



# West Coast Sailors

Official Organ of the Sailors' Union of the Pacific

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Friday, July 14, 2006

## New Matson containership *Maunalei* delivered



Photo courtesy of Matson Navigation Company

*m/v Maunalei during sea trials this month.*

**M**atson Navigation Company's fourth new vessel in three years was delivered to the company from her builder, Aker Philadelphia Shipyard, on July 12.

A 681-foot, 38,000 metric ton Philadelphia Class vessel, the *Maunalei* has a capacity of

2500 twenty-foot-equivalent containers with a sea speed of 22.1 knots.

The delivery of the *Maunalei* represents the completion of a modernization and replacement strategy for Matson, following the delivery of the CV-2600 Class vessels *Manukai* (2003), *Maunawili* (2004), and

*Manulani* (2005).

"Having added only one new ship (R.J. Pfeiffer in 1992) to the fleet between 1983 and 2003, the four new vessels with a capital cost of over \$500 million are essential to the future success of Matson," said Allen Doane, the Chairman of Matson and the Chairman and CEO of its parent company, Alexander & Baldwin. "The average age of Matson's ships was 25 years before the *Manukai* was delivered. Today the age is more youthful, 14 years," added Doane.

The *Maunalei* is expected to enter the West Coast/Honolulu/Guam/China service along with the other new ships. Matson President and CEO James Andrasick said that the new service, launched in February of this year, "has consistently delivered premium service to customers in the Trans-Pacific trade, offering the fastest transit times to Long

Beach from Ningbo and Shanghai averaging 10.4 days."

The *Maunalei* will be christened in Philadelphia on July 22 by Mary Mildred "Millie" Akaka, wife of Senator Daniel Akaka (D-Hawai'i), at a formal ceremony at this shipyard. Among the speakers at the ceremony will be General Norton Schwartz, Commander, U.S. Transportation Command, Representative Neil Abercrombie (D-Hawai'i) and Congresswoman Madeleine Bordallo (D-Guam) and Doane. The vessel will depart Philadelphia in August and begin service later that month. *Maunalei* is Hawaiian for mountain wreath or lei.

The new *Maunalei* is the third Matson vessel to carry the name. The first *Maunalei* was built by Merchant Shipbuilding Corporation in Chester, Pennsylvania in 1921 for Shawmut Steamship Company and named

*Mount Clinton*. She was sold to Matson in 1925, and renamed *Maunalei*. After World War II, she was sold to Italian shipowners and renamed *Santa Rosa*. She ended her trading days as the *Capo Manaro* before being scrapped in Japan in 1953.

The second *Maunalei* was built by Sun Shipbuilding a drydock in Chester in August 1944, for the U.S. Marine Corps and originally named the *Marine Devil*. She was operated by various companies before being laid up in Suisun Bay in 1947. Matson acquired the vessel in 1964 in trade for the *Hawaiian Packer*. She was then lengthened by 108 ft. at the Alabama Shipbuilding and Drydock Company in Mobile, Alabama and entered the West Coast/Hawai'i service as the *Hawaiian Queen* in 1966. The vessel was renamed *Maunalei* in 1978 and could carry 805 24-foot containers and 190 autos.

## White House nominates another new U.S. Maritime Administrator

Sean Connaughton was nominated on June 27, by President Bush, to be the next Administrator of the Maritime Administration. The top spot at the Agency, has been vacant since February 2005, after the retirement of Captain William Schubert. John Jamian, Deputy Administrator, then picked up the slack to serve as Acting Administrator.

President Bush nominated David Sanborn, an executive of Dubai Ports World (DPW) in January 2006, but in the wake of the furor over DPW's purchase of P&O Steam Navigation Company and its U.S. terminal operations, Sanborn requested that his nomination be withdrawn in March. After Sanborn withdrew, Jamian announced he was leaving the Agency and Julie Nelson was named Deputy Acting Maritime Administrator.

Connaughton, a 1983 graduate of the U.S. Merchant Marine Academy at King's Point, New York, served in the Coast Guard from 1983-1986. After leaving active duty, Connaughton returned to the Coast Guard as a civil servant in the Office of marine Safety, Security and Environmental Protection —remaining there until 1988. After earning a law degree, he embarked on a career specializing in maritime and international law. Connaughton currently serves as Chairman-At-Large of the Prince William (Virginia) County Board of Supervisors.



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## Historic SUP artifact restored



*Art Thanash and the restored stained glass image of the Sailors' Union of the Pacific official seal. Photo by Dave Connolly.*

**M**ounted in the hiring hall at the Sailors' Union Headquarters in San Francisco is the restored stained glass rendering of the official seal of the Union.

This work of art hung virtually unnoticed for many years on a bulkhead at the entrance to the restaurant and bar at Headquarters. Dirty and collapsing under its own weight, it was removed and stored over ten years ago to avoid further damage.

Intrigued by the nature of the art work, longtime SUP member Arthur Thanash undertook at his own considerable expense, to have this artifact restored.

Brother Thanash brought the fragile piece to stained glass artist Rebecca Lichau at her Glass Images studio in Guerneville, California. With her thirty years of experience, Ms. Lichau painstakingly undertook the restoration which took nine months to complete. Consulting other

stained glass experts, Ms. Lichau estimates that the artwork was done between 1895 and 1910 at the Union City Glass Company in San Francisco.

The work itself depicts the Greek god Poseidon aboard his chariot, trident in hand, surrounded by mermaids. In Greek mythology, Poseidon (Neptune to the Romans) was the god of the sea and of horses. In ancient time, sailors prayed to Poseidon for a safe voyage. It was said that he created new islands and offered calm seas. If he was offended or ignored, Poseidon would strike the ground with his trident and cause earthquakes, shipwrecks and drownings. Greek mythology further says that Poseidon lived on the ocean floor in a palace made of coral and gems.

The first time the image pictured in the stained glass appeared was in the *flag* (the name and logo) of the May 20, 1891 edition of the *Coast Seamen's Journal* (predecessor publication

*continued on back page*

# SUP Honor Roll

Voluntary contributions from the membership to the following funds:

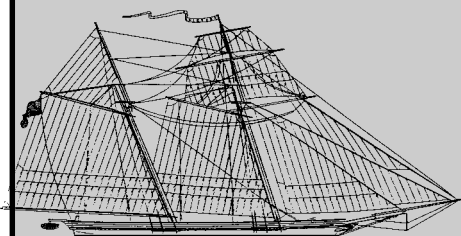
## Organization/ General Fund

Pete Benavidez .....	100.00
Brendan Bohannon .....	20.00*
Lou Frazier .....	40.00*
Knud Jensen .....	100.00
Norman Kwak .....	60.00
Gunnar Lundeberg .....	100.00
Leo Moore .....	40.00*
Vince O'Halloran .....	50.00
Mitchell Roseveare in memory of Billy McAndrew .....	20.00
Steven Ross .....	20.00*
Gino Segreti .....	20.00
William Smith .....	25.00
Paul Splain .....	50.00
David Sylstra .....	40.00*
Eric Weintraub .....	20.00
Joseph Wolff .....	20.00*
Burwood Yost .....	40.00*

\*In lieu of dues increase.

## West Coast Sailors

Gerald Allen in support of the SUP .....	50.00
John Ban .....	25.00
Peter Benavidez .....	100.00
Herbert Blake .....	25.00
George Elinoff .....	25.00
Thor Erikson .....	10.00
George Gooden .....	25.00
Clinton Gregg .....	200.00
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Franklin Haugen .....	25.00
Emil Hernandez .....	20.00
John Linderman .....	20.00
Belfred Lomba .....	25.00
John Nelson .....	25.00
David Rodriguez .....	20.00
Terrence Ryan .....	25.00
Chester Sherry .....	10.00
William Smith .....	25.00
Paul Splain .....	50.00
Thomas Tamblyn .....	25.00
Joseph Valverde .....	25.00
Charles Weber .....	25.00
William Williamson .....	25.00
Fletcher Wingfield .....	25.00



## Political Fund

Pete Benavidez .....	100.00
Brendan Bohannon .....	20.00
Dave Connolly .....	75.00
Richard Crowell .....	40.00
Andre Dayley .....	40.00
Mohamed ElMobdy .....	20.00
Bill Esselstrom .....	30.00
Ronald Fague .....	40.00
Daniel Foster .....	30.00
John Hamann .....	20.00
Emil Hernandez in memory of Jack Dalton .....	20.00
K. Herzstein .....	20.00
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Jan Johnsson .....	20.00
James Kolm .....	20.00
Anthony Labor .....	20.00
John Linderman .....	20.00
Jose Lopez .....	10.00
Gunnar Lundeberg .....	\$100.00
Raoul Macalinao .....	20.00
Joe Mantanona .....	70.00
Gerald Marshall .....	20.00
Mike McLavy .....	50.00
Ian Mcleod .....	140.00
Vince O'Halloran .....	100.00
Mike Orosz Jr. ....	20.00
David Pangan .....	20.00
Ricky Pangan .....	20.00
John Perez .....	50.00
Kathleen Pettersson in memory of Whitey Pettersson .....	100.00
Mike Pflieger .....	40.00
Ray Pinochi .....	20.00
Greg Schauf .....	10.00
Mike Soper .....	20.00
Vince Sullivan .....	100.00
Doug Taylor .....	20.00
Louie Urbano .....	10.00
Ronald Valdez .....	10.00
Richard Watkins .....	100.00

## Dues-Paying Pensioners

Rafael Cooper	Book #4687
Romaine Dudley	Book #2593
Duane Hewitt	Book #5748
Knud Jensen	Book #3940
John Jewett	Book #4291
Tony Jones	Book #4305
Kaj E. Kristensen	Book #3120
Eli Lalich	Book #4062
Gunnar Larsen	Book #3516
John McKeon	Book #6456
Joseph Napier	Book #2299
John Pedersen	Book #3834
John Perez	Book #3810
Cliff Rouleau	Book #3144
Ralph Senter	Book #7323
Jack Stasko	Book #7430

## SUP Meetings

These are the dates for the regularly scheduled SUP meetings in 2006:

	Hdqs.	Branch
August	14	21
September	11	18
October	10*	16
November	14*	20
December	11	18

\*Tuesday

# SUPPORT THE SUP POLITICAL FUND

## Maritime Day aboard the O'Brien



Standing next to the Sailors' Union of the Pacific wreath aboard the Jeremiah O'Brien during her annual Maritime Day Memorial Cruise on May 20, is SUP old-timer Tom McGarvey. In the photo on the right, he places the wreath over-the-side in memory of our department brothers assisted by the historic Liberty ship's skipper, Captain Pat Maloney.

## ILWU election underway

The secret mail-in ballot election of Titled Officers, International Executive Board members, and, for Longshore Division locals only, Coast Committeemen of the International Longshore and Warehouse Union began on June 30, and will conclude on August 14.

Nominated for International President, without opposition at the Union's convention in Vancouver, Canada, in May, was Bob McEllrath. Currently McEllrath is the ILWU's International Vice President for the mainland. Due to mandatory age-limit requirements in the ILWU Constitution which prohibits members from holding International Office past the age of 65, incumbent President James

Spinosa was precluded from running again. However ILWU convention delegates voted him the title of President Emeritus.

