Pension benefit increase agreed to by APL and Matson

On June 22, the Sailors’ Union of the Pacific, the Marine Firemen’s Union and the Seafarers’ International Union, Marine Cooks, which comprise the SIU-Pacific District for collective bargaining purposes, successfully negotiated a pension increase for future and current pensioners with APL Marine Services and Matson Navigation Company under Section 30(e) of both contracts.

For those participants of the SIU-Pacific District Pension Plan who retire on or after July 1, 2021, the pension benefit will increase by $54 for those who retire at age 60 or older with 25 years of service, with pro-rata increases for participants with less than 25 years of service. The full breakdown of pension benefits will be reflected in the September pension checks retroactive to July 1.

Members already on pension who retired at age 55 or older with at least 20 years of qualifying time will receive a 2% increase to their monthly benefit.

The Pension Plan office indicates that the increase will be reflected in the September pension checks retroactive to July 1.

Members of House Subcommittee on Coast Guard and Maritime Transportation express strong support for Jones Act

The Chairman of the Subcommittee on Coast Guard and Maritime Transportation, Frank LoBiondo (R-New Jersey), said at a June 14 hearing, “The Jones Act requires merchandise and passengers moving between two points in the United States to be carried only on U.S.-flagged, U.S.-crewed, U.S.-owned and U.S.-built vessels. Something that strongly supports...I hear rumors from time to time about ideas or suggestions that can be advanced, either legislatively or otherwise, that would dramatically change or weaken the Jones Act. I can assure you that as chair of this committee, I’ll do everything in my power not to allow that to happen.”

Chairman LoBiondo called maintenance and improvements to the maritime transportation system “essential” to any effort to create jobs or expand exports.

“The commerce which moves on the maritime transportation system fuels the economy,” LoBiondo said. We need to “ex-

R.J. Pfeiffer included in stamps saluting U.S. Merchant Marine

The U.S. Postal Service will salute the U.S. Merchant Marine on four forever stamps being introduced July 28, in a dedication ceremony at the United States M- erchant Marine A cademy in Kings Point, New York.

The Postal Service says that since the founding of the republic, the United States has looked to the commercial maritime industry for much of its growth and security. This issuance pays tribute to the U.S. Merchant Marine, the modern name for the maritime fleet that has played this vital role. The four-stamp design on this pane features types of vessels that have formed an important part of this history: clipper ships, auxiliary steamships, Liberty ships, and container ships.

Clipper Ships

The clipper ship, notes maritime historian Benjamin Labaree, was “a unique American contribution to the glory of seafaring.” Hundreds of “yank’ee” clipper ships, noted for their streamlined shape and majestic cloud of square-rigged sails, were built from the 1840s through the 1850s. Their heyday arrived with the California Gold Rush of 1849, which hastened the need for faster sailing ships to take prospectors and supplies out West. In 1851, the fastest of the clipper ships, the Flying Cloud, sailed the 13,000-plus miles from New York around Cape Horn to San Francisco in a record eighty-nine days. Clipper ships also boosted the trade in tea, bringing it fresh from China to England and America. Clipper ships eventually lost their dominance to the more dependable and passenger service. In America, the most magnificent of these were the four large wooden-hulled, sidewheel steamships—the Atlantic, Baltic, Pacific, and Arctic—that were built by New York entrepreneur Edward K. Collins in the 1840s.

Like many steamships of the time, they included back-up or auxiliary sailing rigs to supplement their powerful engines. The elegant, 280-foot ships of the “Collins Line”—the ocean liners of their day—were notable for both speed and cargo-carrying capacity. They provided service between New York and Liverpool in the 1850s and sustained the allied forces with a steady supply of food and war material. These ships were manned by members of the U.S. Merchant Marine, whose sacrifices, though less heralded than those of U.S. Navy crewmen, were no less critical to the war effort.

Liberty Ships

During World War I, the United States learned how to mass-produce merchant ships. But the nation remained without a settled policy for maintaining a modern merchant marine to meet its economic and defense needs until 1936, when legislation established the U.S. Maritime Transportation said it would be impossible.

“The commerce which moves on the maritime transportation system fuels the economy,” LoBiondo said. We need to “ex-

continued on page 3

Matson’s R.J. Pfeiffer

These ships, each loaded with thousands of containers measuring either 20 or 40 feet in length, carry virtually all the products and materials that end up in our local stores. “In 2006 alone,” according to a maritime history exhibit at the Smithsonian Institution, “about 18 million container stuffing cargoes of all sorts were sent on more than 200 million trips by sea, rail, and road to places around the world.” Containers were pioneered in the 1950s by Malcom McLean.

continued on page 2
Report indicates seafarers face heightened violence from pirates

A new report published by the Oceans Beyond Piracy Project suggests that seafarers are becoming the victims of increased levels of violence at sea, including physical and psychological abuse as well as torture.

The report, entitled “The Human Cost of Somali Piracy” looked into achieving a long-term, sustainable solution to piracy. The report claims that in 2010 alone, more than 4000 seafarers were attacked with some vessels and crews attacked more than once.

The report also outlines how 342 seafarers endured hours or days of persistent attacks while sheltering in ships' citadels or fortified safe rooms. Pirates have reportedly fired rocket-propelled grenades at civilian doors at close range and used plastic explosives to take the crew hostage. Pirates have also set fire to three ships while their crews huddled below decks.

More than 1000 seafarers were held hostage for prolonged periods of time without proper nutrition, access to medical care or contact with their families. The reports said that these conditions have led to the deaths of some hostages, both through suicide and malnutrition.

Meanwhile, 516 seafarers were used as human shields in attacks on other vessels as the crewmembers of some captured ships are forced to continue to operate these ships as 'mother ships' to capture others.

"This report is a valuable addition to the mountain of evidence that the pirates have been allowed to get away with for too long, allowing them to spread their increasingly violent and inhuman activities across a wider and wider area. Once again it shows the crying need for decisive action to defeat piracy," said International Transport Workers’ Federation (ITF) Seafarers’ Section Secretary Jon Whitlow.

U.S. Merchant Marine postage stamps continued from page 1

MCLean, a trucking operator from North Carolina, MCLean’s idea was to eliminate multiple handling costs by standardizing the shape of a container so that it could be easily moved between different modes of transportation: truck, rail, and ship.

Intermodal transportation took hold and created efficiencies that transformed the global economy. By the end of the twentieth century, containerships carried nearly all of the world’s manufactured goods and exemplified the modern merchant marine.

The containership on the stamp is SUP-contracted Mabson Navigation Company’s R.J. Pfeiffer, pictured approaching Diamond Head. The U.S. Merchant Marine stamps are being issued as Forever stamps. Forever stamps are always equal in value to the current first-Class Mail one-ounce rate.

### SUP Meetings

These are the dates for the regularly scheduled SUP meetings in 2011:

- **Hdqts. Branch**
  - July 11
  - August 8
  - September 12
  - October 17
  - November 14
  - December 12

### Support the SUP Political Fund

Dues-Paying Pensioners

- **Gordon Abbott**
  - Book #3785
- **Robert Copeland**
  - Book #4763
- **Donald Cushing**
  - Book #4777
- **Romaine Dudley**
  - Book #3953
- **Alexandre Earle**
  - Book #3815
- **Dane Hewitt**
  - Book #5748
- **Knut Jensen**
  - Book #3940
- **John Jewett**
  - Book #4291
- **Kaj E. Kristensen**
  - Book #3120
- **Eli Lalich**
  - Book #4062
- **Stanley Lane**
  - Book #4106
- **James K. Larson**
  - Book #4055
- **Volker Lories**
  - Book #4097
- **Duane Nash**
  - Book #4337
- **John Perez**
  - Book #3810
- **Alex Romo**
  - Book #3193
- **Francisco Salviaterra**
  - Book #7498
- **James Savage**
  - Book #7488
- **Ralph Senter**
  - Book #7332

### Timely Reminder

Third quarter 2011 dues are due and payable now!

### SUP Article VI: Dues and Initiation Fee

Section 1. The initiation fee shall be Sixteen Hundred Dollars ($1600.00) payable in installments with the sum of One Hundred Dollars ($100.00) being due and owing upon the members’ admission into the Union and the balance of Fifty Dollars ($50.00) per month for each month or part thereof in SUP-contracted vessels.

The initial installment of One Hundred Dollars ($100.00) shall accompany the application of membership and the dues shall be One Hundred Fifty Dollars ($150.00) per quarter, payable in advance.
New leadership at APL

The Neptun Orient Line Group announced on June 8, the resignation of Eng Fred Eng as President of its subsidiary APL. Eng will be replaced by Kenneth Glenn, who is currently the President of APL, North Asia Region, when Meng officially steps down September 1, to take a position outside of the transportation industry.

"We understand Aik Meng’s desire to begin a new phase in his career, and we thank him for his contributions to NOL," said NOL CEO Ronald D. Widiodoso. "At the same time, we are excited to put APL under the direction of a veteran leader who has a very broad background in geographic and trade management and deep commercial skills developed over 32 years, the last 19 with NOL and APL."

Eng joined APL in 1993, holding positions in strategic planning and as head of its Intra-Asia Trade. He left APL briefly in 2007 but returned in 2008 as president of APL.

Glenn brings to the APL presidency 32 years of experience in the transportation industry. Glenn, who joined APL in 2000, was the company’s top executive in India when it introduced that country’s first private freight-rail business, IndiRail, in 2007. Glenn was named North Asia president in January 2009. Glenn has also held the position of senior vice president of the Asia-Pacific container trade.

In his new role, Glenn will manage APL’s worldwide container transportation business, which includes shipping and intermodal rail operations. He will also have accountability for the company’s marine terminals in the United States, Asia and Europe.

Horizon Line announces debt restructuring plan

Horizon Line announced June 2, that it has reached new agreements with its bondholders to refinance the company’s capital structure.

Horizon said that a majority of the holders of the $330 million in 4.25% convertible senior notes had agreed to the refinancing plan, which should help the line in its battle to prevent a debt default.

Under the agreement, Horizon would exchange $200 million worth of 6% convertible secured notes, $80 million cash and approximately 38.5 million shares of common stock. Those shares would account for around 56% of the company’s outstanding capital stock.

The company also plans to sell $350 million in new first-lien 9% senior secured notes, due in five years, to “certain qualified institutional buyers.”

The agreement with the note holders sets the stage for a complete refinancing, in conjunction with a new asset-based revolving loan facility of up to $125 million. The revolving loan facility is under negotiation with “a leading financial institution,” according to Horizon.

The line’s owner, APL Marine Holding Co., has secured a $125 million secured term loan and the $330 million of unsecured 4.25% convertible senior notes.

Horizon Line’s announcement marks an important step toward financial stability for the carrier that has also revamped its management in recent months following a guilty plea in the Puerto Rico price-fixing investigation. After Horizon agreed in February to plead guilty to a felony antitrust violation for its role in that operation and accept a $45 million fine, the company announced that it expected to begin violating of covenants on the $330 million in senior secured notes which put Horizon at risk of a debt default.

Then in April, the U.S. Justice Department agreed to cut the company’s original fine to $15 million, saying the larger penalty threatened to force Horizon into bankruptcy.

Then in April, the Justice Department agreed to cut the company’s original fine to $15 million, saying the larger penalty threatened to force Horizon into bankruptcy.

The final fine, which was far below federal sentencing guidelines, threatened Horizon’s viability according to the Justice Department.

