



Organized 1885

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U.S. flag shipping industry calls on government to strictly enforce cargo preference laws

Testifying on September 10, before the U.S. House Coast Guard and Maritime Transportation Subcommittee on behalf of USA Maritime, (a coalition of maritime Unions and shipping companies which the Sailors' Union is affiliated) former Maritime Administrator William Schubert said, "Perhaps nothing is more important to the viability of the privately owned U.S. flag commercial fleet than adequate cargo preference enforcement. MarAd (Maritime Administration) must substantially improve its cargo preference efforts to prevent a significant decrease in the number of vessels under U.S. flag."

"Almost exactly two years ago, on September 30, 2011, MarAd held a listening session on what it could do to improve its administration of cargo preference," he continued. "Industry commenters universally demanded that MarAd do its job and promulgate regulations to implement the 2008 cargo preference amendment enacted by Congress as soon as possible. Now it is two years later, and nothing has been done. The industry can no longer wait for MarAd and implores this subcommittee and the full committee to use its influence to institute the long overdue regulations."

His comments echoed remarks by Congressman Duncan Hunter, (R-California), Chairman of the subcommittee who said that in 2008, Congress strengthened MarAd's ability to "properly enforce our cargo preference laws. Unfortunately, the administration continues to drag their feet and refuses to promulgate rules to implement the law. Meanwhile, the number of ships flying the U.S. flag in overseas trade continues to dwindle. "The inaction on implementing the 2008 law," he added, "coupled with the president's misguided efforts to restructure the Food for Peace Program, has left me baffled. It would appear by their actions that this administration simply does not understand or care about the critical role the U.S. flag industry plays in expanding our economy and ensuring our national security."

Acting Maritime Administrator Paul "Chip" Jaenichen said the agency is "engaged in an intensive rule-development process" to update the cargo rules.

"I acknowledge the frustration that has been expressed about the delay in implementing this rule,"

he said. "However, significant efforts have been put into a proposed rulemaking by the Department of Transportation and MarAd over the past several years. These efforts will inform and guide the proposed rule MarAd currently is drafting."

The following are excerpts from the written statement submitted to the Subcommittee by USA Maritime:

I. Summary

USA Maritime strongly supports existing cargo preference laws and existing cargo preference regulations. Cargo preference is a necessary and cost-efficient way to help sustain the privately owned U.S.-flag commercial fleet, which is a critical national defense asset. Without a fully funded Maritime Security Program and full compliance with cargo preference requirements, the U.S. Government would have to spend far in excess of the cost of these programs to replicate the national security capabilities of the privately owned U.S.-flag commercial fleet. Unfortunately, the history of cargo preference administration indicates that cargo reservation requirements are often

not self-enforcing and strict U.S. Maritime Administration (MarAd) oversight is necessary to ensure that the law is followed and its purposes fulfilled across the U.S. Government. Now, more than ever, rigorous enforcement of cargo preference requirements is needed to preserve and grow the existing fleet of militarily useful U.S.-flag oceangoing vessels in an era of budget austerity. Through this review, the Subcommittee on Coast Guard and Maritime Transportation has an opportunity to improve MarAd's oversight of cargo preference requirements and thereby achieve MarAd's mission of promoting the U.S. merchant marine by ensuring that U.S. Government-impelled cargo is in fact carried by U.S.-flag vessels.

II. Cargo Preference is a Necessary and Cost-Efficient Way to Sustain the Privately Owned U.S.-Flag Commercial Fleet – a Critical National Defense Asset

A. The Private U.S. Merchant Marine is Critical to National Defense

Throughout its history, the United States has depended upon a viable U.S.-flag merchant marine for its economic and mil-

itary national security. In his second annual address to Congress on December 8, 1790, President George Washington encouraged Congress to "render our commerce and agriculture less dependent on foreign bottoms." This proscription remains just as relevant 223 years later.

The maintenance of a strong privately owned U.S.-flag merchant marine is an essential part of our Nation's official national security strategy. According to National Security Directive 28, which was signed by President Bush in 1989, and which still governs sealift policy: *Sealift is essential both to executing this country's forward defense strategy and to maintaining a wartime economy. The United States' national sealift objective is to ensure that sufficient military and civil maritime resources will be available to meet defense deployment, and essential economic requirements in support of our national security strategy.*

This policy is reflected in current pronouncements. For example, the Department of the

continued on page 6

SUP-contracted company awarded eight vessels by Military Sealift Command

This month the Military Sealift Command awarded eight Watson-Class Large, Medium-Speed Roll-On/Roll-Off (LMSR) vessels to SUP-contracted Patriot Contract Services. The *USNS Charlton*, *USNS Dahl*, *USNS Pomeroy*, *USNS Red Cloud*, *USNS Sisler*, *USNS Soderman*, *USNS Watkins* and *USNS Watson* are prepositioning ships operating in the Western Pacific and Indian Ocean. For more information see Secretary Lundberg's report on Page 10.



USNS Watson underway.

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SUP Honor Roll

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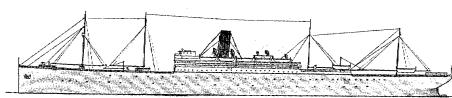
**ATTEND
YOUR UNION
MEETINGS!**

Final Departures

Onofrio Folcarelli, Book No. 2069. Born in Pennsylvania in 1926. Joined SUP in 1945. Died in Fountain Valley, California, August 18, 2013. (Pensioner)

Gary Hohn, Book No. 5821. Born in Idaho in 1942. Joined SUP in 1965. Died in San Pedro, California, September 2, 2013. (Pensioner)

Michael Schroeder, Book No. 17870. Born in Nebraska in 1931. Joined SUP in 1986. Died in Cloverdale, California, August 29, 2013. (Pensioner)



A memorial service was held for Brother John Folcarelli in the Orca Too out of Newport Beach, on Sunday, September 1. From the left: SUP Wilmington Branch Agent Mark Hurley, Gary Gelfgren, Tom Larkin, Linda Molina (John's daughter), Eli Wegger, former Wilmington Branch Agent Duane Nash, Brian, and Bob Burns.

Former ILA president dies

Richard P. Hughes, Jr. who served as the eighth president of the International Longshoremen's Association, AFL-CIO from July 2007 until July 2011, passed away on September 11, at age 79 in Baltimore.

Prior to his election as ILA president, he served as both Executive Vice President of the ILA and Secretary-Treasurer of the ILA's Atlantic Coast District (ACD). He had first been elected Secretary-Treasurer in July 2000 and later reelected in July 2003. In October 2005, Hughes was named the ILA's Executive Vice President. Previously, he served as General Vice-President of the Atlantic Coast District from 1989 to 2000 and ACD Vice President since 1985.

"The International Longshoremen's Association is deeply saddened by the passing of our President Richard P. Hughes, Jr., who served our ILA membership with distinction and honor for more than half a century," said current ILA President Harold J. Daggett. "Rich Hughes' accomplishments throughout his long career with the ILA were vast and his memory will endure." Richard Hughes was elected ILA President Emeritus at the Union's 2011 Convention.

Hughes is the eighth man to serve as president of the 121-year-old Union. The ILA, first organized along the Great Lakes region in 1892, today represents more than 65,000 workers on the Atlantic and Gulf coasts, Great Lakes, major U.S. rivers, Puerto Rico and Eastern Canada. The International Organization of Masters, Mates and Pilots; the United Marine Division Tugboat Workers; and Supreme Court Officers' Association are all affiliated with the ILA.

Hughes came from a rich tradition of longshoremen and was a third generation ILA member. He went to work on the Baltimore docks as a young man in 1954, first joining ILA Local 1429. The Hughes family had emigrated from Ireland in the late 1800s, first settling in Western Pennsylvania where Richard Hughes' grandfather, Martin Patrick Hughes, worked in the Pennsylvania coal mines. The Hughes family moved to the Baltimore area where Martin Hughes joined the newly formed ILA in the late 1890's working as a coal trimmer.

Richard Hughes' father and namesake was a grain trimmer, clerk and checker in the Port of Baltimore and his uncle, Mickey Hughes, was president of Baltimore ILA Local 953 over three decades from 1920 through the 1940s. Richard Hughes joined ILA Local 953 in 1957 and during the next five decades, he would serve in a variety of Union-elected offices including Delegate, Business Agent, Recording Secretary, Vice President and President.

Hughes was elected Vice President on the Atlantic Coast Executive Board in 1985 representing the Port of Baltimore. He was re-elected to that post four times, including his elevation in 1989 to ACD General Vice President.

The ILA President also served as a Vice President on the Executive Council of the AFL-CIO where he was a member of the Federation's International Affairs Committee and Legislative and Public Policy Committee. He also served on the Executive Councils of both the AFL-CIO's Maritime Trades Department and Transportation Trades Department. Hughes was also an Executive Officer with the Dockers Section of the world-wide labor organization, the International Transport Workers Federation.

In his home port of Baltimore, he previously served as Chairman of the Port's Private Sector Committee, which brings together all facets of the maritime industry.

Hughes was a veteran of the United States Navy, where during his years of active duty in 1953-1955, he served 18 months aboard the *U.S.S. Juneau*.

Hughes was married to Wilma Anna "Babe" Hughes since 1957. They were the parents of five children: Karen, Kathleen, Richard, Brian, and Timothy. Hughes, a life-long resident of Baltimore also has eight grandchildren and four great-grandchildren.

SUP Meetings

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

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

To John

There are a few things I'd like to say
John was a sailor in every way.
One of the best in the things that we do
John was a sailor through and through.

A great shipmate and a Union man
He was always there with a helping hand.
He was known to tip back a few
As John was a sailor through and through.

We will all miss you down here below
We know you'll be watching as we go
To do the things that only sailors know.
If there is a place old sailors must go
We know you're at the head of the class.
And if there was a class act in the whole SUP
It was our shipmate Mr. John Folcarelli.

Tom Larkin
Book #4065

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APL significantly cuts bunker and operational costs

It is one thing to cut operational costs by \$504 million last year, but yet another to then find a further \$240 million in the first half of this year and say there is much more that can be done in the coming years. These are the claims of Neptune Orient Line, with the bulk of its efficiencies found in its liner service APL.

With a savings program launched as shipping saw the impact of the poor markets, high bunker prices and low margins, the company is undoubtedly pleased with its results. Singapore-listed NOL reported a \$42.8 million net profit for the first half 2013, compared to the \$369 million loss a year earlier. APL's savings were an important part of this balance sheet revival. Yet there is more that can be done, according to APL Vice President Seren Andersen, who is charged with making it happen.

Andersen's job title—Vice President of Network Planning, Alliance Management and Fuel Strategy—gives a clue to how intensely the company is looking for cost savings and efficiencies that are both deep and sustainable. This is an efficiency drive across both the fleet and the network operations of a large liner business. These are not changes that will be forgotten once markets improve, said Andersen.

Out of a fleet of 132 vessels, 80 are chartered in and 52 are owned. In an echo of AP Moller-Maersk's earlier warning, APL will bring in more efficient tonnage first and foremost.

In 2012 APL estimated that 54% of the \$504 million savings were bunker related, and 27% were from network improvements. Non-vessel operations were part of this drive, with terminal, land and equipment operations accounting for 11% of the total. For the first six months of this year, NOL says bunker and network related savings have accounted for 60% of the \$240 million in savings, and 25% came from terminal productivity savings.

With a chartered fleet of 80 vessels, the tools that are at APL's disposal will not necessarily fit each and every vessel, just as different vessels have different technologies on board. With quite a large range of monitoring tools available in the market, what can be measured on each ship may differ slightly. "Over time, it is likely that a few standard systems will prevail, but for now, we are focusing on collecting data and stimulating the organization towards performance improvement," says Andersen. "A consistent 10%-12% improvement in fuel consumption compared to last year shows that savings are achievable without a lot of hi-tech investments."