Incumbent Vice President for Hawai'i, Westley Furtado, and incumbent Secretary-Treasurer Willie Adams are unopposed for re-election.

To replace McEllrath as mainland Vice President, Joe Radisich from Local 13 was nominated and is also unopposed.

Many of the positions on the International Executive Board are contested as is the job of Northwest Coast Committeeman. Incumbent California Coast Committeeman Joe Ortiz, Jr. is unopposed.

## Final Departures

**Johann Baemayr**, Book No. 5711. Born in Germany in 1926. Joined SUP in 1971. Died in California, June 8, 2006. (Pensioner)

**William McAndrew**, Book No. 6506. Born in England in 1958. Joined SUP in 1985. Lost at sea aboard the *Moku Pahu*, April 1, 2006.

**Robert Wolff**, Book No. 3307. Born in Mississippi in 1926. Joined SUP in 1944. Died in Brighton, Illinois, June 9, 2006. (Pensioner)

**Thomas Mahoney**, Book No. 4930. Born in Washington in 1918. Joined SUP in 1940. Died in Mt. Vernon, Washington, May 28, 2006. (Pensioner)

**Pat Carrillo**, Book No. 4612. Born in New Mexico in 1924. Joined SUP in 1953. Died in San Francisco, California, June 25, 2006. (Pensioner)

**Henry Quirk**, Book No. 91. Born in Massachusetts in 1926. Joined SUP in 1947. Died in Zephyr Hills, Florida, June 17, 2006. (Pensioner)

**James Smith**, Book No. 7379. Born in Louisiana in 1927. Joined SUP in 1952. Died in Louisiana, June 24, 2006. (Pensioner)

**Richard Kleineweber**, Book No. 3145. Born in Nebraska in 1931. Joined SUP in 1964. Died in Arizona, December 14, 2005. (Pensioner)

**Heisaburo Nagai**, Book No. 2457. Born in Hawai'i in 1925. Joined SUP in 1963. Died in Hawai'i, July 3, 2006. (Pensioner)

## Erika pollution trial to begin in December

The French oil group, Total, and 14 other companies and individuals involved in the sinking of the tanker *Erika* will appear in court in Paris between December 4, 2006, and March 28, 2007, it was reported on July 5. Two sessions will be held on: December 4-20 and January 8-March 28.

The defendants are being sued for polluting French waters and endangering life when the Maltese-registered vessel went down off the coast of Brittany on December 12, 1999. Total is a defendant along with the director of the company's legal department, the Italian class society RINA, the ship's owner Giuseppe Savarest, the shipmanager Panship and the ship's captain Karun Mathur.

Three officers of the Brest Prefecture and one officer of the French coast surveillance organization CROSS on duty the day of the accident will also be heard by the court.

## West Coast Sailors

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## U.S. Coast Guard bill signed by President

The long-delayed Coast Guard and Maritime Transportation Act of 2006 (H.R. 889) was signed into law by President Bush on July 11.

Of key interest to the SUP is the provision regarding the use of foreigners as riding gangs in U.S.-flag ships. The Union spearheaded the effort to torpedo the initiative by a group of shipowners led by Maersk Line that would have permitted an unlimited number of foreign nationals to perform maintenance and repair work. The legislation as signed, permits the use of foreign nationals only if U.S. mariners are not available.

Other provision of the bill of interest are:

- Developers of LNG import facilities will get a higher priority if they agree to be supplied by U.S.-flag LNG vessels;

- Only U.S.-flag vessels will be allowed to engage in any activity performed in connection with the mooring or unmooring of a mobile offshore drilling unit (MODU) located over the U.S. outer continental shelf or the transportation of personnel or merchandise to or from a point in the United States from or to such MODU;

- Limits of liability for oil spills from vessels would be increased—single-hull tankers to the greater of \$3,000 per gross ton or \$22 million—for double-hull tankers to the greater of \$1,900 per gross ton or \$16 million—for other vessels to the greater of \$950 per gross ton or \$800,000.

## Transportation Secretary Norman Mineta resigns

Secretary of Transportation Norman Mineta, the lone Democrat in President Bush's cabinet, resigned his post effective July 7.

Mineta, a former Mayor of San Jose, California, and member of Congress, became the first Asian-American to serve in the cabinet when President Clinton

appointed him Secretary of Commerce in 2000.

Mineta joined President Bush's cabinet in 2001 and became the Transportation Department's longest serving secretary.

Mineta is slated to join the Washington, D.C.-based consulting firm of Hill & Knowlton later this month.

## All Pakistan Seamen's Workers Union successfully regains bargaining rights

As reported in last month's *West Coast Sailors*, the Pakistan National Shipping Corporation blackballed six officials of the All Pakistan Seamen's Workers Union for protesting the appointment of Captain Nisim Ahmed as Pakistan's Shipping Master. Ahmed is employed as a manager for the company based on Ahmed's assertions, the company went to court and got injunctions against the Union and its representatives, preventing them from entering company property—including boarding its ships.

This blatant Union-busting was rejected by Pakistan's National Industrial Relations Commission in late June, dismissed an appeal and restored full collective bargaining rights to the Union.

## Algeria opens stowaway murder trial

Algeria on July 13, began the trial of twelve Ukrainian mariners accused of throwing overboard two Algerian stowaways who had boarded the general cargo vessel *Atlantic Mercado* in July 2003.

One stowaway died but the other survived and told the story to the police. "We boarded the ship at Arzew. We hid in the ship's hold but ran out of fresh water. We then went out to ask for assistance from the crew. Instead of helping us, the crew bullied us and threw us overboard. The body of my friend was found a few days later on a beach between Oran and Mostaganem. I was pushed to the shore by favorable currents. I was really

lucky not to die," he said.

An international arrest warrant has been issued against the Ukrainian seafarers but so far none of them has been found. Algerian and Ukrainian legal authorities are cooperating in the case, but have yet to make a breakthrough. The Ukrainians will now be judged in absentia for murder, pending their arrest.

According to *Lloyd's List*, the *Atlantic Mercado* was owned in July 2003 by Interorient Navigation in Cyprus and managed and operated by Nautira Schiffahrts in Bremen, Germany. The ship was sold early this year and now sails under a different name.

## Major anti-pollution plan slated for Southern California ports

In the most ambitious marine pollution control program yet undertaken in the United States, the ports of Los Angeles and Long Beach have unveiled a \$1.9 billion plan to halve particulate matter emissions and cut nitrogen oxide by 45 percent over the next five years, along with reductions in other harmful emissions.

The immediate target will be fitting the 16,000 trucks and other vehicles using the ports with clean-burning engines. Major container cargo and cruise ship terminals at the ports will be equipped with shore-side electricity (cold ironing) within 5-10 years. Within the same period, all ships will have to comply with a 12-knot maximum speed from 20 miles off the ports, increasing to 40 miles. They will also have to use 0.2 percent or lower sulphur marine gas in auxiliary and main engines.

Diesel emissions will be reduced by 1,200 tons a year and nitrogen oxide by 12,000 tons a year. The money will come from \$350 million in ports funds, with the rest from bond issues, state and federal funding, which still have to be arranged.

# Sailors rescue two in San Francisco Bay



Pictured above are Sailors' Union members Paul Monti (AB/Deckhand) and Rory Sheridan (AB/Operator) aboard the *p/v Golden Gate*. Shortly after 6:00 A.M. on June 22, the *Golden Gate* standing by the foreign-flag bulk freighter *m/v Freide* in Anchorage 7, San Francisco Bay, observed a water taxi discharging freight and personnel to the vessel. As a marine surveyor was preparing to climb the ladder to the vessel, shifting cargo on deck caused him to fall overboard. One of the water

taxi crew attempted to recover the surveyor but fell overboard in the process.

The two men drifted away from the boats and the ship in the current, the *Golden Gate* was able to approach them. Brother Sheridan and Monti used a Life-Safer personnel retriever, similar to a frisbee on a tether, to get a line to the men and bring them aboard the Pilot boat.

Brothers Sheridan and Monti were commended by Captain William Greig, Port Agent of the San Francisco Bar Pilot, for their efforts. The commendation follows.

**SAN FRANCISCO BAR PILOTS' COMMENDATION**  
to  
**RORY SHERIDAN, Pilot Vessel GOLDEN GATE Operator**  
and  
**PAUL MONTI, Pilot Vessel GOLDEN GATE Crewman**

June 22, 2006

On behalf of the San Francisco Bar Pilots Association, I take great pride in commending Rory Sheridan and Paul Monti for their exemplary seamanship and leadership in the rescue of two persons who fell into the water, one while transferring from a launch to a ship at anchor and the other while trying to rescue the first, on the morning of June 22, 2006. Your skill in assessing the situation and the dangers to the persons in the water, your knowledge of the currents and tides, your maneuvering of the pilot vessel, your use of the rescue equipment aboard the pilot vessel, and most of all your clear thinking saved these two individuals from possible grave injury or worse. Your actions met the highest standards of professional mariners and seamanship as well as those of this association of pilots, crew and staff.

Captain William Greig  
Port Agent and President

## Captain banished from U.S. waters

The captain of a Turkish-flagged bulk carrier that called Portland, Oregon, last month has been banished from U.S. waters for six months after pleading guilty to operating his ship while drunk.

Captain Merih Dorbek, 53, was in command of the 41,084-dwt *H Hasan Yardim* when it was boarded by the Coast Guard on June 3, after a crewmember contacted local authorities to inform them that the captain was drunk, the U.S. Attorney's Office said. Dorbek failed a breathalyzer test and was immediately arrested and taken from the vessel. He was formally charged two days later.

While the maximum fine for the infraction was up to a year in jail and a \$100,000 fine, the Turkish national was fined \$1,000 plus a \$25 administrative fee and banished from the US for six months during his court appearance in US District Court in Portland on July 7.

## Mexico strengthens cabotage laws

A new navigation law went into effect on July 1, in Mexico, that will make it more difficult for foreign shipowners to operate in the country's cabotage trades without using the Mexican flag.

Under the new regulations, foreign ships operating in Mexican cabotage trades will no longer be free to navigate in Mexican waters for unlimited periods and will need special provisional licenses, to be renewed every three months. "After renewing the license seven times, the vessel will need to be flagged in Mexico or it will have to leave," said Cesar Patricio Reyes, Mexico's coordinator for Ports and the Merchant Marine. "This is going to mean more ships flagged in Mexico with foreign capital," he added.

The law, which took two years to push through the legislature, does not affect extraordinary vessels considered essential for the continued development of key industries, namely the 300-strong fleet of offshore supply vessels used to service the oil industry in the Gulf of Mexico.

A model of discounts for Mexican ships calling in Mexican ports has also been introduced to create incentives for new businesses, new opportunities and new ships.

The Mexican Maritime Chamber of Commerce, Cameintram, welcomed the new law as it means shipping companies operating in Mexico will be forced to employ Mexican crews in two years. "It is a judicial law that we were demanding for the last three years that gives the merchant marine some legal certainty and promotes a more self-sufficient merchant marine," said Armando Rodriguez Garcia, director general of Cameintram

## Four stowaways, two dead, found in Miami-bound ship

Four stowaways, two alive and two dead, were found in a container on June 26, aboard the Panamanian-flagged *Seaboard Trader*, which was enroute to Miami. Coast Guard Lt. Commander Chris O'Neil said that the four men were in a container loaded with T-shirts when the crew found them during a routine security sweep in preparation for entering the U.S. port.