Horizon said the planned recapitalization “will eliminate the refinancing risk related to the maturity of the existing convertible notes and the existing bank debt in 2012, and will provide liquidity to fund continued operations.

The company said it expects to complete the refinancing in August and will not pursue any other restructuring alternatives.

Jones Act continued from page 1

J oine...
Supplemental text:

A look astern...
May 21, 1942
Sailors’ Union of the Pacific
59 Clay Street, San Francisco

On this observance of National Maritime Day, the Maritime Commission wishes to express appreciation of your contribution to the nation’s shipbuilding and operating effort. The American people are beneficiaries of the men who build, load and transport our victory fleet to sea. You are fighting our fight as strongly as the armed forces. You are as vital to this effort as if you were on the firing line. Carry on and victory through ships must be ours.

Admiral Emory S. Land
U.S. Maritime Commission
### Matson Navigation Company Wage Rates

**Effective July 1, 2011**

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

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Bosun</td>
<td>$5,395.60</td>
<td>$179.85</td>
<td>$5,560.26</td>
<td>$105.03</td>
<td>$3,150.90</td>
<td>$25.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A.B.</td>
<td>$3,005.48</td>
<td>$126.85</td>
<td>$4,154.97</td>
<td>$78.48</td>
<td>$2,354.40</td>
<td>$25.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>O.S.</td>
<td>$2,921.19</td>
<td>$97.37</td>
<td>$3,264.94</td>
<td>$61.67</td>
<td>$1,850.10</td>
<td>$18.51</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Overtime and Other Rates

<table>
<thead>
<tr>
<th></th>
<th>Straight Time</th>
<th>Overtime</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Ratings: Straight Time</td>
<td>$23.23</td>
<td>$38.28</td>
</tr>
</tbody>
</table>

#### Cargo Rates

The hourly cargo rate for all ratings shall be:

- **Straight Time** $26.23
- **Overtime** $49.50

#### Standby Rates (Section 43 SUP Work Rules)

- **Bosun**: Straight Time $36.24, Overtime $58.80
- **A.B.**: Straight Time $24.66, Overtime $41.64

#### Shift Ship Gangs (Section 44 SUP Work Rules)

- **Bosun**: Straight Time $26.23, Overtime $43.60
- **A.B.**: Straight Time $24.66, Overtime $41.64

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

- **Bosun**: Straight Time $35.25, Overtime $52.87
- **A.B.**: Straight Time $26.56, Overtime $39.85

#### Fuel Oil Spill Cleanups

All Ratings: Straight Time $18.04

### Moku Pahu Wages

#### Money Purchase Pension Plan

**April 1$, 2011**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Bosun</td>
<td>$4,561.15</td>
<td>$152.64</td>
<td>$4,213.84</td>
<td>$74.91</td>
<td>$2,247.24</td>
<td>$25.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A.B.</td>
<td>$3,408.64</td>
<td>$113.62</td>
<td>$3,164.19</td>
<td>$56.25</td>
<td>$1,687.46</td>
<td>$25.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>O.S.</td>
<td>$2,233.19</td>
<td>$74.44</td>
<td>$2,495.69</td>
<td>$44.37</td>
<td>$1,330.95</td>
<td>$18.51</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Overtime Rates

The hourly overtime rate for all ratings except the Ordinary Seaman shall be $30.98

Ordinary Seamen: $23.23

#### CARGO RATES

The hourly cargo rate for all ratings:

- **Straight Time** $26.12, Overtime $41.24

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

- **Bosun**: Straight Time $23.13, Overtime $36.78

### APL Wage Rates

**Effective June 16, 2011**

#### APL Agate, APL Japan & APL Coral

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Bosun</td>
<td>$4,561.15</td>
<td>$152.64</td>
<td>$4,213.84</td>
<td>$74.91</td>
<td>$2,247.24</td>
<td>$25.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A.B.</td>
<td>$3,408.64</td>
<td>$113.62</td>
<td>$3,164.19</td>
<td>$56.25</td>
<td>$1,687.46</td>
<td>$25.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>O.S.</td>
<td>$2,233.19</td>
<td>$74.44</td>
<td>$2,495.69</td>
<td>$44.37</td>
<td>$1,330.95</td>
<td>$18.51</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Overtime Rates

The hourly overtime rate for all ratings:

- **Straight Time** $26.12, Overtime $41.24

#### CARGO RATES

The hourly cargo rate for all ratings:

- **Straight Time** $26.12, Overtime $41.24

#### SHORTHANDED (Section 7 SUP Work Rules)

- **Bosun**: Straight Time $35.25, Overtime $52.87

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

- **Bosun**: Straight Time $23.13, Overtime $36.78

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

- **Bosun**: Straight Time $35.25, Overtime $52.87

#### Fuel Oil Spill Cleanups

All Ratings: Straight Time $15.96
Port of Oakland receives $18 million for harbor maintenance

The Port of Oakland is set to receive $18 million from the United States Army Corps of Engineers’ fiscal year 2011 work plan to finance the port’s harbor maintenance dredging program.

“While we greatly appreciate that Congresswoman Barbara Lee and the entire Bay Area Congressional Delegation stepped up and helped the Port achieve this critical funding to keep the Oakland harbor navigable and safe for the efficient flow of commerce,” said James Head, President of the Oakland Board of Port Commissioners.

“I am very pleased to have helped the Port of Oakland secure this critical federal funding to maintain its position as the premier gateway for international trade in the region,” said Congresswoman Barbara Lee. "As a major export seaport, maintaining Oakland’s channel supports President Obama’s National Export Initiative objective of doubling our exports by 2015, which is critical to our nation’s economic recovery and long-term competitiveness.”

The initial dredging project, which deepened the harbor from 42 feet to 50 feet, took 10 years and $433 million to complete with $243 million of the money contributed by the federal government and the rest by the Port. After the project was completed, channels begin to silt in as currents shift unsettled material onto the harbor floor. Annual maintenance dredging becomes necessary for clearing this material out and keeping the channels at a proper depth. The growing trend towards ever larger ships requiring deeper channels, making maintenance dredging all the more critical.

Port of Oakland Executive Director Omar Benjamin said, “It is essential for the Port to be able to accommodate the ever-larger container ships that require a deeper harbor,” said Omar Benjamin, Executive Director for the Port of Oakland. “This type of public-private investment in partnership with the federal government helps the Port of Oakland create over 50,000 direct and indirect jobs in the region and support over 800,000 jobs across the country.”

The dredging project will also offer environmental benefits via habitat and wetland restoration, according to the port. For example, the Hamilton Wetland Restoration Project received dredged material from the Oakland harbor which has helped with flood damage reduction and ecosystem restoration. Also, the larger ships that use the port after the dredging project is completed can carry more containers providing an important reduction in fuel use and air emissions per transported container.

Congress thwarts another round of attacks on workers

A group of House Republicans, led by Steve LaTourette (R-Ohio) and Frank LoBiondo (R-New Jersey), on June 2, joined every Democrat except Dan Boren of Oklahoma, in defeating attacks on Davis-Bacon (prevailing wage) and Project Labor Agreements (PLA). The deal contains a mix of provisions that create good jobs and are done by using skilled labor, are completed on time and on budget.

Because the changes will clean up a system plagued by delays, bureaucracy and litigation, the rule is good for employers, employees and taxpayers who foot the bill.

The proposed changes would:

- Allow for electronic filing of election petitions and other documents.
- Ensure that employees, employers and Unions receive and exchange timely information they need to understand and participate in the representation case process.
- Standardize time frames for parties to resolve or litigate issues before and after elections.
- Require parties to identify issues and describe evidence soon after an election petition is filed to facilitate resolution and eliminate unnecessary litigation.
- Defer litigation of most voter eligibility issues until after the election.
- Require employers to provide a final voter list in electronic form soon after the scheduling of an election, including voters’ telephone numbers and email addresses when available.

Consolidate all election-related appeals to the Board into a single post-election appeals process and thereby eliminate delay in holding elections currently attributable to the possibility of pre-election appeals. Make Board review of post-election decisions discretionary rather than mandatory.

Senator Tom Harkin (D-Iowa), chairman of the Senate Health, Education, Labor and Pensions Committee, says that a key part to rebuilding the middle class “is ensuring that every American worker has the same right that powerful CEOs take for granted—the right to sign a contract ensuring fair treatment on the job.”

House Democratic Leader Nancy Pelosi said: “Across the world, the United States advocates to help ensure that working people have a voice in determining their future; this will help guarantee the same opportunities for workers here at home.”

Representative John Mince (D-Minnesota), chairman of the House Education and the Workforce Committee, urged the board to scrap what he called a reckless and job-destroying agenda.

Brett McAulon, vice president for business development at M Iller & Long, a privately held, non-unionized construction company in Bethesda, Maryland, said the NLRB’s proposal “provides a totally unfair advantage to labor and it deprives employees of a full set of information.”

Mahimahi gets painted at sea

AB DmitriSeleznev in the basket painting the face of the house in Matson Navigation Company’s Mahimahi at sea on May 20. AB and delegate Mick McHenry is operating the crane. Photo: Chris Bujnowski.

NLRB proposes new rules to speed up organizing elections

The National Labor Relations Board on June 21, proposed the most sweeping changes to the federal rules governing Union organizing elections since 1947, giving new boosts to Unions that have long called for the agency to give employers less time to fight representation votes.

The NLRB’s proposals would likely compress the time between a formal call for a vote by workers on whether to join a Union, and the election itself. It is the latest in a series of actions by the board and other agencies controlled by Obama administration appointees that respond to labor leaders’ calls for more Union-friendly federal labor policies.

The rules governing organizing are the focus of a power struggle between Unions and employers after decades of declining Union membership. Only 6.9% of private sector workers belonged to Unions in 2010, and just 11.9% of all U.S. workers, according to the Labor Department. In 1983, Unions represented 20.1% of all workers.

Naturally, some companies say cutting the lead time before an election would make it harder for them to build a case for opposing a Union, because Union campaigns often begin months earlier without an employer’s knowledge.

AFL-CIO President Richard Trumka said the proposed changes are a “modest step to remove roadblocks and reduce unnecessary and costly litigation—and that’s good news for employers as well as employees.” But he adds: “The proposed rule does not address many of the fundamental problems with our labor laws, but it will help bring critically needed fairness and balance to this part of the process.”

Trumka says the rules “appear to be a common sense approach to clean up an outdated system and help ensure that working women and men can make their own choice about whether to form a Union. When workers want to vote on a Union, they should get a fair chance to vote. That’s a basic right. But our current system has become a broken, bureaucratic maze that stalls and stymies workers’ choices. And that diminishes the voice of working people, creates imbalance in our economy and shrinks the middle class.”

Because the changes will clean up a system plagued by delays, bureaucracy and litigation, the rule is good for employers, employees and taxpayers who foot the bill.

The proposed changes would:

- Allow for electronic filing of election petitions and other documents.
- Ensure that employees, employers and Unions receive and exchange timely information they need to understand and participate in the representation case process.
- Standardize time frames for parties to resolve or litigate issues before and after elections.
- Require parties to identify issues and describe evidence soon after an election petition is filed to facilitate resolution and eliminate unnecessary litigation.
- Defer litigation of most voter eligibility issues until after the election.
- Require employers to provide a final voter list in electronic form soon after the scheduling of an election, including voters’ telephone numbers and email addresses when available.