Turbocharger cut-outs and bulbous bow replacements are still part of the diet for NOL and APL to realize vessel-centric fuel savings, as are schedule changes. "By decreasing the number of ports on a rotation, you reduce the need for deviations and speed variations. "Also, evening-out speeds between the legs in a rotation will improve fuel consumption even with the same rotation, vessels and average speed," explains Andersen pointing out that size is not everything. "Innovations in ship design have mainly been around vessel size and slower-speed optimization. The amount of technical innovation in shipping cannot be compared to the airline industry, where plane manufacturers have a leading role in finding better solutions for reducing fuel consumption.

"There is massive potential for technological improvements in container vessels, even without considering vessel size and speed profiles."

White House picks Jaenichen to lead Maritime Administration

President Obama has nominated Paul "Chip" Jaenichen to head the Maritime Administration (MarAd). Jaenichen, officially the Deputy Administrator for MarAd, has been acting administrator since David Matsuda resigned in May. Jaenichen's nomination has been sent to the Senate, where he will need confirmation.

MarAd has been under fire from lawmakers for not doing enough to fulfill its mission to support and develop the U.S.-flag fleet and the U.S. merchant maritime industry.

This month, at a Coast Guard & Maritime Subcommittee hearing, committee Chairman Duncan Hunter (R-California), said the agency "continues to drag their feet" in properly enforcing cargo preference laws, which are designed to remedy alleged competitive disadvantages with foreign carriers. "Meanwhile, the number of ships flying the U.S. flag in overseas trade continues to dwindle," Hunter warned.

Jaenichen testified at the hearing that MarAd would have to begin removing vessels from its \$186 million Maritime Security Program if so-called sequestration cuts to the federal budget are allowed to kick in next year.

Captain Jaenichen was a career naval officer, retiring after serving 30 years as nuclear trained Submarine Officer in the U.S. Navy. His final assignment was as Deputy Chief of Legislative Affairs for the Department of the Navy from October 2010 to April 2012. He served as Commanding Officer of *USS Albany* (SSN 753) from September 1999 to June 2002 and as Commander, Submarine Squadron Eleven in San Diego, California, from April 2007 to September 2008. His shore tours included assignments as Director, Submarine/Nuclear Officer Distribution where he was responsible for career progression and assignment of over 5200 officers; as Officer-in-Charge of Moored Training Ship 635, one of two nuclear powered training platforms in Charleston, South Carolina, where he was responsible for initial operational training and qualification of over 1200 officer and enlisted operators annually; and as Chief, European and North Atlantic Treaty Organization (NATO) Policy Division on the Joint Staff where he was responsible for military-to-military engagement on security cooperation and involvement in coalition operations with all 26 NATO member nations.

He earned a Bachelor of Science in Ocean Engineering from the United States Naval Academy and a Masters in Engineering Management from Old Dominion University.

Congressman Alan Lowenthal speaks out in favor of Jones Act

Congressman Alan Lowenthal (D-California) has marked the 93rd anniversary of enactment of the Jones Act (Merchant Marine Act of 1920) with a strong statement of support. "The core of the Jones Act is the same today as in 1920: Cargo transported between American ports, whether in the continental United States, or the non-contiguous states of Hawai'i and Alaska, and also territories such as Puerto Rico, must be conveyed with American-built, -owned and -flagged vessels and using American crews."

"The idea behind the Jones Act is also the same today as it was 93 years ago," Lowenthal says. "It creates a barrier to entry into the U.S.-to-U.S. shipping market for low-cost foreign carriers who do not adhere to the same wage, labor and environmental regulations faced by U.S. shipbuilders and operators. At the same time, the Jones Act assures that the nation has a reliable and accessible domestic merchant fleet of cargo vessels, the mariners to operate them and the shipyards to build and repair them."

"This is why I supported the Jones Act throughout my time in the California Legislature and why I will continue to support it just as strongly in Congress," Lowenthal says. "From my district's own Port of Long Beach to the Port of Portland in Maine, Americans count on the Jones Act and those Americans—in fact the millions upon millions of Americans touched by the Jones Act each day—can count on my support."

Lowenthal cited statistics that show that Jones Act-related industries account for \$45.4 billion in annual economic output; 70,000 U.S. shipbuilding and waterborne transport industry jobs; and, over 41,000 vessels of all sizes in the U.S. fleet representing an investment of more than \$30 billion. "American workers supporting American industry supporting the American economy and American national security. That is the Jones Act," Lowenthal says.

Trumka, Shuler, Gebre elected to lead AFL-CIO

On September 10, delegates to the 2013 AFL-CIO Convention in Los Angeles elected a trio of top officers to lead the labor movement to become, said re-elected AFL-CIO President Richard Trumka, "the movement America needs us to be and we must be."

AFL-CIO Secretary-Treasurer Elizabeth Shuler was elected to a second term and, in a classic American success story, Tefere Gebre, a 45-year-old Ethiopian political refugee who immigrated to the United States as a teenager, was elected executive vice president.

In his acceptance speech, Trumka, a Pennsylvania coal miner who rose to the presidency of the Mine Workers and then served as AFL-CIO secretary-treasurer until his election to the top post in 2009, called himself "an example that a man or woman can be carried far by those who came before." He spoke of his grandfathers who were UMWA organizers, his coal mining father who also served as a Union officer and "the Union brothers and sisters who showed me the ropes, who taught me about life and Unionism, who stood strong with me when I was too young to even know what it meant to stand."

Noting that many of the Union members in the convention hall and around the nation share similar legacies and owe much to those who came before them in the labor movement, he said: It is a gift we can only repay by giving it all—and more—to those who come along with us and after us. That is why we are building a stronger, broader movement. We have a responsibility to lift others up, to give to those in need in this generation and in future generations what has already been given to us. And more.

Shuler's Union career began with the Electrical Workers (IBEW) in Portland, Oregon, and she has served as AFL-CIO Secretary-Treasurer since 2009. She said that strengthening the AFL-CIO's finances—with transparency and accountability—was her major goal when she took office and, like the federation's affiliated Unions, the AFL-CIO would have to tighten its belt. "So we scrutinized our finances to the smallest detail. We made tough choices and set priorities. The result is, as of the latest fiscal year, we have a balanced budget. The result is a \$22 million turnaround in our net

assets....Of course, we are nowhere out of the woods yet. We know there will be challenges ahead."

Shuler also said that developing and launching the long-term campaign to redefine how the public sees Unions has made progress and "we must move it forward." The most rewarding—and challenging—part of her job for the past four years, she said, has been engaging young workers in the labor movement and giving them "a sense of belonging and ownership." I don't have the words to fully describe the feeling when you see the light in a young person's eyes when they realize that their desire to be part of something bigger than themselves is within reach, when they see that they have power. Let's harness that power and bring the old school and new school together in solidarity.

Prior to his election, Gebre—a former Director of government relations of Laborers (LIUNA) Local 270 and a member of the Food and Commercial Workers (UFCW) and IBEW—served as the Executive director of the Orange County (Calif.) Labor Federation. He was also Executive Director of Frontlash, the first youth and college arm of the labor movement.

At 14, after walking across the African desert from his native Ethiopia to a refugee camp in Sudan to "escape the horrors of war and a brutal military government," Gebre said he won a "once-in-a-lifetime opportunity to come to America as a political refugee." He told the convention delegates: At the tender age of 15, I started a brand-new life in this 'City of Angels'.... This is not just my story. It's a story of millions who proudly call America home. Documented or undocumented, the immigrant story is what makes this country of ours so special.

Gebre made a commitment to work with the state federations and central labor councils: "To my brothers and sisters in local labor movements, state federations and CLCs, I am one of you. I know how hard your job is, and how important your role is. Each of us has the responsibility to convene the labor movement in our own communities—across Unions and sectors and to work in real partnership with allies in the community....I pledge to you that I will always be there to listen, advise and help our CLCs and state federations be the best we can be."

SUPPORT THE SUP POLITICAL FUND

Port of Los Angeles continues to reduce diesel emissions

The Port of Los Angeles released its 2012 Inventory of Air Emissions report last month, which showed that air pollution associated with operations at the Port is at its lowest level since the Port adopted a formal plan to reduce harmful emissions nearly seven years ago. The results include an unprecedented 79% drop in diesel particulate matter (DPM) over a seven-year period that began in 2005.

Removing cargo volume fluctuations from the equation, the 2012 Inventory shows that the amount of DPM emissions related to moving 10,000 20-foot containers through the Port in 2012 was 81% lower than the emissions output related to moving the same number of containers through the Port in 2005.

“Every year really does count and our systematic approach has accelerated our progress,” said Cindy Miscikowski, President of the Los Angeles Harbor Commission. “Much of the credit is shared by our industry partners who have invested in technology that in some cases surpass government regulations.”

The report went on to say that 6% of all sulfur oxide (Sax) emissions throughout the area were attributable to operations at the Port in 2012, down sharply from 25% in 2005. Likewise, DPM emissions from the Port are now at 4%, compared with 10% in 2005 and nitrogen oxide (NOx) emissions have fallen to 3% from 5% in 2005.

In addition to exceeding the Port’s 2014 goal for DPM, a toxic contaminant and

known carcinogen, the latest data shows a record plunge in emissions of NOx and SOx, which have fallen 56% and 88% respectively since 2005. The results exceed the Port’s 2014 goal for NOx and put the Port within striking distance of its goal to cut SOx emissions 93% by 2014.

For sax alone, the past calendar year marked the greatest reduction in a single year since 2005, according to Port of Los Angeles Executive Director Geraldine Knatz. “This past year, SOx emissions were cut in half,” said Knatz. “That doesn’t happen without teamwork, which shows how far we’ve come and what ports, ocean carriers, regulatory agencies and others can do together.”

The sax findings are especially significant because they reflect major progress in tackling vessel emissions.

Ships remain the biggest generators of port-related air pollution and they pose the greatest challenge because they are a mobile source regulated by international convention.

To verify its progress, the Port does a separate calculation that accounts for fluctuations in cargo activity.

Container volumes at the Port have increased 8% since 2005, even with the recent global recession.

Based on that calculation, the clean air gains the Port achieved in 2012 are even greater. On a ton per 10,000 TEU basis, the Port has slashed DPM emissions 81%, NOx emissions 59% and sax emissions 89%.

Container ship attacked in Suez Canal

Egypt said three people have been arrested in a failed rocket-propelled grenade attack on a box ship as it passed through the Suez Canal, IHS Global Insight’s Country Risk & Forecasting (IHS CR&F) unit reported.

Two explosions were reportedly heard near Qantara, which is about halfway between Port Said and Ismailiya on the canal, during the attempt against the 10,062teu, Panamian-flagged *Cosco Asia* on August 31, IHS CR&F added.

In China, the Xinhua News Agency reported that the ship also came under machine gun fire, but the attack failed to damage the ship or its cargo.

The Chinese Embassy in Egypt confirmed that *Cosco Asia* left the canal for the Mediterranean on the afternoon of August 31, the news agency added.

“This plot is credible, in light of availability of smuggled RPG-7s with a range of approximately [655 feet] in the nearby Sinai peninsula, and increased terrorist incidents in Canal cities since the Army ousted former President Morsi on July 3,” IHS CR&F commented. “The army has announced increased canal security, but it is unlikely that its whole 192km length can be entirely secured against would-be attackers, either firing RPGs from the bank or, less likely, launching a boat-borne [improvised explosive device] attack,” it added.