The nationality of the four men has not yet been established, but the vessel's last port of call was Puerto Plata in the Dominican Republic which is a jumping off place for both Dominican and Cuban migrants.

O'Neil says the ship radioed the Coast Guard on finding the stowaways and a cutter was dispatched with a joint Coast Guard-Customs and Border Protection team. They boarded the ship as it en-

tered the Port of Miami, where the investigation was joined by agents from Immigration and Customs Enforcement and local police.

No cause of death has been established yet, but O'Neil says conditions in the box were "very austere" and with no ventilation, the tropical temperatures would have been intolerable.

The *Seaboard Trader* is a 6,604 dwt, 482 TEU ro-ro operated by Seaboard Marine. In line with normal U.S. practice, the shipping line or its designated agent will pay for the cost of repatriation of the two surviving stowaways once their nationality is determined. The rationale is that even though the line found and declared the presence of the stowaways, it had not managed to prevent them boarding in the first place.

## Countries now required to assist vessels that rescue refugees

Nation states are now required to help ship masters who pick up people in distress at sea. The amendments to International Maritime Organization (IMO) Conventions for Safety of Life at Sea (SOLAS) and for Maritime Search and Rescue (SAR) came into force on July 1.

The amendment reads: "Contracting governments shall coordinate and cooperate to ensure that masters of ships providing assistance by embarking persons in distress at sea are released from their obligations with minimum further deviation from the ships' intended voyage."

An IMO communication added that this is the first time such an obligation has been put on national states. While masters have long been under duty to rescue those, even an enemy, in peril at sea, political concerns over forced and economic migration have caused many problems, particularly the refusal of nation states to aid masters in delivering ashore people rescued at sea. The 2001 incident of the Norwegian-flag *Tampa*, which picked up refugees from a sinking vessel and was then refused entry into Australian territorial waters indirectly led to the SOLAS amendment. The scope of the amendment is significant as there are 156 SOLAS-contracting countries which represent 98.7 percent of all merchant shipping tonnage.

However, there are concerns over monitoring and enforcement, which is not part of IMO's responsibilities. One maritime observer said that, although it was encouraging that there is recognition of this social issue, "there are some countries that are not SOLAS states, and there will be some countries that won't give a damn."

## Piracy around Jamaica increases

A string of pirate attacks on ships in the Caribbean in the first quarter of 2006 could prompt the International Maritime Bureau (IMB) to list Jamaica as a hot spot.

Noel Choong, head of the IMB piracy reporting center told *Reuters* it would list Jamaica as a hot spot for piracy if the attacks continued, and would continue

to monitor Caribbean waters.

In the first three months of this year, three piracy attacks were reported in Jamaican waters. The number of reported piracy attacks worldwide for that same period rose to 61 from 56 a year ago. The current hot spots are of the coasts of Somalia and Nigeria, according to the IMB.

## Companies based in the U.S. shouldn't be foreign for taxes and domestic for benefits

Global competition and loopholes in the U.S. tax code have cast doubt on what it means to be an American company. Some companies that are based in the United States and are staffed and led primarily by Americans pretend that they are based in Bermuda, the Cayman Islands or some other tax haven.

A prime example is Nabors Industries, which has corporate offices in Houston, but which has a mailing address in Bermuda that allows it to avoid paying what other American companies pay in U.S. taxes. Nabors and other tax refugees claim that they cannot compete successfully if they have to contribute their full share to the national defense and other U.S. government operations. At the same time, Nabors wishes its fleet of supply ships to be considered American so the vessels can operate between U.S. ports and offshore drilling rigs.

Fortunately, Congress is acting to clarify Nabors' ambiguous corporate nationality and discourage its indefensible overreaching for unfair advantage. The Senate Finance Committee voted unanimously to treat as American entities Nabors and other companies that moved their tax headquarters offshore after March 20, 2002. In the House, the Transportation and Infrastructure Committee declined to grant Nabors the permanent right to operate its fleet be-

tween U.S. ports and drilling platforms in U.S. waters.

Proper enforcement of the Jones Act—which limits domestic commerce to vessels that are U.S.-built, -owned and -crewed—has an importance that goes well beyond the fortunes of a single company. Much of the nation's oil and natural gas supply comes from the Gulf of Mexico, where elaborate and costly infrastructure is highly vulnerable to disruption. Given the finite ranks of the Coast Guard and Customs, the best safeguards of this infrastructure against terrorist attack are the American crews on the hundreds of U.S. vessels that supply and maintain the offshore industry.

Given this fact, the security policy Congress has applied to these crews seems out of whack. U.S. mariners and the owners of their vessels are required to get high-tech ID cards and file reams of documents. Meanwhile, foreign vessels that service oil rigs in U.S. waters but never call on a U.S. port have no security or filing requirements. These vessels, frequently crewed with seamen from nations plagued by terrorist movements, at least ought to have to declare their presence and crew list to U.S. authorities. Treating the U.S. merchant marine as if it were the prime threat just doesn't make sense.

*Editorial in the Houston Chronicle, July 4, 2006*

## Egyptian sailors stranded in Charleston

More than twenty Egyptian mariners aboard the 38,300-dwt bulker carrier *Edco* have been stranded in Charleston, South Carolina, for over two weeks since the vessel was arrested over a charter dispute.

The U.S. District Court in South Carolina issued the arrest order on June 23 after lawyers for Hong Kong-based Grand Max Marine said the ship's owner—Misr Edco Shipping—had defaulted on a charter agreement when its only other vessel, the 64,059-dwt *Edco Star*, was found unseaworthy while transiting the Suez Canal with a cargo of cement. Grand Max's attorney in Charleston, says the *Edco's* owner owes his client \$4.12 million over the charter default and had the smaller ship held until the tab is paid.

The court did appoint local marine surveyor Lucas & Brown as substitute guardians for the ship and its crew and representatives of the Charleston Port and Seafarer's Society hope to call on the ship. Meanwhile the visa-less seafarers are restricted to the vessel and security guards have been stationed there to prevent anyone from leaving the ship on order of US Customs & Border Protection.

## Indonesia nabs pirate suspects

Sixteen members of an Indonesian piracy syndicate that hijacked small vessels in the country's waters are under detention after four vessels were recovered in the Philippines last month.

The syndicate targeted small vessels such as tugs and barges off the coast of Sumatra, hijacking them, changing their identities and then reselling them overseas. North Sumatra Police chief inspector general Bambang Hendarso Danuri said that 16 members of the syndicate were under detention in Medan, with one suspect having now been transferred to Jakarta after admitting involvement in hijacking two vessels off Jakarta and then selling them to companies in the Philippines. Rather than hijacking the vessels on the open sea the syndicate worked by recruiting crew members working for the shipowner, who would then steal the vessel. "All the stolen ships usually had their names changed and were equipped with fake documents before being sold out in the Philippines, Singapore or Malaysia," he said.

Bambang added that, based on testimony from the 16 arrested men, 14 Indonesians and two Malaysians, the syndicate had stolen at least six ships belonging to Indonesian businessmen and sold them overseas.

In the case of the suspect transferred to Jakarta, he admitted having been involved in the hijack of the *Marcopolo* and the *Gemini* and selling the vessels to the Philippines. The syndicate was also involved in the hijacking of the Malaysian-registered tug *Martha Dini* and the Indonesian-registered barge *Sentana V* which were found in the southern Philippines having disappeared from Sumatra in April. The vessels owned by the Indonesian company Piti Multi Jaya Samudera were resold to an undisclosed buyer in the Philippines.

The Philippines has since deported 11 Indonesian crew found on the vessels back to Indonesia. "We are still searching for two other stolen ships," Bambang said.

# Matson Navigation Company Wage Rates

effective July 1, 2006

## 071, Roll-On/Roll-Off, C-8 and C-9 class vessels

Rating	Wages		Supp.	Supp. Benefit		Money Purchase Pension Plan
	Monthly	Daily	Benefit Base Monthly	Daily	Monthly	Daily
Bosun	\$4,761.86	\$158.73	\$4,907.57	\$92.70	\$2,781.00	\$25.00
A.B.	\$3,387.83	\$112.93	\$3,699.90	\$69.89	\$2,096.70	\$25.00
O.S.	\$2,624.37	\$87.48	\$2,932.89	\$55.40	\$1,662.00	\$18.51

### OVERTIME AND OTHER RATES

The hourly overly overtime rate for all ratings except the Ordinary Seaman shall be ..... \$26.72  
 Ordinary Seamen (overtime rate) ..... \$20.04

### CARGO RATES

The hourly cargo rate for all ratings shall be:  
 Straight Time Hours ..... \$20.04  
 Overtime Hours ..... \$33.01

### SHORTHANDLED (SECTION 7. SUP Work Rules)

Bosun ..... \$45.62  
 A.B. .... \$34.37

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

Bosun  
 Straight Time Hours ..... \$31.55 ..... \$25.00  
 Overtime Hours ..... \$50.60  
 A.B.  
 Straight Time Hours ..... \$26.06 ..... \$25.00  
 Overtime Hours ..... \$42.61

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

Bosun  
 Straight Time Hours ..... \$22.62 ..... \$25.00  
 Overtime Hours ..... \$37.62  
 A.B.  
 Straight Time Hours ..... \$21.29 ..... \$25.00  
 Overtime Hours ..... \$35.92

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

Bosun  
 Straight Time Hours ..... \$30.41  
 Overtime Hours ..... \$45.62  
 A.B.  
 Straight Time Hours ..... \$22.92  
 Overtime Hours ..... \$34.37

### FUEL OIL SPILL CLEANUPS

All Ratings: Straight Time ..... \$15.56

### SUP SHOREGANG: MAINTENANCE AGREEMENTS

#### WAGE RATES

Working Bosun  
 Straight Time ..... \$31.62 ..... \$25.00  
 Overtime ..... \$50.72  
 General Maintenance  
 Straight Time ..... \$26.12 ..... \$25.00  
 Overtime ..... \$42.71

Spraying, Sandblasting enclosed spaces: additional per hour \$1.65

## Manukai-class vessels (CV -2600) Maunalei-class vessel (CV -2500)

Rating	Wages		Supp.	Supp. Benefit		Money Purchase Pension Plan
	Monthly	Daily	Benefit Base Monthly	Daily	Monthly	Daily
Bosun	\$4,181.43	\$139.38	\$4,316.93	\$76.75	\$2,302.50	\$25.00
A.B.	\$3,221.38	\$107.38	\$3,518.11	\$62.54	\$1,876.20	\$25.00
O.S.	\$2,495.44	\$83.18	\$2,786.24	\$43.34	\$1,300.08	\$18.51

### OVERTIME AND OTHER RATES

The hourly overly overtime rate for all ratings except the Ordinary Seaman shall be ..... \$25.40  
 Ordinary Seamen (overtime rate) ..... \$19.05

### CARGO RATES

The hourly cargo rate for all ratings shall be:  
 Straight Time Hours ..... \$19.05  
 Overtime Hours ..... \$31.40

### SHORTHANDLED (SECTION 7. SUP Work Rules)

Bosun ..... \$43.38  
 A.B. .... \$32.68

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

Bosun  
 Straight Time Hours ..... \$24.23 ..... \$25.00  
 Overtime Hours ..... \$39.90  
 A.B.  
 Straight Time Hours ..... \$23.24 ..... \$25.00  
 Overtime Hours ..... \$38.31