Consolidate all election-related appeals to the Board into a single post-election appeals process and thereby eliminate delay in holding elections currently attributable to the possibility of pre-election appeals. Make Board review of post-election decisions discretionary rather than mandatory.

Senator Tom Harkin (D-Iowa), chairman of the Senate Health, Education, Labor and Pensions Committee, says that a key part to rebuilding the middle class “is ensuring that every American worker has the same right that powerful CEOs take for granted—the right to sign a contract ensuring fair treatment on the job.”

House Democratic Leader Nancy Pelosi said: “Across the world, the United States advocates to help ensure that working people have a voice in determining their future; this will help guarantee the same opportunities for workers here at home.”

Representative John Mince (D-Minnesota), chairman of the House Education and the Workforce Committee, urged the board to scrap what he called a reckless and job-destroying agenda.

Brett McAulon, vice president for business development at M Iller & Long, a privately held, non-unionized construction company in Bethesda, Maryland, said the NLRB’s proposal “provides a totally unfair advantage to labor and it deprives employees of a full set of information.”
Members of the UAW and Puerto Rico’s Servidores Públicos Unidos (SPU)/AFSCME Council 95 and other public employees celebrated May 17, when Governor Luis Fortuño signed into law a bill reinstating collective bargaining for public employees.

Unlike legislatures in states like Wisconsin and Ohio, which are trying to take away workers’ rights, Puerto Rico’s House and the Senate passed this bill unanimously.

SPU President Annette González said: “This law is very important for workers since in essence it includes two clauses that allow us to attain two fundamental goals: Restore the acquired rights through the restitution of collective bargaining contracts (and) negotiate the economic aspects that will do justice to workers and their families.”

The law ends a policy imposed in March 2009 when the administration enacted a fiscal emergency law that mandated a two-year freeze on the economic clauses of all collective bargaining agreements. The new law extends the non-economic clauses of the contracts until 2013 and allows workers to negotiate for salaries, benefits, bonuses and other economic aspects.

Port of Los Angeles announces $976.6 million operating budget

The Port of Los Angeles adopted a budget totaling $976.6 million for fiscal year 2011-12, a year in which the port projects operating revenues to be $405.4 million and the capital budget to be $291 million.

During the new fiscal year, which begins on July 1, Los Angeles plans to spend $10.7 million for improvements at the TraPac container terminal and $5.6 million at the APL terminal at Berths 301-306. The port has also allocated $45 million for waterfront project construction and $44 million for surface transportation infrastructure improvements.

The port also allocated $7.2 million for Clean Air Action Plan initiatives, including $2.7 million for the clean truck program, $2.5 million for the vessel speed reduction program, $1.5 million for the technology advancement program and $500,000 for the TraPac program to provide shore-side electrical power for vessels at berth.

The $976.6 million budget represents an increase of 7.4%, or $67 million, from the current fiscal year that ends on June 30. The budget reflects higher total receipts from both operations and grants.

West Coast port container volume increases

Container volume moving through ports along the West Coast of the United States grew 7% in April compared to the same month last year, with export growth outpacing import growth.

According to the Pacific Maritime Association, exports increase 8% in April compared to April 2010, while imports increased 5%.

The monthly report copped off a similar trend that has developed during the first four months of 2011. Total loaded containers for January through April increased 9% over the same period last year.

Exports were up 10% during that time while imports grew 8%.

The total container volume at the Port of Los Angeles-Lon Beach jumped 9% during the first four months of 2011. Exports and imports both increased 9%.

Imports moving through Los Angeles-Long Beach remain strong after six niche carriers began or expanded their services this past year between China and Southern California. Those smaller carriers tend to have higher vessel utilization rates eastbound than westbound.

Export volumes moving through the ports of Seattle-Tacoma jumped 12% for the first four months of 2011 while imports were up 5%.

The port of Portland had especially strong growth numbers so far this year, with exports up 26% and imports increasing 17%. However it should be noted that Portland started from a smaller cargo base last year.

Industry analysts project container volume in the eastbound Pacific Trade would increase between 6% and 9% this year with 8% growth in imports during the first four months of the year.

Ocean carriers postpone peak season surcharge on the TransPacific run

A peak-season surcharge that was scheduled to become effective the week of June 13, in the eastbound Pacific has been tabled for at least one month.

The Transpacific Stabilization Agreement, which sets rates for most of the large carriers in the United States import trade from Asia, late last year published a voluntary surcharge for its members to begin for a season surcharge of $440 per 40-foot container to run from June 15 until November 30.

However, a number of carriers have delayed their peak-season surcharges due to weaker-than-expected imports during the past month and excess capacity on services to the West Coast. Most carriers are now targeting July 15 as the start date for their peak season surcharges to begin for West Coast transit.

On the East Coast services, carriers enjoy a little bit more leverage due to smaller vessels and higher utilization rates. Therefore, some carriers are still planning to impose a surcharge this month while others are planning to start July 1.

Carriers were successful in imposing peak season surcharges last year because of tight vessel capacity and equipment shortages earlier in the year. Also, importers shipped some of their merchandise in the spring rather than waiting for the autumn rush to begin.

This year is shaping up to be a more traditional peak season, with retailers planning on importing their holiday merchandise in late summer through October.

TransPacific export rates continue to drop

Containerized ocean shipping rates for exports from the United States to Asia continue to drop this spring as an increase in vessel capacity has offset a strong demand for U.S. goods, according to Eduard Zaninelli, vice president of trans-Pacific westbound for Orient Overseas Container Line (OCLC).

Vessel capacity has increased 19.3% over last year, a time when approximately 10% of the global shipping fleet was laid up according to Zaninelli. citing reports from industry analysts Alphaliner. However, current figures put the amount of inactive vessels at less than 1%.

Container volume is relatively strong in both directions of the trans-Pacific trade and is forecasted to remain that way for the remainder of the year, with industry analysts forecasting an increase of around 6.5% eastbound and 11.3% westbound according to Brian Conrad, executive administrator of the Westbound Transpacific Stabilization Agreement.

The rapid growth of U.S. exports has helped bring some balance in the trans-Pacific trade. Historically, U.S. imports have outpaced exports by a factor of two or 2.5 to one. The ratio of imports to exports is down now to about 1.7 to one.

Zaninelli said that the shortages in vessel capacity and equipment that hit the market in the past couple of years have not surfaced this year. Equipment is a “non issue” and capacity is higher than demand, Zaninelli said.

The situation could get worse over the summer months because summer is traditionally a slack season in the westbound Pacific trade. Exports of staples such as paper and other waste products slow somewhat during the summer months.

General Dynamics NASSCO begins MLP work

General Dynamics NASSCO has begun work on the United States Navy’s newest class of ships, called Mobile Landing Platforms (MLPs), along San Diego Bay’s waterfront.

General Dynamics NASSCO was awarded a $744 million contract from the Navy last month to build two MLP’s, the first of which is scheduled to be delivered during the spring of 2013. The contract includes an option for the construction of a third MLP which, if exercised, will increase the total contract value to approximately $1.3 billion.

The MLP will act as a “pier at sea,” which will become the core of the Navy and Marine Corps seabasing concept, according to NASSCO. These ships will join the three M-3 Maritime Propositioning Force squadrons that are strategically located around the world to enable rapid response in a crisis.

“This contract is important to our region, providing jobs along our working waterfront and fulfilling a need for our Navy partners,” said Scott Peters, chairman of the Board of Port Commissioners for the Port of San Diego. "San Diego is one of 17 strategic ports, and home to the only shipbuilder on the West Coast. The Port of San Diego congratulates General Dynamics NASSCO."

The Port of San Diego was designated as a strategic port by the U.S. Department of Transportation’s Maritime Administration, meaning that the port plays a role in the military’s logistics and must coordinate and work with the military when needed. While Navy installations in Norfolk, Virginia have their own Navy shipyards, the Navy in San Diego relies on General Dynamics NASSCO and other private shipyards for its vessel needs.

Photo: Dave Connolly.

Cape Henry

On the galley deck of the Cape Henry on June 8, is Bosun Vern Haik with OS Matt Henning and OS Scott Sitts. The Cape Henry is operated and maintained by SUP-contracted Patriot Contract Services for the Maritime Administration. She is one of 27 Roll-on/Roll-off ships in the MSC inventory. In 2003, the ship made five trips to and from Kuwait from January through July, carrying a total of nearly 625,000 square feet of gear for the U.S. Army’s 4th Infantry and 10th Mountain Divisions.

Photo: Dave Connolly.

San Diego congratulates General Dynamics NASSCO.
Memorandum of Understanding between the ESU and SeaRiver Maritime, Inc.

1) Length of Contract and Wage Increase
   Three (3) year contract (9/1/2011 through 8/31/2014)
   - Fixed base wage CSS, SSHOT, OT and Penalty rates increase 3.00% effective 9/1/2011 if ratified by that date.
   - Fixed base wage CSS, SSHOT, OT and Penalty rates increase 3.00% effective 9/1/2012.
   - Fixed base wage CSS, SSHOT, OT rates increase 3.00% effective 9/1/2013.
   - Upon ratification of the agreement by the membership, but not earlier than 9/1/2011, a non-benefit bearing lump sum ratification bonus of $2,500 will be paid to all active unlicensed employees.

2) Union Administration Clause
   A. Address Union Officer assignment to office process, by amending Article III Section 3, Paragraphs A. 2 and A. 10 to read as follows:
   - Appointment/Office Assignment Effective 9/1/2011
   (2). Assignments to Office will be granted by the COMPANY upon written request of the individual officer with endorsement by the UNION and will be in increments of one calendar month. The request shall be submitted to the Company via e-mail at least one month in advance of the Assignment to Office. The UNION officer requesting approval must make travel arrangements with the Company designated travel agent no later than 15 days before his travel date for the Assignment to Office. In cases of emergencies, the UNION officer requesting approval must make travel arrangements with the Company designated travel agent as soon as practicable.
   (10). During the period that the COMPANY’s fleet of oceangoing vessels in active service exceeds eleven (11) vessels, the terms of Article III as found in the September 1, 2005 AGREEMENT will apply. During the period that the COMPANY’s fleet of oceangoing vessels in active service is less than twelve (12) vessels, the terms of Articles III as found in the September 1, 2011 AGREEMENT will apply.

3) Statement of Earnings
   A. Amend Article IV, Section 9 to read as follows:
   - A statement of earnings and deductions shall be mailed to each employee at the end of each semi-monthly pay period via regular mail to their home address and if requested by the employee, via e-mail. Any extra penalties (penalty pay, tank cleaning pay, and other pay of a related nature provided for in this Agreement) will normally be paid in the following payroll period after they were earned.

4) Loss of Clothing
   A. Amend Article IV, Section 8 as follows:
   - A. In the event a ship is lost, the crew shall be reimbursed for the loss of clothing and other personal effects in the amount of $1000.
   - B. In the event that personal effects of unlicensed personnel are damaged as a result of an accident to the vessel or its equipment, they shall be reimbursed for the amount of the damage, not to exceed $1000.

5) Subsidies
   A. Amend Article VIII, Section 2(B) to read as follows:
   - Employees departing the vessel at any time of the day to go on paid leave will be paid the dinner subsistence rate of $22. Employees will also receive additional meal allowances based on the travel schedule the Company provides from the vessel to the airport nearest an employee’s home (that is listed in the current Official Airl ine Guide). All other reimbursements for unauthorized lodging and/or subsistence are not applicable after an employee is relieved to go on paid leave.

