



West Coast Sailors

Official Organ of the Sailors' Union of the Pacific

Volume LXXVII No. 5

SAN FRANCISCO, CALIFORNIA

Friday, May 23, 2014

National Maritime Day

A Proclamation by the President of the United States of America

America's open seas have long been a source of prosperity and strength, and since before our Nation's founding, the men and women of the United States Merchant Marine have defended them. From securing Atlantic routes during the naval battles of the Revolutionary War to supplying our Armed Forces around the world in the 21st century and delivering American goods to overseas markets in times of peace, they have always played a vital role in our Nation's success. During National Maritime Day, we celebrate this proud history and salute the mariners who have safeguarded our way of life.

Today's Merchant Marine upholds its generations-long role as our "fourth arm of defense." Yet they also go beyond this mission, transporting food where there is hunger and carrying much-needed supplies to those in distress. Thanks to our dedicated mariners, people around the world continue to see the American flag as a symbol of hope.

To create middle-class jobs and maintain our leading position in an ever-changing world, we must provide new marketplaces for our businesses to compete. As we expand commerce, we do so with confidence that the United States Merchant Marine will keep our supply lines secure. Because just as America's workers and innovators can rise to any challenge, our mariners have demonstrated time and again that they can meet any test. Today, let us reaffirm our support for their essential mission.

The Congress, by a joint resolution approved May 20, 1933, has designated May 22 of each year as "National Maritime Day," and has authorized and requested the President to issue annually a proclamation calling for its appropriate observance.

NOW, THEREFORE, I, BARACK OBAMA, President of the United States of America, do hereby proclaim May 22, 2014, as National Maritime Day. I call upon the people of the United States to mark this observance and to display the flag of the United States at their homes and in their communities. I also request that all ships sailing under the American flag dress ship on that day.

IN WITNESS WHEREOF, I have hereunto set my hand this nineteenth day of May, in the year of our Lord two thousand fourteen, and of the Independence of the United States of America the two hundred and thirty-eighth.

BARACK OBAMA



National Maritime Day is a United States holiday created to recognize the maritime industry. It is observed on May 22, the date in 1819 that the American steamship *Savannah* set sail from Savannah, Georgia, on the first ever transoceanic voyage under steam power. The holiday was created by the United States Congress on May 20, 1933.

SUP President's Report

Maritime Security Program

Funding slashed by House Subcommittee

by Gunnar Lundeberg

Just when the maritime industry was confident that the Maritime Security Program (MSP) was going to be fully funded at \$186 million for fiscal year 2015, in accordance with President Obama's budget request, the Transportation, Housing and Urban Development Subcommittee of the House of Representatives Appropriations Committee on May 6, cut \$20 million from the program.

What this means in practical terms is that eight ships could be eliminated from the 60-ship program, threatening the viability of the U.S.-flag fleet in the international trades and related infrastructure as well as its ability to deliver cargo overseas to the U.S. military.

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

The reduction in funds for this critical program makes no sense as it comes in the wake of the House Armed Services Subcommittee on Seapower and Projection Forces markup on April 30, of the National Defense Authorization Act for fiscal year 2015, that would fully fund the program at \$186 million.

ILWU, PMA negotiations begin

Contract negotiations between the International Longshore and Warehouse Union (ILWU) and the Pacific Maritime Association (PMA) began on May 12, on an upbeat note. "Both sides said they expect cargo to keep moving until an agreement is reached," the ILWU and the employers association that represents shipping lines and terminal operators said in a joint statement.

The current six-year contract expires at midnight June 30, and negotiators will meet daily in San Francisco until a contract is reached, the statement read. Negotiations will alternate each week between the headquarters of the ILWU and the PMA.

The Union seeks to negotiate a "fair agreement that protects the good jobs and benefits that support thousands of families and dozens of communities" on the West Coast, said ILWU International President Bob McEllrath.

PMA President Jim McKenna noted that West Coast ports in recent years have lost "significant market share" to ports in Canada and Mexico and to other U.S. ports. Employers seek to negotiate a contract that powers jobs and economic growth and protects the West Coast's standing as the "gateway of choice for goods sent to and from Asia," McKenna said.

In a letter dated May 6, to Congressman Tom Latham (R-Iowa), Chairman of the Appropriations Subcommittee, and Congressman Ed Pastor (D-Arizona), the Ranking Subcommittee member, USA Maritime, which the Sailors' Union is a member, urged that the \$20 million cut be restored. The letter further stated that: "The Department of Defense (DOD) for nearly the last two decades has relied on MSP-enrolled vessels for sealift of necessary cargo into conflicts in Iraq and Afghanistan as well as other troubled areas in the world, all at a fraction of the cost of what it would cost DOD to replicate that sealift if it had to build its own transoceanic container ships and roll on, roll-off carriers. These often military-sensitive cargoes are handled by U.S. operators and mariners that must meet DOD and homeland security standards. They have a demonstrated record of delivering these cargoes efficiently and safely.

Some might argue that with the Iraq and Afghanistan conflicts abating, the program is due for a reduction. But as we have seen over the last year, stability in the Middle East remains elusive, and other potential trouble spots

in the world have emerged. Now is not the time to reduce our sealift capability only to discover in the future it is no longer there to support our military when needed. The genesis of MSP was based on preventing that very scenario, a lesson learned during Operation Desert Storm when DOD had difficulty persuading foreign-flag vessels to provide sealift to our forces in Kuwait.

Furthermore, this cut cannot be viewed in isolation in terms of its impact on the U.S.-flag fleet and its workforce. Our industry has experienced a one-third reduction in U.S. cargo preference requirements for the delivery of PL 480 international food aid. MSP and food aid cargo preference serve as the major economic underpinning for our industry to remain under the U.S. flag. Vessel departures from the U.S. flag would result in the loss of U.S. jobs, revenues, and as already noted assured access to sealift to project our military forces.

In closing, MSP is one of the best examples in the Federal government of an effective public-private partnership involving government, industry and labor. Since the program's inception in 1996, Congress has increased or level-funded the program each year and has never implemented a cut of this magnitude. The maritime industry organizations and labor groups within our coalition speak as one voice in urging that these funds be restored."

In addition to the SUP, the USA Maritime Coalition includes the MM&P, MEBA, AMO, SIU-AGLIWD, APL, American Roll-On/Roll-Off Carriers, Foss, Hapag-Lloyd, Intermarine, Liberty Maritime, Maersk Line, Sealift Inc., American Maritime Congress, Maritime Institute for Research and Industrial Development and the Transportation Institute.

President's Report continues on page 10

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SUP Quarterly Finance Committee Report

SUP QUARTERLY FINANCE COMMITTEE REPORT FOR THE QUARTER ENDED MARCH 31, 2014

The Quarterly Finance Committee, duly authorized to act by the regular meeting at Headquarters on April 14, 2014, hereby submits the following report:

SUMMARY OF CASH AND INVESTMENTS

General Fund.....	\$1,158,441.84
Political Fund	\$17,578.33
Strike Fund	\$1,293,730.99
Total Cash and Investments 1st Qtr. 2014	<u>\$2,469,751.16</u>

GENERAL FUND

Income:	
Dues, Initiation, Assessments	\$119,216.00
Interest	14,776.28
Donations - <i>West Coast Sailors</i>	1,280.00
Tanker & Joint Committee, Hiring Hall.....	139,595.10
Advertising & Promotion	375.00
Miscellaneous Income, Reimbursements, Fines	862.50
Reimbursed Administrative Expenses	26,739.15
Contributions - General Fund	8,790.00
Total Income:	<u>\$311,634.03</u>

Expense:	
Auto & Travel	\$270.00
Rent	19,066.24
Postage, Printing & Office	5,319.81
Telephone & Telegraph	4,426.87
<i>West Coast Sailors</i> Publishing Expense	14,428.87
Per Capita	16,271.50
Salaries & Payroll Taxes	227,625.68
Office Workers Pension.....	8,309.60
Insurance	53,578.66
Field Expense.....	43.90
Committee & Neg., Conference & Conv.	2,787.09
Investment Expense	1,440.59
Officials Pension.....	2,471.67
Subscriptions	3,380.64
Advertising & Promotion	1,394.95
Total Expense:	<u>\$360,816.07</u>

BUILDING CORPORATION

Income:	
Rents	\$192,882.66
Bldg. Util. & Service Reim.	800.00
Total Income:	<u>\$193,682.66</u>

Expense:	
Building Services & Utilities	\$35,289.54
Repairs & Maintenance	13,239.56
Insurance	3,300.06
Salaries & Payroll Taxes	17,399.47
Pension	380.13
Auto	139.72
Office	4,863.71
Building Improvements	2,461.50
Building Improvements - Legal	3,695.00
Total Expense:	<u>\$80,768.69</u>

POLITICAL FUND

Income:	
Contributions	\$3,260.00
Total Income	<u>\$3,260.00</u>

Expense:	
Office	\$91.75
Contributions	8,100.00
Total Expense:	<u>\$8,191.75</u>

Net Income 1st Qtr.	<u>\$58,800.18</u>
Net Income YTD:	<u>\$58,800.18</u>

/s/ Diane Ferrari

/s/ Arthur Thanash

/s/ Roy Tufono

/s/ Kaj E. Kristensen

/s/ Paul Calais

ACTION BY THE MEMBERSHIP May 12, 2014. M/S/C—That we concur in the report of the SUP Quarterly Finance Committee and, as per past practice, publish in the West Coast Sailors. Carried unanimously.

SUP Honor Roll

Voluntary contributions from the membership to the following funds:

West Coast Sailors

Abe Acosta	20.00
Roy Bradshaw	25.00
Hugh Crandall in memory of Andy Andersen	100.00
Jeff Curtis	25.00
Ken Herzstein	25.00
Lester Hofstad	25.00
James Kula	25.00
Tom Larkin	30.00
Terence O'Neill in memory of Andy Andersen	100.00
Angelo Rossano	25.00
Efren Tan in memory of Andy Andersen	30.00

Political Fund

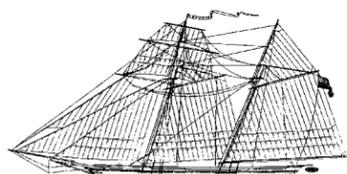
Abe Acosta	20.00
J. Anderson-Kaisa	10.00
Archie Bickford	50.00
Jan Bularz	25.00
Reynaldo Clores	100.00
Dave Connolly	100.00
Diane Ferrari	100.00
Norhaslan Idris	20.00
Efren Tan in memory of Andy Andersen	40.00
Knud Jensen in memory of Andy Andersen	50.00
Maea Loe	50.00
Jay Loe	40.00
Gunnar Lundeberg	50.00
Nick Manessiotis	40.00
Philip Romei	100.00
Samuel Scott	10.00
David Sylstra	50.00

Organization/ General Fund

Abe Acosta	20.00
Philip Romei in memory of Andy Andersen)	100.00
Efren Tan in memory of Andy Andersen	30.00

Dues-Paying Pensioners

Gordon Abbott	Book #3785
Robert Copeland	Book #4763
Donald Cushing	Book #4777
Romaine Dudley	Book #2593
Diane Ferrari	Book #2251
Knud Jensen	Book #3940
Kaj E. Kristensen	Book #3120
Hannu Kurppa	Book #3162
James K. Larsen	Book #4055
Duane Nash	Book #2437
John Perez	Book #3810
Alex Romo	Book #3193
Francisco Salvatierra	Book #7498
James Savage	Book #7488
Ralph Senter	Book #7323
David Shands	Book #7483
Arthur Thanash	Book #3249



“Should any political party attempt to abolish Social Security, unemployment insurance, and eliminate labor laws and farm programs, you would not hear of that party again in our political history. There is a tiny splinter group, of course, that believes you can do these things. Among them are a few Texas millionaires, and an occasional politician or business man and they are stupid.”