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

Bosun  
 Straight Time Hours ..... \$21.51 ..... \$25.00  
 Overtime Hours ..... \$35.77  
 A.B.  
 Straight Time Hours ..... \$20.25 ..... \$25.00  
 Overtime Hours ..... \$34.17

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

Bosun  
 Straight Time Hours ..... \$28.93  
 Overtime Hours ..... \$43.39  
 A.B.  
 Straight Time Hours ..... \$21.80  
 Overtime Hours ..... \$32.68

### FUEL OIL SPILL CLEANUPS

All Ratings: Straight Time ..... \$14.80

## Ready Reserve Force

Matson Navigation Company

and

Patriot Contract Services

effective July 28, 2006

### Full Operating Status (FOS)

Rating	Wages		Overtime	Penalty	Money Purchase Pension Plan
	Monthly	Daily	Rate	Rate	Daily
Bosun	\$3,833.26	\$127.78	\$29.40	\$16.67	\$10.30
A.B.	\$3037.18	\$101.24	\$25.09	\$12.77	\$10.30
A.B. Maint.	\$3037.18	\$101.24	\$25.09	\$12.77	\$10.30
O.S.	\$2100.25	\$70.01	\$15.00	\$10.12	\$10.30

### Reduced Operating Status (ROS)

Rating	Wages		Overtime	Money Purchase Pension Plan
	Weekly	Daily	Rate	Daily
Bosun	\$1201.01	\$171.57	\$29.40	\$10.30
GVU	\$626.91	\$89.84	\$15.00	\$10.30
O.S.	\$626.91	\$89.84	\$15.00	\$10.30

## American President Lines

Wages will not increase with APL until October 1, 2006, the anniversary date of the collective bargaining agreement, when the Supplemental Benefit increases by one day.

## ESU Office Assignments

For the month of August, Kevin Conroy will be in the Seabrook office and John Straley will be in the Benicia office.

# ESU NEWS

JULY 2006

Official Publication of the Exxon Seamen's Union

## Contract talk: Air transportation

The Union will present, on a recurring basis, articles dedicated to providing to its members information that will assist them in gaining a better understanding of the labor Agreement between SeaRiver Maritime, Inc., and the Exxon Seamen's Union (Affiliate of the Sailors Union of the Pacific, AFL-CIO).

Subject: Air transportation

Contractual Language: Joining and Departing Vessels: Article IX, Section 1 Paragraphs A-F.

This contract language outlines the specific provision for members joining or departing vessels and using air transportation to do so.

· Paragraph A of this obligates the company to, "...determine and provide the most cost effective jet air transportation..." and specifies that the class of airfare will be that of "coach class."

· Paragraph B is self-explanatory and reads, "Except in the case of an emergency, the employee's air travel will normally not begin earlier than 0600 at the airport nearest his/her home." This language enables, except in cases of emergencies, members to decline air travel arrangements made by the company that are scheduled for earlier than 0600.

· Paragraph C requires the company or its travel agent to provide to the member details of the prepaid travel arrangements. Additionally, this paragraph states, "If prepaid travel is not possible, the employee will be notified by Fleet Manning." This caveat in the language is one that, to the Union's knowledge has never been utilized, and the Union would encourage a member that is asked to prepay their own air transportation to contact the Union before doing so.

· Likewise, the Union would want to be contacted if for any reason the following language, paragraph D of this section were ever to be implemented, "When Company arrangements are not practical, employees will be reimbursed for the actual reasonable cost of coach class air transportation from the employee's home base to/from assignment upon submittal of proper receipts."

· Important language is contained in paragraph E that pertains to the number of connections (layovers) that are permissible. The language states, "Domestic airline travel will normally be limited to no more than one stop or connection (excluding commuter connections). Members should be aware of this contractual right, and if given multiple connections for a domestic flight, question such arrangements. This paragraph also limits the use of "red eye" flights, and this language reads, "Where practicable, "red eye" flights will not be used." Also of importance in this paragraph is language that protects the member against additional airline charges levied due to the member having to change their prepaid ticket through no fault of their own. Such charges will be paid or reimbursed by the Company.

· Paragraph F pertains to international airline travel and states "...travel will be limited to as few stops or connections as

practicable." Again, members should review their travel arrangements and insure that this is in fact the case.

The final three paragraphs of the section pertaining to air transportation are self-explanatory and reads verbatim:

· Paragraph G: *The Company shall provide all air transportation as indicate above, where practicable, when an employee transfers from one vessel to another.*

· Paragraph H: *"It is understood that the Company intends to monitor and follow-up on service provided by Company travel agents."*

· Paragraph I: *"It is understood that the transportation language included herein also applies to the Union's Executive Board."*

It is also important for members to be aware that Section 2 of this Article contains provision that were negotiated during the 2005 contract negotiations and reads as follows, "Where practicable, it is the intention of the Company to normally arrange travel schedules for employees traveling outside the continental United States to arrive on the day before they are due to assume duty on the vessel. Such travel days will be paid as earned paid leave."

Historically, air travel has been an issue that has been of great concern and the rights that members have concerning their air transportation have not always been clearly understood by the membership. Air travel has likewise been an issue of considerable interest to the Company and they have made it one of their priority bargaining issues frequently in the course of the collective bargaining process. Each member should understand their contractual rights concerning their air transportation and assure that their travel is being administered properly.

When a member believes that improper travel arrangements have been given to them, that member is encouraged to assure that the itinerary is proper by questioning the arrangements with their Fleet Manning contact or by contacting either ESU office.

## Vessel returned to owners



The S/R Galena Bay pictured alongside a loading dock at the Valero Refining facility in Corpus Christi, Texas. The vessel visited the facility frequently, loading 'clean oil' products such as gasoline for delivery to Florida. Photo: Tommy Thompson

## S/R Galena Bay leaves SeaRiver fleet

The SeaRiver Galena Bay was returned to its owners, Overseas Shipholding Group, Inc (OSG) on July 5, 2006. The 51,000 dwt vessel has been on a bareboat charter to SeaRiver Maritime, Inc. since June of 2001, when it was first manned by ESU crews in Portland, Oregon. The return of the vessel occurred at Corpus Christi, Texas.

During the vessel's more than five years of service under the SeaRiver house flag she served in both the ANS crude oil trade and the company's "clean oil" trade between Gulf Coast ports in both Florida and Texas. Formerly named the *Chesapeake Trader*, the vessel, during its service with the SeaRiver fleet underwent extensive shipyard work and numerous betterment projects. The double-bottomed S/R Galena Bay will be allowed under OPA '90 regulations to continue to sail in US domestic trade routes until 2012.

SeaRiver's Vice President of Operation, Mr. Stu McRobbie provided the following statement to the Union, "After

careful consideration of the ongoing customer transportation requirement, the continued long term operation of the bareboat in-chartered S/R Galena Bay was determined to be less commercially attractive for us. Consequently, negotiations with the vessel's owner (Overseas Shipholding Group, Inc.) lead to an agreement to return the vessel to OSG in July."

In addition, Mr. McRobbie said, "To the very end, the SeaRiver crews performed professionally and effectively as the ship served on all U.S. coasts in both the clean and crude services. The men and women who served on her, as on all SRM vessels, were frequently recognized by the company, customers and regulatory agencies for their safe, professional and dedicated service."

Temporary Ship Representative George Ruark reports that the vessel was returned to the owners in tip-top shape. The crew, upon completion of their final discharge in Florida worked long hours to make ready for the 'hand over.'

The Union, at present does not anticipate any demotions or loss of jobs as a result of the vessels departure from the fleet. Any surplus in personnel that may have resulted from the loss of these billets appears to be manageable through normal attrition and is to an extent lessened by the acquisition and recent crewing of the *Sierra* presently undergoing an extensive shipyard betterment and repair period in Singapore.

In a June 23 written communication to fleet employees, Mr. Will Jenkins, President of SeaRiver Maritime addressed, among other issues, manning concerns related to the loss of the S/R Galena Bay and stated, "Given the number of people currently serving in our fleet and ongoing projections, we do not expect the return of the S/R Galena Bay to result in significant changes to our overall manning levels. As always, we will continue to monitor manning levels to ensure an appropriate and efficient balance is maintained."

## Benefits Corner: Take advantage of the BCBS Preventive Care feature

On May 1, 1996 the membership received an added benefit to the BCBS medical plan. This preventive care feature provides coverage for items such as routine medical examinations, well-baby care, visual examinations, hearing examinations and childhood immunizations. Despite the fact that this benefit has been in place for some time now, some members do not take full advantage of this benefit and in some cases are not fully aware of the covered benefits.

The idea of the feature is for participants to have monetary assistance with routine type medical exams that can identify and catch medical problems before they become bigger ones. The BCBS plan will pay up to \$300 for covered items for each participant for each two-year period. This two-year period starts on the date when the participant first uses the preventive care feature and another \$300 will become available two years from that date. Claims are covered at 100% and are not subject to the \$150 dollar deductible.

Historically, in some cases, ESU members have experienced problems when processing a claim under the preventive care feature of the BCBS plan. This problem has existed from time to time throughout the years. The problem usually arises because of a coding error. When this happens the claim usually comes back with an explanation that our plan does not cover preventive care services. To correct this problem be sure to have your doctor submit the claim as preventive care so that it will be coded properly.

## Heading for the Beach



Fleet Chef Audrey McDaniels aboard the *S/R American Progress* before her scheduled August 1 retirement. Audrey joined the SeaRiver Fleet in July of 1987, when she signed on and a Utility aboard the *Exxon San Francisco*. Audrey worked her way up through the Steward's department as was promoted to Fleet Chef on March 1, 2003.

Audrey plans to embark upon another career once she commences her retirement from SeaRiver. It is the Union's understanding that Audrey is going to become an entrepreneur in a field where her background as a Fleet Chef will be useful.

Audrey has been a supporter of the Union throughout her career and the ESU and its membership wishes her success and happiness in her future endeavors.

## ExxonMobil tops Fortune 500

Fortune 500 Magazine recently released its rankings of the most successful company's in the United States. Topping the list in the two categories that are generally considered of most importance, revenues and profits, is the parent company of SeaRiver Maritime, Inc., ExxonMobil. The data compiled for comparison is through December 31, 2005.

ExxonMobil has in recent fiscal quarters often posted record profits for any corporation in US history. Wal-Mart, often listed as the country's largest corporation in terms of revenue, ranked second in that category, having collected approximately \$24.3 billion dollars less than the oil conglomerate. However, ExxonMobil's net profits far outdistanced that of the retail giant by almost \$25 billion. In terms of net profits, financial services leader Citigroup ranked second with some \$11.6 billion less than that of ExxonMobil.