Also, IHS CR&F said, “It’s unlikely that either tactic could succeed in [sinking] a ship and blocking the Suez Canal for more than a few hours, especially given the inaccuracy of RPGs and the likely small impact of any hit. However, the psychological impact of any attack on international confidence in the canal’s security would be significant.”

Kochs give up bid to buy Los Angeles Times

Right-wing, extremist billionaire brothers Charles and David Koch have ended their pursuit of the *Los Angeles Times* and other Tribune Company newspapers after months of protests by community groups, journalists and other free press advocates.

Art Pulaski, Executive Secretary-Treasurer of the California Labor Federation called the decision by the Kochs to abandon their efforts to buy the Tribune properties, “a major victory for proponents of a free and democratic press. For months, the California Labor Federation, media watchdogs and progressive groups have raised serious concerns about the effect of handing control of major news outlets over to the Kochs. The Kochs’ interest in the Tribune Company was no doubt fueled by a desire to further their anti-worker, anti-environment agenda by using those media outlets as a megaphone for their extreme ideas.”

The Kochs fund a number of extreme right-wing organizations and are major contributors to the tea party and bank rollers for a host of anti-worker state ballot initiatives and legislation.

Eddie Kurtz of the Courage Campaign, which organized several protests against the sale of the newspapers to the Kochs, told the *Los Angeles Times*: “We think it’s a victory for the people of Los Angeles, the people of California and the people of any city in which Tribune has a newspaper. We think it’s a victory for independent news itself.”



AB Dave Garcia aboard Matson Navigation Company’s SS *Kauai* in Oakland on August 30, before sailing to Sacramento for long-term layup. Photo Dave Connolly

Nicaragua looking for Indian financing to build canal

Nicaraguan Foreign Minister Samuel Santos Lopez met with Indian External Affairs Minister Salman Khurshid last month to discuss a deal that would bring in Indian capital for the proposed \$40 billion Nicaragua Canal project.

The Nicaragua Canal project, which would be built to allow the world’s largest ships to pass through, is designed as a direct competitor with the Panama Canal to its south.

“They want the Indian business community to participate and he is meeting Indian businessmen in that context,” said Indian Foreign Ministry spokesperson, Syed Akbaruddin.

During their meeting, Lopez told Khurshid that his government was expected to have a detailed project report ready by 2014. Lopez also reiterated his country’s support for India have a permanent seat at the United Nations Security Council.

The two countries have a previous working relationship as India has provided \$10 million to the Central American country for setting up two electric substations. India has also set up an IT center in Nicaragua in 2009.

Bills introduced to eliminate cruise line tax loophole

Senator John D. Rockefeller IV (D-West Virginia), Chairman of the Senate Committee on Commerce, Science and Technology, has introduced legislation to close a tax loophole currently used by the cruise industry, that has given cruise lines the ability to avoid paying U.S. income tax. For the past seven years, Carnival and Royal Caribbean, which represent 71% of the global cruise industry, paid an effective worldwide tax rate of just 1.3% on more than \$17 billion in profits, according to a Committee press release.

The press release went on to say that because that figure includes foreign taxes, the cruise industry’s effective U.S. tax rate is actually much lower than 1.3%. Rockefeller’s legislation would eliminate the tax loophole by requiring cruise lines to pay their taxes in the United States.

“The cruise industry can’t operate for free here in the U.S. It costs money to send the Coast Guard to tow their drifting ships and it costs money to maintain the ports they use. Cruise lines need to start paying their fair share of taxes and stop expecting everyone else to foot the bill,” said Rockefeller.

In addition to the legislation that would close the tax loophole, Rockefeller also introduced legislation that would require cruise lines to pay a 5% excise tax on the income they generate from using U.S. ports to start and finish voyages, similar to taxes that most other transportation industries already pay. The tax payments would go to help cover the costs of building and maintaining the nation’s infrastructure.

**The only
effective answer to
organized greed is
organized labor**

APL MSP Wage and Overtime Rates

Maritime Security Program Vessels

*APL Agate, APL China, APL Coral, APL Cyprine,
APL Korea, APL Pearl, APL Philippines,
APL Singapore, APL Thailand*

Effective October 1, 2013

Rating	Wages		Supp.	Supp.	Benefit	Money
	Monthly	Daily	Benefit Base Monthly	Benefit Daily	Monthly	Purchase Pension Plan Daily
Bosun	\$5,297.11	\$176.57	\$5,458.96	\$103.12	\$3,093.59	\$25.00
A.B.	\$3,735.82	\$124.53	\$4,079.89	\$77.07	\$2,312.07	\$25.00
AB Watchstander/ Daystander	\$3,735.82	\$124.53	\$4,079.89	\$77.07	\$2,312.07	\$25.00
O.S.	\$2,865.45	\$95.52	\$3,202.22	\$60.49	\$1,820.88	\$18.51

OVERTIME RATES

The hourly overtime rate for all ratings except the Ordinary Seaman.....	\$30.49	Money Purchase Pension Plan Daily
Ordinary Seamen	\$22.88	

CARGO RATES

The hourly cargo rate for all ratings:	
Straight Time Hours	\$22.88
Overtime Hours	\$37.67

SHORTHANDED (Section 7 SUP Work Rules)

Bosun.....	\$52.05
A.B.	\$39.22
STOS	\$29.42

STANDBY RATES (Section 43 SUP Work Rules)

Bosun	
Straight Time Hours	\$29.11 \$25.00
Overtime Hours	\$47.86
A.B.	
Straight Time Hours	\$27.89 \$25.00
Overtime Hours	\$45.97

SHIFT SHIP GANGS (Section 44 SUP Work Rules)

Bosun	
Straight Time Hours	\$25.78 \$25.00
Overtime Hours	\$42.88
A.B.	
Straight Time Hours	\$24.32 \$25.00
Overtime Hours	\$40.99

DECK PORT WATCHES (Section 55 SUP Work Rules)

Bosun	
Straight Time Hours	\$34.71
Overtime Hours	\$52.07
A.B. and STOS	
Straight Time Hours	\$26.14
Overtime Hours	\$39.21

FUEL OIL SPILL CLEANUPS

Straight Time, all ratings	\$17.79
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Maintenance & Extra Maintenance Rates

Effective October 1, 2013

Rating		Money Purchase Plan
Rigging-Splicer and Sail Maker		
Straight Time	\$34.13	\$25.00
Overtime.....	\$56.61	
Rigging-Wire Splicer's Helper		
Straight Time	\$31.36	\$25.00
Overtime.....	\$52.58	
Rigging-General Maintenance Work		
Straight Time	\$30.00	\$25.00
Overtime.....	\$50.46	
Spray Painting, Sandblasting, Steam Cleaning and Welding		
Straight Time	\$32.63	\$25.00
Overtime.....	\$54.40	
Storekeeper-General Maintenance		
Straight Time	\$31.66	\$25.00
Overtime.....	\$52.83	
Bosun		
Straight Time	\$36.52	\$25.00
Overtime.....	\$59.87	
Bosun's Mate or Leaderman		
Straight Time	\$34.14	\$25.00
Overtime.....	\$56.61	
Carpenter		
Straight Time	\$33.40	\$25.00
Overtime.....	\$55.68	
Spraying, Sandblasting enclosed spaces additional per hour....	\$1.65	

EXTRA MAINTENANCE CREW PERSONNEL AGREEMENT

Bosun	
Straight Time	\$36.47 \$25.00
Overtime.....	\$59.87
A.B. (Rigging-General Maintenance Work)	
Straight Time	\$29.95 \$25.00
Overtime.....	\$50.46

SUP Officers' Wages

In accordance with Article XV, Section 3, of the SUP Constitution: "Every time the new wage scale is printed in the *West Coast Sailors* showing the seagoing [dry cargo-offshore] members and standby gang wage scale, the benefits and wage scale of the Union officials shall be printed right along with, and in the same issue, of the *West Coast Sailors*."

Weekly Wages for SUP officers effective October 1, 2013:

President/Secretary-Treasurer	\$1,701.78
Vice President/Assistant Secretary-Treasurer	\$1,420.54
Branch Agent.....	\$1,420.54
Business Agent.....	\$1,395.09

Benefits: Medical and dental coverage (SUP Welfare Plan); four weeks vacation per year, participation in the SIU-Pacific District Pension Plan and a \$100 per week auto allowance. SUP officials are participants in the SUP 401(k) Plan. No contributions are made for SUP officials to the SUP Money Purchase Pension Plan.

Molasses spills from Matson pipeline in Honolulu harbor

Hawai'i's Department of Health (DOH) says a spill of molasses from a Matson pipeline has caused a massive fishkill in Honolulu Harbor on September 9.

"Matson representatives have informed the DOH that as much as 1,400 tons of molasses, or about 233,000 gallons of the liquid, may have entered the harbor," the Hawai'i DOH said. It said Matson located a leak in their molasses pipeline near Pier 52 and patched it.

According to Matson's annual report, five of its ships and two container barges have capacity to carry molasses in amounts ranging from 2,100 short tons-4,300 short tons.

In a televised press conference on Hawai'i News Now, Vic Angoco, Senior Vice President of the Pacific division for Matson, said, "We are going to do our part to take care of what is going on. We're sad - it's unfortunate, the impact. Now we have to focus on minimizing it, reducing it, and trying to prevent any further damage to the environment."

Response crews are collecting fish in the harbor, and DOH also advises the public not to consume any of the dead fish that may be found in the area.

In response to the spill, DOH said it was posting warning signs at beaches in the Keehi Lagoon area and will determine if additional beach closures along Sand Island or the Ewa coastline is necessary.

Video of the spill showed molasses covering the bottom of the harbor.

"While molasses is not harmful to the public directly, the substance is polluting the water, causing fish to die and could lead to an increase in predator species such as sharks, barracuda and eels," according a DOH press release. "The nutrient-rich liquid could also cause unusual growth in marine algae, stimulate an increase in harmful bacteria and trigger other environmental impacts."

Cleaning the mess is difficult. Jeff Hull, a Matson spokesman, told the *Los Angeles Times* that unlike oil, which can be skimmed from the surface of water, molasses sinks.



SUP member Arthur Thanash aboard the *Jeremiah O'Brien* on September 15, standing next to the America's Cup.

U.S. flag shipping industry calls on government to strictly enforce cargo preference laws *continued from page 1*

Navy's fiscal year 2012 budget request provides that: *This budget supports maintaining a robust strategic sealift capability to rapidly concentrate and sustain forces and to enable joint and/or combined campaigns. This capability relies on maintaining a strong U.S. commercial maritime transportation industry and its critical intermodal assets.*

As stated succinctly by General John W. Handy (then Commander, U.S. Transportation Command) in 2002 – “We simply cannot, as a nation fight the fight without the partnership of the commercial maritime industry.”

The fleet of privately owned U.S.-flag vessels supported by cargo preference laws and the Maritime Security Program has proven in recent years to be instrumental to the supply and support of our troops abroad. The privately owned U.S. merchant fleet has transported over 90 percent of the equipment and supplies used in the conflicts in Iraq and Afghanistan at a fraction of the cost of other alternatives. As General Duncan J. McNabb, then Commander, U.S. Transportation Command informed the U.S. Congress – “USTRANSCOM's partnership with the U.S. commercial sealift industry and the Department of Transportation has been vitally important in developing new routes for conveying cargo around the globe – particularly to regions with undeveloped infrastructure.”

The fleet of privately owned U.S.-flag vessels also employs the pool of trained U.S. citizen merchant mariners essential to support the U.S. Government's sealift objectives. As indicated by the Navy League of the United States – “Skilled mariners are more critical than ever to ensuring our ability to sustain U.S. national and global security interests.” As we know this Subcommittee is well aware, the U.S. Government cannot mobilize its fleet of reserve vessels held in inactive and active status without that pool of mariners actively employed by the privately owned U.S.-flag fleet.