6) General Working Rules
   A. Amend XII Section 22, and insert the following new section:
   - PPE Programs
   - Delete Article XII Section 22, and insert the following new section:
   - PPE Programs
   - The following items will be included in the Company’s personal protective equipment program:
   - A. Safety Shoe Program: Effective 2/15/12, the Company will pay each active unlicensed employee a non-taxable payment of $200 per year via payroll to purchase safety shoes, which shall meet the following Company standards: (1) must have a non-skid, oil resistant sole design and protective toe-cap (steel-toed or equivalent) and (2) meet A STM 2413-05 1/75 C/75 E/H. In the event that the Company standards on safety shoe changes, the Company agrees to bargain with the UNION the effect of such changes on the safety shoe allowance described herein.

B. Winter (Arctic) Clothing: Effective 2/15/12, and every three years thereafter as long as Company vessels trade to/from Valdez, AK, the Company will pay each active unlicensed employee a tax assisted payment of $400 via payroll to purchase winter (arctic) weather clothing.

C. Coveralls/Clothing: Employees may redeem a card which entitles the holder to receive 4 articles of clothing per year (4 pair of coveralls, or 4 shirts and 4 pants, or a combination of the foregoing). The card may be redeemed and gained according to the rules.

D. Safety Glasses: The maximum reimbursement is $150 per year for prescription safety glasses. Employees will be reimbursed after submitting a proper receipt. The receipt must specify that the frames and lenses meet ANSI Z87.1 standards. There will be no reimbursement for non-prescription glasses. Employees may purchase additional pairs of prescription safety glasses at cost through Korrect Optical. Clear and tinted plastic safety glasses will be provided free of charge to employees onboard Company vessels.

8) Amend Article X 5G to:
   - A. In participating in this program will be slotted onto the QMED-Oiler Promotion List according to the date of entry into EREP. An AB will have twelve months from the time he/she accumulates the required sea time to get a QMED-Oiler’s endorsement and maintain his/her position on the list. Should he/she receive his/her endorsement later than twelve months after accumulating the required sea time, he/she will be repositioned on the QMED-Oiler Promotion List in a manner consistent with Section 28 above.

S/R American Progress
   ESU Board officer visited the vessel in Anacortes, WA on June 22. Ms Shannon Wagner filling in as Ship Rep. Mr. any questions and discussions about recent contract negotiations. Vessel continues ANS service between Puget Sound and Valdez.

Kodiak
   Vessel is now in the drydock at Jurong shipyard in Singapore. The shipyard period will continue during July with the vessel returning to ANS service sometime during the month of August. Just prior to heading in the drydock the vessel was struck in the forward starboard side while lying at anchor by another vessel. The vessel received minimal damage and no crew members were injured. The additional repairs should not delay the vessel’s departure from Singapore.

S/R Long Beach
   The Long Beach continues in cold lay-up, in Labuan, Malaysia. There are no crewmembers assigned to the vessel at this time. Future plans for the vessel are unknown at the present time.

Sierra
   The ship continues to trade between Valdez and the San Francisco Bay area. The Kodiak made an unscheduled stop at the container dock in Valdez for a minor repair before loading. Regular Ship Rep. Thor Foren an and has been checking in with the ESU office.

S/W Wilmington
   Board officer visited the ship, at the City dock, in Beaumont on June 19. Regular Ship Rep. Jeff Harris aboard and reports no problems. The vessel is visiting at the layberth and out of service while the Company determines the best course of action for a main engine repair.

Roberto Dixon retires

Effective June 30, 2011, Roberto Dixon has elected to retire with 15 years of service. Roberto began his career with SeaRiver Maritime on December 3, 1995 in the position of Maintenance Seaman. Roberto first vessel assignment with the Company was the S/R Long Beach.

Roberto sailed in various ships in the Company fleet and during that time moved up the ranks by upgrading his current M/H rank endorsements. He is listed to be a Able Seaman and QMED-Oiler. He sailed briefly as AB in the fleet before being promoted to QMED-Oiler on March 1, 2001.

His last vessel assignment was on the Sierra where the crew celebrated his accomplishment and contributions with a traditional shipboard retirement ceremony on before departing the vessel on June 10, 2011.

The Exxon Seamen’s Union would like to express our most sincere thanks to Roberto for his commendable support to the ESU throughout his career. Roberto was an excellent shipmate and we wish him all the best during his retirement years.

Leo DeCastro will be in the Seaboard office.

Roberto Dixon retires

Effective June 30, 2011, Roberto Dixon has elected to retire with 15 years of service. Roberto began his career with SeaRiver Maritime on December 3, 1995 in the position of Maintenance Seaman. Roberto first vessel assignment with the Company was the S/R Long Beach.

Roberto sailed in various ships in the Company’s fleet and during that time moved up the ranks by upgrading his current M/H rank endorsements. He is listed to be an Able Seaman and QMED-Oiler. He sailed briefly as AB in the fleet before being promoted to QMED-Oiler on March 1, 2001.

His last vessel assignment was on the Sierra where the crew celebrated his accomplishment and contributions with a traditional shipboard retirement ceremony on before departing the vessel on June 10, 2011.

The Exxon Seamen’s Union would like to express our most sincere thanks to Roberto for his commendable support to the ESU throughout his career. Roberto was an excellent shipmate and we wish him all the best during his retirement years.

 Leo DeCastro will be in the Seaboard office.

Roberto Dixon retires

Effective June 30, 2011, Roberto Dixon has elected to retire with 15 years of service. Roberto began his career with SeaRiver Maritime on December 3, 1995 in the position of Maintenance Seaman. Roberto first vessel assignment with the Company was the S/R Long Beach.

Roberto sailed in various ships in the Company’s fleet and during that time moved up the ranks by upgrading his current M/H rank endorsements. He is listed to be an Able Seaman and QMED-Oiler. He sailed briefly as AB in the fleet before being promoted to QMED-Oiler on March 1, 2001.

His last vessel assignment was on the Sierra where the crew celebrated his accomplishment and contributions with a traditional shipboard retirement ceremony on before departing the vessel on June 10, 2011.

The Exxon Seamen’s Union would like to express our most sincere thanks to Roberto for his commendable support to the ESU throughout his career. Roberto was an excellent shipmate and we wish him all the best during his retirement years.

 Leo DeCastro will be in the Seaboard office.
ESU Executive Board Summary and Explanation of the Memorandum of Understanding

The following summary of bargained changes to the Agreement between the Exxon Seamen’s Union and SeaRiver Maritime, Inc. is provided to aid in understanding the official Memorandum of Understanding. Though the ESU Executive Board recommends a vote FOR the MOU, this summary is intended only to be used to better clarify the negotiated items of the MOU.

The Executive Board and Management met for 9 full days of what turned out to be very difficult bargaining. We understand that this MOU reflects a very different economic situation from the one we faced in 2008 or 2005. Nationally, times are not as lucrative now as they were in previous negotiations and that includes the maritime industry. The Union’s bargaining committee believes that we have reached the best possible result under these conditions. Not only does the offer include a general wage increase and lump sum signing bonus in the amount of $2,250, the STWDs will also obtain improvements to portions of the Contract without making any concessions.

The ESU Board exchanged 20 proposals with management which included numerous quality of life issues during the bargaining process. We pressed for greater meal subsistence especially in the shipyard and they wanted 7 day work weeks while in the yard in exchange with no OT compensation. We wanted travel a day ahead of time when joining the vessel but they had no interest in this issue because of the increase cost for transportation. We proposed Business class travel for for- eign shipyard travel and they also had no interest here either.

Other areas that we unsuccessfully bargained for included: but are not limited to, reimbursement of M M C and T W C documents, TV and refrigerators in the state- rooms, increases to meal and ground transportation allowances, OT hours for call out, Bosun, Paid leave, Extended Seatrial compensation, Steward Department workloads (3 person STWD Dept.) and two-hour supper relief.

Item #1: Length of Contract and Wage Increase

- The terms of contract for three years - September 1, 2011 to August 15, 2014. The ESU Negotiating Committee viewed a 3-year agreement as providing the best level of security for its members. The Union did not consider a longer contract term as wise considering the unpredictability of the economy any further out. Con- versely, a shorter contract or wage-reopener have risks and wage re-openers weaken the Union’s leverage at the bargaining table.

- Wage increases for each of the years of the proposed contract include base wages, continued service bonus (CSB), Saturday, Sunday, Holiday Overtime pay ($3/HOT) Overtime rates (OT) and Penalty Time rates.

- The Union can describe the percentage increases as a true “across-the-board” raise in pay as the Union was able to secure increases in the on-watch Penalty Pay rates. Penalty rates were over due for an increase since those rates had not been increased since 2001.

- Following ratification of the MOU, a one-time non-benefit lump sum bonus of $2250 will be paid to all active members in September. This payment will be a separate payment. As with all earned income, this gross lump sum amount will be subject to income tax withholdings.

- The MOU provides for a 9% total in increases to base wages, CSB, $3/HOT, OT and Penalty rates by September 1, 2014.

Item #2: Union Administration Clause

Amends existing language under Article III, Section 3, paragraph A(2) and A(10). The first part addresses the Company’s interest of receiving advance notification of a least one month for the Union officer that will be on assignment. Further, the officer will be required to make travel arrangements no later than 14 days before his/hers date for the assignment to office. This is primarily a cost saving measure to the Company by receiving 2 week advance fare tickets. The only change to Section III, paragraph A(10) is the reference date to the new contract effective date which will be September 1, 2011.

Item #3: Statement of Earnings – Article IV, Section 9

The change to this section refers to mailing pay vouchers to members that are aboard the vessel. Pay vouchers will continue to be mailed to everyone’s home address but if you wish to receive your voucher on the vessel you will need to fill out a form and receive it via e-mail attachment. Several members already receive their vouchers in this manner and one advantage of e-mail delivery is the advance delivery (usually 5 days before the pay date). If you do not currently have an e-mail account there are several free providers of e-mail accounts such as Google, Yahoo and MSN (Hotmail). Forms will be made available to membership for sign- up for e-mail delivery of vouchers

Item #4: Loss of Clothing – Article IV, Section 8

The amount in both A and B of this article was increased from $750 to $1000.

Item #5: Article VIII, Section 2(B)

In addition to the dinner subsistence that is currently received when departing the vessel, members will also receive additional meal allowances when traveling from the vessel based on the travel schedule that is provided by the Company. Example: If you are required to take a late flight home and traveling during breakfast time you will now receive subsistence at the breakfast rate.

Item #6: General Working Rules – Article XII, Section 9(C)

A maintenance Seamen will now be granted a rest period when required to perform the following tasks between the hours of 0000 and 0800: Docking, undocking, putting out or taking in the gangway, breaking out or stowing mooring lines, or connecting or disconnecting cargo hoses. Section 9(A) requires that you work more than two hours to perform this task.

Item #7: Article XII, Section 22 Personal Protective Clothing (PPE)

Changes were made to 3 of the 4 areas of the Company’s PPE program.

- The only item that did not change is the Coveralls/Clothing provision.

- On the Safety Shoe Program there is an increase in the subsidy to $200 per year which a member will receive in a non-taxable payment in mid-February of each year. The shoes must conform to the standards listed in the Contract language.