Below are listed the twenty (20) top performing corporations as ranked by revenues, with net profit indicated in the far right column:

Rank	Company	Revenues (\$ millions)	Profits (\$ millions)
1	Exxon Mobil	339,938.0	36,130.0
2	Wal-Mart Stores	315,654.0	11,231.0
3	General Motors	192,604.0	-10,600.0
4	Chevron	189,481.0	14,099.0
5	Ford Motor	177,210.0	2,024.0
6	ConocoPhillips	166,683.0	13,529.0
7	General Electric	157,153.0	16,353.0
8	Citigroup	131,045.0	24,589.0
9	American Intl. Group	108,905.0	10,477.0
10	Intl. Business Machines	91,134.0	7,934.0
11	Hewlett-Packard	86,696.0	2,398.0
12	Bank of America Corp.	83,980.0	16,465.0
13	Berkshire Hathaway	81,663.0	8,528.0
14	Home Depot	81,511.0	5,838.0
15	Valero Energy	81,362.0	3,590.0
16	McKesson	80,514.6	-156.7
17	J.P. Morgan Chase & Co.	79,902.0	8,483.0
18	Verizon Communications	75,111.9	7,397.0
19	Cardinal Health	74,915.1	1,050.7
20	Altria Group	69,148.0	10,435.0

## Ship reports

### S/R American Progress

The vessel is now settled back into its Florida/Texas Gulf Coast gasoline trade after returning from West Coast crude service. An Executive Board visit is scheduled for mid-July in Beaumont, TX. Able Seamen Wen Shie Tai has assumed the Temporary Ship Representative duties from Joe Buffington, who as well as ESU Representative to the vessel, Chuck Bell have went to paid leave. Wen Shie is communicating frequently with the Union and reports no beefs onboard.

### S/R Baytown

Vessel is currently enroute to the shipyard in Singapore and due to arrive around mid-July.

Regular Ship Rep. Joe Bernavich is on board. Vessel is scheduled to be in Singapore for approximately one month for repairs and betterments.

### S/R Galena Bay

The vessel was returned to its owners at Corpus Christi, TX. on July 5<sup>th</sup> (See Article). Before the handover the crew worked to assure that the vessel was "ship shape" and reports that, "OSG was getting back a much better ship than what they had five years ago." The Union's #1 Able Seamen, George Ruark, filling in for Ship Representative Mario Guarcello as the ESU Representative commented that, "It was a shame that we were giving the vessel back, as we just got it how it should be." Additionally, the longtime ESU member offered a warning to fellow members that apparently there is a new company term called an "express cleanup". George recommends that when members hear this phrase, "they should run." The loss of the vessel to the fleet is unfortunate.

### Kodiak

Board officer visited the vessel at Martinez, CA on July 3<sup>rd</sup>. Ed Stoeckel is filling in for Tim Williams as Ship Rep. The vessel will return to her more normal run between Valdez and the Puget Sound. Ed reports no problems.

### S/R Long Beach

Union officer boarded the vessel at Chevron in Richmond, CA on July 7<sup>th</sup>. Gil Randall is filling in as Temporary Ship Rep. and doing an excellent job. The vessel will make one more trip to Valdez before her scheduled TAPS in Port Angles.

### Sierra

Vessel continues its extensive refitting, repair and betterment period in Singapore. A full ESU crew is aboard. ESU Deck Trustee, Michael Harrison is representing the ESU at the present time and has done an exceptional job of keeping in touch with the Board Officer's. Some early on problems reported with subsistence payouts, and were handled shipboard with good cooperation from shipboard managers and Michael is reporting that the disputes have been satisfied. Union's latest information on the status of yard repairs still indicates that vessel will not complete the yard period (subject to change) until approximately mid-August.

### S/R Wilmington

An Executive Board visit was conducted at the ExxonMobil Dock in Baytown, Texas on June 22, 2006. Representative Jeff Harris is onboard and reporting no beefs. Members requested and were given a clarification of the Unions "watch preference" position. The vessel continues on her regular routes between the Gulf and East coast ports.

## Bonus payments to arrive in early September

The Executive Board, in communications with management, has been assured that the negotiated \$1,500.00 bonus checks to be paid as agreed on during the second year of the three year Collective Bargaining (CBA) and will be sent by September 15<sup>th</sup>. The checks will be separate from member's regularly scheduled paychecks. All members' currently on an "active" employee status with the Company will be receiving the bonus payment. Those members currently on non-contractual leave of absences will not receive the payment until their status returns to an "active" employment status.

The terms of the Agreement also requires another bonus payment in the

gross amount of \$1,250.00 to be paid in September of 2007. The 2007 payment will be the third bonus payment received by members, as an initial gross payment of \$2,000.00 was paid in September of 2005, as the first year of the CBA came into effect.

These payments will be delivered in the same manner and to the same location as each individual member receives his or her regular paychecks from the Payroll Department. Note that the \$1,500.00 amount is the gross amount of the agreed on bonus, and that that amount is subject federal withholding taxes, resulting in the net amount received by members to be less.

## Red Hollmann retires

Pumpman, James "Red" Hollmann took a medical retirement on July 1<sup>st</sup> as he continues to recover from health issues. Red joined the company in March of 1987, as a Maintenance Seamen and first sailed aboard the *Exxon Long Beach*. Throughout his career he has been a staunch supporter of the ESU.

Red conveyed to the Union that he would miss his shipmates and said that he "always tried to be a good shipmate, as well." Members have often inquired about Red's progress and have often asked the Union to pass on their sincere concern and best wishes to him. Those sentiments have been communicated to Red.

## EXXON SEAMEN'S UNION

Founded March 28, 1941

Affiliated with the Sailors' Union of the Pacific

1320 5th Street, Suite A  
Seabrook, TX 77586  
Tel (281) 474-2430  
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E-Mail: esuben@sbcglobal.net

President Kevin Conroy

Vice President John Straley  
Secretary/Treasurer Leo DeCastro  
Recording Secretary Thomas Thompson III

Deck Trustee Michael Harrison  
Engine Trustee William Ackley  
Steward Trustee Joe Pereira

## SUMMARY ANNUAL REPORT FOR SUP WELFARE PLAN, INC.

This is a summary of the annual report of the SUP Welfare Plan, Inc., EIN 94-1243666, for the year ended July 31, 2005. The annual report has been filed with 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 Plan of New York, Health Net, Kaiser Foundation Health Plan of the Northwest, Private Medical-Care, Inc, Kaiser Foundation Health Plan, Inc. Dental Health Services Inc., Group Health Cooperative, Bluecross Blueshield of Louisiana, Guaranty Assurance Company, Pacific Union Dental, Pacificare of Washington, MI-IN Services DBA Health Management Center, 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, 2005 were \$3,740,445.

### Basic Financial Statement

The value of Plan assets, after subtracting liabilities of the Plan, was \$16,540,807 as of July 31, 2005, compared to \$17,271,208 as of August 1, 2004. During the plan year, the Plan experienced a decrease in its net assets of \$730,401. This decrease included 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 \$8,126,432 including employer contributions of \$7,549,731, participant contributions of \$61,247, realized losses of \$103,489 from the sale of assets, earnings from investments of \$589,070 and other income of \$29,873.

Plan expenses were \$8,856,833. These expenses included \$1,299,607 in administrative expenses and \$7,557,226 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, upon 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 five percent 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 400, San Francisco, California 94107, telephone (415) 764-4990. The charge to cover copying costs will be \$27.75 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 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 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.

## SUP observes Bloody Thursday



The SUP observed Bloody Thursday, July 5, at ILWU Local 10 in San Francisco. From left: Terry Lane, Knud Jensen, Sol Berger, Terry O'Neill, San Francisco Business Agent Bill Berger, Gene Vanklinken. Also attending, pictured at right, were: Tom Dougherty, Sonny Cooper and Romaine Dudley. Photos by Dave Connolly.



## Welfare Notes

July 2006

Important information was recently sent to participants regarding changes in the active medical plans and the pensioner's annual allowance effective August 1, 2006. If you did not receive a letter, please contact the SUP Welfare Plan.

An additional mailing is being sent out to active members this month with more detailed information specific to the plan you are enrolled in. It is important to keep the SUP Welfare Plan office notified of address changes to insure you get important notifications.

Please also inform the Plan office if you become Unfit for Duty, get married, or add a dependent. Contact us for any eligibility questions you may have.

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

**Telephone: 415-778-5490 or 1-800-796-8003**

**Fax: 415-778-5495**

**Training Representative Terry O'Neill: 415-957-1816**

**SIU-PD Pension: 415-764-4987**

## 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, 2005. The annual report has been filed with the Employee Benefit 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 \$318,495 as of July 31, 2005 compared to \$223,207 as of August 1, 2004. During the plan year, the plan experienced an increase in its net assets of \$95,288. The plan had total income of \$628,941 including employer contributions of \$604,839, earnings from investments of \$866 and other income of \$23,236.

Plan expenses were \$533,653. These expenses included \$182,909 in administrative expenses, and \$350,744 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 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 400, San Francisco, CA 94105, telephone (415) 764-4990. The charge to cover copying costs will be \$2.25 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 400, San Francisco, CA 94105, 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.

## Record of SUP Shipping June 2006

	Hdq	Seattle	Wilm	Hono	Total
Bosun	3	1	3	2	9
Maint. Man	3	0	0	0	3
A.B. Dayworker	0	0	4	0	4
A.B.	21	12	7	10	50
O.S.	7	2	1	2	12
Standby	23	24	53	42	142
<b>TOTALS</b>	<b>57</b>	<b>39</b>	<b>68</b>	<b>56</b>	<b>220</b>



# Vice President's Report

July 2006

## Rogue waves

The *New York Times* on July 11, reported that after centuries of legend, rogue waves are now scientific fact. As seamen have known since ships put to sea: sometimes the seas seem to stack up on each other, producing enormous, anomalous waves. Navy officers aboard the USS *Ramapo*, for example, triangulated the height of a wave in the North Pacific in 1933 at 112 feet. Alternately called freak, extreme or monster waves, oceanographers for decades have dismissed such claims as nautical lore. A ship moving on the open sea, they've said, is a poor point of reference for wave measurement.

But the wave that swept by the Draupner oil platform in the North Sea on January 1, 1995 changed that. Equipped with sophisticated wave measurement devices, the stationary rig recorded the wave at 26 meters high, or over 85 feet from trough to crest. The Draupner wave led scientists in Europe to develop the MaxWave project, which used radar satellites to measure wave heights all over the globe. Collecting only three weeks of data, they uncovered ten giant waves, the smallest of which was 82 feet high. Then in 2004, Hurricane Ivan passed directly over six wave-tide gauges 50 miles offshore in the Gulf of Mexico which measured numerous 90 foot waves. The surprising conclusion is not only that extremely large waves exist, but that they occur with horrific frequency.

There is no definitive explanation for the cause of "an amplitude significantly greater than the background sea-state," as the scientists say. The theory with the strongest support centers on the relationship between strong currents and wind-driven waves working in opposite directions. The Agulhas current, off the Cape of Good Hope for example, flowing south and to the west, which meets with the icy Benguelas current flowing north, combines with the west winds of the roaring forties to create ideal conditions for extreme waves. Basically, the current moving against the wind magnifies the wave. In San Francisco, Golden Gate pilot boat operators will tell you that a light chop quickly becomes steep and moderate short-period seas when outbound to the pilot station on a spring ebb against 20 knots of westerly breeze.

There are other theories besides current/wind friction, such as the non-linear effects of a wave "soaking" energy from its neighbors immediately fore and aft. And there are other kinds of rogue waves, too, such as waves that come from a different direction than the prevailing seas, or a boarding sea that mysteriously and suddenly rushes over the rail.

