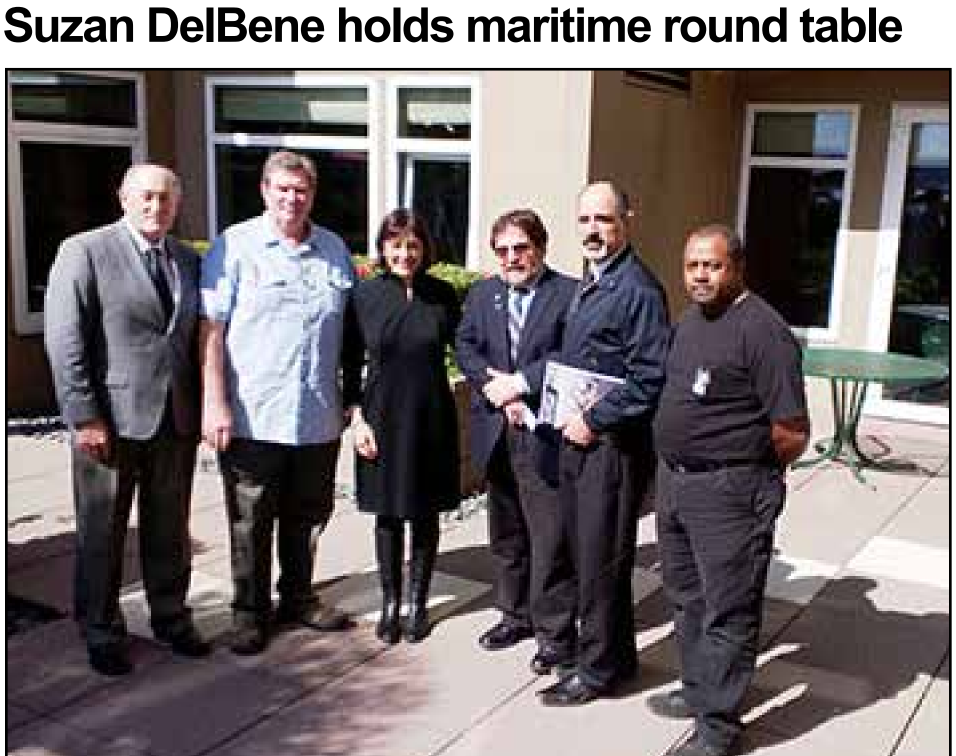
Met on May 2, 2013, and found the following members eligible for advancement in seniority and rating stamps in the various departments:

Name and Membership Number		Seatime/Rating	Seniority
Brandon Keopuhiwa	Bk. 3284	6 Years /A.B./Mach.	A
Ali Hussein	19329	1 Year /O.S.	B
Rocky Casazza	C-2388	30 Days/O.S.	C
Charles Sheldon	C-2389	30 Days /A.B.	C
Kevin Kestel	C-2390	30 Days /A.B.	C
Cirilo Sajonia	C-2391	30 Days /A.B.	C
Rebecca Fisk	C-2392	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, Mark Pfaff #3852 and Teo Rojas #3194.

With Union labor in Seattle, Congresswoman Suzan DelBene holds maritime round table



U.S.-Flag Maritime Roundtable, April 30, in Seattle. From the left: Captain Jonathan Ward, President Puget Sound Pilots, Vince O'Halloran, SUP Seattle Branch Agent, Congresswoman Suzan DelBene (D-Washington), David Nashif, MEBA Seattle Branch Agent, MEBA, Joe Vincenzo, Tacoma Port Agent, SIU, and Harry Thompson, Business Representative, IBEW.

Hong Kong strike ends with new contract

A strike by dockworkers at the port of Hong Kong, the world's third busiest container port, has ended after 40 days with workers accepting a 9.8% pay raise from four subcontractors of port operator Hong Kong International Terminals.

More than 400 dockers were involved in the strike, which received support from other local workers as well as from international labor groups. The dockworkers, who have not received a raise in 15 years, had initially demanded a raise of about 20 percent. A spokesperson for the dockworkers' new union said that besides the 9.8 percent pay increase, the settlement includes improved working conditions.

"The Union of Hong Kong Dockers, supported by the Hong Kong Confederation of Trade Unions, has won a real victory; a pay rise and promises of continuing dialogue on working conditions and health and safety," said International Transport Workers Federation (ITF) President Paddy Crumlin. "Their bravery has been rewarded. We in the ITF and the wider union movement are proud to have been able to mobilize the international support they deserved and needed."

In addition to the 9.8% pay raises, the Union also receive assurances from the employers that they will "improve the occupational safety and health protection with the terminal companies."

While calling an end to the strike, the Union is now working to assist the re-employment of its members, particularly the 100 crane operators previously employed by Global Stevedoring, which announced its closure on last month.

Dockworkers were also assured that the contractors will not engage in any sort of retaliation for the strike and that no member of the Union will be penalized in the future for having taken part in the strike.