- Winter (Arctic) Clothing - Employees will be able to buy arctic clothing from any vendors they choose and will receive a tax assisted payment of $400 dollars in mid-Febuary once every three years. The Company defines tax assistance as follows: Tax Assistance is provided in two steps. The first occurs when the tax assistance item is reported via e-mail. At this point, interim tax assistance is provided at standard rates for Federal withholding, State withholding, Social Security and Medicare.

- The interim tax assistance is provided for Federal tax at a flat rate of 25%. The second step occurs at year end. We accumulate all the tax assistible earnings and the amount of interim assistance to determine the correct amount the employee should receive according to his/her federal and state tax tables. In case any additional tax assistance is due, it will be added to the employee’s earnings/with- holding at year end and paid to the appropriate tax authorities on their behalf. If the assistance that was given is too high, an adjustment will be made to the earn- ings/withholding.

- Safety glasses will be reimbursed at $150 instead of $100 but no other change to this program.

Item #8: Amend X, Section 5(G)

The change here is the time limit has to obtain an Oiler endorsement and retain his/her reserved spot on the QM ED-Oiler promotion list. The time limit was changed from the 6 months to 12 months. The US Coast Guard process for docu- ment upgrades and renewals has become more time consuming and 6 months can be an insufficient amount of time to complete the process. This item was inadvertently left out of the initial MOU that went out right after bargaining was concluded. The Company produces that document and the omission was not intentional.

As outlined under the ESU Constitution and Bylaws, a 60-day voting period has been established with the American Arbitration Association in New York and ball- lots have been mailed to the membership. The deadline for the Contract vote is August 15, 2011, at 10:00 a.m.

The ESU Board encourages any members that are in need of further explanation or clarification of the proposed 2011 Contract to contact the ESU office (281-474-2430) or speak to any Executive Board officer.

ESXON SEAMEN’S UNION
Founded March 28, 1941
Affiliated with the Sailors’ Union of the Pacific
913-A Hardesty Avenue, Seabrook, TX 77586
Tel (281) 474-2430
Fax (281) 474-2463
E-Mail: esusea@sbcglobal.net

President/Secretary John Straley
Vice President/Treasurer Leo De Castro
Board Member/Large John McCarthy
Deck Trustee Aaron Rathbun
Board Member/Large John McCarthy
Engine Trustee William Ackley
Steward Trustee Kurt Kreick

EXXON SEAMEN’S UNION
Founded March 28, 1941
Affiliated with the Sailors’ Union of the Pacific
913-A Hardesty Avenue, Seabrook, TX 77586
Tel (281) 474-2430
Fax (281) 474-2463
E-Mail: esusea@sbcglobal.net

President/Secretary John Straley
Vice President/Treasurer Leo De Castro
Board Member/Large John McCarthy
Deck Trustee Aaron Rathbun
Engine Trustee William Ackley
Steward Trustee Kurt Kreick

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, 2010. The annual report has been filed with the Department of Labor, as required under the Employee Retirement Income Security Act of 1974 (ERISA).

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

Insurance Information

The plan has contracts with Health Net, Kaiser Foundation Health Plan of the Northwest, Kaiser Foundation Health Plan Hawaii, Kaiser Foundation Health Plan, Inc., Dental Health Services of Washington, Group Health Cooperative, BlueCross BlueShield of Louisiana, Guaranty Assurance Company, MHN Services, Delta Dental of California, UnitedHealthcare Insurance Company and The United States Life Insurance Company in the City of New York to pay certain medical, dental, and death claims incurred under the terms of the plan. The total premiums paid for the plan year ending July 31, 2010 were $3,830,930.

Basic Financial Statement

The value of plan assets, after subtracting liabilities of the plan, was $14,291,087 as of July 31, 2010, compared to $13,967,866 as of August 1, 2009. During the plan year the plan experienced an increase in its net assets of $322,211. This increase includes unrealized gains 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 $6,669,603, employer contributions of $5,615,114, employee contributions of $42,592, realized losses of $81,718 from the sale of assets, earnings from investments of $1,075,692, and other income of $17,923.

Plan expenses were $6,346,382. These expenses included $846,409 in administrative expenses and $5,499,973 in benefits paid to participants and beneficiaries.

Your Rights to Additional Information

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

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

To obtain a copy of the full annual report, or any part thereof, write or call the office of SUP Welfare Plan, Inc., who is the plan administrator, at 730 Harrison Street, Suite 415, San Francisco, CA 94107, telephone (415) 778-5490. The charge to cover copying costs will be $27.50 for the full report, or $.25 per page for any part thereof.

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

You also have the legally protected right to examine the annual report at the main office of the plan, at 730 Harrison Street, Suite 415, San Francisco, CA 94107, and at the U.S. Department of Labor in Washington, D.C., or to obtain a copy from the U.S. Department of Labor upon payment of copying costs. Requests to the Department should be addressed to Public Disclosure Room, Room N1513, Employee Benefits Security Administration, Employee Benefits Security Act of 1974 (ERISA).

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

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

This is a summary of the annual report of the SIU Pacific District Seafarers’ Medical Center Fund, EIN 94-2420964 for the year ended June 30, 2010. The annual report has been filed with the Department of Labor, as required under the Employee Retirement Income Security Act of 1974 (ERISA).

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

Basic Financial Statement

The value of plan assets, after subtracting liabilities of the plan, was $12,344,844 as of June 30, 2010, compared to $(138,607) as of July 1, 2009. During the plan year the plan experienced an increase in its net assets of $13,763. During the plan year the plan had total income of $549,864, including employer contributions of $538,589, earnings from investments of $51 and other income of $11,244.

Plan expenses were $536,121. These expenses included $150,363 in administrative expenses, and $385,558 in benefits paid to participants and beneficiaries.

Your Rights to Additional Information

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

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

To obtain a copy of the full annual report, or any part thereof, write or call the office of SIU Pacific District Seafarers’ Medical Center Fund, 730 Harrison Street, San Francisco, CA 94107.

Phone: 415-778-5490 or 1-800-796-8003; Fax: 415-778-5495

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

SUP gang in Maunawili takes a blow in Guam

In this picture, from left are SUP members: AB Day James Stephisla, Bosun Dale Gibson, AB Day (delegate) Phillip Howell, and AB Watch Mark Littlejohn. Having a cookout at the seamen’s center in Guam (which since has closed down) during the Maunawili’s recent port stay on April 27. A big thanks to U.S.S. center for letting us use their facilities and helping with side items.
SUMMARY ANNUAL REPORT FOR SIU PACIFIC DISTRICT SUPPLEMENTAL BENEFITS FUND, INC.

This is a summary of the annual report of the SIU Pacific District Supplemental Benefits Fund, Inc., EIN 94-1431246 for the year ended July 31, 2010. The annual report has been filed with the Employee Benefits Security Administration, as required under the Employee Retirement Income Security Act of 1974 (ERISA).

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

Basic Financial Statement

The value of plan assets, after subtracting liabilities of the plan, was $94,919 as of July 31, 2010, compared to $427,754 as of August 1, 2009. During the plan year the plan experienced a decrease in its net assets of $332,835. This decrease includes unrealized appreciation or depreciation in the value of plan assets; that is, the difference between the value of the plan’s assets at the end of the year and the value of the assets at the beginning of the year or the cost of assets acquired during the year. During the plan year, the plan had total income of $7,990,099, which included employer contributions of $7,971,512, realization losses of $6,792 from the sale of assets, and gain from investment of $9,379.

Plan expenses were $8,322,934. These expenses included $425,382 in administrative expenses and $7,897,552 in benefits paid to participants.

Your Rights to Additional Information

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

1. An accountant’s report; 2. Financial information and information on payments to service providers; 3. Assets held for investment; and 4. Transactions in excess of 5% of plan assets.

To obtain a copy of the full annual report, or any part thereof, write or call the office of SIU Pacific District Supplemental Benefits Fund, Inc., at 730 Harrison Street, Suite 400, San Francisco, CA 94107, telephone number (415) 764-4990. The charge to cover copying costs will be $4.00 for the full annual report, or $0.25 per page for any part thereof.

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

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

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, 2010. The annual report has been filed with the Employee Benefits Security Administration, as required under the Employee Retirement Income Security Act of 1974 (ERISA).

Basic Financial Statement

The value of plan assets, after subtracting liabilities of the plan, was $870,984 as of July 31, 2010, compared to $874,087 as of August 1, 2009. During the plan year, the plan experienced a decrease in its net assets of $3,103. The plan had total income of $525,575. These expenses included $49.38 in administrative expenses and $430,722 in benefits paid to participants.

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

SIU Pacific District Pension Plan Summary of Plan Improvements for Active Members

<table>
<thead>
<tr>
<th>Monthly Benefit</th>
<th>Monthly Benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>7/1/10</td>
<td>7/1/11</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>I Long Service Benefit (25Y QT)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Retiring at age 60 or older</td>
</tr>
<tr>
<td>(2) Eligible for Soc. Sec. Dis., any age</td>
</tr>
<tr>
<td>(3) Retiring between ages 55 and 60</td>
</tr>
<tr>
<td>(4) Retiring under age 55</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>II Basic Service Benefit (20Y QT)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Retiring at age 60 or older</td>
</tr>
<tr>
<td>(2) Eligible for Soc. Sec. Dis., any age</td>
</tr>
<tr>
<td>(3) Retiring between ages 55 and 60</td>
</tr>
<tr>
<td>(4) Retiring under age 55</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>III Reduced Service Benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>(15Y QT)</td>
</tr>
<tr>
<td>(16Y QT)</td>
</tr>
<tr>
<td>(17Y QT)</td>
</tr>
<tr>
<td>(18Y QT)</td>
</tr>
<tr>
<td>(19Y QT)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>IV Disability Retirement Benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) 25Y QT retiring at age 60 or older</td>
</tr>
<tr>
<td>(2) 25Y QT retiring at ages 55-59</td>
</tr>
<tr>
<td>(3) 25Y QT retiring under age 55</td>
</tr>
<tr>
<td>(4) 20Y QT-24Y QT retiring at age 60 or older</td>
</tr>
<tr>
<td>(5) 20Y QT-24Y QT retiring at ages 55-59</td>
</tr>
<tr>
<td>(6) 20Y QT-24Y QT retiring under age 55</td>
</tr>
<tr>
<td>(7) 15Y QT-19Y QT</td>
</tr>
<tr>
<td>(8) 15Y QT-19Y QT and eligible for Soc. Sec. Dis.</td>
</tr>
<tr>
<td>(9) 10Y QT-14Y QT</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>V Dependent Child Benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Per child under age 18</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>VI Deferred Vested Benefit per year of Qualifying Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) 200 or more qualifying days</td>
</tr>
<tr>
<td>(2) 125 to 200 qualifying days</td>
</tr>
<tr>
<td>(3) Less than 125 qualifying days</td>
</tr>
</tbody>
</table>

*Labor Archives and Research Center San Francisco State/Flyaway Productions Presents "Sympathetic"* 

An Aerial Dance Performance by Jo Kreiter/Flyaway Productions with music composed by Pamela Z Celebrating the Labor Archives and Research Center’s 25th Anniversary Dance will be performed on the side of the Historic Rincon Annex Post Office Building Corner of Steuart and Mission Streets in San Francisco, California Free and open to the public. July 9, 2011 at 1:00 p.m. and 3:00 p.m.