Life deals metaphorical rogue waves as well, when all you can do is take a round turn and hold on against unforeseen, aggressive, and brutish events piling up and coming at you. But whatever the type, place or cause, sailors take note: rogue waves are part of the peril of the seagoing life.

## Ships checked

**Arizona Voyager:** Rob Edelhauser, delegate. John Svane, bosun. Made this ship at Port Everglades, Florida on July, 8. No beefs. Wide-ranging discussion with all produced a large number of potential proposals for contract bargaining expected to begin late this year or early in 2007.

**Manukai:** Resolved a payroll problem for a member who was charged for the cost of his relief because he did not complete his assignment under another contract. Company backed down and finally paid this claim.

**Cape Orlando:** Donn Reed, delegate. A ban on non-military vehicles on the Concord Naval Weapons Station base prevented shore leave for this crew while loading at Port Chicago. Company responded to our requests and arranged for a shuttle. Call from the delegate in Latin American port indicates all things running smooth.

**President Adams:** William Wood, delegate. Call from Oman indicates most things okay on this ship as it finishes its last run in the Asian Persian Gulf loop and shortly begins U.S. East Coast service to India. Sailor had family emergency, but trip off rules, including emergency trips off, do not apply in shuttle ships. SUP riding gang will join in last Asian port.

**Cape Florida:** Sam Scott, bosun. Ship in last phase of deep layup preparation.

**Cape Farewell:** Dale Gibson, bosun. In the shipyard in Mobile. Will call for a full crew around August 10. Will sail for sea trials and then layup. Subject to change.

**Cape Fear:** Steve Garrett, bosun. Ship in overhaul status preparing for deep layup.

**Admiral Callaghan:** Ken Hertzstein, new bosun. Ship in good shape

**Cape Girardeau:** John McAuliffe, bosun. No problems.

**Foss Maritime Company:** Co-delegates Tom Tynan and Mike Worth. Minor issues and disputes. Payroll issue for call-out deckhand resolved in our favor.

**San Francisco Bar Pilots:** Louie Urbano, delegate. Caucuses with boat operators held on 6/6 and 7/6 on negotiations beginning in September. Many proposals received.

Dave Connolly

## SUP members join pension ranks

The following SUP members joined the ranks of pensioners, bringing the total number of SUP members on pension to 705:

**Leo Endries**, 65, Book No. 1887, joined SUP in 1981, 23 years seetime.

**Donnie Moris**, 68, Book No. 6455, joined SUP in 1957, 14 years seetime.



## San Francisco Maritime Museum closes for three years for retrofit

The San Francisco Maritime Museum, a landmark on the City's northern waterfront for 55 years, closed its doors on July 10, for major repairs that are expected to take three years to complete.

Originally operated by the City of San Francisco when it opened in 1951, the museum which is packed with nautical artifacts, is now a part of the U.S. Park Services San Francisco Maritime National Historical Park.

The estimated \$10 million retrofit of the 7,500 square-foot building will mean that all the artifacts will go into storage.

The building itself was constructed during the Great Depression by the Works Project Administration and opened in 1939. Originally used as a bathhouse and public space, the structure was considered by many a white elephant until it was selected to house the main collection of the San Francisco Maritime Museum.

Although the museum building will be closed for three years, the Hyde Street Pier and the parks Visitors Center in the Haslett Warehouse at the corner of Hyde and Jefferson Streets will remain open. Berthed at the Hyde Street Pier are the 1886 square-rigger *Balclutha*, the 1890 steam ferry boat *Eureka*, the 1891 scow schooner *Alma*, the 1907 Steam tugboat *Hercules* and the 1914 paddle-wheel tugboat *Eppleton Hall*. The 1895 schooner *C.A. Thayer* is currently undergoing restoration.

## Tamil Tigers threaten Colombo

Sri Lankan authorities have tightened security at the island's ports after the detection of Tamil Tiger rebel frogmen and a boat with mines and explosives north of the port of Colombo.

Two rebel frogmen who apparently surfaced and came ashore because of rough seas were caught by fishermen north of Colombo late last month and handed over to police. Local newspapers have described the rebel mission as an attempt to penetrate Colombo port and attach mines to merchant ships. The government maintains that the ports are well secured and that the rebels were targeting navy patrols.

The Sri Lanka Ports Authority said it and the navy had taken steps to safeguard the ports. "All vehicles, ships and persons arriving at every port through sea and land are thoroughly checked and steps have been taken to monitor all entrances round the clock," it said in a statement. "All operational activities at Colombo and other ports are taking place as usual and around 30 vessels usually use Colombo for their daily operations."

## Cape Orlando bound for South America



Crew of the *m/v Cape Orlando* in Alameda, California, preparing to load rolling stock at Port Chicago for delivery to Latin American ports. From left: OS Wahlid Nasser, Bosun Steve Zombro, OS Justin Foster, AB and delegate Donn Reed, AB Mahdi Asad Al Rasullah, and AB Barbara Shipley. Photo Dave Connolly



# SUP President's Report

July 10, 2006

## SIU-PACIFIC DISTRICT PENSION PLAN

During the past year at the quarterly meetings of the SIU-Pacific District Pension Plan, the Union Trustees have repeatedly pointed out to the employer Trustees that due to the overfunded status of the Plan, pension benefits should be increased.

Under the collective bargaining agreements with APL and Matson, a mid-contract pension increase is only possible under Section 30(e) of the General Rules, unless the companies agree otherwise. That provision states that during the 60-day period immediately following the Plan's actuarial report covering the one-year period preceding August 1, 2005, the parties shall meet to negotiate benefits for Plan participants who retire on or after July 1, 2006. The present value of any such benefit increase shall not exceed the combined actuarial net gain experienced by the Plan during the period covered by the applicable actuarial report. On May 18, Plan Actuary, Greg Pastino of the Hay Huggins Group, notified the Trustees stating that there was a gain of \$3,706,094 available for benefits pursuant to Section 30(e).

Previous benefit improvements under Section 30(e), which was negotiated in bargaining with APL and Matson in 1996, occurred in 1997 (\$20) and 1998 (\$110). In 1999 when the agreements with both companies were open, the Unions in bargaining achieved a \$190 increase for those retiring on or after July 1, 1999, plus a \$50 per month increase (pro-rated) for a large percentage of members who retired before that date. With Matson in 2002 (and agreed to by American Ship Management) the Unions bargained a \$50 increase for those retiring on or after July 1, 2002, and a \$20 increase for those who were already retired. Under Section 30(e) last year the benefit was increased by \$71 for those retiring after July 1, 2005, at age 60 or older with 25 years seetime.

In reviewing the financial status of the Pension Plan, the SUP, MFOW and SIU-Marine Cooks, determined, based again on the actuary's report, that the Plan could well afford to provide an increase both for those who retired on or after July 1, 2006, as well as those who retired prior to that date. The Unions then notified APL and Matson by letter on June 6, proposing —**outside the provisions of Section 30(e)**— to increase the benefit by \$100 per month to those retiring on or after July 1, 2006 and \$50 per month for pensioners receiving a long-term or basic benefit.

On June 12, APL and Matson notified the Union that they would be willing to discuss the proposal as collective bargaining parties on June 22. As the regularly scheduled quarterly meeting of the SIU-Pacific District Plan Trustee convened the following day (June 13) and the Unions again proposed that the pension issue be resolved then and there.

However, the Trustee for Matson (Tom Percival, Manager, Labor Relations and Vessel Operations) stated that he did not want to discuss a benefit increase until certain issues regarding SUP Work Rules were resolved. The issue in question is the stem to stern washdown provision of Section 16 of the General Rules negotiated in 2002. The SUP responded that Matson was mixing apples with oranges, particularly since the pension increase proposed by the Union or the one under Section 30(e) would cost neither APL or Matson a dime.

After discussing the issue with Percival, your secretary agreed that the company could survey company vessels regarding wash down procedures. As of today's meeting, all vessels have responded and it is clear that the issue is one of shipboard management not the work practices of the sailors.

On July 6, having not received a formal response to the June 6 proposal, the Unions notified APL and Matson that they were obligated under the National Labor Relations Act to respond and that the Unions were not going to forfeit bargaining right under Section 30(e) regardless of the companies' position on the June 6 proposal. Accordingly, the Unions demanded that the companies respond by noon the following day to either commence 30(e) bargaining immediately or

to extend bargaining on 30(e) and/or bargaining on the June 6 proposal to August 8.

The following day (July 7) both companies agreed to the extension.

The increase proposed by the Unions is very modest given that the Plan is almost 160% funded with approximately \$49 million available for increased benefits.

Overall pension benefit increases will be a major issue in bargaining with Matson in 2008, in the meantime, will keep all hands informed on the status of the proposal currently on the table.

## AMERICAN PRESIDENT LINES

As reported in May, the Union began discussions in April over APL's proposal to employ SUP riding gangs aboard the company's U.S.-flag vessels in a formalized manner.

When APL's U.S.-flag vessels stopped calling Seattle in December, 2004, the SUP Shoregang in that port, under the leadership of Bosun Norman Christianson, was employed as a riding gang in several company vessels at sea and in other vessels when they were having their "annuals" in East Asia shipyards. With the return of three of APL's C-10 class vessels (*Presidents Jackson, Polk and Truman*) to Seattle this spring, standby work to service those vessels resumed.

However, given that these ships are on a 42-day run and therefore will not call Seattle on a weekly basis, it is not justifiable legally for the Union to demand that the company maintain the four-man steady maintenance gang in the absence of steady work. The SUP did propose that all lashing gear maintenance work for the fleet be performed at the Seattle Rigging Loft, but APL/Neptune Orient Line responded that the work was being done in Singapore.

Therefore, to ameliorate the loss of work in Seattle and create work that previously did not exist, the SUP and APL negotiated after several meetings and signed on July 6, the following Memorandum of Understanding, which is subject to membership ratification.