*President Dwight Eisenhower
November 8, 1954*

SUPPORT THE SUP POLITICAL FUND

SUP Meetings

These are the dates for the regularly scheduled SUP meetings in 2014:

	Hdq.	Branch
June	9	16
July	14	21
August	11	18
September	8	15
October	Tues. 14	20
November	10	17
December	8	15

Final Departures

Vernon Brouette, Book No. 4759. Born in Minnesota in 1924. Joined SUP in 1944. Died in Sunnyvale, California, April 14, 2014. (Pensioner)

Herbert Blake, Book No. 4945. Born in Maine in 1921. Joined SUP in 1944. Died in Sequim, Washington, April 15, 2014. (Pensioner)

William Buker, Book No. 5541. Born in South Dakota in 1928. Joined SUP in 1945. Died in Lakeport, California, April 26, 2014. (Pensioner)

West Coast Sailors

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AFL-CIO report denounces NAFTA

Argues for new approach to trade pacts

Despite the promise of economic benefits made at the time of its implementation, the North American Free Trade Agreement (NAFTA) has resulted in lower wages, lost jobs and other negative effects for U.S. workers, and future trade agreements should not seek to emulate it, according to a report (“NAFTA AT 20”) by the AFL-CIO.

NAFTA, the report said, has resulted in “stagnant wages, increasing inequality and weakened social protections” in Canada, Mexico and the United States, despite promises by former President Bill Clinton and others that it would have a positive impact.

While “traditional trade agreements” negotiated prior to NAFTA generally focused on tariffs, NAFTA focused largely “on creating privileges and protections for investors,” the report said. Through an enforcement mechanism of certain investor rights known as investor-to-state dispute settlement (ISDS), the agreement “allows investors to directly challenge government regulations that interfere with actual or potential profits before international panels that are unaccountable to the public.”

Furthermore, while NAFTA did include side agreements dealing with labor and environmental issues, “the complaint procedures for violations of labor or environmental standards are exceedingly slow and cumbersome, and provide no reasonable possibility of sanctions being imposed for noncompliance,” the report said. “While complaints have been used to draw increased scrutiny to particularly egregious violations, these weak provisions fail to meaningfully protect fundamental labor rights or the environment.”

The agreement also contributed to income inequality, the report argued, in the United States as well as in Mexico and Canada. “NAFTA has failed to ensure the kind of social distribution necessary to achieve sustainable economic growth,” it said.

The report makes a number of specific recommendations as negotiations progress on the Trans-Pacific Partnership (TPP), another trade agreement that currently is being hammered out between the United States and 11 other countries. For example, “The workers, consumers and communities affected by (trade deals) must be able to participate in the negotiations,” it said, but TPP negotiations currently are being carried out “entirely in secret.”

“NAFTA’s provisions were crafted, debated and finalized without significant public engagement or scrutiny,” the report said. “The result was language that disproportionately benefited corporations at the expense of citizens.”

The report also recommended that future trade deals do away with investor-state dispute settlement, which it said “places the interests of private foreign investors on an equal footing with the interest of the general public of an entire nation.”

As for labor rights, “trade deals should include firm commitments to increase quality employment that allows workers to live with dignity and be treated with respect in the workplace,” the report said. In addition, “trade deals should include the same robust trade sanctions for labor violations as for commercial violations and automatic deadlines to advance complaints.”

“The TPP and other forthcoming trade agreements do not have to repeat the mistakes of the past 20 years,” the report said. “These negotiations are an opportunity to build an inclusive and sustainable trade model.”

Over 10% the Nation’s largest companies pay an effective tax rate of zero %

Among companies listed on the S&P 500, almost one in nine paid an effective tax rate of zero percent — or even lower — over the past year, according to an analysis by *USA Today*.

There are 57 separate companies listed on the index that paid a zero percent rate from the past year. Those companies include both household names like Verizon and News Corp. and lesser-known corporate giants like the data storage manufacturer Seagate (market value \$15.9 billion) and Public Storage (market value \$29.5 billion). Many of the companies *USA Today* identified in its analysis as paying negative rates make the list because they lost money, but several were profitable. Previous analyses have shown that the typical corporation pays a lower effective tax rate than most middle-class families, and a far lower one than the statutory corporate tax rate against which business interests disingenuously rail.

Getting to a zero percent tax rate despite turning a profit requires creative accounting, but not lawbreaking. The corporate tax code allows companies to avoid tax liability even in years when they turn a profit. Some of the profitable companies on the newspaper’s list, such as General Motors, achieved a zero percent rate by banking tax credits from previous years when business was bad. But the more common gambit involves moving revenues from parent companies to offshore subsidiaries based in tax haven countries in the Caribbean, Europe, and elsewhere.

Such offshoring of profits has caught the attention of policymakers in the United States and Europe this year, with the focus predominantly on Apple Inc. The U.S. tech giant not only avoided the American tax system, but managed to shelter about \$100 billion in revenues from any taxes at all. That scheme relied upon a loophole in Irish law which that country’s government says it intends to fix, but the narrow change proposed by Ireland’s finance minister will not address the larger problem of corporate tax avoidance.

Tax dodging costs the U.S. about \$300 billion per year. Much of that lost revenue is from individuals, rather than corporations. The country is cracking down on individual tax dodgers and striking deals with countries like Switzerland and the Cayman Islands that will help identify tax cheats starting in 2014. The corporate tax avoidance problem is thornier, as it is generally done through entirely legal methods. Coordinating international tax law in a way that would minimize corporate tax trickery is very difficult under the current approach, and a paradigm shift in business tax law may be necessary to end the accounting practices that rob countries of tax revenue.

Customs ruling permits refining company to circumvent Jones Act

A massive oil storage facility located in the Bahamas may offer gasoline traders a new way to profit by shipping fuel in foreign ships from the oversupplied U.S. Gulf Coast to the East Coast following a recent United States Customs ruling. The judgment in favor of Buckeye Partners LP, which owns the Bahamas Oil Refining Company (BORCO) oil storage hub, allows traders to use foreign ships to transport fuels between the Gulf and East Coast via BORCO, circumventing the Jones Act.

In its ruling, Customs said traders may export to the Bahamas certain blending components of gasoline on a foreign-flagged vessel and ship it back to the United States on a foreign-flagged ship if it is blended to produce RBOB and CBOB gasoline grades.

The 25-million-barrel BORCO storage hub, the Caribbean’s biggest, is located less than 100 miles from the Florida coast.

The ruling states the blending must create a “new and different product” for it to be eligible for re-export to the United States on a foreign-flagged ship.

Industry participants said the ruling, which came after earlier petitions from Buckeye in January 2013 and August 2012 had failed, could potentially open up a new trading route from the Gulf Coast to the East Coast.

The estimated transport costs for the same route via the BORCO terminal are reportedly less than \$2 per barrel.

APL parent reports first quarter loss on weak freight rates

NOL Group, the parent company of the container shipping company APL and APL Logistics, said it had a loss of \$98 million in the first quarter of 2014, compared to a profit of \$76 million in the same 2013 period. Last year’s first quarter results had benefited from a \$200-million gain from the sale of the NOL headquarters building in Singapore.

Core before-tax earnings were \$33 million in the first quarter this year, compared to \$5 million in the first quarter of 2013. NOL attributed the improvement in EBITDA (Earning Before Interest, Taxes, Depreciation and Amortization) to its continuing focus on cost management and operational efficiency, which it said delivered \$80 million worth of cost savings in the first three months of 2014.

Revenue was \$2.28 billion in the first quarter, 4% lower than the \$2.37 billion recorded in the first quarter of 2013.

NOL Group President and Chief Executive Officer Ng Yat Chung said, “Going forward, global economic prospects and trading conditions remain uncertain. Oversupply of shipping capacity will continue to exert pressure on liner freight rates. The group aims to improve its financial performance in 2014, through its continued focus on cost discipline and drive for operational efficiency. We will also seek growth opportunities, particularly in our logistics business.”

APL moved 785,000 40-foot equivalent units in the first quarter, 2% more than in the same 2013 period. Liner revenue, however, fell 5% to \$1.88 billion, reflecting a 6% drop in average container rates to \$2,233 per FEU.

“APL’s emphasis on capacity manage-

ment, as well as savings in areas such as bunker consumption and vessel and voyage operations, helped cushion the impact of falling freight rates in this year’s first quarter,” said APL President Kenneth Glenn. “As more of our newbuildings come on stream in the following months, along with the scheduled return of less efficient chartered tonnage, we are on track to continue lowering slot costs and further strengthen our competitiveness.”

APL said its headhaul utilization “was at an optimal 95% in the first quarter of 2014. APL registered a 9% volume expansion with stable freight rates in the Asia-Europe trade. Volume was firm in the transpacific trade, with freight rates falling 5%, while its Intra-Asia trade grew 1% in volume against an 11% dip in freight rates, amidst intense market competition and excess tonnage cascading from the Asia-Europe trade.”

APL Logistics’ revenue was \$423 million in the first quarter of this year, off 1% from the first quarter of 2013. EBITDA was \$21 million in the first quarter, 11% higher than it was a year earlier.

“The first quarter performances of our core international logistics and contract logistics businesses had been satisfactory, and we are progressing steadily on our growth trajectory,” said APL Logistics President Beat Simon. “While our automotive logistics services are still feeling some impact from the ongoing automotive plant shutdown in North America, our growth strategy in the emerging markets has continued to propel our business. We remain focused on realizing growth opportunities in selected verticals and attractive markets.”

Somali pirate sentenced to 12 years

A German court sentenced a Somali asylum-seeker to 12 years in jail on April 17, for his involvement in the pirate hijacking of a tanker in the Indian Ocean in 2010. The judge in the Osnabrueck court in northern Germany said the man was guilty of kidnapping and severe extortion. The ship was released for a ransom of \$5.5 million after eight months in the hands of Somali pirates.

“After four months of extensive evidence gathering, the court is convinced that the 44-year-old Somali was a leading member of the pirates who kidnapped a chemical tanker,” said the court in a statement. The man was not named. German courts do not usually provide the full names of defendants.

The Marshall Islands-flagged *Marida Marguerite* was seized by pirates firing automatic weapons and rocket-propelled grenades south of Oman in May 2010. Of the tanker’s 22-member crew, most were from India. One testified at the trial. The court agreed with prosecutors who had argued that the man was a leading member of the pirate gang, that he had taken important decisions on board, had a lot of responsibility and at times led the group. During the hijacking, the crew were subjected to torture, including mock executions, said the court. A shot was fired next to the captain’s head. Giving evidence in court, the man admitted to being involved in the hijacking, to guarding hostages and carrying an AK-47 rifle. However, he denied accusations he was a leader of the pirates and was unaware of any torture being inflicted.



Maritime Day in San Pedro at the American Merchant Marine Veteran's Memorial: Front row l-r: Abdullah Sankofa, Julian Torre, Annette McDonald (x SUP representing Congresswoman Janice Hahn), Kianoosh Barkhordar, Mrs. Meyer; back row l-r: Mark Hurley, SUP Wilmington Branch Agent, Eric McDonald, Luis Rosas, Eve Sullivan, Ken (Sinbad) Delancey, Joshua Davis, Tim Jones, and Steve Meyer.

Republican Senator proposes dismantling Medicare and raising the retirement age

On May 15, Senator Marco Rubio (R-Florida) gave a speech at the National Press Club in which he laid out his sweeping proposal to cut to Social Security and Medicare. Rubio is widely viewed as a potential candidate for the Republican presidential nomination in 2016. In addition to laying out policy changes involving retirement savings plans and incentives for older workers to remain in the workforce, Senator Rubio proposed raising the retirement age, a move that would force millions of Americans to work longer to collect the benefits they have earned. Although Senator Rubio cited the "rise in life expectancy" as the rationale for this change, his proposal would disproportionately harm low-income and minority seniors who have not seen their life expectancies rise in step with other workers.