B. The U.S.-Flag Fleet Depends on Cargo Preference

The cargo preference laws are essential to maintaining a commercial U.S. -flag merchant marine. Virtually every privately owned U.S.-flag vessel engaged in the foreign trade depends to some degree on cargo preference to remain economically viable. Indeed, absent cargo preference, it is no exaggeration at all to say that the U.S.-flag fleet in foreign commerce would disappear and the U.S. Government would have to duplicate that sealift capability at enormous expense with government-owned vessels. As then Senator Barack Obama indicated in 2008 – “A strong U.S.-flag commercial fleet needs our nation's cargo preference laws.”

As stated by General Duncan J. McNabb, then Commander, U.S. Transportation Command, on April 7, 2011 to the Senate Armed Services Committee (emphasis added) –

We have a commercial-first if we can use commercial. It's the cheapest way to do it. It keeps our U.S.-flag fleet strong. It's good for jobs. All of those things are positive and that's what we do. They have done superbly.

... so what happens to the U.S.-flag fleet as we come down perhaps on some of the requirements that we're depending on them now, and we are working closely with them to make sure that we maintain the robustness. They do depend absolutely on cargo preference. They absolutely do depend on our Maritime Security Program, MSP. And those two programs are really valuable so that we keep a very, very strong U.S.-flag fleet, which is in the interest of the taxpayer and in the interest of the warfighter.

Similarly, in a May 4, 2011 letter to Congressman Steven C. LaTourette, General McNabb stated that –

The movement of U.S. international food aid has been a major contributor to the cargo we have moved under the cargo preference law that our U.S. commercial sealift industry depends on. Any reductions will have to be offset in other ways to maintain current DOD sealift readiness.

C. Cargo Preference is a Cost-Efficient Way to Support a Privately Owned U.S.-Flag Fleet

Cargo preference rests on the common sense idea that the U.S. Government should reserve a portion of the ocean cargo it generates, either directly or indirectly, to U.S. companies, just as it generally makes its other purchases within the United States. U.S.-flag vessels fly the American flag, are owned by American companies and employ civilian American officers and crews.

Cargo preference is a highly cost efficient way to support a privately owned U.S.-flag commercial fleet. Cargo preference leverages the cost of shipping goods and commodities to provide a national security benefit. Specifically, the cost of shipping – which if spent on foreign vessels would provide the U.S. no national security benefit and virtually no U.S.- economic activity – is used under cargo preference to obtain a national security capability (a fleet of militarily useful U.S.-flag vessels), support U.S. jobs, stimulate U.S. economic activity and obtain the needed ocean transportation services. In fact, a July 2009 study for MarAd determined that it would cost approximately \$13 billion in capital cost just to duplicate a portion of the commercial sealift capability provided by the commercial fleet of U.S.-flag vessels supported by cargo preference and the Maritime Security Program. The U.S. Transportation Command estimates that it would cost an additional \$52 billion to replicate the intermodal systems developed by U.S.-flag carriers and their affiliates operating in the foreign trade.

Even if U.S.-flag transportation costs more, it is more than offset by the direct purchases made by U.S. ship owners and crews throughout the United States and the Federal, state and local taxes paid by ship owners and their crews. A 1995 study determined that every dollar spent by the federal government on U.S.-flag transportation led to \$1.26 in federal income tax revenue when all of the economic impact was considered.

III. Cargo Preference Cannot Achieve Its Purpose Without Effective MarAd Enforcement

A. The Purpose of Cargo Preference is to Support a Private U.S. Merchant Marine

As an amendment to the Merchant Marine Act, 1936, the Cargo Preference Act of 1954 became part and parcel of the overall statutory purposes driving U.S. maritime

policy contained in the 1936 Act. As codified in 2006, these purposes remain the guide for all policies affecting the U.S. merchant marine. Thus, one purpose of cargo preference, like other U.S. Government maritime programs is to promote having “a merchant marine . . . capable of serving as a naval and military auxiliary in time of war or national emergency . . . owned and operated as vessels of the United States by citizens of the United States . . . manned with a trained and efficient citizen personnel.”

In the words of a Presidential Directive issued by President John F. Kennedy in 1962—

The policy of the United States is to have a modern, privately owned, merchant marine sufficient to carry a substantial portion of the waterborne export and import foreign commerce of the United States and capable of serving as a naval and military auxiliary in time of war or national emergency. The achievement of this national policy is even more essential now because of the worldwide economic and defense burdens facing the United States. For these reasons, I stated in my message on transportation to the Congress of the United States, on April 4, 1962, that I was directing all executive agencies to comply fully with the purpose of our various cargo preference laws.

In the words of President Obama's fiscal year 2012 budget request and MarAd's fiscal year 2012 budget request – “Cargo preference provides a revenue source to help sustain a privately-owned U.S. flag merchant marine...”

B. MarAd is Responsible for Promoting the Merchant Marine Through Cargo Preference

MarAd is chiefly responsible for promoting the maritime objectives of the U.S. Government. According to MarAd's 2008 Annual Report to Congress – “The Maritime Administration is at the forefront in maintaining a strong and visible U.S.-flag fleet through a number of statutory programs, including the reservation for transportation on U.S.-flag vessels of certain government-impelled, ocean-borne cargo in international trade.” Regrettably, MarAd has not kept up its part since 2008.

MarAd's responsibilities are reflected in the Cargo Preference Act of 1954. From 1970 to 2008 that Act provided that any “agency having responsibility under this section shall administer its programs with respect to this section under regulations prescribed by the Secretary of Transportation.” In 2008, Congress made it even clearer that it was MarAd's responsibility to enforce the Cargo Preference Act of 1954 by adding language as follows—

Each department or agency that has responsibility for a program under this section shall administer that program with respect to this section under regulations and guidance issued by the Secretary of Transportation. The Secretary, after consulting with the department or agency or organization or person involved, shall have the sole responsibility for determining if a program is subject to the requirements of this section.

The Congressional conference report accompanying the enactment of MarAd's cargo preference authority states clearly that Congress placed these responsibilities on MarAd for two reasons – (1) to ensure uniform administration of cargo preference agency-by-agency; and (2) to ensure that the purpose of promoting the U.S. merchant marine via cargo preference was fulfilled. Specifically, the conference report provided that—

There is a clear need for a centralized control over the administration of preference cargoes. In the absence of such control, the various agencies charged with administration of cargo preference laws have adopted varying practices and policies, many of which are not American shipping oriented. Since these laws were designed by Congress to benefit American shipping, they should be administered to provide maximum benefits to the American merchant marine. Localizing responsibility in the Secretary to issue standards to administer these cargo preference laws gives the best assurance that the objectives of these laws will be realized.

USA Maritime believes strongly that these MarAd responsibilities remain as important today, if not more important, than they have been in the last 45 years.

C. Cargo Preference Compliance Has Not Always Been Automatic

All too often, cargo preference is either not complied with at all or applied in a way as to make it ineffective. This is not a new phenomenon. For example, the U.S. Senate Commerce Committee found in 1962 that –

[T]here has been evidenced in at least several of the administrative departments an apparent desire on the part of those responsible for shipping arrangements to evade the cargo preference requirement whenever opportunity offered.

And, unfortunately, the 1962 Senate Commerce Committee Report could have been written today. In that report, the Committee found, among other things, that agencies shipping international food aid “had revised certain procedures [charter terms] for the handling of Government-financed cargoes, to the detriment of U.S.-flag vessel owners,” that petroleum had been purchased on a “destination delivered basis” which excluded U.S.-flag carriers and that U.S.-flag ship owners were not given sufficient opportunity to bid for the carriage of materials sent overseas by the U.S. Government for overseas construction of aid projects.

For example, the U.S. Agency for International Development has undertaken procurements in the billions of dollars in Iraq, Afghanistan and Pakistan and has routinely avoided cargo preference when ocean transportation was involved. Numerous cargo preference waivers have been granted by USAID for shipments without USAID involving MarAd in the waiver process or canvassing the U.S.-flag carriers to validate assumptions that no U.S.-flag service was available. Had either MarAd or the carriers been involved, they would have had the opportunity offer service for the shipments.

In another instance, the U.S. Department of Energy issued billions of dollars of loan guarantees and avoided cargo preference throughout until the industry prompted MarAd to take a stand on the application of cargo preference. Although the application of cargo preference to those guarantees should not have been in doubt, it took months to persuade DOE to alter its position and even then U.S.-flag carriers have carried

ESU Office Assignments

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



SEPTEMBER 2013

Official Publication of the Exxon Seamen's Union

Point Thomson project reaches construction milestones

POINT THOMSON, Alaska – ExxonMobil's Point Thomson project successfully completed a number of infrastructure milestones during the summer as part of an ongoing commitment to Alaska's energy future.

"ExxonMobil is strongly committed to hiring Alaskans and, with its contractors, employed more than 1,100 Alaskans during the 2013 winter work season," said Gina Dickerson, senior project manager at Point Thomson. At its peak, more than 500 people worked on Point Thomson site development this summer.

Alaska Frontier Constructors were involved in completing the site airstrip and finishing construction of a service pier. A permanent camp, providing meals and housing to project workers, was built and is now fully operational. More than 35 Alaska companies worked on the project during the summer.

Point Thomson's telecommunications and power systems are also fully operational. Completion of a condensate export pipeline – linking Point Thomson to the trans-Alaska pipeline system – is expected this winter. More than 2,200 vertical pipeline supports have been installed.

"Point Thomson's infrastructure can help unlock the eastern portion of the North Slope for expanded exploration and development activity," said Dickerson. "Along with our contractors and partners, we're very proud to be building a project on the North Slope that will significantly contribute to realizing Alaska's full energy potential."

The Point Thomson Unit, operated by ExxonMobil on behalf of itself, BP, ConocoPhillips, and other minor owners, is a remote natural gas field located on Alaska's North Slope, approximately 60 miles east of Prudhoe Bay. It is estimated to hold about 25 percent of known North Slope natural gas. The project is designed to initially produce 10,000 barrels per day of condensate at startup in the winter of 2015/2016. A pipeline is being installed with capacity of 70,000 bpd and will connect to the trans-Alaska pipeline.

STCW security endorsement VPDS

All ESU members should have received information and documentation (letter for USCG) from the SeaRiver Training Department by now. This information was provided from the Company to assist everyone with acquiring an STCW VPDS (Vessel Personal with Designated Security Duties) endorsement from the US Coast Guard. Amendments to STCW in 2010 now require all mariners serving on applicable vessels to hold a specific security endorsement for the Merchant Mariner Credential (MMC) by January 1, 2014.

All unlicensed employees will need to submit the standard Coast Guard application for a Merchant Mariner's document (CG-719B) along with the letter from the Company that has the necessary information for issuance from the USCG. Application submission is done through a Regional Exam Center (REC) of your choosing. You can submit your application to the REC by mail or fax. A complete list of REC's, forms and information can be found at the National Maritime Center's website at www.uscg.mil/nmc phone (888)-427-5662. You can also contact the ESU Seabrook office if any questions (832)-295-3047.

Make your Ship Board Union meetings work for you

Tentatively, the ESU Board is planning to start Contract negotiations in early 2014, perhaps as early as the month of March. Even though our current Collective Bargaining Agreement will not expire until August 31, 2014, the Union's plan is to begin negotiations early with the intent of reaching an Agreement and allow ample time for the membership to review whether it merits ratification. With that in mind, in the coming months leading up to negotiations, the ESU membership is encouraged to make the most of your monthly ship board Union meeting by focusing on the issues that you would like to see the Executive Board address next year. Ship board Union meetings are a very important part of our democratic organization and your feedback is vital to the Board's preparation before meeting with SeaRiver management.