### MEMORANDUM OF UNDERSTANDING

**This Memorandum of Understanding ("MOU") is made as of June 21, 2006, between the Sailors' Union of the Pacific, (the "Union") and APL Marine Services, Ltd. (the "Company").**

**WHEREAS the Company and the Union are parties to a Maintenance Agreement dated October 1, 2005 and**

**WHEREAS the Company has changed its port rotation, as a result of which, only five of the Company's U.S. flag vessels will be calling at the port of San Pedro on a weekly basis and**

**WHEREAS the remaining four U.S. flag vessels will be calling at various U.S. ports with no weekly basis and**

**WHEREAS this port rotation is resulting in a reduction of maintenance and shoreside support work, THEREFORE it is agreed that:**

**1. In Seattle, when and as needed, shoreside support work will be provided to the vessel by employing one Bosun and two or more A.B.s under the Extra Maintenance Crew Personnel Agreement.**

**2. As work available in Seattle will be covered by paragraph 1. (above), the Seattle Maintenance Gang shall be terminated.**

**3. A Riding Gang shall be established and consist of a Maintenance Bosun ("Bosun") and one (or more) Maintenance A.B.(s) ("AB") as projects are determined. It is expected that the Riding Gang will work onboard the vessels on specified maintenance projects as directed by the company and under the supervision of the Chief Mate through the Maintenance Bosun. It is understood that the vessel's SUP crew shall be offered the opportunity to work maintenance overtime when the Riding Gang is aboard.**

**a. The Bosun shall be a steady man and the AB(s) shall be for a maximum of 12 months. It is understood, however, that there will be periods of unemployment when not onboard a vessel, such as rotating from one ship to another, awaiting authorized projects, etc. However, the Riding Gang members**

**waiting for ship rotation or assignment while in a foreign port shall be compensated as in 3.c below**

**b. The rates of pay and rates of fringe benefits shall be the same as those provided under the Maintenance Agreement. The rate for the AB is that of "Rigging-General Maintenance Work."**

**c. The Riding Gang shall be dayworkers, and the hours shall be from 0800 to 1700, with one hour for lunch, Mondays through Fridays, for which straight time will be paid. Coffee time shall be in accordance with Section 8 of the Maintenance Agreement.**

**d. Any work performed after 1700 and before 0800 and any work performed on Saturdays, Sundays and holidays shall be payable at the overtime rate. Saturdays and Sundays not worked shall be covered employment for fringes but not payable at the straight time rate.**

**e. Holidays shall be as specified in the offshore contract. Holidays not worked will be payable at straight time rate.**

**f. There are no other rates of pay or penalty rates or differentials for work such as spray painting, sandblasting, steam cleaning, etc.**

**g. Vacation pay will be prorated at 4 days for each 30 of employment. Vacation time may not be taken while on board a vessel. Special Vacation Benefit No. 1 shall also be paid on a per employment day basis.**

**h. Section 17, Sick Leave, of the Maintenance Agreement is not applicable.**

**i. Lodging and Subsistence shall be provided onboard the vessels. Lodging shall be as close as possible and available to that provided the regular Union crewmembers of equivalent rating.**

**4. This Memorandum of Understanding shall be reviewed if the number of the Company's U.S. flag vessels increases or decreases or if the port rotation for the Company's U.S. flag vessels changes.**

**5. This Memorandum of Understanding will be effective upon ratification by the Union membership.**

The agreement is noteworthy as it reaffirms SUP work in APL's U.S.-flag vessels when they call Seattle, stipulates the terms and conditions of work for riding gangs while offering sailors the right to work maintenance overtime. The company indicates that it will contact vessels that are slated to have a riding gang aboard to poll the sailors if they want to work maintenance overtime in junction with special projects scheduled for the riding gang such as spray painting, etc. The number of sailors that state they are willing to perform this work will determine size of the riding gang, other than the number stipulated in the riding gang agreement.

The first riding gang is scheduled to be dispatched from Seattle to the *President Adams* in Singapore by the end of the month. Currently, operating between the Persian Gulf and Singapore, this vessel will be re-deployed to the East Coast and is tentatively scheduled to call Colombo, Sri Lanka; the Indian ports of Nhava Sheva and Mundra; Newark Container Port, New Jersey, via the Suez Canal; Norfolk, Virginia; Charleston, South Carolina; and outbound to Port Said, Egypt. APL indicates that other C-10 vessels could enter this service.

It will take the cooperation of all affected to make the riding gang program a success, which may lead to its expansion. It is also gratifying to note that instead of foreign mariners doing this work, as is the case in some U.S.-flag ships, APL is here employing American sailors.

The membership should be aware that this Agreement developed out of the successful struggle, spearheaded by the Sailors' Union, to jettison a provision in the Coast Guard and Maritime Transportation Act of 2005 which would have allowed an unlimited number of foreigners over an unlimited period of time to perform maintenance and repair work in U.S. flag vessels in the international trades. That victory sharply limited the practice of foreign riding gangs, but it did not completely eliminate it. The membership will recall that the final legislation allowed for use of these gangs for 60 days a year, or before or after a shipyard period. But most importantly, it also requires the Secretary of Labor to certify that qualified American labor is unavailable to do the work. Despite the limitations, this

*continued on next page*

## President's Report continued

struggle uncovered the competitive advantage that some companies have unfairly achieved by dismantling the jurisdiction of American sailors. That advantage continues today, if somewhat checked by the new law. Clearly, legislative victory is not enough to protect the Union from the continuing encroachment on our jurisdiction that this practice has supported in the past, particularly in military contracts. Adapt or die, goes the adage, and this Agreement represents an adaptation to changed commercial conditions made necessary by our commitment to protect our work.

Recommend membership ratification of the Riding Gang Memorandum of Understanding.

### READY RESERVE FORCE: WAGE INCREASES

In accordance with the Ready Reserve Force (RRF) collective bargaining agreements with Matson Navigation Company and Patriot Contract Services, a 3% increase in wages, overtime rates, penalty rates and all fringe benefit rates becomes effective July 28.

Recommend that the increase be allocated as described, but that with next year's 3% increase a portion of the monies in an amount to be determined be allocated to the Special Pensioners Medical Benefit.

New RRF wage scales will be published in this month's *West Coast Sailors*.

### MATSON NAVIGATION COMPANY

The good news from Matson is that on July 22, the company will christen its new CV-2500 Philadelphia-Class containership *Maunalei* at Aker Philadelphia Shipyard. After her galley is retrofitted for cafeteria-style feeding, it is anticipated that she will enter the West Coast/Hawai'i/China service some time in mid-August. *Maunalei* will provide good-paying work for this generation and the next generation of SUP sailors.

On the negative side, Matson announced on June 19, that it was chartering the Antigua-flagged containership *m/v Cerrina* to run between Guam and ports in Micronesia and the Marshall Islands. The 425-foot vessel has a capacity of 650 TEUs and is equipped with two onboard cranes. A company press release stated she will be renamed *Islander* when she goes into service in August.

The shift of Matson's Marshall Islands operation from Honolulu to Guam means that the ship, which according to Captain Jack Sullivan, Vice President, Vessel Operations and Offshore Labor Relations, will not call Hawai'i ports, will not have to be U.S.-flagged or U.S.-crewed.

Incensed that this could occur, your secretary contacted the Maritime Administration for clarification. According to MarAd, the Federated States of Micronesia, the Republic of the Marshall Islands and the Republic of Palau have a Compact of Free Association with the United States.

Now sovereign nations, the three "freely associated" states were formerly part of the Trust Territory of the Pacific Islands, a United Nation trusteeship administered by the United States Navy from 1947 to 1951 and by the Department of the Interior from 1951 to 1994.

Under these free-association compacts which were renewed for 20 years in 2003, by the Bush Administration, the United States provides guaranteed financial assistance in exchange for certain defense rights. The U.S. also treats these nations uniquely by giving them access to many U.S. domestic programs. The freely associated states are all dependent on U.S. financial assistance to meet both government operational and capital needs.

However, although the American taxpayer pours billions of dollars into these client states, America labor, safety and environmental law is not required. Neither is American cabotage—the Jones Act.

In your secretary's judgment, this is yet another example of how U.S. foreign policy is often a detriment to the American worker.

It should be noted that several years ago Matson proposed to the SUP and its other Unions to operate a ship of similar size and capacity with a similar run out of Honolulu under U.S.-flag. Unfortunately, Matson dropped the idea.

### SAN FRANCISCO BAR PILOTS

Since last September, the SUP has been engaged in discussions with the San Francisco Bar Pilots over inadequate contributions to the SUP Welfare Plan.

Finally on June 15, due in large part to the persistent efforts of SUP Vice President Dave Connolly, the Pilots agreed to increase the contribution for health benefits by \$14.86 per manday retroactive to January 1, and agreed to a new methodology for making those contributions.

Accordingly, signed a Memorandum of Understanding with Captain William Greig, Port Agent for the Pilots, regarding the issue. Recommend membership ratification.

In other developments with the Pilots, it was agreed that negotiations for a new collective bargaining agreement will begin on September 7. The current agreement expires on December 31. Preliminary caucuses have been with members employed by the Pilots with more to follow. Suggestions for bargaining should be sent to Headquarters.

### TRANSPORTATION WORKERS' IDENTIFICATION CREDENTIAL

As reported in May and June, the Department of Transportation (U.S. Coast Guard) and the Department of Homeland Security's Transportation Security Department (TSA) issued a notice of proposed rulemaking on May 10, for the implementation of the Transport Workers' Identification Credential (TWIC) and a new Merchant Mariner's Credential (MMC).

On behalf of the Union, Vice President Connolly testified before these agencies in Long Beach on June 7, giving the Union's position on the proposed regulatory changes. (The full position statement was published in last month's *West Coast Sailors*). Over the past month, the SUP has been actively engaged, along with other maritime Unions, in pressing the government to exempt mariners from the TWIC or in the alternative make the credential easier, cheaper and more reasonable.

Given the unusually short period to comment on these significant regulatory changes, the SUP requested that the comment period be extended 90 days beyond the July 7 cut-off date. In a June 26 letter to the Department of Transportation, your secretary pointed out that the TWIC and MMC proposals are poorly drafted and do not contain a clear concept of a well thought out and workable new security system. Rather it appears to be cobbled together from other arguably inappropriate programs or with ad hoc amendments to existing regulatory language that are often out of place and could create absurd consequences.

Despite the efforts of the SUP and others, the comment period was not extended.

As the regulatory process advances, will keep the membership fully informed.

### QUARTERLY FINANCE COMMITTEE

In accordance with Article XVII, Section 2, of the SUP Constitution, a Quarterly Finance Committee shall be elected at today's Headquarters' meeting to review the finances of the Union for the second quarter of 2006, and report back to the membership at the August coastwise meetings.

In the event the Committee cannot be filled today, recommend that when the quarterly audit is completed, which will be in about three weeks, necessary Committee members be shipped off the hiring hall deck as per past practice. The Quarterly Finance Committee will turn-to on Friday, August 11, at 9:00 A.M.

### LONGSHORE HOLIDAY

SUP hiring halls on the West Coast will be closed on Friday, July 28, in observance of an ILWU holiday (Harry Bridges' birthday).

In accordance with the collective bargaining agreements with American President Lines, Matson Navigation Company and the San Francisco Bar Pilots, it is

a holiday for all APL and Matson vessels in West Coast ports, APL and Matson shoregangs on the West Coast, and for run boat operators employed by the Bar Pilots. It is not a holiday at sea or in Hawai'i.

### ACTION TAKEN

M/S to ratify riding gang Agreement with APL. Carried unanimously.

M/S to ratify the RRF wage increase. Carried unanimously.

M/S to ratify MOU with the San Francisco Bar Pilots on health-care contribution. Carried unanimously.

Quarterly Finance Committee: Elected Romaine Dudley, Steve Messenger, Rory Sheridan, Diane Ferrari, and Joe Moniz, Jr.

M/S to concur in the President's report. Carried unanimously.

*Gunnar Lundeberg*

## Health care costs continue to escalate

Brand-name drug prices jumped nearly four percent during the first three months of the year, raising costs for taxpayers subsidizing the Medicare drug program and for some of those participating in it, according to AARP. AARP, an advocacy group for senior citizens, said that the quarterly increase — nearly four times the rate of inflation — was the largest since 2000. Pharmaceutical companies said the increases were in line with overall medical inflation.

In a separate report, Families USA said insurers participating in the Medicare program passed on the increase for 19 of the top 20 drugs that lead in sales.

"Part D plans are doing essentially nothing to contain the fast-rising prices by the drug industry," said Ron Pollack, the executive director of Families USA, a health advocacy group that has been a frequent critic of the program.