Senator Rubio also used the speech to endorse Paul Ryan's (R-Wisconsin) proposal to end Medicare's guarantee by privatizing the program and converting it to a voucher system. Under the proposed changes, Medicare would be replaced by a system in which seniors would be given a voucher redeemable towards the purchase of either private insurance or a modified Medicare plan. Since these vouchers would likely fail to cover the full cost of coverage, seniors would be expected to make up the difference out of pocket. It is expected that adopting such a system would result in millions of seniors paying more for coverage. "If Senator Rubio really cared about strengthening retirement security, he would join the effort to expand Social Security benefits as Senator Tom Harkin (D-Iowa) and Representative Linda Sanchez (D-California) have proposed. If he really cared about addressing the retirement security crisis, and there is one, he would get on board with raising the minimum wage. Social Security benefits are based on wages. By calling Social Security 'outdated,' Senator Rubio shows how out of touch he is with the needs of current and future retirees," said Richard Fiesta, Executive Director for the Alliance.

Treasure hunters recover \$1.3 million in gold

A deep-ocean exploration company in Florida says it has recovered nearly 1,000 ounces of gold, worth \$1.3 million at current gold prices, on a reconnaissance dive to an historic Atlantic Ocean shipwreck.

The dive confirmed that the ship had not been disturbed since 1991 when another company stopped recovery work, Tampa-based Odyssey Marine Exploration, announced May 5. The ship's sinking in 1857 with 21 tons of gold aboard in a hurricane off the coast of South Carolina sparked a U.S. banking panic. Recovered gold included five gold ingots and two \$20 Double Eagle coins, an 1857 coin minted in San Francisco and an 1850 coin minted in Philadelphia. The gold ingots were stamped with the manufacturer's "assay-mark" and weigh from 96.5 to 313.5 troy ounces. U.S. \$20 Double Eagle coins fetch an average of \$5,000 from collectors, Odyssey's chief operating officer Mark Gordon said.

In March, Odyssey won the rights to return to the shipwreck from a receiver who had been appointed by an Ohio court to represent the ship's first exploration company after a decades-long court battle over rights to the treasure and return for investors.

More than \$40 million in gold was

recovered by the original team led by Tommy Thompson, an Ohio engineer who discovered the shipwreck in 1988 using sonar and robotic technology he developed. The recovery efforts were derailed by lawsuits and investors accused him of failing to pay them. He has been considered a fugitive since 2012 when he failed to appear in court for a hearing. Only about 5% of the shipwreck site was explored in the late 1980s, Gordon said.

The two-hour reconnaissance dive in mid-April took place as the company's research vessel, *Odyssey Explorer*, was traveling from the U.K. to Charleston, the company revealed.

Odyssey Explorer left Charleston recently to begin the bulk of recovery work at the shipwreck 160 miles off the South Carolina coast and 7,500 feet deep. The 280-foot sidewheel steamship carried as much as 21 tons of gold ingots, freshly minted gold coins and raw gold from the California mines, as well as the personal wealth and belongings of its 477 passengers, most of whom were lost when the ship sank.

Historians say the loss of the gold caused a banking panic that contributed to a larger U.S. economic crisis, called the Panic of 1857, that lasted several years.

IMO approves container weight verification requirement

The Maritime Safety Committee (MSC) of the International Maritime Organization (IMO) has approved changes to the Safety of Life at Sea (SOLAS) convention that will require verification of container weights as a condition for loading packed export containers aboard ships.

Misdeclared container weights have been a long-standing problem for the transportation industry and for governments as they present safety hazards for ships, their crews, and other cargo on board, workers in the port facilities handling containers, and on roads. Misdeclaration of container weights also gives rise to customs concerns.

The approved changes to the convention will enter into force in July 2016 upon final adoption by the MSC in November 2014. In order to assist supply chain participants' and SOLAS contracting governments' implementation of the container weight verification requirement, MSC also issued a MSC Circular with implementation guidelines.

MSC also approved a new Code of Practice for the Packing of Cargo Transport Units (CTUs), including intermodal shipping containers. The new CTU Code, which will replace the current IMO/ILO/UNECE Guidelines for packing of CTU, has already been approved by the UNECE (United Nations Economic Commission for Europe) and will now go to the International Labour Organization (ILO) for approval. The CTU Code provides information and guidance to shippers, packers and other parties in the international supply chains for the safe packing, handling and transport of CTUs.

The World Shipping Council (WSC), whose members represent about 90% of global containership capacity, has been a leading advocate for the container weight verification requirements and has worked cooperatively with the IMO for over seven years to see them materialize. WSC has also participated in the group of experts that developed the new CTU Code.

"In taking these decisions, the IMO has demonstrated its continuing leadership in trying to ensure the safe transportation of cargo by the international shipping industry," said WSC President & CEO, Chris Koch. "We congratulate the IMO Secretary General and the IMO member governments for developing and approving these measures that, when properly implemented and enforced, should provide for long-needed improvement to maritime safety. The SOLAS amendments and related implementation guidelines regarding container weight verification represent a collaborative effort that we were pleased to be a part of and we look forward to final adoption of the amendments in November 2014."

Singapore bulk carrier detained

U.S. Coast Guard officials in Portland, Oregon, have detained a bulk carrier after a routine inspection revealed numerous safety violations. The 39,894 dwt *Strategic Synergy*, owned by Singapore-based SBC Synergy, had been on its maiden voyage after completing construction in China on April 23, when it was detained on May 14.

Several safety discrepancies were related to the *Strategic Synergy's* rescue boat, according to the Coast Guard, which failed to start after multiple attempts. Coast Guard inspectors said the vessel's crew also had not completed required scheduled inspections or maintenance on the rescue boat since the Singapore-flagged vessel departed China.

In addition, the Coast Guard said the vessel's steering pump lost power and became inoperable during a test of its steering system, rendering the vessel "incapable of safely maneuvering," the agency added.

"The combined risks posed by the safety discrepancies made the vessel substandard with respect to U.S. and international conventions," said Lt. Ben Russell, chief of the Port State Control branch at Portland.

JetBlue Airways pilots vote to join Union

After twice rejecting bids to Unionize since 2009, JetBlue Airways pilots overwhelmingly agreed to be represented by the Air Line Pilots Association (ALPA) last month.

Most of JetBlue's 2,529 pilots participated in the vote and 71% of them voted to join ALPA, the largest pilots' Union in the United States. In a one-sentence statement, JetBlue said it would set up negotiating committees after the National Mediation Board authorizes ALPA as the representative body for its pilots. The pilots are the first work group at JetBlue to join a Union.

Captain Lee Moak, the Union's president, said that the addition of the JetBlue pilots would "make our Union stronger by adding their unified voices to the association's strong bargaining and advocacy efforts."

ALPA, which represents about 50,000 pilots in the United States and Canada, also represents pilots at Delta Air Lines and United Airlines. American Airlines

and Southwest Airlines pilots have independent Unions.

JetBlue has been a non-Union airline since it was founded in 1998. Pilots there had twice before rejected moves to join the Union, in 2009 and 2011.

ALPA said it would now focus on establishing representatives and negotiation committees and on working to negotiate the airline's first collective bargaining agreement. It said JetBlue pilot members would immediately be entitled to ALPA's medical advisers and insurance benefits.

JetBlue pilots have voted for ALPA representation so that we have the ability to improve our professional careers," said Captains Gustavo Rivera and Rocky Durham, co-chairmen of the JetBlue Organizing Committee.

The vote leaves Virgin America as the only fully non-Union company among big U.S. airlines. Organized labor represents most of the workforce at most U.S. carriers, although at Delta Air Lines the pilots are the only major Unionized work group.



California Labor Federation, AFL- CIO Endorsements for the June 3 Primary Election

U.S. Congress



Nancy Pelosi

California Ballot Propositions

- 41. Veterans Housing Bond — YES
- 42. Public Records — YES

- Governor – Edmund “Jerry” Brown
- Lieutenant Governor – Gavin Newsom
- Secretary of State – Alex Padilla
- Attorney General – Kamala Harris
- Controller – John A. Perez
- Treasurer – John Chiang
- Insurance Commissioner – Dave Jones
- Superintendent of Public Instruction – Tom Torlakson

Board of Equalization

- District 1 – Chris Parker
- District 2 – Fiona Ma
- District 3 – Jerome Horton
- District 4 – No recommendation

State Assembly

1. No recommendation
2. Jim Wood
3. Jim Reed
4. Dan Wolk
5. No recommendation
6. Brian Caples
7. Kevin McCarty
8. Ken Cooley
9. Darrell Fong
10. No recommendation
11. Jim Frazier
12. Harinder Grewal
13. Susan Talamantes Eggman
14. Susan Bonilla
15. Dual: Elizabeth Echols/ Tony Thurmond
16. Tim Sbranti
17. David Campos
18. Rob Bonta
19. Phil Ting
20. Bill Quirk
21. Adam Gray
22. Kevin Mullin
23. No endorsement
24. Rich Gordon
25. Kansen Chu
26. Carlton Jones
27. Nora Campos
28. Evan Low
29. Mark Stone
30. Luis Alejo
31. Henry Perea
32. No endorsement
33. Rick Roelle (R)
34. Virginia Mari Goodman
35. No recommendation
36. Steve Fox
37. Das Williams
38. No recommendation
39. Raul Bocanegra
40. Melissa O'Donnell
41. Chris Holden
42. Karalee Hargrove
43. Mike Gatto
44. Jacqui Irwin
45. Matt Dababneh
46. Adrin Nazarian
47. Cheryl Brown
48. Roger Hernandez
49. Ed Chau
50. Richard Bloom
51. Jimmy Gomez
52. Freddie Rodriguez
53. Miguel Santiago
54. Sebastian Ridley-Thomas
55. No recommendation
56. Eduardo Garcia
57. Ian Calderon
58. Cristina Garcia
59. Reggie Jones-Sawyer
60. Oliver Unaka
61. Jose Medina
62. Autumn Burke
63. Anthony Rendon
64. No recommendation
65. Sharon Quirk-Silva
66. Al Muratsuchi
67. No endorsement
68. Anne Cameron
69. Tom Daly
70. Patrick O'Donnell
71. No endorsement
72. Joel Block
73. Wendy Gabriella
74. Anila Ali
75. No endorsement
76. No endorsement
77. No endorsement
78. Toni Atkins
79. Shirley Weber
80. Lorena Gonzalez

State Senate

2. Mike McGuire
4. C.J. Jawahar
6. Dual: Richard Pan/ Roger Dickinson
8. No endorsement
10. Bob Wieckowski
12. Anthony Cannella (R)
14. Luis Chavez
16. No endorsement
18. Robert Hertzberg
20. Connie Leyva
22. Ed Hernandez
24. Kevin de Leon
26. No recommendation
28. Glenn Miller (R)
30. Holly Mitchell
32. Tony Mendoza
34. Jose Solorio
36. No endorsement
38. No recommendation
40. Ben Hueso

U.S. House of Representatives

1. Heidi Hall
2. Jared Huffman
3. John Garamendi
4. No endorsement
5. Mike Thompson
6. Doris Matsui
7. Ami Bera
8. Paul Cook (R)
9. Jerry McNerney
10. Michael Eggman
11. Mark DeSaulnier
12. Nancy Pelosi
13. Barbara Lee
14. Jackie Speier
15. Ellen Corbett
16. Jim Costa
17. Mike Honda
18. Anna Eshoo
19. Zoe Lofgren
20. Sam Farr
21. Amanda Renteria
22. Suzanna Aguilera-Marrero
23. No endorsement
24. Lois Capps
25. Lee Rogers
26. Julia Brownley
27. Judy Chu
28. Adam Schiff
29. Tony Cardenas
30. Brad Sherman
31. Pete Aguilar
32. Grace Napolitano
33. No recommendation
34. Xavier Becerra
35. Norma Torres
36. Raul Ruiz
37. Karen Bass
38. Linda Sanchez
39. Peter Anderson
40. Lucille Roybal-Allard
41. Mark Takano
42. Tim Sheridan
43. Maxine Waters
44. Janice Hahn
45. Drew Leavens
46. Loretta Sanchez
47. Alan Lowenthal
48. Dual: Robert Banuelos Suzanne Savary
49. Dave Peiser
50. James Kimber
51. Juan Vargas
52. Scott Peters
53. No recommendation

Philippines offers island for U.S. Navy base

The Philippines, aiming to boost its ability to defend offshore areas, wants to ensure U.S. warships are closer to the disputed South China Sea by offering the United States an underdeveloped naval base on a western island, its military chief has said.