Ship Representatives should plan and organize the meeting ahead of time. In order to garner maximum participation select a day of the week and time that is most convenient for the majority of members to attend. On the subject of contract negotiations, all members present have a right to be heard and the Board encourages the membership to flush out and debate the really important issues that need to be addressed. For example is a pay increase more important than more paid leave or are these issues equal in weight? Ship Representatives are reminded to refine your notes from the meeting while they are still fresh in your mind and submit a copy to the ESU office promptly via email or regular mail.

Next year should prove to be a very busy year for the ESU but with the membership's support and feedback the ESU Board believes that 2014 can also be a very productive one.

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

ESU Election reminder

Everyone is reminded that there will be an election for Union officers beginning in early October. The deadline to submit a Candidate Intent Form to the ESU office is October 1, 2013. Positions that are up for election are as follows: Vice President/Treasurer, Deck, Engine and Steward's Department Trustees and the Ship Representative positions for the S/R American Progress and the Liberty Bay.

The Liberty Bay, currently being built at Aker shipyard in Philadelphia, is scheduled to enter service for SeaRiver Maritime in the spring of 2014. The ESU Board decided to add this position to the ballot this year 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 positions up for election in the 2014 ESU officers election.

The Candidate's Intent Form should be mailed by certified mail to the Union office if there could be any question concerning the timely receipt. A Candidate's Intent Form may also be submitted via e-mail or facsimile (fax) to the ESU office but must be received by October 1. Once a CIF is received in Seabrook it will be reviewed and if all is in order the candidate's name will be placed on the ballot. A complete list of position requirements can be found in Article V of the ESU Constitution and Bylaws.

Licensed doing unlicensed work

Over the past few months within the officer's ranks we have seen many new faces in the SeaRiver Fleet as a result of an increased staffing need by the Company. The ESU reminds all members that it is extremely important in protecting our jobs and traditional areas of work in the event that someone crosses the line and infringes upon protected unlicensed turf. Without the full knowledge of our Collective Bargaining Agreement, there is a possibility that someone new may not realize the full scope of what unlicensed work means. Should a situation arise where there is any confusion please refer to Article XII, Section 19 of the CBA as outlined below:

"In the event that a licensed officer or cadet chips, scales, or scrapes for the purpose of preparing surfaces for painting, paints, polishes bright work, handles lines, mucks tanks, shifts tank washing machines or hoses, cleans grease extractors, cleans boiler burners, cleans automatic fuel oil strainers, performs cleanup work in the Engine Department or performs other maintenance-type duties customarily required only of unlicensed personnel including handling lines, wires, or pilot ladders, and there are available other unassigned qualified unlicensed personnel willing to do such work, such unassigned unlicensed personnel will be paid at the applicable overtime rates for such work as would have been performed by such licensed personnel. Provided, however, no overtime shall be paid for such work performed by licensed personnel or cadet which: A. Involves supervision, instruction, direction, training of unlicensed personnel, or B. Is necessary to handle or prevent emergencies."

Ship reports

S/R American Progress

After a couple of trips to the San Francisco bay area, the ship is back in the Valdez to Puget Sound trade. Pumpman Jim Byrd filling in as Ship Representative and reports everything going well. The vessel and crew got some down time in Port Angeles the past couple of trips for minor repairs.

Kodiak

The *Kodiak* has been on the Valdez to San Francisco run for the past couple of trips with very little down time. ESU Board officer John Straley planning to visit the vessel on the 23rd at Chevron Richmond. Regular Ship Rep. Joe Butler

aboard and reports everyone doing well with no problems.

Sierra

The vessel should be preparing to depart Singapore for the return transpacific voyage to Valdez for ANS service. Regular Ship Rep. Thor Floreen stayed in touch with the Union office during the yard period with updates. Aside from the rigorous work environment that is typical with shipyards, the crew did an outstanding job and are to be commended for their efforts. Thor took the ship over and stayed until the end of the yard before departing for paid leave. Ship Cook Joel Mitchell now filling in as Ship Rep.

EXXON SEAMEN'S UNION

Founded March 28, 1941

Affiliated with the Sailors' Union of the Pacific

P.O. Box 754, Seabrook, TX 77586

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President/Secretary John Straley

Vice President/Treasurer Leo DeCastro
Board Member at Large Joe Bernavich
Board Member at Large John McCarthy

Deck Trustee Kevin Conroy
Engine Trustee William Ackley
Steward Trustee Kurt Kreick

U.S. flag shipping industry calls on government to strictly enforce cargo preference laws *continued from page 6*

virtually none of the cargoes shipped under that program.

These and many other instances show that MarAd should make it a top priority to improve its regulations so as to ensure cargo preference compliance.

IV. MarAd Should Improve Its Oversight of Cargo Preference Requirements

The need to improve oversight of cargo preference is greater than ever. Over time, the U.S. Department of Defense has increased reliance on the privately owned U.S.-flag commercial fleet. Yet, the cargo base that supports the U.S.-flag fleet is in decline. The United States has closed many bases around the world. The conflict in Iraq has drawn down, and the conflict in Afghanistan is drawing down. The reservation percentage applicable to U.S. international food aid cargoes was reduced from 75 percent to 50 percent in 2012 – with disastrous effects on the U.S.-flag fleet. Moreover, the U.S. Government has already reduced significantly its spending on international food aid and the Obama Administration has proposed eliminating in-kind U.S. international food aid altogether in favor of cash assistance – a proposal to which USA Maritime is adamantly opposed.

The need, therefore, is great for MarAd to undertake rigorous enforcement of the existing cargo preference laws to ensure that the requirements apply where, by law, they should apply and to ensure that agencies and contracting officers follow the letter and spirit of the requirements. President Kennedy’s direction to federal agencies not to treat cargo preference as a minimum but rather a proscription that U.S.-flag vessels should be followed as much as possible.

Almost exactly two years ago – on September 30, 2011 – MarAd held a listening session on what it could do to improve its administration of cargo preference. Industry commenters universally demanded that MarAd do its job and promulgate regulations to implement the 2008 cargo preference amendment enacted by Congress as soon as possible.

Now it is two years later and nothing has been done. The industry can no longer wait for MarAd and implores this Subcommittee and the full Committee to use its influence to institute the long overdue regulations.

V. Conclusion

Perhaps nothing is more important to the viability of the privately owned U.S.-flag commercial fleet than adequate cargo preference enforcement. MarAd must substantially improve its cargo preference efforts to prevent a significant decrease in the number of vessels under U.S.-flag.

Members of USA Maritime –

- American Maritime Congress
- American Maritime Officers (AMO)
- American Maritime Officers Service (AMOS)
- American Roll-on Roll-off Carrier LLC
- APL Ltd.
- Central Gulf Lines Inc.
- Foss International, Inc.
- Hapag-Lloyd USA, LLC
- Intermarine LLC
- International Organization of Masters, Mates & Pilots (MM&P)
- Liberty Maritime Corporation
- Maersk Line Limited
- Marine Engineers Beneficial Association (MEBA)
- Maritime Institute for Research and Industrial Development (MIRAID)
- Sailors’ Union of the Pacific (SUP)
- Seafarers International Union (SIU)
- Transportation Institute
- United Maritime Group LLC
- Waterman Steamship Corporation

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.


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U.S. \$25; International \$45 per year
Send check or money order to:
West Coast Sailors
450 Harrison Street
San Francisco CA 94105

Welfare Notes

September 2013

The notice you are about to get from your employer about “Health Care Marketplace”

You will soon receive a notice from your employer about the “New Health Insurance Marketplace Coverage Options and Your Health Coverage.” This notice is required by the Affordable Care Act (popularly known as “Obamacare”).

This notice is required by the government and includes some basic information about your SUP Welfare Plan medical coverage and new coverage that will be available through the State “Marketplaces”. Each of the States, like California, Washington and Oregon, and the federal government on behalf of some states, will start enrolling people who do not have coverage or coverage that does not pass Obamacare’s test for “affordability” starting October 1. Coverage under the Marketplace will begin as of January 1, 2014. The Notice will include information about coverage options and the availability of federal subsidies to purchase coverage through the Marketplace.

If you are a participant or dependent covered by the SUP Welfare Plan, you do not need to shop for different or additional insurance to meet any individual requirement to maintain coverage. And, although you can buy coverage in the Marketplace, you will NOT BE ELIGIBLE for any federal subsidy to buy coverage from the Marketplace.

The Marketplace may be a good option if your coverage through the SUP Welfare Plan ever terminates and you do not wish to purchase COBRA continuation coverage.

You can call us with questions about your SUP Welfare Plan coverage at 1-800-796-8003. You can also go to the federal government’s website dedicated to Marketplace information, www.healthcare.gov.

Michelle Chang, Administrator mcsupsiupd@sbcglobal.net

Patty Martin, MPP & 401(k) Plans, Death Benefits

martinpatty59@sbcglobal.net

Virginia Briggs, Claims vbriggs80@sbcglobal.net

Michael Jacyna, Eligibility mjacyna67@sbcglobal.net

Training Representative Berit Eriksson 206-551-1870

berittrainrep@sbcglobal.net

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

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

Fax: 415-778-5495

SIU-PD Pension Plan 415-764-4987

SIU-PD Supplemental Benefits Fund 415-764-4991

Seafarers Medical Center 415-392-3611

Membership and Ratings Committee

The Committee met on September 5, and found the following members eligible for advancement in seniority and rating stamps in the various departments:

<u>Name</u>	<u>Membership No.</u>	<u>Seatime</u>	<u>Rating</u>	<u>Seniority</u>
Michael Burpee	B19338	1 Year	A.B.	B
Rogelio Timoteo	B19339	1 Year	O.S.	B
Christopher Cupan	B19340	1 Year	A.B.	B
Robert Mintz	C-2400	30 Days	O.S.	C
Abdullah Sankofa	C-2401	30 Days	O.S.	C
Zbigniew Kaczor	C-2402	30 Days	A.B.	C
Eric Johnson	C-2403	30 Days	O.S.	C
Bruce Lepule	C-2404	30 Days	O.S.	C
Antonio Respicio	C-2405	30 Days	O.S.	C
Britt Ekrem	C-2406	30 Days	O.S.	C
Brad Cain	C-2407	30 Days	O.S.	C

Rating Stamps - Arsenio Purganan #3877 Bosun Stamp

Membership and Ratings Committee’s Report – M/S to concur with the Committee’s report. Carried unanimously. Membership and Ratings Committee: Romaine Dudley #2593, Frank Portanier #3835 and Diane Ferrari #2251.

Smoking pot ship arrested

The French Navy has brought into port a Tanzanian-flagged vessel carrying an estimated 20 tons of cannabis, after stopping the crew from sabotaging the ship. The maritime prefecture at Toulon said the crew of the 1974-built, 1,990gt *Luna-S* had started a fire as soon as they saw a French Navy vessel approaching on September 8; it had been spotted from the air the day before in the southern part of the western Mediterranean.

Part of the marijuana being smuggled was burned, but the prefecture said that nearly half of it was recovered after the fire was brought under control by the navy, with Algerian aid. The eight crew members, who claimed to be Syrian, were taken aboard the navy vessel before being handed over to police in Marseilles. The ship was towed to the naval port of Toulon on September 12, by the French salvage and rescue vessel *Abeille Flandre*.

France had been authorized to take charge of the vessel, whose operator is listed as Zain Shipping, by Tanzanian authorities.