A free walking tour will take place between the performances on July 9 at 1:00 P.M. and 3:00 P.M., the Labor Archives and Research Center in partnership with Flyaway Productions, Jo Kreiter (choreographer), and Pamela Z (composer and musician), will premiere “Sympathetic”. Known for their aerial dance performances and telerecording choreography Flyaway will be dancing on the side of the historic Rincon Annex Post Office building utilizing rigging to create space and movement. The Labor Archives commissioned Flyaway Productions to create a unique performance honoring labor as part of their 25th anniversary celebration. "Sympathetic" explores the historic 1934 San Francisco General Strike, a pivotal event in the city’s history.
ELIGIBILITY RULES FOR WELFARE PLAN BENEFITS

The following will serve as an overview of SUP Welfare Plan eligibility rules:

Effective May 1, 2005, eligibility for Active Employee Benefits and Active Employees’ Dependent Benefits were classified into three groups: Group 1, Group 2, and Group 3.

GROUP 1

Participants who are employed in the following work categories will have mandays credited toward Group 1 eligibility:

- Maritime Security Fleet vessels operated by APL, Ltd.
- Matson Navigation Company commercial vessels (except the IBT Moku Pahu)
- APL or Matson M attention Agreements- Regular Shire Gang only; Extra M attention personnel are in Group 3.

FOR INITIAL GROUP 1 ELIGIBILITY:

An employee will be required to work 120 qualifying mandays in a consecutive 12-month period to be entitled to Group 1 eligibility. 12 months of benefit coverage will be provided starting with the 1st day of the month following completion of the 120th qualifying manday. Qualifying mandays will include only mandays worked from both Group 2 and Group 1 employment. Group 3 mandays cannot be used to establish or continue Group 1 eligibility, but may be used to establish or continue Group 3 eligibility as explained under Group 3 Eligibility rules below.

CONTINUING GROUP 1 ELIGIBILITY:

After establishing initial eligibility, an employee will extend the initial 12-month benefit period by working a minimum of 60 qualifying mandays within that 12-month benefit period. Upon completion of the 60th qualifying manday, coverage will be rolled forward to provide 6 months of continuing coverage measured from the first day of the month following completion of the 60th qualifying manday. Each new period of 60 qualifying mandays of employment will roll forward an employee’s eligibility for up to 6 months, provided those mandays are all completed during the employee’s most recent 6-month benefit period under Group 2. Qualifying mandays will include only mandays worked from both Group 2 and Group 1 employment. Group 3 mandays cannot be used to continue Group 2 eligibility, but may qualify for Group 3 eligibility. Once a manday has been used to establish initial or continuing eligibility, it cannot be reused to establish or further extend an employee’s eligibility.

REESTABLISHING GROUP 1 ELIGIBILITY:

To re-establish eligibility that has lapsed due to insufficient qualifying mandays, 120 qualifying mandays must be worked in a consecutive 12-month period beginning after Group 1 eligibility lapsed. Qualifying mandays will include only mandays worked from Group 1 employment. Group 2 and Group 3 mandays cannot be used to reestablish Group 1 eligibility.

GROUP 2

Participants who are employed in the following work categories/Employers will have mandays credited toward Group 2 eligibility:

- Military vessels (LMSRs, RRF, etc.) operated by Patriot Contract Services or Matson Navigation Company
- Matson Navigation Company IBT Moku Pahu
- APL non-MS vessels
- Employees of Foss Maritime
- Employees of SF Bar Pilots.

FOR INITIAL GROUP 2 ELIGIBILITY:

An employee will be required to work 120 qualifying mandays in a consecutive 12-month period to be entitled to Group 2 eligibility. Six months of coverage will be provided starting with the 1st day of the month following completion of the 120th qualifying manday. Qualifying mandays will include only mandays worked from both Group 2 and Group 1 employment. Group 3 mandays cannot be used to establish or continue Group 2 eligibility, but can be used to establish or continue Group 3 eligibility as explained under Group 3 Eligibility rules below.

CONTINUING GROUP 2 ELIGIBILITY:

After establishing initial eligibility, an employee will extend the initial 6-month benefit period by working a minimum of 60 qualifying mandays within that 6-month benefit period. Upon completion of the 60th qualifying manday, coverage will be rolled forward to provide 6 months of continuing coverage measured from the first day of the month following completion of the 60th qualifying manday. Each new period of 60 qualifying mandays will roll forward an employee’s eligibility for up to 6 months. Qualifying mandays will include mandays worked from Group 3, Group 2 and Group 1 employment. Once a manday has been used to establish initial or continuing eligibility, it cannot be reused to establish or further extend an employee’s eligibility.

REESTABLISHING GROUP 2 ELIGIBILITY:

To re-establish eligibility that has lapsed due to insufficient qualifying mandays, 120 qualifying mandays must be worked in a consecutive 12-month period beginning after Group 2 eligibility lapsed. Qualifying mandays will include mandays worked from both Group 2 and Group 1 employment. Group 3 mandays cannot be used to reestablish Group 2 eligibility.

GROUP 3

Participants who are employed in the following work categories will have mandays credited toward Group 3 eligibility:

- Employees working under the APL or Matson Extra Maintenance Agreements-Extra M attention Personnel (casual standbys)
- Participants who become eligible under the following Group 3 eligibility rules qualify for USPHS Replacement Program benefits under the Plan for themselves only; there is no dependent coverage for these participants.

FOR INITIAL GROUP 3 ELIGIBILITY:

An employee will be required to work 120 qualifying mandays in a consecutive 12-month period to be entitled to Group 3 eligibility. Qualifying mandays will include mandays worked from Group 3, Group 2 and Group 1 employment. 6 months of coverage will be provided starting with the 1st day of the month following completion of the 120th qualifying manday.

CONTINUING GROUP 3 ELIGIBILITY:

After establishing initial eligibility, an employee will extend the initial 6-month benefit period by working a minimum of 60 qualifying mandays within that 6-month benefit period. Upon completion of the 60th qualifying manday, coverage will be rolled forward to provide 6 months of continuing coverage measured from the first day of the month following completion of the 60th qualifying manday. Each new period of 60 qualifying mandays will roll forward an employee’s eligibility for up to 6 months. Qualifying mandays will include mandays worked from Group 3, Group 2 and Group 1 employment.

It is important to note that the Plan tracks an employee’s eligibility for benefit coverage separately based on work in each group category. For example, if an employee loses Group 1 eligibility, the Plan will look at the mandays credited toward the other two eligibility Groups to determine if the Employee still has either Group 2 or Group 3 eligibility. Once an employee’s eligibility under any Group lapses, that employee can only re-establish eligibility under that Group by once again satisfying the initial eligibility rules of that Group based on qualifying mandays since eligibility lapsed.

A stive participants can contact the SUP W Welfare Plan at 1800-796-8003, if they have any questions pertaining to eligibility for Plan benefits.

APL Philippines

Four member of the SUP deck gang in the APL Philippines on the D Deck passageway in Oakland, May 25. From left: AB Doug O’neal, AB Gus Silva, AB and delegate Dave Sylstra and Bosun Dave Munroe. Photo: Dave Connolly.

House thwarts attack on food aid

On June 15, the House of Representatives considered amendments to the Fiscal Year 2012 Agriculture Appropriations Bill (H.R. 2112). Among those amendments were those offered by Representatives Jason Chaffetz (R-Utah) and Paul Brown (R-Georgia) that would have stripped most or all the funding for U.S. Food A iid programs, including Food for Peace which is required to be carried in U.S.-flag ships.

These amendments were soundly defeated, due in large part to the lobbying efforts of the USA Maritime Coalition which the SUP in a member.

However, the food aid programs are still slated for a 33% funding cut in the Republican-controlled House.

Attend your monthly Union meeting
The wooden steam schooner Wapama, the last of approximately 225 steam schooners built between the 1880's and the 1920's for the lumber and passenger trade is going to be dismantled by the National Park Service after years of neglect by the government.

The Wapama was launched on January 20, 1915 in St. Helens, Oregon. Loaded with lumber, she was towed to San Francisco for the installation of a 825 horsepower triple expansion steam engine built by Main Street Iron Works of San Francisco and two water tube boilers by Babcock & Wilcox. She was also outfitted with accommodations for 45 first class passengers and 12 to 22 passengers in steerage. She required eight months to build and cost about $150,000.

From 1915 to 1930, the Wapama plied the coastwise passenger and lumber trade under the ownership of the Sailors' Union of the Pacific contracted-Charles R. M CCorrick Lumber Company. Her principal ports of call were Portland, Astoria, San Francisco, San Pedro and San Diego. However, she called as far north as Vancouver, British Columbia and as far south as Guaymas, Mexico.

With about two-thirds as deckloaf, the Wapama could carry over a million board feet of lumber from the wooded Northwest to San Francisco and ports south. Along with over two hundred similar steam schooners and hundreds of two-, three-, and four-masted sailing schooners such as the three-masted C.A. Thayer, the Wapama carried the timber that built the cities of the West Coast.

The Wapama also carried passengers. Vernon Hatchitt, who in 1919 as a kid of 14 sold newspapers aboard the Wapama when she visited Portland, recalled in a 1981 interview that when the shipping trade was dying, the passengers were all going to San Francisco and ports south. Along from the wooded Northwest to San Diego. However, she called as far north as Vancouver, British Columbia and south as Guaymas, Mexico.

In 1937 for $12,500, the Wapama was overhauled for an additional $10,000 and placed back in passenger service to Los Angeles. Fare was $8 between San Francisco and Los Angeles and included dinner and breakfast. Failing to make money at these rates, she was laid up after two trips. Purchased in 1937 by the SUP-Contracted Alaska Transportation Company for $30,000, the Wapama was renamed Tongass and entered the Seattle to South-East Alaska passenger and cargo trade. For many ports of call, the Tongass was the only link to civilization. The late 1940's brought the Wapama's time as a transportation vessel to an end.

In 1949, the Tongass was returned to the SUP-contracted Los Angeles-San Francisco Navigation Company, known as the "White Flyer Line," the Wapama carried passengers between San Francisco and Southern California until 1937.

In 1977, the Tongass was transited the Pacific Coast in her heyday with the SUP aboard.

Charlie Regal, a former SUP sailor on the Tongass during World War II, recalled: "It was like being on the Robert E. Lee on the Mississippi. You go into Pelican, California, to deliver a couple of cases of whiskey and the whole town would turn out. All six of them." She continued in this trade until 1947 when she struck a rock on a Alaskan voyage and was laid up in Lake Union.

Sold for scrap in 1949, the Tongass (ex-Wapama) was laid up in Seattle for nearly a decade. With support by State Senator Thomas A. Maloney, SUP Secretary Harry Lundeborg, steamship line executives, and others, the State of California Division of Beaches and Parks purchased "One used steam schooner" in 1957 for $16,000 under 1955 legislation establishing within the State Park system the San Francisco Maritime State Historical Monument. Extensive restoration commenced in 1957. She arrived in San Francisco under tow in 1959 and was opened to the public in 1963 at the Hyde Street Pier.

In 1977, the Wapama was transferred to the U.S. Department of the Interior, Golden Gate National Recreation Area, along with the other "State Historic Ships." With deterioration advancing, the Wapama was placed on a barge in 1980. She has remained on the barge since, first in the Oakland Estuary and in 1986 in Sausalito. A temporary roof was built over her in 1986 to prevent rot-inducing rainwater from soaking her topsides. In order to stop the spread of rot, the National Park Service conducted a feasibility study beginning in 1987 on the effects of borate spray treatment on the Wapama's rot. While this treatment proved successful in stopping rot in the areas in which it was administered, the treatment was stopped after about 9 months in 1988, and was not extended to other areas of the vessel. From at least 1984, an active volunteer program of over 300 regular volunteers maintained the Wapama. However, this program was terminated by the Park Service in about 1988.