China has stepped up its activities to assert its extensive claim over the energy-rich South China Sea. Brunei, Malaysia, the Philippines, Vietnam and Taiwan also have claims over the sea, or parts of it, through which about \$5 trillion of ship-borne goods pass every year.

Last month, the Philippines and the United States signed an Enhanced Defense Cooperation Agreement (EDCA) allowing U.S. forces wider access

to Philippine bases and building facilities for joint use in maritime security and disaster response.

“Oyster Bay is still underdeveloped but we need to improve it for our armed forces,” armed forces Chief of Staff General Emmanuel Bautista said in a television interview this month, referring to a base on Palawan Island to the west of main Philippine islands. “Perhaps with the EDCA that can be facilitated and further improvement in Oyster Bay will be made.”

Bautista said he was hoping the U.S. would help pay for the development of the base, where the Philippines has begun work, and help develop it into a major operating base for both navies. Oyster Bay

is only 100 miles from the disputed Spratly islands, where China has been reclaiming a reef known as Johnson South Reef, and building what appears to be an airstrip on it.

Last October, the Philippine navy commander on Palawan said the force had a plan to convert Oyster Bay into a “mini-Subic” where the country’s two former U.S. Coast Guard cutters would be based. Subic Bay is a former U.S. naval base which is now a commercial free port, where U.S. warships dock because of its deep harbor. There are plans to convert parts of the free port into an air and naval base.

Bautista said the Philippines was also offering the U.S. the use of a base in the Zambales area.

Huge iceberg breaks off Antarctica

Scientists are monitoring an iceberg roughly six times the size of Manhattan—one of the largest now in existence—that broke off from an Antarctic glacier and is heading into the open ocean. Kelly Brunt, a scientist with NASA Goddard Space Flight Center and Morgan State University in Maryland, said the iceberg covers about 255 square miles and is up to a third of a mile thick. Known as B31, the iceberg separated from Antarctica’s Pine Island Glacier last November, Brunt added.

The iceberg’s present location is not in an area heavily navigated by ships. “There’s not a lot of shipping traffic down there. We’re not particularly concerned about shipping lanes. We know where all the big ones are,” she said.

Scientists are especially interested in this iceberg not only because of its size but because it originated in an unexpected location, said Brunt. “It’s like a large sheet cake floating through the Southern Ocean,” she added.

The glacial crack that created the iceberg was first detected in 2011, according to NASA glaciologist Brunt. Pine Island Glacier has been closely studied over the past two decades because it has been thinning and draining rapidly and may be an important contributor to sea level rise, scientists say. They say the iceberg has floated across Pine Island Bay, a basin of the Amundsen Sea, and will likely be swept up soon by the swift currents of the Southern Ocean.

“We are doing some research on local ocean currents to try to explain the motion properly. It has been surprising how there have been periods of almost no motion, interspersed with rapid flow,” iceberg researcher Grant Bigg of the University of Sheffield in England said in a statement from NASA Earth Observatory. “There were a couple of occasions early on when there might have been partial grounding or collisions with the sea floor, as B31 bounced from one side of the bay to the other,” Bigg said.

Captain of sunken Korean ferry charged with murder

The captain and three senior crew members of a South Korean ferry that capsized in April, killing more than 280 passengers, many of them school children, were indicted for homicide on May 15, a senior prosecutor said.

Prosecutors also indicted the 11 other surviving crew members of the ferry *Sewol* on negligence charges. The crew has been under criminal investigation after they were believed to have escaped the sinking vessel before many passengers.

“The captain, a first officer and second officer and the chief engineer escaped before the passengers, leading to grave casualties,” prosecutor Ahn Sang-don, who is leading the investigation, told a news briefing. Ahn said the *Sewol* was severely compromised in its ability to maintain stability after a remodeling to add capacity, and had set sail on April 16 massively overloaded and with insufficient water in the ballast tanks used to keep it steady.

Strong currents in the disaster zone made the vessel less responsive to navigation and prompted the crew to make a turn of 15 degrees, sharper than advisable, which led the ferry to list rapidly and then sink, he said.

“The captain should have been in command of the navigation, but left that to a third officer, and that is gross negligence,” Ahn said, adding there was enough evidence to support a charge of willful negligence on the part of the captain and three

other officers. “The charge of homicide was applied because they did not exercise their duty of aid and relief, leading to the deaths of passengers,” he said, adding that some crew had confessed “they were thinking about their own lives.”

The *Sewol* was on a routine journey from the mainland port of Incheon to the southern holiday island of Jeju.

Of the 476 passengers and crew on board, 339 were children and their teachers on a school trip. Only 172 people were rescued, with the rest presumed to have drowned.

A month after the disaster, 281 bodies have been recovered but 23 people remain missing, even as rescue divers continue to search the vessel.

Some of the crew, including the captain, were caught on videotape abandoning ship while the children were repeatedly told to stay put in their cabins and await further orders.

The government of President Park Geun-hye has faced sharp criticism for its handling of the disaster and the rescue effort, with an outpouring of anger over suggestions that a more effective initial response could have saved many more.

Prosecutors are seeking the arrest of members of the family that owns the ferry operator, and may also seek the extradition of a son of the reclusive head of the family from the United States, an official said.

GAO report recommends greater Arctic Council participation by U.S.

The Government Accountability Office (GAO) study focused in attention on the country’s participation in the Arctic Council, a voluntary body started in 1996 that includes the eight Arctic nations—Canada, Denmark, Finland, Iceland, Norway, Russia, Sweden and the U.S., as well as indigenous groups and other stakeholders.

The report said that the U.S. has not prioritized its commitments to the Arctic Council and is limited in its ability to respond to emergencies in the region. The report recommended a stronger strategy for U.S. participation in the Arctic Council and better process to track progress toward achieving its goals.

Congressman Rick Larsen (D-Washington) introduced a bill with Congressman Jim Sensenbrenner (R-Wisconsin) last month to establish a U.S. Ambassador at Large for Arctic Affairs and has strongly supported additional investments in icebreakers.

“The Arctic is the Northwest Passage of the 21st century, but the GAO report is another sign that the U.S. is falling behind in Arctic policy. With next year’s chairmanship of the Arctic Council, it’s time we appointed an ambassador to this important body. We also need to make investments in infrastructure like icebreakers to maintain a strong presence in this increasingly important region. Our country has major commercial, environmental and security interests in the region and we should start prioritizing them,” Larsen said.

“If the United States hopes to maintain its presence in the Arctic, it is time to get serious about the region. The GAO report clearly points out that there is much more we could be doing to protect our interests, both economic and security-related. I look forward to continuing to work with my colleagues to explore how we can better prioritize our Arctic policies,” said Congressman Tim Bishop (D-New York).

“A warming climate that is opening up the Arctic to commercial shipping, the intense global competition for energy resources, and the absence of a comprehensive and binding international Arctic management regime are threatening to turn this emerging region into the Wild West,” said Congressman John Garamendi (D-California). “It is imperative that we avoid that scenario. Accordingly, the United States should demonstrate purposeful leadership within the Arctic Council to advance U.S. interests and obligations. We should also ensure that federal agencies involved in the Arctic, especially the United States Coast Guard, have a coordinated game plan and sufficient resources to meet these challenges.”

“This GAO report underlines and highlights the core threat to America’s future as an Arctic nation: we’re late in carrying out a needed path ahead and we need our agencies to work together as we move forward. This is one of the reasons we need an Arctic Ambassador with the authority to make decisions, and coordinate and oversee projects as we’re at this crucial juncture. The United States will be chairing the Arctic Council starting next year, which will either be an opportunity to highlight our leadership, or undermine it depending on our government’s approach,” said Senator Lisa Murkowski (R-Alaska).



The LMSRs *USNS Gilliland* and *USNS Gordon* are both in Reduced Operating Status in Baltimore. From the left: OS Joesph Ramires, AB Niel Zapatos, AB Benjamin Garman, Bosun Doug Boe, OS Sebastian Delaney, and Bosun Mark Kane on the stern in April. Both vessels are operated by SUP-contracted Patriot Contract Services for the Military Sealift Command.

Japan revises law to support key domestic container ports

Japan has enacted a bill to allow the government to acquire equity stakes in the operators of key domestic container ports to help shore up their international competitiveness. The bill to amend the Ports and Harbors Act was approved by the House of Councilors, the upper house of the Diet, Japan’s parliament, last month. It had already been passed by the House of Representatives, the lower house, earlier.

The revised Ports and Harbors Act specifically allows the government to acquire equity stakes in the operators of “strategic international container ports.” The government designated “the Ports of Keihin” and “the Ports of Hanshin” as strategic international container ports in 2010. The Port of Tokyo, the Port of Yokohama and the Port of Kawasaki are collectively the Ports of Keihin, while the Port of Osaka and the Port of Kobe make up the Ports of Hanshin.

The companies operating the three ports in the Keihin area of eastern Japan are expected to merge in 2014. The operating companies of the two ports in the Hanshin area of western Japan are expected to follow suit in 2015.

The government is expected to acquire equity stakes in the two port operators to be created through the mergers. The operations of the ports in the Keihin and Hanshin areas have so far been undertaken by local governments. The central government hopes to see the number of containers handled by the key container ports in the Keihin and Hanshin areas rise significantly as a result of its increased involvement in their operations.

Russia seeks involvement in proposed Nicaragua Canal

Russia has announced that it will take part in building the Nicaragua Canal and is discussing possible modes of cooperation, according to a *Moscow Times* report.

“We have discussed this multiple times with our Nicaraguan colleagues,” Russia Foreign Minister Sergei Lavrov said in an interview with RIA Novosti. “We are looking for appropriate ways in which Russia can get involved in this project.”

The Russian government has been working to strengthen its relationships with Latin American countries in recent years. Russia Foreign Minister Sergei Lavrov visited Cuba, Nicaragua, Chile and Peru last week as the ongoing crisis in Ukraine continues to strain relations with the United States and Europe.

The planned Nicaragua Canal is designed to become a major shipping route connecting the Atlantic and Pacific oceans. A large part of demand for the new route will come from the growing number of ships that are too wide to pass through existing waterways, including an expanded Panama Canal, according to the project’s website.

The Nicaraguan government plans to begin construction of the canal by the end of this year, with the total cost of the project estimated at \$40 billion. The project’s main investor is Chinese company HKND Group, which has exclusive rights to the planning, construction and management of the canal and other potential infrastructure development projects in the region.

Pilot ladder fatality findings released

The Australian Transport Safety Authority (ATSB) this month released its findings into a fatality off Wyalla in Spencer Gulf, South Australia, last July. The report said that pilot ladders are for pilots, with a strict safety code required for others accessing ships by ladder.

A company representative fell to his death while boarding the bulk carrier *Atlantic Princess* on July 3, 2013, ATSB reported. The man was boarding the vessel at anchor via the pilot ladder when, at about 21 feet high, he called out for help. A seafarer ran to the top of the gangway ladder only to see the man fall, landing in the center of the foredeck of the pilot launch. Despite being provided immediate first aid and transported to the local hospital, the man died of internal chest and pelvic injuries the same day.