Forget Al Capone—Today's Racketeers are on Wall Street

by Sam Pizzigati, editor of Too Much

What crimes did Al Capone, the notorious 1920s crime boss, have his henchmen commit? Did Capone's thugs go around robbing convenience stores? Did they burglarize homes? Or lurk in the shadows and mug innocent passersby?

None of the above. Capone and his fellow kingpins of "organized crime" left high-risk, low-return illegality to the lowlife. Kingpins like Capone ran rackets instead. They sold "protection." They loan-sharked. Most lucratively of all, they bootlegged outlawed alcohol. Rackets like these guaranteed returns both steady and steep. Capone at one point was clearing \$100,000 a week.

Racketeering, of course, is still going strong. But the getup of our contemporary racketeers has changed somewhat. Our most highly compensated racketeers today don't wear fedoras. They fill power suits. Our top racketeers these days don't run from the law. They run Wall Street.

Most of us imbibed our first inkling of this Wall Street racketeering after the economy melted down in 2008. We soon learned that America's biggest banks had been nurturing systematic fraud for years, bankrolling mortgage operations that thrived on phony appraisals and "liar's loans," then slicing and dicing the resulting junk mortgages into exotic securities they marketed, for exorbitant fees, to unwary investors. Eventually, this whole house of marked cards collapsed, and millions of families lost most everything they had. But taxpayer bailouts would keep Wall Street flush — and searching for new twists on old rackets.

This summer's headlines have put these new rackets front and center. Just last month the federal Consumer Financial Protection Bureau informed us that mortgage fraud has outlasted the settlement deal that 49 states reached with banks in 2012. That settlement put in place obligations that banks, as New York's top prosecutor charges, have "flagrantly violated." But this summer's most riveting big-bank racket doesn't revolve around financial industry paper. This racket impacts things we can actually touch and feel.

We need some background here: Generations ago, champions of the public interest battled to keep America's banks from operating non-banking businesses. They sought to both protect depositors and prevent banks from manipulating their "financial might to gain an unfair advantage over competitors." By the 1960s, lawmakers had put into effect a variety of regulations that kept banks restricted to banking. But these restrictions would start eroding as deregulation —and America's plutocratic restoration— started gaining serious momentum in the 1980s. Then in 2003 the dam broke. The Federal Reserve Board, as one expert analyst told a Senate hearing last month, "razed the walls between deposits and commerce" and allowed Citigroup to buy up a nonfinancial business. In 2005, another Fed waiver let JPMorgan Chase enter the physical commodities business.

In short order, Wall Street's biggest banks had essentially won a green light to rush into "mining, processing, transporting, storing, and trading a wide range of vitally important physical commodities."

No bank rushed more boldly than Goldman Sachs. Three years ago this Wall Street giant bought up a string of 27 aluminum warehouses around Detroit. Industrial users of aluminum use warehouses like these to store, until their factories need it, the metal they buy on the global market. Before Goldman's entry into the commodity business, aluminum warehouses would deliver metal to end-users in a timely fashion, typically

about six weeks. With Goldman in charge, that timeliness started slipping, all the way to 16 months. Beverage companies and other manufacturers found themselves paying huge additional storage fees —to Goldman— for the added time.

In 2011, angry Coca-Cola officials formally complained to the metal industry's global self-regulatory body, the London Metals Exchange. Coke charged that Goldman had "intentionally created" a warehouse bottleneck to drive up the global price of aluminum and cash out on speculative windfalls. The Metals Exchange, a private body with bankers among its decision makers, feigned deep concern and then doubled the amount of metal that warehouses must ship out daily.

Goldman never missed a beat. The bank, to meet the new rule, simply started shipping aluminum bars from one of its warehouses around Detroit to another. "Each day, a fleet of trucks shuffles 1,500-pound bars of the metal among the warehouses," the *New York Times* reported last month. "Two or three times a day, sometimes more, the drivers make the same circuits. They load in one warehouse. They unload in another. And then they do it again." The *Times* estimates that this "merry-go-round of metal" has cost consumers about \$5 billion over the past three years. In 2012, Goldman's top five execs together took home \$92 million.

Wall Street's leap into commodities has, over recent years, gone well beyond aluminum. Last December, the Securities and Exchange Commission gave a big-bank syndicate the green light to buy up and warehouse up to 80 percent of the world's copper. Similar big-bank rackets are running in oil, wheat, cotton, and coffee, notes reporter David Kocieniewski, bringing "billions in profits to investment banks like Goldman, JPMorgan Chase, and Morgan Stanley, while forcing consumers to pay more every time they fill up a gas tank, flick on a light switch, open a beer, or buy a cellphone."

All sorts of federal agencies are now investigating the various banking rackets that have so far this year hit the headlines. JPMorgan Chase alone, the *Washington Post* reports, "is staring down six separate investigations by the Justice Department, four by the Securities and Exchange Commission, and three by the Commodity Futures Trading Commission." But the penalties exacted on the big banks so far have been ridiculously slight. One example: Earlier this summer, the Federal Energy Regulatory Commission penalized JPMorgan for parlaying control over a dozen California power plants into a scheme that defrauded consumers out of \$125 million. JPMorgan now has to pay back the \$125 million, plus another \$285 million. This \$285 million —one day's net revenue for JPMorgan— doesn't make for much of a deterrent, observes *Los Angeles Times* analyst Michael Hiltzik. "If you could steal \$125 million, with the only downside being that if you got caught you might have to give the money back and lose a single day's income," he asks, "would you give it a go?"

The Federal Reserve Board has the power to undo the deregulation that has opened the door to big-bank control over nonfinancial commerce. Indeed, several key waivers that the Fed has handed out to major bank holding companies, unless renewed, will expire next month. In Senate testimony last month, Joshua Rosner, a managing director of the research firm Graham Fisher & Company, called on the Fed to make a regulatory about-face. We're entering a new Gilded Age, Rosner warned, "where the fruits of all are enjoyed by a few."

Al Capone liked things that way. Racketeers always do.

Russian icebreaker to take Olympic torch to North Pole

The Olympic organizing committee in Russia unveiled plans this month to take the Olympic torch relay to the North Pole ahead of the XXII Olympic Winter Games in Sochi in February.

To get to there, the torch will depart this October from the port of Murmansk in the extreme northwest part of Russia onboard the nuclear powered icebreaker *50 Years of Victory*. Once at the North Pole, a lighting ceremony will take place and torchbearers from Russia and countries of the Arctic Council will take turns running alongside the icebreaker and over ice sheets before making their way, eventually, to the Sochi 2014 Olympic Cauldron. In total the torch will cover some 3,100 miles on board the icebreaker.

This "special stage" of the torch relay is described as the most difficult part of the what is being called the longest torch relay in the history of the Games. The relay in total is expected to cover some 40,000 miles and involve 14,000 torchbearers.

"The Olympic Torch Relay will be the largest relay in the history of the Olympic Movement and the Torch's journey to the Baikal, Elbrus and North Pole will be highlights of the Relay," said President of the Sochi 2014 Organizing Committee, Dmitry Chernyshenko. "The Relay will help demonstrate the need to conserve the unique natural landscapes of our regions as well as showcasing the beauty of Russia to the world."

The relay is expected to start in Sochi on October 7.

Piracy, smuggling identified as major crime threats in Eastern Africa

The United Nation's Office on Drugs and Crime's latest report provides insight into some of Eastern Africa's principal transnational organized crime threats.

According to the report, more than 100,000 people were smuggled out of the region last year alone, generating over of \$15 million for organized criminal networks operating on the maritime crossing from the Horn of Africa. Somali piracy was worth an estimated \$150 million in 2011, equivalent to almost 15% of the country's GDP. Throughout 2013, however, no successful hijackings for ransom have been made in the Somali area of operation, and this remarkable progress shows that even the largest crime problems can be countered through international cooperation.

The report, "Transnational Organized Crime in Eastern Africa: A Threat Assessment," is aimed at highlighting the most pressing transnational organized crime threats facing the region. Looking at some of the key areas, this latest report focuses on four such concerns: migrant smuggling from Ethiopia and Somalia to Yemen and Saudi Arabia; heroin trafficking from South-West Asia to Eastern Africa; ivory trafficking through Eastern Africa to Asia; and Somali maritime piracy.

The role of transnational organized crime is evident in migrant smuggling. This is driven in part by high levels of conflict and poverty which have resulted in a large and vulnerable stream of migrants. Many of those trying to escape the situations they face are subjected to a range of abuses, including confinement, beatings, extortion and rape at multiple stages of their journey. In 2012 alone, more than 100,000 people paid smugglers to transport them across the Gulf of Aden or Red Sea to Yemen where their journey takes them onwards to Saudi Arabia, with the sea passage alone generating over \$15 million for organized criminal networks.

In 2011 Somali pirates reaped an estimated \$150 million. In recent years, however, progress has been made in tackling this issue. International countermeasures have contributed to a dramatic decline in piracy. While in April 2009 pirates hijacked 16 ships, two years later this averaged less than one per month; in the first half of 2013 there were no successful hijackings for ransom in the Somali area. Effective intervention has also forced pirates to move further away from the coast: in 2005, the average successful pirate attack was 109 km from the Somali coast; in 2012, it was 746 km.

ATTEND YOUR UNION MEETINGS

Nautical terms in everyday speech

Taken Aback... (surprised by circumstances)

By definition, a square-rigged vessel is said to be "taken aback" when her sails billow out in reverse due to a sudden, unforeseen wind shift or inattention on the part of the helmsman. The vessel's forward motion stops and everything is reversed. In a figurative sense, one is "taken aback" by a sudden and surprising turn of events.



SUP President's Report

September 9, 2013

PATRIOT CONTRACT SERVICES

On September 3, the Union was notified by Patriot that the Military Sealift Command has awarded the company a five-year contract with options to operate and maintain eight Watson-Class Large, Medium-Speed Roll-On/Roll-Off (LMSR) vessels: *USNS Charlton*, *USNS Dahl*, *USNS Pomeroy*, *USNS Red Cloud*, *USNS Sisler*, *USNS Soderman*, *USNS Watkins* and *USNS Watson*.

The vessels are expected to be pre-positioned in Full Operating Status (FOS) in the Western Pacific and Indian Ocean.

For the SUP the manning is 1 Bosun, 5 ABs and 3 Ordinary Seamen in FOS. In Reduced Operating Status (ROS) the manning is 1 Bosun and 1 AB.

The negotiated wage rates are as follows:

Full Operating Status (FOS)

Rating	Wages (56 hr.week)		Supp.*	Money	
	Monthly	Daily	Wage	Overtime	Purchase Plan
			Daily	Rate	Daily
Bosun	\$7,407.21	\$246.91	\$87.39	\$31.20	\$27.00
AB	\$5,859.11	\$195.30	\$67.61	\$24.03	\$27.00
OS	\$4,181.94	\$139.40	\$47.65	\$19.07	\$27.00

*Supplemental Benefits: Fifteen (15) days for each Thirty (30) worked or pro rata thereof.

Reduced Operating Status (ROS)

Rating	Weekly Wage	Daily Wage	Overtime Rate
Bosun	\$1,405.00	\$200.71	\$31.20
AB	\$1,101.64	\$157.38	\$24.03
OS	\$843.58	\$120.51	\$19.07

Supplemental Benefits: One and one-half (1½) days for each Thirty (30) days worked or pro rata thereof.

Recommend membership ratification of the LMSR Agreement with Patriot.

As of today's meeting, it is projected by Patriot that the *Charlton*, *Dahl*, *Sisler* and *Soderman* will call for crews between October 1, and November 15. The other four vessels should call in 45-day intervals thereafter.