In 1996, the Pacific Steamship Foundation was organized by retired Rear Admiral Tom Patterson and Ed Zelinsky, a vice president of the World Ship Trust to save the ship. They were supported by Karl Kortum, a founder of the San Francisco Maritime Museum. Patterson, Zelinsky and Kortum have all crossed the bar.

By 1997, the maritime park's general management plan called for "minimal" measures to slow the Wapama's deterioration, but it added, "The vessel's underlying structural decay will not be addressed." That, essentially, was a death sentence for the ship.

The Wapama was removed from Sausalito and stored on its barge out of public sight in a backwater channel in Richmond. Rainwater leaked through the decks, maintenance was at an absolute minimum, and the ship became so riddled with rot that the Park Service now fears it might not survive another winter.

Preliminary government estimates show that it would cost $21.7 million to stabilize the vessel on the barge, and $61.4 million for a full rehabilitation. A congressional appropriation of that size is unlikely.

Instead, the Park Service hopes to preserve the ship's engine, and perhaps some of the timber or large artifacts.
SUP WELFARE PLAN

Last year, Dale MacGillivray, Offshore Labor Relations Manager for Matson, notified the Union that SUP employees working in the Honolulu Paint & Rigging Gang for the Maintenance Agreement had in previous years misreported vacation days on their time cards with the result of overpayments, causing overpayment of benefits. In accordance with the April 1, 2009 collective bargaining agreement provision where the Inlandboatmen's Union and the SUP have a mechanism for the Trustees to correct or rectify equalization issues resulting in an overpayment of benefit contributions to the SUP Welfare Plan, the Trustees must follow that provision.

Your secretary informed M. S. MacGillivray that the company’s time card system was Matson’s responsibility and if there were any erroneous contributions made, it was due to the inexperience of the company’s payroll roll.

Last month SUP Welfare Plan Administrator Michelle Chang, was informed by Matson that the company was unilaterally taking a $7,036.25 credit for May 2011, for so-called “overpayments” to the Plan from 2008-2010. Matson also informed M. S. Chang that they had anticipated to take a $20,000 credit for June 2011, for the same reason.

A recording to M. F. O. W. President Anthony Poplawski, Matson took the same action in April with the M. F. O. W. Plans, again claiming erroneous time cards submitted by M. F. O. W. personnel for mechanics on Matson’s Sand Island terminal.

Through Administrator Chang, the SUP has determined that Matson is paying the M. S. C. B. with interest and not withholding the June contribution which is due on the 20th of this month.

Under Section 403(c)(2)(A)(ii) of the Employee Retention Income Security Act (ERISA), the Plan Trustees or other party may elect to return any overpayments made to the Plan. The company administrator determines that the erroneous contribution was made. Nothing in the law requires the plan trustees to return the mistaken contributions, however, a U.S. Court of Appeals for the Ninth Circuit case law clarifies that employers could assert a cause of action to recover those funds against the Plan, if the trust agreements contain provisions restricting the return of mistaken employer contributions to a set time period, then the trustees must follow that provision.

The Union trustees (Dave Connolly and your secretary) will demand that this unilateral action by Matson be ceased for at the June 21, SUP Welfare Plan Trustees meeting.

SUP MONEY PURCHASE PENSION PLAN & 401(k) PLAN

The Standard, the third party administrator of the SUP’s Money Purchase Pension Plan and 401(k) Plan, has notified the Trustees of the Plans that the Bank of America Stable Value Fund will be discontinued by Charles Schwab, the custodian of the Plans, effective August 15, and therefore, no longer available to Plan participants as of that date.

At the regularly scheduled meeting of the Board of Trustees on June 21, a comparable fund to replace the Bank of America fund will be selected. That selection will be published in the Welfare Notes section of the June West Coast Sailor.

APL MARINE SERVICES

In accordance with the April 1, 2009 collective bargaining agreement between the Union and APL, wages and wage-related items (overtime, Supplemental Benefits, etc) will increase in non-Maritime Security Program (MSP) vessels APL Agate, APL Coral, APL Japan by 2.5% effective June 16.

Recommend that the wage increase be applied to wages and wage-related items.

New wage rates will be published in the June West Coast Sailor.

Increase from 16 to 17 days per month for non-MSP and MSP vessels.

Also on October 1, shall there be a 2.5% increase in wages and wage-related items for the nine company vessels enrolled in the Maritime Security Program (Presidents Adams, Jackson, Polk, Truman, APL China, APL Korea, APL Philippines, APL Singapore, APL Thailand). This increase will also be applicable to those employed under the Maintenance and Extra Maintenance Agreements.

MATSON NAVIGATION COMPANY

In accordance with the 2008-2013 collective bargaining agreement with Matson, wages and wage-related items in all company vessels (including the ITB Moku Pahu) plus those employed under the Maintenance and Extra Maintenance Agreements.

Recommend that the wage increase be applied to wages and wage-related items.

New wage rates will be published in the June West Coast Sailor.

FOSS MARITIME COMPANY

At the request of the company, the SUP met with representatives of Foss at Headquarters on June 9, 2011, to discuss a company proposal to amend the current collective bargaining agreement which expires on February 29, 2012.

Attending for the company was Mike O’Connor, Director of Labor Relations; Bob Gregory, Northern California Regional Director; Laura Rosenberg, Marine Personnel Manager; and Walt Partika, Tank Barge Supervisor. The Union was represented by Don Nichols, Carl Turner and Tom Tyman, SUP members employed by Foss and vice President Dave Connolly and your secretary.

The issue at hand is that in the agreement there is a provision where the Inlandboatmen’s Union and the SUP agree to share jurisdiction to allow the most efficient use of the company’s tugs in San Francisco Bay. There is also a provision in the agreement to reconcile the work hours of the two Unions so that the work on the tugs can be equalized. This formula has not worked as the SUP has gotten more work than the IBU, according to company records. Therefore, Foss and the IBU want to amend the agreement to remedy the problem.

The SUP made several informational requests to Foss who, as of today’s meeting, has not responded. Anticipate more meetings between the parties on the issue.

PATRIOT CONTRACT SERVICES

The crewing services agreement between Patriot and the SUP for vessels operated by W. K. & J. Range Services (KR) expires on June 30. If KR extends the agreement with Patriot, effective July 1, there will be a 2% increase in the total labor costs to unlicensed personnel sailing in the USV World, USV Double Eagle, USAV Great Bridge and USAV Mystic. The agreement between Patriot and the SUP covers unlicensed deck department personnel.

SAN FRANCISCO BAR PILOTS

Aiding in the best interests of the Union and those members employed by the San Francisco Bar Pilots, your secretary sent letters this month to members of the California legislature opposing and supporting two bills that are pending in Sacramento. The California Labor Code, along with the California Labor Council, the San Francisco Labor Council and the M. F. O. W. have sent similar letters:

The Honorable Bonnie Lowenthal, Chair Assembly Transportation Committee State Capitol, Sacramento, CA 95814 R.E.: AB 656 (Huber) - Oppose

Dear Chairwoman Lowenthal:

On behalf of the membership of the Sailors’ Union of the Pacific, I write to oppose AB 656 introduced by Assemblymember Alyson Huber to amend the Harbors and Navigation Code to eliminate the Board of Pilot Commissioners for the Bays of the San Francisco, San Pablo and Suisun and their tributaries.

One of the first acts of California’s legislature in 1850 was to establish the Board of Pilot Commissioners to regulate pilotage, “to avoid damage to such waters and surrounding ecosystems as result of vessel collision or damage, by providing competent, efficient and regulated pilotage for vessels required to secure pilotage services.”

Without the Board of Pilots Commissioners there would be chaos on the bodies of water covered by the Board’s jurisdiction, just as there was prior to its establishment.

The Board of Pilot Commissioners licenses and regulates pilots in order to ascertain and guarantee the qualifications, fitness and reliability of qualified personnel who can provide safe pilotage of vessels entering and using the Bays of San Francisco, San Pablo and Suisun and the 20 ports that are in those waterways. With the increase in vessel size and traffic, and the increase in cargoes carried in bulk, particularly oil and gas and hazardous chemicals which can be contained or controlled in the event of spills, the role of the Board of Pilot Commissioners is essential.

Therefore, I strongly urge a NO vote on AB 656.

Sincerely,

Gunnar Lundeberg
President/Secretary-Treasurer

The Honorable Rod Wright, Chair, Senate Governmental Organization Committee State Capitol, Sacramento, CA 95814

R.E.: AB 907 (Ma) - SUPPORT

Dear Senator Wright:
The Sailors’ Union of the Pacific requests your YES vote on AB 907. This bill would require the Port Agent of the San Francisco Bar Pilots to report pilot ladder and pilot boat safety violations to future ports of call. Additionally, it would implement pilotage rate recommendations issues by the Board of Pilot Commissioners.

State pilotage is fundamental to the safe and efficient flow of commerce in Northern California. In order to ensure this state has the best qualified pilots to fulfill this mission, it is critical that California remain competitive with comparable ports. The Board of Pilot Commissioners carefully reviewed all of the evidence and economic factors and has concluded that a modest increase is necessary. We agree. The amount of the rate increase would cost the users of piloting service around $18 in a $100 container.

This is a time when shipping companies are reaping average profits of around $560 per container.

The San Francisco Bar Pilots move $1.2 billion in cargo everyday and help sustain over 44,000 Northern California jobs. If the Bay were to shut down, for instance, due to lack of quality piloting, California would lose approximately $12.2 million per hour.

This issue should only be about what benefits California. It should not be about what will cut into the profits of foreign shipping companies.

In this struggling economy, we should be doing everything we can to sustain jobs and keep our economic engine running. AB 907 will help to achieve that goal.

For these reasons, we strongly urge your YES vote on AB 907 (Ma).

Sincerely,

Gunnar Lundeberg
President/Secretary-Treasurer

PORT OF REDWOOD CITY

Developers have plans to build 12,000 units of housing on the Cargill salt ponds adjacent to the Port of continued on next page
President’s Report continued

Redwood City on San Francisco Bay. The SUP on June 8, sent a letter to the Mayor and the City Council opposing this plan:

City Council, c/o City Clerk
P.O. Box 391, 1017 Midfield Road
Redwood City, CA 94064

RE: Cargill Salt Ponds - Oppose Development
Dear Mayor Ira and Honorable Councilmembers:

On behalf of the Sailors’ Union of the Pacific (SUP), I write to oppose the proposed development of the Cargill salt ponds next to the Port of Redwood City.

For over 126 years, the SUP has fought to protect the interests of merchant mariners on the Pacific Coast and nationwide. These mariners work on some 9,000 vessels that annually transit the San Francisco Bay—many to Redwood City. Protecting the vital ports of the region, by following common-sense zoning and land-use policies that keep housing away from heavy industry, is a critical concern of our members.