The ATSB found that while the pilot ladder was rigged according to SOLAS and IMO regulations, no risk assessment was made for the transfer. “This accident highlights the fact that while pilots may be competent in the use of pilot ladders, it should be assumed that other personnel are proficient in climbing or descending a pilot ladder, or fit to do so,” ATSB reported.

ESU Office Assignments

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

ESU NEWS

MAY 2014

Official Publication of the Exxon Seamen's Union

SeaRiver Maritime christens *Liberty Bay* in Philadelphia

On April 25, 2014, Exxon Mobil Corporation's marine affiliate, SeaRiver Maritime, Inc., christened the *Liberty Bay*, the first of its two new U.S.-flag crude oil tankers, at a ceremony at Aker Philadelphia Shipyard.

The first-in-class vessel, constructed at the shipyard, incorporates the latest safety, navigation and engine room technologies and will begin supplying crude oil from Alaska North Slope to refineries along the U.S. west coast later this year. The double hull *Liberty Bay* is 820-feet long and has capacity to carry 800,000 barrels of oil.

SeaRiver Maritime's contract with Aker for two tankers, valued at \$400 million, delivered a significant economic boost to the greater Philadelphia region where it generated employment and millions of dollars in revenue. When placed into service, the new tankers' economic contributions will extend across the United States to Alaska, California and Washington as they begin to support oil production and refining operations. They will replace two existing double hull tankers (*Kodiak* and *Sierra*).

"We knew that this project would have a positive economic impact, creating more than 1,200 jobs and generating millions of dollars in revenue for the city of

Philadelphia, the commonwealth of Pennsylvania and beyond," said Darren Woods, president of ExxonMobil Refining & Supply Company. "What we celebrate today is a reminder of what America's energy industry can do and is doing – investing in our country. Expanding supplies of affordable, reliable energy has been a major contributor to our economy, creating jobs and helping meet our government's fiscal challenges."

In addition to double hulls for all cargo and fuel tanks, the *Liberty Bay* is equipped with redundant components for key systems, including main engine components and controls as well as fuel, lube oil and electrical systems to deliver energy efficiencies and better performance. These features reflect the results of SeaRiver Maritime's consultation with independent specialists to complete an extensive evaluation of the vessel's design using Failure Mode and Effects Analysis, a methodology used by the aerospace industry and the U.S. Department of Defense. This study analyzed key operating systems under a variety of scenarios at sea. The ship's



Jim Clark, Training Manager for Aker Philadelphia Shipyard served as master of ceremonies for *Liberty Bay* Christening in Philadelphia. Notable speakers for the occasion included, Kristian Rokke, Executive Chairman, Aker Philadelphia Shipyard, Jim Cawley, Lt. Governor, Commonwealth of Pennsylvania, Michael Nutter, Mayor of Philadelphia, Darren Woods, President, ExxonMobil Refining & Supply Company and Jack Buono, President, SeaRiver Maritime, Inc.

main engine and auxiliary systems will be energy efficient and generate lower air emissions than what regulatory standards currently require.

Mrs. Kathy Woods, the vessel sponsor, had the honor of smashing the traditional

bottle of champagne across the ship's bow, along with the following comment, "I name this ship *Liberty Bay*. May God bless this ship and all who sail with her."

Delivery of the second *Liberty*-class vessel is expected by year-end 2014.

Deadline nears for 2014 contract vote

The ESU Executive Board reminds all members that the deadline for the American Arbitration Association (AAA) to receive your Contract voting ballot is June 5, 2014, at 10:00 a.m. The AAA will notify the ESU Seabrook office later that afternoon once ballots have been counted. The ESU will then forward those results on to the fleet and membership shortly thereafter.

If the contract is ratified, a 3.50% increase on Base, CSB, SSHOT, OT and Penalty wages will first appear on payroll checks received by members on September 30, 2011. This check will be for the payroll-reporting period of September 1, to September 15, 2014. Additional "across the board" increases will also take effect in 2015 (3.25%), 2016 (2% and an additional day of paid leave), 2017 (2.25%) and 2018 (2.00%).

Additionally, a lump sum bonus of \$2,500 (less withholdings) will be paid separately and in the same manner you currently receive your pay. If you receive your pay via electronic funds transfer, you will receive your bonus check by electronic funds transfer. The same applies if you receive a paper check through the mail. SeaRiver Human Resources will compile a list of current employees and ExxonMobil payroll will be instructed to disburse the bonus payments. Bonus payments will be processed on the first available "off-cycle" date from regularly scheduled payroll distributions and can be expected before September 15, 2014.

Extra voting ballots are available through the ESU Ship Rep. aboard ship or you can acquire an additional ballot by calling the ESU office. The Exxon Seamen's Union again encourages everyone to exercise their right as dues paying members and VOTE!!!

ExxonMobil boosts 2nd quarter dividend by 10%

The Board of Directors of ExxonMobil Corporation declared a cash dividend of 69 cents per share on the Common Stock, payable on June 10, 2014, to shareholders on record of Common Stock at the close of business on May 13, 2014. This second quarter dividend compares with 63 cents per share paid in the first quarter of 2013. Through its dividends, the corporation has shared its success with its shareholders for more than 100 years and has increased its annual dividend payment to shareholders for 31 consecutive years. There are three ways to receive your dividend if you are a shareholder of ExxonMobil stock:

1. Direct Deposit: The dividend payment is transferred by electronic funds on the dividend payable date directly to your checking or savings account.
2. Check: You may have your dividend checks sent directly to your residence or bank.
3. Dividend Reinvestment: You may automatically reinvest all or part of your dividends in additional shares of ExxonMobil stock through the Computershare Investment Plan for ExxonMobil Common Stock.

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

Ship reports

S/R American Progress

ESU Board Member John Straley visited the ship at the City dock in Beaumont, TX on April 29. The vessel continues to call on Gulf and East coast ports for mogas and diesel trades. After discharging mogas in Tampa in early May the vessel cleaned tanks for a diesel load at Baton Rouge for delivery in Charleston, SC. Ein Cooley filling in as Ship Rep. and doing a good job staying on top of things.

Kodiak

ESU Board Member Leo DeCastro visited the ship at Tesoro in Long Beach, CA on May 6. The vessel departed in mid-May for what is thought to be the last load of Alaska North Slope crude under the SeaRiver flag. The *Kodiak* will again discharge in Long Beach around the end of May and then clean-up operations will commence with a target layup date in the first part of June. The vessel's departure from service will make way for her replacement, the *Liberty Bay*. Board Member at Large, John McCarthy is filling in with the Ship Rep. duties.

Liberty Bay

The vessel naming ceremony was held on April 25th in Philadelphia. ESU Board officer John Straley attended on behalf of the ESU membership. The first unlicensed personnel are scheduled to be assigned during the latter part of May. Once the vessel depart Akers shipyard, the vessel will dock at a nearby lay berth to make final preparations for the first voyage under the SeaRiver flag.

Sierra

The *Sierra* is in the process of completing a second split discharge in the San Francisco Bay area. Next discharge port is tentatively scheduled for the San Francisco Bay followed by a trip back into the Puget Sound in June. Wen Shie Tai has the Ship Rep. duties and reports everything going well aboard ship.

EXXON SEAMEN'S UNION

Founded March 28, 1941

Affiliated with the Sailors' Union of the Pacific

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Vice President/Treasurer Leo DeCastro

Board Member at Large Joe Bernavich

Board Member at Large John McCarthy

Deck Trustee Jeffrey Harris

Engine Trustee William Ackley

Steward Trustee Joel Mitchell

SUMMARY ANNUAL REPORT FOR SUP WELFARE PLAN, INC.

This is a summary of the annual report of the SUP Welfare Plan, Inc., EIN 94-1243666, Plan 502, for the year ended July 31, 2013. The annual report has been filed with the Department of Labor, as required under the Employee Retirement Income Security Act of 1974 (ERISA).

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

Insurance Information

The plan has contracts with Health Net, Kaiser Foundation Health Plan of the Northwest, Kaiser Foundation Health Plan of Hawaii, Kaiser Foundation Health Plan, Inc., Dental Health Services of Washington, Group Health Cooperative, Blue Cross Blue Shield of Louisiana, Guaranty Assurance Company, Delta Dental of California, United Healthcare Insurance Company and The United States Life Insurance Company in the City of New York to pay certain medical, dental, and death claims incurred under the terms of the plan. The total premiums paid for the plan year ending July 31, 2013 were \$5,468,935.

Basic Financial Statement

The value of plan assets, after subtracting liabilities of the plan, was \$14,005,136 as of July 31, 2013, compared to \$14,578,566 as of August 1, 2012. During the plan year, the plan experienced a decrease in its net assets of \$573,430. This decrease includes unrealized appreciation or depreciation in the value of plan assets; that is, the difference between the value of the plan's assets at the end of the year and the value of the assets at the beginning of the year or the cost of assets acquired during the year. During the plan year, the plan had total income of \$7,178,393, including employer contributions of \$6,982,922, employee contributions of \$27,689, realized losses of \$151,355 from the sale of assets, earnings from investments of \$317,953, and other income of \$1,184.

Plan expenses were \$7,751,823. These expenses included \$843,921 in administrative expenses and \$6,907,902 in benefits paid to participants and beneficiaries.

Your Rights to Additional Information

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

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

To obtain a copy of the full annual report, or any part thereof, write or call the office of SUP Welfare Plan, Inc., who is the plan administrator, at 730 Harrison Street, Suite 415, San Francisco, CA 94107, telephone (415) 778-5490. The charge to cover copying costs will be \$42.25 for the full report, or \$.25 per page for any part thereof.

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

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

Membership and Ratings Committee

The Committee met on May 2, 2014, and found the following members eligible for advancement in seniority and rating stamps in the various departments:

<u>Name and Membership Number</u>	<u>Seatime</u>	<u>Rating</u>	<u>Seniority</u>
James King B19355	1 Year	A.B.	B
Rocky Casazza B19356	1 Year	O.S.	B
Cosme Bigno B19357	1 Year	A.B.	B
Larry Moses C-2435	30 Days	A.B.	C
Alhagie Touray C-2436	30 Days	O.S.	C

Rating Stamps - Robert Reed Book #3203 - Bosun

Membership and Ratings Committee's Report - M/S to concur in the

Committee's report. Carried unanimously. Membership and Ratings Committee: Frank Portanier #3835, Dave Purganan #3876 and Sam Worth #19320.

Welfare Notes

May 2014

Initial Active Eligibility & Coverage

Active members become eligible for coverage in the month after they complete 120 eligibility mandays within a 12-month period. Once a member becomes eligible, the member must enroll in a plan for coverage. The medical and dental plan choices are dependent upon your residence or the port from which you ship.

Continuing Eligibility & Coverage for Active Participants

After the initial eligibility requirements have been met, continuing eligibility requires the participant to work at least 60 eligible mandays within the eligibility period. The time worked for continuing eligibility may change the beginning and ending months for the new eligibility period because continuing eligibility is a rolling eligibility period. The new eligibility period starts in the month following the 60th day worked.

As an example, if a member with a Group One Eligibility period January 01, 2014 through December 31, 2014 ships 60 Group One Days in June and July 2014, the new Group One Eligibility period will be August 01, 2014 through July 31, 2015. A new rolling eligibility period begins in the month following the 60th Group One Day worked. The time worked does not add 12-months onto his previous eligibility.

If a member with a Group Two Eligibility period January 01, 2014 through June 30, 2014 works 60 Group Two Days in March and April 2014, the new Group Two Eligibility period will be May 01, 2014 through October 31, 2014. A new rolling eligibility period begins in the month following the 60th Group Two Day worked. The time worked does not add 6-months onto his previous eligibility.