Members interested in sailing in these vessels should contact officials of the Union and SUP Training Director Berit Eriksson at 206-551-1870 or by email at berittrainrep@sbcglobal.net as Military Sealift Command training is required.

APL MARINE SERVICES

Wage Increase

In accordance with the 2005-2015 collective bargaining agreement between the SUP, MFOW, SIU-Marine Cooks, and APL Marine Services, Ltd., a 3% increase in wages and wage-related items (overtime, supplemental benefits, etc.) becomes effective October 1. This agreement and the wage increase covers the nine company vessels enrolled in the Maritime Security Program (MSP): *APL Agate*, *APL China*, *APL Coral*, *APL Cyprine*, *APL Korea*, *APL Pearl*, *APL Philippines*, *APL Singapore* and *APL Thailand*. Those employed under the Maintenance Agreements shall receive a 3% increase.

Recommend that the wage increase be applied to wages and wage-related items. New wage rates, etc. will be published in the September *West Coast Sailors*.

Also effective October 1, all APL contributions to the SUP Welfare Plan shall be increased by the percentage increase of the Medical Care Services component of the Consumer Price Index (United States City Average for Urban Wage Earners and Clerical Workers) during the previous 12-month period for which such index has been calculated by the Bureau of Labor Statistics.

Wage rates for the non-MSP vessel *APL Belgium* were published in the June issue of the *West Coast Sailors*.

Middle Harbor Terminal

As reported last month, with the closing of APL's Middle Harbor Terminal (Global Gateway Central), the SUP and APL bargained the effects of the closing and signed a Memorandum of Understanding on August 13, subject to membership ratification.

The parties agreed on the following:

- 1) APL shall pay all accrued, unpaid vacation to the four sailors employed steaming containers;
- 2) APL will not contest claims for unemployment compensation for those sailors;
- 3) After the terminal closes or when SUP members are laid off, the company agrees to hire four sailors for one day of maintenance work in APL's U.S.-flag vessels when they are at Oakland. This provision will continue through September 30, 2015;
- 4) On the date the terminal closes, the company will make one year's worth of contributions for four billets to the SUP Welfare Plan. The amount agreed to is \$75,608.

Recommend membership ratification of the Agreement.

SUP OFFICERS' WAGES

Article XV, Section 1(a) of the SUP Constitution states: "The salaries and supplemental pay [of Union officers] shall be adjusted automatically on the same percentage basis whenever the membership has a percentage adjustment in wage and vacation pay for the offshore agreements."

On July 1, members working aboard Matson Navigation Company vessels and those employed under the SUP/Matson Maintenance and Extra Maintenance Agreements received a 2.75% increase in wages and wage-related items. As reported, effective October 1, members employed aboard APL Marine Service's nine vessels enrolled in the Maritime Security Program (MSP) and those working under the Maintenance and Extra Maintenance Agreements will receive a 3% increase in wages and wage-related items.

Therefore, by blending the two rates, recommend, consistent with the Constitution, that officers of the Union receive a 2.88% increase in wages and vacation pay effective October 1.

COLUMBUS DAY

All SUP halls will be closed for Columbus Day, Monday, October 14, a holiday under all SUP agreements. Due to the holiday, the Headquarters membership meeting will be on Tuesday, October 15.

ACTION TAKEN

M/S to ratify LMSR Agreement with Patriot Contract Services. Carried unanimously.

M/S to approve allocation of APL increase to wages. Carried unanimously.

M/S to ratify APL Middle Harbor Terminal (Global Gateway Central) Agreement with APL. Carried unanimously.

M/S to approve SUP officers' wage increase. Carried unanimously.

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

Gunnar Lundeberg

California Labor Federation

Legislative Wrap Up 2013

The 2013 California legislative session has come to an end, and there are tremendous victories for working families to celebrate. Governor Jerry Brown has until October 13 to sign or veto the over 400 bills on his desk. Highlights from the legislative year include:

MINIMUM WAGE INCREASE

Governor Brown and the legislative leadership negotiated a 25% increase in the state's minimum wage, bringing California to the highest in the country.

- Increase from \$8 to \$9 an hour in July 2014;
- Increase from \$9 to \$10 an hour in January 2016.

Governor Brown will sign AB 10 (Alejo) into law. The Federation has long sought an increase for California's low-wage workers.

ENTERPRISE ZONE REFORM - SIGNED INTO LAW.

Labor set out to eliminate this wasteful tax giveaway that not only rewarded low-wage work but also stole union jobs. We built a coalition with business and worked together with the Governor's leadership to transform Enterprise Zones into a real job creation program that will help to rebuild our middle class, our economy and our state. AB 93 and 5B 90 enact the following reforms:

- Hiring Credit: Repurpose the broken enterprise zone program to more effectively create good new jobs in areas of the state with the highest levels of unemployment and poverty. The credit includes strong labor including: Credits may only be claimed for new jobs, not for filling existing jobs; Credit may only be claimed for full-time jobs that pay at least \$12 an hour; Any employer that relocates within the state must give workers an offer of transfer at the same rate of compensation; Retention requirement of at least 3 years or the state may clawback the credit; Creates a public database of companies that claim the credit and number of jobs; Excludes retail, restaurants, temp agencies and strip clubs from the hiring credit.
- Manufacturing Equipment Sales Tax Exemption: Reinvests in manufacturing statewide, boosts California's competitiveness and stimulates a vital sector our state needs to rebuild the middle class.
- CA Competes: Creates the CA Competes Fund to provide tools to the state to attract and retain good jobs.

PROTECTING THE RIGHTS OF IMMIGRANT WORKERS

The Federation's organizing directors committee identified the threat of retaliation for immigrant workers as the greatest challenge to organizing. Every day, immigrant workers face the threat of wage theft and unsafe working conditions. We know that we cannot protect workers' rights as long as employers can use immigration threats to silence and intimidate workers who speak out. The Federation sponsored a package of bills to crack down on employer retaliation to protect the rights of all workers, especially immigrant workers.

- AB 263 (Hernandez) prohibits employers from demanding new immigration documents, implementing e-verify, or threatening to call immigration authorities after workers have exercised protected labor rights. Employers who engage in retaliation may be subject to a new \$10,000 penalty, as well as the suspension of

continued on next page

California Labor Federation continued

a business license. Governor's desk.

- AB 524 (Mullin) makes it a crime to use immigration threats to get away with wage theft by adding those threats to the definition of extortion. Governor's desk.

- SB 666 (Steinberg) strengthens retaliation law with new penalties on employers and their lawyers when they engage in immigration-related threats and expanding whistle blower protection for all workers. Governor's desk.

In addition to our sponsored bills, we supported bills to expand rights for all immigrants in our state:

- AB 4 (Ammiano), the Trust Act, provides safeguards against the federal Secure Communities Act (S-Comm) by limiting the detention of immigrants by local law enforcement. Governor's desk.

- AB 60 (Alejo) grants drivers licenses to all Californians. The Federation played a crucial role in winning critical anti-discrimination, civil rights, and privacy protections for immigrant drivers. Governor's desk.

- AB 241 (Ammiano) is an historic bill that, for the first time, grants daily and weekly overtime pay to domestic workers excluded from federal and state law. Governor's desk.

- AB 1159 (Gonzalez) cracks down on immigration consultants and attorneys who take advantage of immigrants by promising to help them attain citizenship under future federal immigration reform law. Governor's desk.

TAKING ON THE CONTINGENT, LOW-WAGE, PART-TIME ECONOMY

In response to the increase in sub-contracted, low-wage and part-time work, the Federation sponsored bills to increase protections, wages and benefits for this workforce.

- AB 880 (Gomez) would impose a penalty on large employers who dump workers onto the state Medi-Cal program by cutting hours and eliminating benefits in response to the Affordable Care Act. Died on the Assembly Floor; 2/3rds vote required.

In addition to our sponsored bills, we also supported bills to strengthen workers' rights, improve working conditions and support organizing.

- AB 218 (Dickinson), "ban the box" bill, prohibits state and local government employers from screening job applicants for criminal conviction history until the agency determines potential hires' minimum qualifications. Governor's desk.

- AB 729 (Hernandez) would make confidential communications between union members and their representatives privileged and protected. Governor's desk.

- AB 1165 (Skinner) protects the health and safety of workers by not staying abatement dates for appeals when there are serious violations of workplace health and safety standards. Governor's desk.

- AB 1387 (Hernandez) removes the sunset on the car wash registry, making it a permanent program, and increases the surety bond requirement for car wash operators. Governor's desk.

- SB 770 (Jackson) expands the scope of the state disability program to include time off to care for a seriously ill grandparent, grandchild, sibling or parent-in-law. Governor's desk.

ELECTORAL REFORM

After defeating Proposition 32 on the 2012 ballot, the Federation sponsored legislation to ensure billionaires can't buy elections in California.

- AB 857 (Fong) requires that 10% of all signatures submitted to qualify state-wide ballot measures be gathered by grassroots circulators. Governor's desk.

We also supported legislation to bring more transparency to the electoral process.

- SB 594 (Hill) requires transparency for "non-public funds" from taxpayer-financed non-profits used in campaigns and ensures that public dollars are not being diverted to political campaigns. (CPF bill) Governor's desk.

- AB 822 (Hall) requires local measures affecting employee pension plans to be on the General Election ballot and contain an actuarial analysis of the measure in the voter handbook. (CPF bill) Governor's desk

- SB 311 (Padilla) requires charter city elections to be placed on general election ballots to maximize voter participation. (SBCTC bill) SIGNED INTO LAW.

AFFILIATE BILLS

- SB 7 (Steinberg/Cannella) disqualifies cities that ban the prevailing wage from receiving state construction grants. (SBCTC bill) Governor's desk.

- SB 590 (De Leon) requires local education agencies to set aside a portion of state or federal funds for professional development for classified employees. (CSEA bill) Governor's desk.

- SB 615 (Galgiani) requires hospitals electing to receive tax-exempt conduit bond financing from a public agency to pay prevailing wage to construction workers. (SBCTC bill) Governor's desk.

- AB 375 (Buchanan) updates and streamlines the teacher dismissal process by establishing clear and timely procedures for dismissal that reinforce the district's responsibility and while protecting teachers' rights. (CTA bill) Governor's desk.

- AB 537 (Bonta) makes changes to the Meyers-Milias-Brown Act (MMBA) governing impasse procedures for local agencies and employee unions. (AFSCME, SEIU, CPF bill) Governor's desk.

- AB 566 (Wieckowski) requires rigorous performance and other standards are met before trial court services can be contracted out by the state. (SEIU, AFSCME bill) Governor's desk.

- AB 1140 (Daly) ensures the most recent prevailing wage determination applies on its effective date for all projects regardless of the bid date. (SBCTC bill) Governor's desk.

- AB 1222 (Bloom) protects the state's federal transit funding by exempting from PEPRA transit workers whose collective bargaining rights are subject to federal requirements. Governor's desk.

- AB 1336 (Frazier) assists the Labor Agency to combat the underground economy and the failure to pay prevailing wage. (SBCTC bill) Governor's desk.

- AB 1373 (Perez) Extends the statute of limitations for dependents of public safety officers to file a workers' compensation claim for death benefits. (CPF bill) Governor's desk.