The SUP agrees with the statements of the International Longshore and Warehouse Union (ILWU), the Teamsters Local 10, the Port of Redwood City, Seaport Industrial Association, and the half-dozen Seaport Boulevard businesses that have spoken out against this project. There’s a reason why the Port of Redwood City, in their 2008 Strategic Assessment, lists encroaching residential development as the main threat to their operations; the maritime industry and workers’ jobs. And before you know it there are no more good jobs or maritime industrial port.” (ILWU Local 10)

With the ever worsening congestion along freeways, in the West and East Bay, ports are more important than ever. Through short sea shipping (America’s Marine Highway Program endorsed by the U.S. Department of Transportation), goods can be moved over water, keeping trucks off the road and improving the region’s air quality. Redwood City should be encouraging this sort of activity, not discouraging it by putting 12,000 high-end housing units next to the West Coast’s longest jetty. “Local 10 longshoremen have witnessed what happens when maritime industry and housing are mixed. Residents file lawsuits because of the lights, dust and noise (Port of Los Angeles), make it nearly impossible to complete necessary supporting road and infrastructure improvements (Port of Seattle), and ultimately create political pressure that constricts and threatens the operations of the industry and workers’ jobs. And before you know it there are no more good jobs or maritime industrial port.” (ILWU Local 10)

It is necessary, therefore, to protect the Port and this great waterway, for the benefit of the economy and future generations.

Sincerely,
GUNNAR LUNDEBERG
President/Secretary-Treasurer

President/Secretary-Treasurer

HOLIDAY

All Sailors’ Union halls will be closed on Monday, July 4, in observance of Independence Day.

BLOODY THURSDAY

The annual commemoration of Bloody Thursday will be held at ports up and down the West Coast this year on Tuesday, July 5. Details of the observance will be published in the June West Coast Sailors. SUP members on the beach are urged to attend these events which mark a red letter day during the 1934 coastwise maritime strike.

Two SUP brothers were killed in the 1934 strike and its aftermath. Olf Helland was struck by a tear gas bomb on July 20, 1934, in Seattle, during the Battle of Pier 96 and died August 6.

On ships at sea, particularly those owned by Dollar Line (the predecessor of American President Lines), it was a continuous battle to rid the ships of scabs in 1934 and 1935. Union men and scabs fought on the Presidents Grant, Hoover, Hayes, Adams and Coolidge in Hong Kong and Manila. SUP member Bruce Lindberg, aged 20, was killed and killed by the ship’s scab carpenter on the President Grant, in February 1935, in Hong Kong. The murderer, Alvin Chown, was never punished. That same year on July 5, Brother Lindberg’s mother and the 41 and died August 6.

On ships at sea, particularly those owned by Dollar Line (the predecessor of American President Lines), it was a continuous battle to rid the ships of scabs in 1934 and 1935. Union men and scabs fought on the Presidents Grant, Hoover, Hayes, Adams and Coolidge in Hong Kong and Manila. SUP member Bruce Lindberg, aged 20, was killed and killed by the ship’s scab carpenter on the Presidents Grant, in February 1935, in Hong Kong. The murderer, Alvin Chown, was never punished. That same year on July 5, Brother Lindberg’s mother and the 41 and died August 6.

It is necessary, therefore, to protect the Port and this great waterway, for the benefit of the economy and future generations.

Sincerely,
GUNNAR LUNDEBERG
President/Secretary-Treasurer

HOLIDAY

All Sailors’ Union halls will be closed on Monday, July 4, in observance of Independence Day.

BLOODY THURSDAY

The annual commemoration of Bloody Thursday will be held at ports up and down the West Coast this year on Tuesday, July 5. Details of the observance will be published in the June West Coast Sailors. SUP members on the beach are urged to attend these events which mark a red letter day during the 1934 coastwise maritime strike.

Two SUP brothers were killed in the 1934 strike and its aftermath. Olf Helland was struck by a tear gas bomb on July 20, 1934, in Seattle, during the Battle of Pier 96 and died August 6.

On ships at sea, particularly those owned by Dollar Line (the predecessor of American President Lines), it was a continuous battle to rid the ships of scabs in 1934 and 1935. Union men and scabs fought on the Presidents Grant, Hoover, Hayes, Adams and Coolidge in Hong Kong and Manila. SUP member Bruce Lindberg, aged 20, was killed and killed by the ship’s scab carpenter on the Presidents Grant, in February 1935, in Hong Kong. The murderer, Alvin Chown, was never punished. That same year on July 5, Brother Lindberg’s mother and the 41 and died August 6.

On ships at sea, particularly those owned by Dollar Line (the predecessor of American President Lines), it was a continuous battle to rid the ships of scabs in 1934 and 1935. Union men and scabs fought on the Presidents Grant, Hoover, Hayes, Adams and Coolidge in Hong Kong and Manila. SUP member Bruce Lindberg, aged 20, was killed and killed by the ship’s scab carpenter on the Presidents Grant, in February 1935, in Hong Kong. The murderer, Alvin Chown, was never punished. That same year on July 5, Brother Lindberg’s mother and the 41 and died August 6.

It is necessary, therefore, to protect the Port and this great waterway, for the benefit of the economy and future generations.

Sincerely,
GUNNAR LUNDEBERG
President/Secretary-Treasurer

ACTION TAKEN

M/S to concur with APL wage increase to wages and wage-related items. Carried unanimously.

M/S to concur with Matson wage increase to wages and wage-related items. Carried unanimously.

M/S to concur with the balance of the President’s report. Carried unanimously.

Gunnar Lundeberg

Vice President's Report

June 2011

APL China: Josh Entemann, delegate. Shift in Dutch Harbor at 10:00 A.M. to 1:00 P.M.; 10:00 A.M. to 2:00 P.M. at Port of Oakland.

APL Philippines: Dave Sylvstra, delegate. Using the watches at the change of the watch to avoid a callout of the watch below will lead to problems. Because of the 24/7 operations in harsh conditions, ships function best when there is a clear and established routine that allows for smooth replication of standard procedures. “Creation” callouts increase risk.

APL Singapore: Gary McDavidt, delegate. In at Oakland with no problems.

APL Japan: Quentin Brown, delegate. Time back accrues for pirate watches stood between midnight and 0600 only on days of arrival or departure as defined by Sections 36 and 37.

APL Coral: Phil Romei, delegate. Clarification on watchstanding for daymen.

M aunawili: Phil Howell, delegate. Menu variety and provisioning issue still under discussion.

Mokihana: Rich Reed relieved John Savage as delegate. Member left his room in bad shape in Oakland as evident in pictures sent immediately after his departure. Dirty utensils left on the deck. Shower scum still in the half-scrubbed stall. Member is prevented from registration until a fine is paid. Sailors take note: the SUP will not tolerate a decline in our historic dedication to shipboard sanitary conditions.

Oregon Voyager: John M Califfe, delegate. Good discussion on bargaining process and content. Frequent tankcleaning is the new reality in all the Double Eagle-class ships. Paul Seager is the bosun with a good gang. On the romance run to the island.

Cape Henry: Vern Hal, bosun. Visited this newest SUP ship in San Francisco Pier 96. In good shape after intense maintenance period. All agents and members did a fine job in the phantom activation of all RRF and LMSR ships as part of the government test of the Union. The potential crew lists were filled with real and qualified sailors ready to go to work, some of whom were called by the government, and so the readiness of the SUP to support the national security was affirmed once again.

USNS Martin: Jack Forde, delegate. No problems. Ship is anchored off tropical island paradise.

USNS Waters: Eduardo Zepeda. Calls from the delegate indicate that things are running smooth in this hard working ship. A Gent V enrj ohsenserviced the ship before sailing in San Diego.

Thanks to SUP Business Agent Bill Berger for covering the ships and the front office during my vacation.

Dave Connolly

Puerto Rico politicians ask Obama for Jones Act exemption

During President Obama’s trip to Puerto Rico this month, leading politicians of the commonwealth urged him to exempt the island from the Jones Act.

Popular Democratic Party (PDP) Representative Jaime Perrello and former PDP Senator Celeste Benitez both called for Obama to support exemption.

President Obama, a supporter of the Jones Act, did not respond.

July 5 events for Bloody Thursday

Seattle: The annual picnic sponsored by ILWU Locals 19, 52 and 98, will be held at Vasa Park Resort from 10:00 A.M. to 4:00 P.M.

Portland: A memorial wreath ceremony begins at 11:30 A.M. on the banks of the Willamette River followed by a picnic sponsored by ILWU Local 8. A family picnic follows with BBQ, soft drinks and live music provided. Amusement park rides for kids are available for a fee.

San Francisco: At ILWU Local 10, at 400 North Point starting at 10:00 A.M. followed by a complimentary lunch at noon. Family event with lots of activities for kids.

Los Angeles/Long Beach: The annual picnic will be held at Harry Bridges Memorial Park in Long Beach next to the Queen Mary from 10:00 A.M. to 6:00 P.M. The Long Beach Fire Department will BBQ for the third year in a row. Events for kids include a bounce-house and slide, face painting, cotton candy, sno-cones, magicians and more. Live music will run all day plus special dance performances featuring Polynesian, Folkloric, Hip Hop and Croatian dancers.
WASHINGTON, D.C. (Reuters) - Six foreigners have reportedly been jailed for 10-15 years in Somalia for smuggling in money to pay ransoms for hijacked ships.

The six, three Britons, two Kenyans and an American, were arrested last month after their plane landed at Mogadishu airport, the UK’s Guardian newspaper reported. They were carrying $3.6 million in cash that was destined to be used as a ransom payment, an official told the AFP news agency, which reported that the six were detained while waiting for another plane to arrive and take the cash to another destination.

In addition to the jail terms, the foreigners were fined $10,000-15,000 each. The judge in the case said the group would be allowed to appeal, and “if they ask to pay more of a fine, then we shall see and take our decision,” Sky News reported.

### SUP Branch Reports

#### Seattle
May 16, 2011

Shipped a total of 83 jobs—the breakdown is as follows: 4 Bosuns-1 steady, 2 reliefs, 1 return; 2 AB/D aymen-1 steady, 1 watch-10 steady, 2 reliefs, 2 returns; and 63 standbys. Registration: Class A members-37, Class B members-25 and Class C members-14.

### Wilmington
May 16, 2011

Shipped the following jobs during the month of April: 1 Bosun relief, 1 AB Day return, 1 AB Watch steady, 2 AB watch rel; 3 AB Mnt steady and 1 OS steady. The regular jobs were filled by 3 A cards, 5 B cards, and 1 C card. Also shipped 30 standby jobs this month. The standby jobs were filled by 1 A card, 5 B cards, and 5 C cards, and 19 D cards.

### Honolulu
May 16, 2011

Shipped a total of 83 jobs—the breakdown is as follows: 4 Bosuns-1 steady, 2 reliefs, 1 return; 2 AB/D aymen-1 steady, 1 watch-10 steady, 2 reliefs, 2 returns; and 63 standbys. Registration: Class A members-37, Class B members-25 and Class C members-14.

### Foreigners jailed over ransom smuggling

Six foreigners have reportedly been jailed for 10-15 years in Somalia for smuggling in money to pay ransoms for hijacked ships.

The six, three Britons, two Kenyans and an American, were arrested last month after their plane landed at Mogadishu airport, the UK’s Guardian newspaper reported. They were carrying $3.6 million in cash that was destined to be used as a ransom payment, an official told the AFP news agency, which reported that the six were detained while waiting for another plane to arrive and take the cash to another destination.

In addition to the jail terms, the foreigners were fined $10,000-15,000 each. The judge in the case said the group would be allowed to appeal, and “if they ask to pay more of a fine, then we shall see and take our decision,” Sky News reported.