Group One Mandays can count for Group One, Group Two, or Group Three eligibility. Group Two Mandays can count for Group Two, or Group Three eligibility.

Group Three Mandays can count only for Group Three eligibility.

Group One eligibility is good for 12-months of member and dependent coverage. Group Two eligibility is good for 6-months of member and dependent coverage. Group Three eligibility is good for 6-months of member only coverage.

Please contact the SUP Welfare Plan office for any eligibility or coverage questions.

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 415-764-4987 **SIU-PD Supplemental Benefits** 415-764-4991

Seafarers Medical Center 415-392-3611

SUMMARY ANNUAL REPORT FOR SIU PACIFIC DISTRICT SEAFARERS' MEDICAL CENTER FUND

This is a summary of the annual report of the SIU Pacific District Seafarers' Medical Center Fund, EIN 94-2430964, for the year ended June 30, 2013. The annual report has been filed with the Department of Labor, as required under the Employee Retirement Income Security Act of 1974 (ERISA).

Benefits under the plan are provided by the SIU Pacific District Seafarers' Medical Center Fund, a trust fund.

Basic Financial Statement

The value of plan assets, after subtracting liabilities of the plan, was \$(38,798) as of June 30, 2013, compared to \$(89,348) as of July 1, 2012. During the plan year, the plan experienced an increase in its net assets of \$50,550. During the plan year, the plan had total income of \$580,176, including employer contributions of \$578,017, earnings from investments of \$87 and other income of \$2,072.

Plan expenses were \$529,626. These expenses included \$177,029 in administrative expenses and \$352,597 in benefits paid to participants and beneficiaries.

Your Rights to Additional Information

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

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

To obtain a copy of the full annual report, or any part thereof, write or call the office of SIU Pacific District Seafarers' Medical Center Fund, the plan's administrator, at 730 Harrison Street, Suite 400, San Francisco, California 94107, telephone (415) 392-3611. The charge to cover copying costs will be \$2.00 for the full annual report or \$.25 per page for any part thereof.

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

You also have the legally protected right to examine the annual report at the main office of the plan at 730 Harrison Street, Suite 400, San Francisco, California 94107, and at the U.S. Department of Labor in Washington, DC, or to obtain a copy from the U.S. Department of Labor upon payment of copying costs. Requests to the Department should be addressed to: Public Disclosure Room, N-1513, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210.

ATTEND YOUR UNION MEETINGS!

SUMMARY ANNUAL REPORT FOR ANDREW FURUSETH SCHOOL OF SEAMANSHIP TRAINING PLAN

This is a summary of the annual report of the Andrew Furuseth School of Seamanship Training Plan, EIN 30-0162507, for the year ended July 31, 2013. The annual report has been filed with the Employee Benefits Security Administration, as required under the Employee Retirement Income Security Act of 1974 (ERISA).

Basic Financial Statement

The value of plan assets, after subtracting liabilities of the plan, was \$674,131 as of July 31, 2013, compared to \$732,664 as of August 1, 2012. During the plan year, the plan experienced a decrease in its net assets of \$58,533. The plan had total income of \$464,025 including employer contributions of \$376,152, earnings from investments of \$955 and other income of \$86,918.

Plan expenses were \$522,558. These expenses included \$99,607 in administrative expenses and \$422,951 in benefits paid to or for participants.

Your Rights to Additional Information

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

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

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

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

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

Reason to have another cup

Drinking more coffee may decrease your risk of Type 2 diabetes, while cutting down my increase your risk, a new study has found.

Over 20 year periods, researchers periodically collected information on diet, lifestyle and medical conditions in more than 120, 000 participants. They found 7,269 cases of Type 2 diabetes.

After controlling for smoking, age, weight, physical activity, alcohol consumption and a family history of diabetes, they found that people who increased their coffee intake by more than an eight-ounce cup a day in a four-year period had an 11% lower risk of diabetes than those who didn't change. People who decreased their consumption by the same amount had a 17% higher risk. The report appears online in Diabetologia.

"It's not the caffeine," said the lead author, Shilpa N. Bhupathiraju of Harvard, noting that coffee had "antioxidants and other bioactive compounds important in glucose metabolism.

Dr. Bhupathiraju warned that a healthy diet and lifestyle were still the best protection against diabetes. "If you're going to eat a doughnut and smoke while having coffee," she said, "it won't help."

SUMMARY ANNUAL REPORT FOR SIU PACIFIC DISTRICT SUPPLEMENTAL BENEFITS FUND, INC.

This is a summary of the annual report of the SIU Pacific District Supplemental Benefits Fund, Inc., EIN 94-1431246, for the year ended July 31, 2013. The annual report has been filed with the Employee Benefits Security Administration, as required under the Employee Retirement Income Security Act of 1974 (ERISA).

Benefits under the plan are provided by the SIU Pacific District Supplemental Benefits Fund, Inc., a Trust Fund.

Basic Financial Statement

The value of plan assets, after subtracting liabilities of the plan, was \$(166,746) as of July 31, 2013, compared to \$(299,616) as of August 1, 2012. During the plan year, the plan experienced an increase in its net assets of \$132,870. This increase includes unrealized appreciation or depreciation in the value of plan assets; that is, the difference between the value of the plan's assets at the end of the year and the value of the assets at the beginning of the year or the cost of assets acquired during the year. During the plan year, the plan had total income of \$9,508,617, which included employer contributions of \$9,489,976, realized losses from the sale of assets of \$1,015, earnings from investments of \$2,813 and other income of \$16,843. Plan expenses were \$9,375,747. These expenses included \$321,525 in administrative expenses and \$9,054,222 in benefits paid to participants.

Your Rights to Additional Information

You have the right to receive a copy of the full annual report, or any part thereof, on request.

The items listed below are included in that report:

1. An accountant's report;
2. Financial information and information on payments to service providers;

3. Assets held for investment; and
4. Transactions in excess of 5% of plan assets.

To obtain a copy of the full annual report, or any part thereof, write or call the office of SIU Pacific District Supplemental Benefits Fund, Inc., the plan's administrator at 730 Harrison Street, Suite 400, San Francisco, California 94107, telephone number (415) 764-4990. The charge to cover copying costs will be \$4.50 for the full annual report or \$0.25 per page for any part thereof.

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

You also have the legally protected right to examine the annual report at the main office of the plan at 730 Harrison Street, Suite 400, San Francisco, California 94107 and at the U.S. Department of Labor in Washington, D.C., or to obtain a copy from the U.S. Department of Labor upon payment of copying costs. Requests to the Department should be addressed to Public Disclosure Room, N1513, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210.



THE TRUSTEES OF THE SAILORS' SNUG HARBOR IN THE CITY OF NEW YORK

WE ARE LOOKING FOR RETIRED MERCHANT MARINERS

History

The Trustees of the Sailors' Snug Harbor (SSH) was incorporated in 1806 as the result of a bequest made by Captain Robert Richard Randall, a wealthy New York merchant and sea captain. It was Captain Randall's desire to have his estate utilized to assist 'aged, decrepit and worn-out seamen...', upon his death. SSH is the oldest secular charity in the country.

Who We Are

SSH is a non-profit organization whose mission is to aid retired career mariners in need of assistance. SSH no longer owns or operates a retirement facility for mariners in Sea Level, NC, Staten Island, NY, or anywhere else. Today, we assist mariners in their home communities where they are familiar and more likely to be near family and friends.

Whom we assist

We offer support to career mariners who can demonstrate they have a need for financial assistance and meet the following requirements:

- 3650 days of deep sea time proven through discharge papers (50% on US flagged ships)
- 65 years of age or older (exceptions may be made in rare cases)
- A proven need for financial assistance.
- Assets may NOT exceed \$50,000 (primary residence excluded)
- All public benefits available to an eligible mariner must be accessed before any subsidy from SSH is approved (e.g. VA benefits, Medicaid)

Each interested Mariner must complete an application that requires detailed information about present living arrangements, financial history.

Contact Sailors' Snug Harbor

If you have any questions or are in need of assistance, please call our Mariner Counselor at 1-888-257-5456. The web site www.thesailorssnugharbor.org includes our application. If you do not have access to a computer, please call and we will send you one.

We look forward to hearing from you.

40 Exchange Place, Suite 1701 New York, New York 10005

Tel: 646-465-8585 1-888-257-5456 Fax: 212-513-0243

Website: <http://www.thesailorssnugharbor.org> Email: info@thesailorssnugharbor.org



SUP President's Report

May 12, 2014

PATRIOT CONTRACT SERVICES

The effort to crew the eight Watson-Class Large, Medium-Speed Roll-On/Roll-Off (LMSR) vessels awarded to Patriot by the Military Sealift Command (MSC) has almost been completed over the past month.

The SUP gang (Bosun, 5 ABs and 3 Ordinary Seamen) boarded the *USNS Sisler* at anchor in Diego Garcia on April 18. The gang for the *USNS Watson* went to work on April 30, in Diego Garcia. The crew for the *USNS Pomeroy* turned-to in Charleston, South Carolina on May 3, while the gang for the *USNS Red Cloud* was enroute to Busan, Korea on the same day.

During the month, Patriot informed the SUP and MFOW that, partly due to doubts about the labor pool that were disseminated by those opposed to the Patriot award, MSC now required the names of crew members for the next three ships in advance for the purpose of background checks and other vetting. This accelerated an already compressed timetable and the SUP hiring hall system was put to the test.

Coordinated by Vice President Dave Connolly, Seattle Branch Agent Vince O'Halloran, Wilmington Branch Agent Mark Hurley, Honolulu Branch Agent Mike Dirksen, Workforce and Training Representative Berit Eriksson, Headquarters Dispatcher Martha Vizcarra, *West Coast Sailors* Editor Teresa Anibale, and SUP member Rhonda Benoit, rose to the occasion working together successfully to fill the jobs not only in the *Sisler*, *Watson*, *Pomeroy* and *Red Cloud*, but to dispatch crews to the *USNS Soderman*, *USNS Charlton* and *USNS Dahl* within the span of a single week. The crew of the *Soderman* will turn-to in Saipan on or about May 16, the *Charlton* on or about May 21, in Saipan and the *Dahl* on or about May 24, also in Saipan. Only the dispatch for the *USNS Watkins* remains. According to Patriot, the job order will be delayed until June or July due to her entry into Repair Availability Status (RAV) during an East Coast shipyard period.

SHORE LEAVE

On April 17, the Union was notified by Bill Mahoney, Port Captain for Patriot, that shore leave restrictions had been initiated at U.S. Navy installations for any mariner without a Department of Defense Common Access Card, or CAC. This was in reaction to the shooting incident that occurred on March 24, at the naval base in Norfolk, Virginia.

Diego Garcia-based crew members aboard Watson-Class vessels without CAC cards were not allowed ashore as were those in the M/T SLNC PAX, although they could go ashore at non-military ports. Other Patriot ships were also affected.

The U.S. Navy Commander Naval Installations Command (CNIC) directed that a National Criminal Investigation Check (NCIC) was to be conducted for all TWIC card holders accessing naval facilities. Patriot was required to submit crew lists to satisfy that requirement.

Military Sealift Command's Rear Admiral Thomas Shannon then intervened and directed Patriot to discontinue submitting lists containing personally identifiable information (social security numbers, birthdays, etc.) based on concerns that the information could be vulnerable to compromise during the vetting process.

Due to the efforts of the MSC and Captain Mahoney, the Commander of Naval Installations Command on April 18, removed the restrictions on shore leave and base access for TWIC holders. The criminal investigation check was also stopped.

Mariners can, once again, access naval facilities using their TWIC and Merchant Mariner Credential (MMC). Specific guidance is as follows:

1) An MSC representative will provide the host naval installation a "vessel shore party access list" for distribution. That list will be limited to the names of mariners who have been cleared in accordance with MSC policy. The lists will not contain any personal identifiable information.