Vice President's Report

September 2013

Watson-Class LMSR's

With the news delivered in the President's Report this month, we should stop to stand and stare, as we might before a magnificent sunrise, at the historic importance of the recent award of the Watson-Class LMSR's to SUP-contracted Patriot Contract Services by the Military Sealift Command. Although we've seen government contracts come and go, and although we're veterans of major activations of government ships in prior and present contracts, (most notably in the 11 ship Bob Hope-class Surge LMSR's activated during Operation Iraqi Freedom), this one is different. The Watson-class ships are the premier assets of the nation's defense sealift program, kept in the highest state of readiness, fully crewed, loaded with cargo and pre-positioned in the Western Pacific and Indian Ocean. They are not potential activations; they are instead in continuous activation, in Full Operating Status all the time. Besides good paying jobs, the award also gives us independent recognition of SUP professionalism and is a palpable confirmation of our elite status both as sailors and as an organization. Here's why: Patriot doesn't own the ships. The main service it supplies is labor. Yet with excellent wages and benefits the contract was not won on low cost. Therefore the bid's greatest value factor could only have come from past performance – which is nothing less than our proven ability to get the job done under our present and past military contracts. This contract award will test again the Union's training infrastructure, its hiring halls and agents, but most of all it is a call for SUP sailors to turn to on deck once more for the United States of America.

APL Belgium: Mark Relojo, delegate. Clarification on overtime/cargo/time back rates. Primary storing in Savannah, Georgia, with Port Elizabeth New Jersey as supplemental. In good shape.

APL China: Jill Holleman, delegate. Tank cleaning cargo rate payable only when tanks carry cargo. Bilge rate payable only when actually cleaning bilges. Bert Genita joined in Wilmington and has thing well in hand as bosun.

APL Thailand: Gary McDeavitt, delegate. First SUP standbys after the closure of APL MHT turned to on board Friday August 23, under the direction of Bosun Jim Kolm.

APL Singapore: Julian Torre, delegate. In at Oakland with no problems. Discussion of MSP funding issues due to sequestration, VPDS administrative procedure.

RJ Pfeiffer: John McNeill, delegate. Clarification on gangway watchstanding in China: the twenty dollar a night penalty does not apply. In bargaining that point was confirmed (not conceded) because the payment has been claimed in error since the end of WWII.

Maunawili: Phil Howell, delegate. In good shape on the China run.

Mokihana: Allen Gonzalez, delegate. Call from bosun Vern Johansen on stores policy in Oakland. Bosun handled a difficult situation with ease. Clarification on STCW rest hours, washdown, and new contract language.

Kauai: Mike McClavy, delegate. In at Oakland before shifting to Sacramento for long-term layup. Handled payroll and payoff issues. Clarification on scope of work.

Oregon Voyager: Rey Clores will hand the sheets over to Bill Fisher, delegate. In at Richmond Long Wharf with no problems. Delegate and gang did a good job bringing in a new member. Clarification of anchor watch issues and VPDS.

Mississippi Voyager: Roman Zaretski, delegate. Explanation of Watson class award. Discussion on one-man watch trial on passages to and from yard periods.

USNS Waters: Wendy Joseph relieved by Zepheniah Cearly as delegate. In a Charleston, South Carolina yard retaining three AB's but laying off the bosun and STOS's.

Dave Connolly

Container imports forecast to rise 5.1% this month

A pre-holiday season inventory surge will see U.S. import container volumes of retail goods grow 5.1% year-on-year in September to just under 1.5 million teu. That is the forecast from the latest monthly Global Port Tracker report by the U.S.-based National Retail Federation (NRF) and Hackett Associates, which also sees the U.S. economy on the road to "sustained growth".

NRF Vice President for Supply Chain and Customs Policy Jonathan Gold said: "Retailers are making up for the slow imports seen earlier in the year. It's too early to predict holiday sales, but merchants are clearly stocking up."

The top dozen U.S. ports followed by Global Port Tracker handled 1.4 million teu laden with goods bound for U.S. shopping malls in July 2013, a 1.1 % increase from July 2012. It follows year-over-year declines in three of the four previous months. August's retail import volume was estimated at 1.5 million teu, up 4.1 % from last year. October's teu imports are forecast to be up 9% and November up 2.2%. The total volume of U.S. retail container imports for 2013 at the 12 top gateway ports is forecast at 16.2 million teu, up 2.5% from 15.8 million teu last year. The first six months of 2013 totaled 7.8 million teu, up 1.2% from the first half of 2012.

Hackett Associates founder Ben Hackett said: "The U.S. economy is on the road to sustained growth. Second-quarter GOP was well above expectations and surprised most forecasters, the unemployment picture is improving, and we believe consumer confidence will translate into increased sales during the fourth quarter."

The U.S. ports covered by the report are Los Angeles/Long Beach, Oakland, Seattle and Tacoma on the West Coast; New York/New Jersey, Hampton Roads, Charleston, Savannah, Port Everglades and Miami on the East Coast and Houston on the Gulf Coast.

SUP Branch Reports

Seattle

August 19, 2013

Shipped during the period: 3 Boatwain jobs shipped and filled with 2 A-cards to commercial vessels and 1 B-card to USNS bottom; 11 Able Seaman jobs shipped and filled with 6 A-cards, 4 B-cards and 1 Registrant; 1 Ordinary Seaman filled with a C-card; and 13 standbys to 2 A-cards, 8 B-cards and 3 Registrants.

Registered during the period: 14 A cards for a total of 24; 10 B cards for a total of 26; 6 C cards for a total of 10.

Ships checked

Matson vessels *MV Manoa* and *SS Kauai* called twice in Seattle with little or no problems. The *SS Maui* called the crew to return to shipyard in Shenzhen.

I represented the SUP/MFU at the following meetings. The King County Labor Council's Delegate and Executive Board meetings; the Seattle Marine Business Coalition meeting. The Port of Seattle Commission meeting for final approval of Three Hundred Million in funding for the Alaskan Way Viaduct Replacement Project Tunnel.

Along with ILWU Local 19 and the Pacific Merchant Shippers Association, the SUP/MFU met with Seattle mayoral candidate Ed Murray. Mr. Murray is a Washington State Legislator, Chair of the Senate Transportation Committee and has a long history of supporting the State's maritime industry. We believe Ed Murray will be the best choice for Mayor of Seattle.

Vince O'Halloran
Branch Agent

Wilmington

August 19, 2013

Shipping: Bosun: 5, AB: 8, AB Maint: 4, STOS: 1 OS: 1, standby: 63. Total jobs shipped: 82.

Registrations: A: 30, B: 28, C: 13, D: 5.

Ships visited

Manulani, APL Philippines, Mahimahi, APL Singapore, Maunawili, Mokihana Maunalei, R.J. Pfeiffer, APL Korea, Mokihana, Maui.

Attended the usual meetings this month: the AMMVM committee meeting, the Harbor Labor Coalition and the Maritime Trades Department.

Bosun Bill Remoto of the *APL Pearl* reported that Captain Wilbur Danh was professional and kind when Bill became unfit and had to go ashore in Spain. Bill is going to be fine after some physical therapy.

Eli Wegger continues to teach marlin spike classes after the 10:00 A.M. call every Friday.

Mark Hurley
Branch Agent

**SUPPORT THE
SUP POLITICAL
FUND**

**YOUR JOB
DEPENDS ON IT**

Labor Day in Wilmington



SUP and MFOW members getting ready for the Labor Solidarity Parade on September 2, and then marching.



Honolulu

August 19, 2013

Shipped the following jobs in the month of August: 1 Bosun steady, 1 AB Day return, 1 AB Day relief, 4 AB Watch steady, 1 AB Watch relief, 1 AB Maint. steady, and 1 OS steady. The shipping jobs were filled by 3 A cards, 5 B cards, and 3 C cards.

Shipped 40 standby jobs. The standby jobs were filled by 7 A cards, 9 B cards, 17 C cards and 7 D cards.

Registered in August: 5 A cards, 8 B cards, 6 C cards, 0 D cards. To date totaled registered: 14 A cards, 11 B cards, 7 C cards, 0 D cards.

Ships checked

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

I have been informed that there are new dispatch procedures for shipping as an Ordinary Seaman (OS) on the *MV Mokihana*. I will be using these new procedures for any OS job I ship to a Matson ship unless I hear otherwise. Here are the new procedures:

In order to comply with Coast Guard policy regarding RFPNW the dispatch procedure for the *Mokihana* OS should adhere to the following call order:

1. Job goes to the registered OS with the full-on RFPNW endorsement in his/her MMC, by seniority.
2. If there are no RFPNW-qualified OS's, job goes to the registered OS with RFPNW-LDO including the two TRL certificates showing completion of the pre-sea training for RFPNW and simulator satisfied assessment control sheets, by seniority.
3. If there are no qualified RFPNW-LDO OS's available, Honolulu Branch is to contact SUP Headquarters for a coastwise check for qualified OS's.
4. If there are no qualified RFPNW-LDO OS's available on the coast, Honolulu Branch is to dispatch OS as a dayman and re-rate an AB onboard to watchstander.

Any SUP member who wishes to sail as an OS on a Matson ship should be prepared to show the RFPNW full-on endorsement in their MMC or the RFPNW-LDO endorsement in their MMC and the two TRL certificates at the time of dispatch. No more true unlicensed entry deck jobs, it's off to school for everyone starting out from now on. It won't be long before Bosun's and AB's have to go back to school to be re-certified to satisfy USCG regulations. Welcome to the new world order.

Other than that, things have been good in Honolulu. We had Michelle Chang attend this month's meeting and she answered a lot of questions about our medical and dental plans and what to do when you are getting ready to retire. Kaiser sent two representatives who gave a lecture about healthy living after the meeting was over. It was very informative and the membership here had a lot of questions for them.

Mahalo,
Michael Dirksen
Branch Agent

Dispatcher's Report

Headquarters—Aug. 2013

Deck

Bosun.....	2
Carpenter.....	0
MM.....	5
AB.....	6
OS.....	3
Standby.....	10
Total Deck Jobs Shipped.....	26
Total Deck B, C, D Shipped.....	10
Engine/Steward	
QMED.....	0
Pumpman.....	0
Oiler.....	0
Wiper.....	0
Steward.....	0
Cook.....	0
Messman.....	0
Total E&S Jobs Shipped.....	0
Total E&S B, C, D Shipped.....	0
Total Jobs Shipped - All Depts.....	26
Total B, C, D Shipped-All Depts.....	10
Total Registered "A".....	26
Total Registered "B".....	22
Total Registered "C".....	20
Total Registered "D".....	43

Italy seizes "Mother Ship" smuggling Syrian refugees

Italian authorities have seized a "mother ship" used to traffic illegal migrants across the Mediterranean and picked up about 200 Syrians fleeing the civil war in their homeland, officials said on September 12.

European Union and Italian patrol boats chased down the fishing boat with a crew of 15 that had been used to ferry the immigrants into international waters near the Sicilian coast, prosecutors and police said. The vessel's crew had already transferred the refugees into a smaller boat for the final leg of their voyage. Italian police boats collected 199 migrants, including 64 children, all of whom were Syrian.

The fishing boat was towed back to the port of Catania in Sicily. The seizure of the mother ship was a result of an investigation into the drowning of six migrants off Sicily in August, prosecutors said in a statement. The smugglers are part of an Egyptian crime group, they added. The exact departure point of the fishing boat was still unknown.

Thousands of migrants try to reach Italy's southern shores in summer, when Mediterranean waters are calm enough for smaller boats to make the crossing, usually from Libya or Tunisia. Though most normally come from sub-Saharan Africa, this year many are fleeing the Syrian civil war or political turmoil in Egypt and other parts of North Africa,

Almost 9,000 migrants reached Italy by boat between July 1 and August 10, the Interior Ministry said. In the 12 months up to August 10, more than 24,000 came, compared with more than 17,000 in the same period a year earlier, and almost 25,000 in the 12 months before that, the ministry said.

Most migrants are drawn by hopes of finding work in the EU and many do not remain in Italy.