AARP surveyed the wholesale price of 197 brand-name and 75 generic drugs. While brand-name drugs increased 3.9 percent during the first three months of the year, there was no change in the cost of generic drugs, the group said. The Medicare plans emphasize generic drugs. Families USA said the median wholesale price for the top 20 drugs prescribed to seniors rose by 3.8 percent from November 15 to mid-April.

AARP said the overall trend was disturbing. "We had hoped and saw some indications last year that price increases were moderating," said John Rother, the group's policy director. "What we saw in the first three months of this year was the biggest jump in prices in six years."

The sharpest increase was reported for five milligrams of the sleep medication Ambien, which rose 13.3 percent. The increase is on top of a 20 percent rise in the drug's cost the year before. "The issue isn't the Medicare drug program," Rother said. "The issue is prices throughout the health care system."

However, backers of the drug benefit have repeatedly said that insurers and pharmaceutical benefit managers are experts at negotiating the best drug prices for their customers. The Bush administration favors giving them the power to negotiate prices for beneficiaries rather than the government itself.

Families USA said its study counters the notion that insurers and benefit managers can do a better job than the federal government in negotiating prices. For each of the top 20 drugs prescribed to seniors, it found that the lowest price listed by a Part D plan was higher than the lowest price secured by the Veterans Affairs Department. The median price difference was 46 percent.

For Zocor, the popular cholesterol-lowering drug, the lowest annual VA price was \$127.44, while the lowest price submitted by a Part D plan was \$1,275.36, the advocacy group said. "When Congress prohibited Medicare from bargaining for cheaper drug prices, it created a huge windfall for the drug companies and unaffordable prices for America's seniors," Pollack said.

The federal government issued its own analysis of what rising wholesale prices mean for Medicare beneficiaries. It said wholesale prices for drugs used to treat chronic conditions went up 4.1 percent from December 2005 to June 2006. The plan prices for the same drugs went up 3.6 percent.

# SUP Branch Reports

## Seattle

June 19, 2006

Shipped during the period: 1 Boatswain job shipped to an A-card; 9 Able Seaman jobs shipped to 2 A-cards and 7 B-cards; 2 Ready Reserve Fleet Ordinary Seaman shipped to 1-C member and 1 D Registrant. 24 standbys shipped to 4 A, 12 B, 5 C and 3 D registrants.

Registration: 11 A cards for a total of 32; 13 B cards for a total of 38; 6 C cards for a total of 11.

Ships checked

The Matson ships *Manoa* and *Kauai* in twice with some minor clarifications for the gang aboard the *Manoa*; the *Kauai* is running smoothly with Robert Jones as the serang and Vince Estrada as delegate.

APL ships *President Truman* and *President Jackson* back from the Far East. Both ships reported no problems and good overtime with Joe McDonald as the snapper in the *Truman*; and Gerry Marshall is the boatswain aboard the *Jackson*.

The *Cape Gibson* steamed into the Puget Sound to load cargo for military exercises in the Pacific Theater. This is a happy ship with the unflappable Danny Foster as the bosun on here and Vern Haik as delegate.

John Battles passed away June 1 of this year, and was buried in a private ceremony at his request. John was the Seattle Branch Agent until his retirement in 1998, and was an SUP Union official for over thirty-two years. He was well liked and immensely respected for both his personal and professional integrity by seaman, ship owners, labor leaders and politicians. John played important roles within the house of labor and maritime legislation as his relationships with U.S. Senators Warren Magnuson, Scoop Jackson and Slade Gorton would always produce a "yes" vote when needed. Friends, acquaintances and pensioners have phoned in and asked that their condolences be passed on to his family.

Along with the King County Labor Council and ILWU Local 19 President Herald Ugles and ILWU activist John Munson, the SUP met with Governor Christine Gregoire's Representative Ron Judd to voice our concerns about the Port of Seattle freight mobility. Mr. Judd was surprised at the political momentum that the waterfront Unions have generated on this issue and stated that the Governor's belief in getting agriculture products to the docks in a timely and cost efficient manner firmly puts her in our camp against the mayor and his real estate cronies.

The SUP stood with UNITE/HERE in their rally outside of the Seattle Westin Hotel in support of their workers who are bargaining for a livable wage and affordable health care benefits.

Tony Jones, SUP pensioner and current executive board member of the Pierce County Labor Council took to the floor and paid tribute to the SUP. Tony stated that the Union had always supported him and his family and that this was his 50th year as a dues-paying member. Tony received the "George Ginnis Community Service Award" last month for a Union member who most contributes to labor's community services. Vance Lelli, President, Pierce County Central Labor Council presented the award to Brother Jones.

Vince O'Halloran, Branch Agent

## Wilmington

June 19, 2006

Shipped during the period: 4 bosuns, 12 ABs, 6 AB maints., 52 standbys for a total of 74 jobs shipped.

Registration: 45 A books, 43 B books, 7 C books, and 2 D books for a total of 97 registered.

Ships checked

*Manukai, Thailand, Philippines, R.J. Pfeiffer, Korea, Manulani, Matsonia, Maunawili, Mokihana, Mahimahi, APL China, and APL Singapore.*

I attended the Maritime Day ceremony in San Pedro. Also attended meetings with other local labor unions for the purpose of organizing our Labor Day Parade for 2006.

This month we lost another one of our senior members, Brother Hans Baemayr. Johann will be remembered for his meals and stories aboard our coastal tankers. The SUP was represented at his memorial service by Brothers Romero Jalomo and John Lane.

There was a firing this month of a standby sailor on the *R.J. Pfeiffer*. A brother whose work is a credit to our union was doing the job given him by the bosun, when the mate came by and gave him another job. The brother then in his own words let the mate know that he had to get his work from the bosun. The mate over taxed by his job told the brother he did not have time for this shit and fired him.

On another front: We need to contact our Congressmen and Senators and let them know we want our social security protected and to help pass H.R. 219, the social security preservation act.

Brothers we need to attend our meeting and be heard. We need to be of one accord in our actions so we can fight these attacks on the working class.

Paul Calais  
Branch Agent

## Honolulu

June 19, 2006

During the month of May, dispatched the following: 1 bosun, 1 bosun relief, 3 ABW, 2 ABD, 2 ABD returns, 2 OS returns, and 1 OS relief. These jobs were filled by 8 A members, 1 B member, and 2 C members. Also shipped 40 standby jobs filled by 22 B members, 6 C members, and 12 D registrants, for a total of 51 jobs shipped.

During the month of May, registered the following: 8 A members, 7 B members and 5 C members. To date registered are: 14 A members, 13 B members, 5 C members and 3 D registrants for a total of 35 members registered.

Ships checked

*Manoa, Mahimahi, Kauai, Lurline, Matsonia, Manulani, R.J. Pfeiffer, Maunawili and Manukai, all with few or no beefs.*

Paint and rigging gang running smooth with Monte Kalama as bosun.

Met the *Moku Pahu*, at Kahlui, Maui, the morning after arrival from a 130 day round the world trip. Picked up Billy McAndrew's gear and heard scuttlebutt from the voyage. Few clarifications. The gang brought her around SUP style considering the events occurring during this trip. Richard Crowell, delegate.

The *Cape Gibson* is in Pearl Harbor for the naval Rim-Pac exercises. Ship is running smoothly with Danny Foster bosun and Dave Frizzi delegate. A couple of disputes.

On June 21, attended the Hawai'i Ports Maritime Council meeting. Discussions on TWIC program and Hawai'i politics. A big push to re-elect Senator Dan Akaka. Still no 2<sup>nd</sup> Congressional District candidate selected.

On June 26, along with Monty Kalama, attended a fundraiser for Congressman Neil Abercrombie, a maritime labor heavy hitter.

On July 5, attended a campaign kickoff fundraiser for Senator Dan Akaka. Large waterfront Union turn out.

On July 3, George Nagai, a good friend and SUP pensioner, passed away. A class act sailor until the end. Smooth sailing George!

Put pensioner John Gouveia's ashes aboard the *Matsonia* for burial at sea. Wish to thank Captain Norman Piianaia for taking time for his service.

John Savage still in rehab and slowly getting better.

Mike Duvall, Branch Agent

## San Francisco Business Agent

July 10, 2006

Visited and paid off the following ships:

**Kauai**— Dennis Sparta, delegate: All disputes squared away by Seattle Agent.

**Lurline**— Charles Butler, delegate; Frank Portanier, bosun: Running a good ship with no disputes.

**Mahimahi**— Charles Duke, delegate: No disputes, good gang and bosun. Clarification on pumproom which is not sailors work.

**Manoa**— Jose Angeles, delegate; Teo Rojas, bosun: Visited at Howard Terminal, no disputes; good gang.

**Moku Pahu**— Richard Crowell, delegate: voyage pay off. Made a five-month trip around the world to Africa, Singapore and Crockett with sugar. Few minor beefs, which were squared away.

**APL China**— Armando Martinez, delegate: Voyage pay off. Former Wilmington Branch Agent Keith Miller aboard.

**APL Korea**— Jeremiah Rozell, delegate: Voyage pay off; no disputes.

**APL Philippines**— John Kerlin, delegate: Voyage pay off. No disputes.

**APL Singapore**— New delegate John Lundborg: No disputed time. Voyage paid off. Repairs turn over to Labor Relations.

**APL Thailand**— Louis Frazier, delegate: Voyage pay off. No disputes; in good shape.

**Colorado Voyager**— Thor Eriksen, bosun: At Richmond Long Wharf, running smoothly.

Also worked in the front office.

Bill Berger

## Historic SUP artifact restored continued from page 1



of the *West Coast Sailors*. The original etching was drawn by SUP member Wilhelm Sandstad. Born in 1860 in Trondheim, Norway, Sandstad joined the Coast Seamen's Union on October 26, 1887.

When the Coast Seamen's Union amalgamated with the Steamship Sailors' Protective Union of the Pacific Coast on July 29, 1891, to form the Sailors' Union of the Pacific, the Sandstad drawing became the SUP's official seal. This seal is imprinted in every Class A member's Union book.

To experience the stained glass in its full glory, visit SUP Headquarters or log on to the SUP website and click on the July issue of the *West Coast Sailors* where the photo of the image can be viewed in color.



## Dispatcher's Report

Headquarters—June 2006

<b>Deck</b>	
Bosun .....	3
Carpenter .....	0
MM .....	3
AB .....	21
OS .....	7
Standby .....	23
<b>Total Deck Jobs Shipped .....</b>	<b>57</b>
<b>Total Deck B, C, D Shipped .....</b>	<b>15</b>
<b>Engine/Steward</b>	
QMED .....	0
Pumpman .....	0
Oiler .....	0
Wiper .....	0
Steward .....	0
Cook .....	0
Messman .....	0
<b>Total E&amp;S Jobs Shipped .....</b>	<b>0</b>
<b>Total E&amp;S B, C, D Shipped .....</b>	<b>0</b>
<b>Total Jobs Shipped - All Depts. ...</b>	<b>57</b>
<b>Total B, C, D Shipped-All Depts. .</b>	<b>27</b>
<b>Total Registered "A" .....</b>	<b>75</b>
<b>Total Registered "B" .....</b>	<b>58</b>
<b>Total Registered "C" .....</b>	<b>2</b>
<b>Total Registered "D" .....</b>	<b>4</b>