2) Each cleared MSC mariner on the shore party

access list will possess and present his or her MMC, including a TWIC card, for access.

3) Entry control point sentries will verify the documents and ensure the mariner is on the vessel shore party access list before granting access.

MARITIME INDUSTRY CONGRESSIONAL "SAIL-IN"

The maritime industry's seagoing Unions, U.S.-flag companies and industry associations, came out in force in Washington, D.C. on May 7, to increase Capitol Hill awareness of the importance of the maritime industry to the economic and national security of the United States, and to generate support for the programs and policies that are key to the survival and growth of the U.S. Merchant Marine and the jobs of American merchant mariners.

The fifth annual "Sail-In" was organized by the United States Maritime Coalition, which the Sailors' Union is a member. This year, 24 meeting groups comprised of 131 industry representatives descended on Capitol Hill for 170 appointments with members of Congress. There were 125 meetings with House members and 45 visits with Senators and/or their aides.

The main focus of the meetings were four immediate legislative issues: Maritime Security Program funding, food aid and cargo preference, re-authorization of the Export-Import Bank, and the Jones Act.

At each meeting the following points were made about the issues:

Maritime Security Program (MSP) Funding - *The Maritime Security Program was reauthorized through 2025 under the Defense Authorization Act enacted in December 2012. MSP gives the Department of Defense the U.S.-flag commercial sealift capability, access to global intermodal systems, and civilian U.S. mariners needed to protect American troops and America's security interests overseas. In order to fully implement the MSP program, it is imperative that Congress support authorized appropriations of \$186 million for the Maritime Security Program for fiscal year 2015. This amount supports the continued operation and availability of the program's maritime security fleet of 60 privately owned, militarily useful U.S.-flag commercial vessels. Significantly, MSP vessels carried more than 90% of the war materiel to the forward operating bases during the Afghanistan and Iraq conflicts. American mariners and U.S.-flag vessel operating companies stand ready to support the national security objectives of our nation anywhere in the world at any time.*

Food Aid and Cargo Preference - *In 2012, Congress, at the request of the Administration but without any hearings or input from the Department of Defense or the maritime industry, reduced the share of food aid cargoes carried by U.S.-flag vessels by one-third. The loss of this cargo threatened the viability of the U.S.-flag fleet, American maritime jobs, and the ability of our industry to meet the commercial sealift defense requirements of our nation. Significantly, the House of Representatives has taken action to reverse this action, including language in HR 4005, Coast Guard authorizations legislation, and to restore the U.S.-flag share to 75%. It is imperative that every member of Congress join in support of this important provision.*

In addition, we call on Congress to once again reject the misguided proposal put forth by the Administration to transform the time-tested Food for Peace program (PL 480) into a program that sends American tax dollars instead of American-produced agricultural commodities overseas to feed the world's neediest people. The Food for Peace program is an effective, efficient, accountable and transparent program that saves lives while concurrently supporting more than 44,000 American jobs in the agricultural, food processing and domestic transportation industries. It is imperative that Congress continue to support the existing Food for Peace program so that American taxpayer dollars continue to support American farmers, American shipping and American jobs.

Reauthorization of the Export-Import Bank - *The Export-Import Bank of the United States helps finance the export of American goods and services from companies throughout the United States. As such, it helped to*

facilitate more than \$37 billion in export sales in fiscal year 2013, which in turn supported more than 200,000 American jobs. In addition, a percentage of the commodities exported through Ex-Im Bank financing must be shipped on U.S.-flag commercial vessels, providing a significant source of cargo for our fleet. The authorization for the Export-Import Bank expires on September 30, 2014. It is imperative that every member of Congress support the re-authorization of the Export-Import Bank so that it can continue to assist American businesses and generate jobs for American workers in the manufacturing and service industries.

The Jones Act - *The body of American maritime laws commonly known as the Jones Act requires that cargo shipped between two U.S. ports must be transported on vessels built in the United States and owned, operated and crewed by American citizens. The full enforcement of the Jones Act is necessary to strengthen and protect the economic, military and homeland security of the United States. Without the Jones Act, the carriage of America's domestic waterborne commerce, and the movement of vessels along our coasts and on our rivers and Great Lakes would be controlled by foreign flag vessels and their foreign citizen crews. It is imperative that members of Congress continue to support this critically important maritime and national security policy.*

Your secretary, along with MFOW President Anthony Poplawski, MM&P Vice President Dave Boatner, Council of American Master Mariner President R.J. Klein, Matson Navigation Company's government relations executive Ku'uhaku Park and Steve Wines of the Maritime Institute for Research and Industrial Development (MIRAID) met with the staff of Congressman Adam Smith (D-Washington), the staff of Congresswoman Tulsi Gabbard (D-Hawai'i), the staff of Loretta Sanchez (D-California), the staff of Congressman Jared Huffman (D-California), Congresswoman Dina Titus (D-Nevada), Congresswoman Janice Hahn (D-California), Congressman Alan Lowenthal (D-California) and Congresswoman Julia Brownley (D-California).

Berit Eriksson, the Andrew Furuseth's School of Seamanship's Workforce Training Representative, along with MM&P Vice President Mike Murray, AMO Secretary-Treasurer, HMS Ferries Representatives Greg Dronket and Matt Miller and the Transportation Institute's Rich Berkowitz met with the staff of Congressman Derek Kilmer (D-Washington), Congressman Tony Cardenas (D-California), the staff of Congresswoman Suzan DelBene (D-Washington), the staff of Jim McDermott (D-Washington), the staff of Peter DeFazio (D-Oregon), the staff of Ann Kirpatrick (D-Arizona) and Congressman Rick Larsen (D-Washington).

Of the offices visited by the Sail-In participants, support for the Jones Act, the Maritime Security Program and the Export-Import Bank was unequivocal. Support for Food-for-Peace in light of President Obama's budget proposal was somewhat problematic. The majority were supportive, but many needed more convincing.

MARITIME ADMINISTRATION

The day prior to the Sail-In, participated in the Maritime Administration's (MarAd) second National Maritime Strategy Symposium at the agency's Washington, D.C. headquarters in Washington, D.C. The first symposium was from January 14-16 (see the February *West Coast Sailors*).

The focus of this symposium was on domestic shipping, U.S. ports and U.S. shipyards.

Speakers included: Paul Jaenichen, Acting Maritime Administrator; Congressman Joe Courtney (D-Connecticut), Co-Chair of the House Shipbuilding Caucus; and Congressman Rob Wittman (R-Virginia), a member of the House Armed Services Committee.

The highlight of the event was when Secretary of Transportation Anthony Foxx stated that his department "fiercely supports the Jones Act". In your secretary's judgment, the nation would have a stronger merchant marine if all departments of the federal government shared Secretary Foxx's view.

continued on next page

President's Report continued

The results of the symposia are to be released some time this year as MarAd's National Maritime Strategy.

HOLIDAYS

Memorial Day: All SUP halls will be closed on Monday, May 26, in observance of Memorial Day, a holiday under all SUP contracts.

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

ACTION TAKEN

M/S (Davis-several) to concur with the President's report in its entirety. Carried unanimously.

Gunnar Lundeberg

San Francisco Business Agent Bill Berger retires

Dear Gunnar and Membership of the SUP

After serving 72 years in the Sailors' Union of the Pacific, as of June 1, 2014, I will be retiring due to being handicapped by a broken hip. I feel I'm unable to do my job as Business Agent due to the accident. It was an honor in 1957 to be appointed as clerk in Seattle by Harry Lundeberg, and also to serve with his son Gunnar Lundeberg and the SUP officials. I have been serving as Business Agent in San Francisco for the past 12 years and will miss all of you. I wish the Sailors' Union of the Pacific all the best and continue success in shipping and whatever the future holds for the brotherhood.

Best regards,
William Berger, Book #4642

REPORT OF THE SUP APPEALS COMMITTEE
IN THE APPEAL OF PAUL CALAIS
ON THE FINDINGS AND RECOMMENDATIONS
OF THE JANUARY 2014 TRIAL COMMITTEE
IN PORT OF WILMINGTON

May 12, 2014

We, the duly elected Appeals Committee, make this report to the SUP membership having met on May 12, 2014 to hear the appeal of Paul Calais on the findings and recommendations of the Trial Committee of January 16, 2014. After an SUP constitutional orientation by President Gunnar Lundeberg, the Committee took under its review all available materials including the transcript of the Wilmington trial, the exhibits attached to the transcript and entered into the record at the trial, and heard new oral testimony from the appellant Paul Calais.

The record shows that the appellant clearly acknowledged and understood the charges that were made against him. The record further shows that the appellant had ample opportunity during the trial to directly confront the charges of his accuser, Wilmington Branch Agent Mark Hurley. Appellant took fair advantage of the opportunity to cross-examine witnesses that were present to testify against him during the trial, and had the occasion to refute all written evidence against him. Moreover, the Committee chair afforded appellant considerable additional time to carry on a wide-ranging line of questioning of witnesses.

There was no evidence presented in the trial record or in the appeal proceeding, nor even the contention made, that any member of trial committee should have been disqualified. There was no evidence the accused had not be adequately informed of the details of the charged offense. On the contrary, the record shows that the accused understood and acknowledged the charges against him. We note that roughly three weeks in advance of the appeal hearing the appellant had received a full transcript of the trial proceedings including all attached exhibits. Appellant was also given a second set of documents after the first was lost. Accordingly, there is no indication that the appellant had inadequate time or materials to prepare for his appeal. Finally, we see no other reason that the accused was not given a fair trial.

Finally, we note that notwithstanding the affirmation of the trial committee's report made by the membership in the coastwise March meetings, any finding of error made by this committee can only be taken on the grounds of clear and convincing evidence of either a constitutional breach or unfairness in the trial proceeding. Since we find no such evidence in the record or in the appeal, and after a full consideration of all the issues, we hereby unanimously deny the appeal and affirm the findings of the Trial Committee. With regard to punishment we concur in the prohibition of registration in Wilmington for two (2) years and in the three (3) year probation violation of which will result in a new trial. Due to financial hardship, however, we hereby waive the fine of one-thousand dollars (\$1000.00) and assign instead ten (10) hours of online anger management evidenced by a certificate of completion to be completed within 90 days in lieu of the fine.

Respectfully Submitted,
Roy Tufono #3281 (Chairman)
Art Thanash #3249

Bill Berry #5719
Dave Larsen #19078
Diane Ferrari #2251

Vice President's Report

May 2014

The SUP has nearly completed the crewing of the eight Watson-Class LMSR's and did so on short notice inside a compressed timeline while complying with the most stringent and wide-ranging standards and certifications that ever applied to merchant seaman. (See President's Report on page 10.) The task of putting members to work in these good middle-class jobs required the single-minded dedication and herculean effort of all agents and staff. It stands among the finest achievements in the long and storied history of the SUP.

Cape Orlando: Paul Davis, delegate. Activated last week for a shift to Port Chicago to conduct security drills. It is a routine exercise that when there is a major crewing operation elsewhere the government will activate ROS ships as if to test the strength of our labor pool. A fully-qualified SUP gang showed up on time in Alameda and performed the work flawlessly with Paul Fuentes as serang.

Manoa: Jesper Pfeil, delegate. Running smooth with Brendon Bohannon running the gang.

Maunalei: Paul Barbour, delegate. Delayed sailing clarification in support of legitimate claim. Stowaway search specifically carved out of mooring or unmooring minimum in Section 11(i) of the SUP Work Rules.

Moku Pahu: Phil Romei, delegate. Made a sugar run from Kahului to Crockett without incident. Laid up in San Francisco shipyard. Another sugar run expected in early June.

Kauai: Raul Taganas, delegate. Ship activated to fill in for Maui diversion and laid up again two weeks later in Sacramento. Crew stayed on in standby capacity to secure for layup. No beefs.

USNS Sisler: Jeff Nicholas, delegate. First reports indicate that ship is missing some electronics and stores but otherwise in good shape. Crew endured hardship travel. Although travel pay is not available under this contract, crew was entitled to and collected base wage from time of arrival in Diego Garcia and standing by awaiting turnover aboard ship, i.e., from 4/18 on. After inquiry, company announced access to email via MSC LAN for files up to 1 MB. They also announced a wifi service subscription with a monthly charge coming soon although ship reports likely delay.

USNS Watson: Eduardo Zepeda, delegate. Last minute adjustments in flight details kept agents busy as various flights and clearances were re-authorized. Standard dispatch operations include nearly 24/7 support. Manning the Watson-Class is like manning the ships of Operation Iraqi Freedom 2002 when the SUP crewed from ROS to FOS eleven LMSR's in the Bob Hope-Class over the span of a few weeks (except that MSC/STCW requirements were much simpler then).

USNS Pomeroy: Corey Burton, delegate. With Mike Thomsen as bosun sailors performed the thousand and one tasks necessary to enable the complete loading of this ship within hours of joining. Sailed from South Carolina for distant foreign port without a hitch. Representatives of ship sponsor noted the remarkable seamanship of SUP deck gang as critical to load out.

USNS Red Cloud: Wendy Joseph, delegate. Crew joined in South Korea. Some issues under review and investigation by Wilmington Branch Agent Mark Hurley.

USNS Soderman: Ziggy Lewandowski, delegate. First of the Saipan ships to turnover. Early indications are that ship is in good shape and conditions are good.

USNS Dahl: Robert Reed, delegate. Last of the Saipan ships to call for crew; fully qualified, trained, vetted, physicaled, and immunized sailors joining as the *West Coast Sailors* goes to press.

SNLC Pax: Rebecca Fisk, delegate. Intervened to initiate email service, address restriction and shore leave, handle delay in direct deposit issues, confirmed order of new compressor for A/C and couch for the lounge. Ship calling in multiple Pacific island and Asian ports.

APL China: Larry Gately, delegate. Dave Sylstra, bosun. Transporting engine parts up the Coast puts unnecessary strain on the SUP crew to make the additional lifts during the short windows of a port stay when such lifts are possible. The net result is that deck gang sailors don't get the rest, meals and shore leave they need. Company should use alternative transportation for spare parts.

APL Philippines: Marc Calairo, delegate. Main engine failure departing in LA resulted in restriction to ship claim. Oakland discussion. Still under investigation.

APL Agate: Mike Henderson, delegate. Report from Jebel Ali indicates most things okay. Laem Chabang, Thailand still on the schedule despite martial law and curfew.

APL Coral: Aaron Weibe, delegate. Clarification on Suez passage overtime accounting: one-man watch is still in effect despite the assignment of daymen to watches and any work including work on watch after 1700 and before 0800 is overtime.

APL Singapore: Dale Gibson, delegate. Clarification on 12 x 4 duties. Discussion on "necessary work" vs. general maintenance overtime.

Matsonia: Tom Koppel, delegate. This two trip China breakout ship ran out of food staples departing China. Room inspections are customarily pre-announced and conducted in the presence of the delegate. Theft prevention in China is not part of our gangway security duties.

Dave Connolly

SUP Branch Reports

Seattle

April 21, 2014

Shipped during the period: 5 Boatswain jobs filled with 2 A-cards, 2 B-cards and 1 C-card; 8 Able Seaman jobs filled with 5 A-cards and 3 B-cards; and 15 standbys to 7 A-cards and 8 B-cards.

Registered: 9 A cards for a total of 14; 10 B cards for a total of 34; and 2 C cards for a total of 5.

Ships Checked

Matson vessels *MV Manoa* and *SS Maui* called twice in Seattle with little or no problems. The APL *Cyprine* called in New Jersey and along with Patriot vessels *USNS Sisler*, *USNS Watson*, *USNS Martin* and the *SNLC Pax* all called for SUP/MFU crew members.

I represented the SUP at the following meetings: the King County Labor Council Executive Board meeting; the Port of Seattle Maritime Round Table; the Seattle Marine Business Coalition meeting; the Seattle Manufacturing and Industrial Committee meeting.

Along with ILWU Local 19, the Inland-boatman's Union and the Masters Mates and Pilots, the SUP co-hosted a fund raiser for Alaska Senator Mark Begich. Senator Begich is a staunch defender of the Jones Act. It should be noted that Deep Sea Fisherman's Union Vice President Shawn McManus attended to present serious concerns to Senator Begich regarding equal treatment for Washington State fishermen in the North Pacific Fisheries Council. Brother McManus did an excellent job in presenting his case to Senator Begich.

Vince O'Halloran, Branch Agent

Wilmington

April 21, 2014

Shipping for the period: Bosun: 4, AB: 15, AB Maint: 6, OS: 3, Standby: 71 Total jobs shipped: 99.

Registrations: A: 26, B: 33, C: 7, and D: 17.

Ships Checked

APL *Thailand*, *Manulani*, *APL China*, *Mokihana*, *APL Philippines*, *Maunawili*,

Mahimahi, (APL *Singapore*, *Maunalei*, missed—had cold), *R.J. Pfeiffer*, *Manukai*.

We have two new beautiful knot boards for the Wilmington Hall. Thanks to Matt Russo for tying the knots, Stanley Branch for making the frames and Marty Bellhouse for delivering them.

Attended a fund raiser/birthday party for Congresswoman Janice Hahn with Mrs. Hurley and Eli Wegger. Janice recognized the SUP and thanked us for our support.

Harry Freeman is at it again with his generosity. He donated seven bags of toys and gifts to the 20th anniversary spring project, an L.A. County of Labor Community Services Program for underprivileged children in hospitals and shelters. Way to go, Harry.

Attended an MTD meeting on April 10, and would like to congratulate Bob Bugarin, our new MTD President. Jeff Turkus, the outgoing president, did a great job and will remain on the executive board. On April 15, attended AMMVMC meeting to discuss preparations for the 2014 Maritime Day celebration.

Mark Hurley
Branch Agent

Dispatcher's Report

Headquarters—April 2014

Deck	
Bosun.....	3
Carpenter.....	0
MM.....	4
AB	16
OS	7
Standby	30
Total Deck Jobs Shipped	60
Total Deck B, C, D Shipped.....	30
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.	60
Total Registered "A".....	21
Total Registered "B"	29
Total Registered "C"	17
Total Registered "D"	29

SUP onboard USNS Pomeroy



Pomeroy crew from left to right: OS Rod Purganan, AB Roby Mundell, OS Faye Orosz, AB Tim Conly, OS Robert Tomas, AB Corey Burton, and Bosun Mike Thomsen. Missing from the photo are Jim McCroskey, and Tim Benton.

The *USNS Pomeroy* (T-AKR-316) is one of eight Watson-Class LMSRs awarded to SUP-contracted Patriot Contract Service by the Military Sealift Command to operate and maintain in Full Operating Status in the Western Pacific and Indian Ocean. The 29,000 gross-ton vessel was built by National Steel and Shipbuilding Company in San Diego and launched on March 10, 2001. The *Pomeroy* is 950 feet in length with a beam of 106 feet and propelled by a gas turbine engine.

The ship is named after Ralph E. Pomeroy (March 26, 1930–October 15, 1952), a Private First Class in the U.S. Army and a recipient of the Medal of Honor for heroism in the Korean War.

Pfc. Pomeroy, a machine gunner with Company E of the 31st Infantry Regiment, 7th Infantry Division, distinguished himself by conspicuous gallantry and indomitable courage above and beyond the call of duty in action against the enemy in the Battle of Triangle Hill. While his comrades were consolidating on a key terrain feature, he manned a machine gun at the end of a communication trench on the forward slope to protect the platoon flank and prevent a surprise attack. When the enemy attacked through a ravine leading directly to his firing position, he immediately opened fire on the advancing troops inflicting a heavy toll in casualties and blunting the assault. At this juncture the enemy directed intense concentrations of artillery and mortar fire on his position in an attempt to neutralize his gun. Despite withering fire and bursting shells, he maintained his heroic stand and poured crippling fire into the ranks of the hostile force until a mortar burst severely wounded him and rendered the gun mount inoperable. Quickly removing the hot, heavy weapon, he cradled it in his arms and, moving forward with grim determination, raked the attacking forces with a hail of fire. Although wounded a second time he pursued his relentless course until his ammunition was expended within 10 feet of the foe and then, using the machine gun as a club, he courageously closed with the enemy in hand-to-hand combat until mortally wounded. Pfc. Pomeroy's consummate valor, inspirational actions and supreme sacrifice enabled the platoon to contain the attack and maintain the integrity of the perimeter, reflecting lasting glory upon himself and upholding the noble traditions of the military service.

Honolulu

April 21, 2014

Shipped the following jobs in the month of April: 1 Bosun steady, 2 AB Day steady, 1 AB Day relief, 1 AB Day return, 4 AB Watch steady, 2 AB Watch relief, 1 AB Watch return, 2 OS's, and 1 AB Maint. steady. The jobs were filled by 6 A cards, 4 B cards, and 5 C-card.

Shipped 27 standby jobs, filled by 1 A card, 8 B cards, 17 C cards, and 1 MFO member.

Registered in April: 8 A cards, 9 B cards, 2 C cards, and 2 D cards. To date, totaled registered: 12 A cards, 15 B cards, 8 C cards, and 3 D cards.

Ships Checked

I visited the *Manukai*, *Maunalei*, *Manulani*, *R.J. Pfeiffer*, *Matsonia*, *Manoa*, *Maui*, *Mokihana*, *Mahimahi*, and the Paint and Rigging gang. All are running with many overtime beefs. It seems as though Matson is trying to institute a new company overtime policy where they're contesting almost all overtime, even when the SUP delegates show the chief mate where it is written, in black and white, and sometimes in bold letters in the SUP-Matson contract. The only way to deal with this attack on our rights is to live by the contract that we negotiated in good faith with Matson. If asked or ordered to do something that will "only take five minutes," put in for it. If you see someone besides an SUP member doing our work, write down their name(s), the date, the time, and what they did and put in for it. When you are turned-to, do what you are turned-to for in true SUP style. Don't let anyone belittle the SUP; those that do are just trying to weaken us. The SUP has the best sailors in the world; don't let anyone tell you otherwise.

Mahalo,

Michael Dirksen
Branch Agent

SUP members join pension ranks

The following SUP members joined the rank of pensioner, bringing the total number of retired SUP members to 366:

John Gabourel, 69, Book No. 3017, joined SUP in 1990, 22 years seetime.

Robert Greene, 75, Book No. 3020, joined SUP in 1991, 21 years seetime.

Remigio Noble, 66, Book No. 2471, joined SUP in 2003, 10 years seetime.

Indians want to own foreign-flag vessels

Indian shipping companies are hoping the country's new government will act in their favor by permitting Indian lines to own and operate foreign-flag vessels and to ensure 100% reservation of coastal cargo to local ships.

Currently Indian shipping companies are allowed to charter foreign-flag vessels for a specific period or voyage but not allowed to own them. Indian-flag vessels are not allowed to employ foreign crew and this creates a problem overseas as some countries insist on employment of their nationals.

Daily Shipping Times reports that Atul Agarwal, president of the Indian National Shipowners Association (INSA), says the measures can be implemented without changing existing law and will help Indian shipping lines to grow locally and globally.

An official with the maritime administration has confirmed receipt of the INSA proposal which is being examined by the Ministry of Shipping.

In India, though cabotage is applicable for coastal cargo, it is not fully implemented. Hence, foreign ships are allowed to carry local cargo. The usual excuse is that Indian shipowners do not have the required type of ships to meet the demand. This is just an argument. When there is demand, capacity can be acquired in no time, Agarwal said.

Support the SUP Political Fund