



# West Coast Sailors

Official Organ of the Sailors' Union of the Pacific

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SAN FRANCISCO, CALIFORNIA

Friday, March 23, 2012

## Sailors' Union's 127<sup>th</sup> Anniversary



The Sailors' Union of the Pacific this month observed the 127<sup>th</sup> anniversary of its founding on March 6, 1885, on the old Folsom Street Wharf in San Francisco. On that date, a mass meeting of over 300 striking sailors—responding to a wage cut imposed by the shipowners—determined that collective action and organization were imperative to overcome the rotten wages and conditions aboard ship.

Recognition, respect, improved wages and conditions did not come easy. The SUP fought in the streets in many, often bloody strikes, and in the halls of Congress to achieve those goals. And that struggle continues today.

March, often called The Sailors' Month, also marks the 97<sup>th</sup> anniversary of The Seamen's Act (March 4, 1915) which freed American mariners from indentured servitude and was spearheaded by the SUP and its legendary leader Andrew Furuseth (March 12, 1854). March also marks the birthday of another legendary SUP leader, Harry Lundeberg (March 25, 1901), who laid the foundation for the conditions American mariners now enjoy.

Drawing on its sound heritage as the oldest Union of seafarers in the world in continuous existence, the SUP continues to meet the challenges ahead to protect the interests of the membership and the workers of the world.

## AFL-CIO endorses Obama for a second term

On March 13, the AFL-CIO Executive Council "voted proudly and enthusiastically" to endorse President Barack Obama for a second term.

AFL-CIO President Richard Trumka summarized the organization's decision in the following statement:

"As president, Barack Obama has placed his faith in America's working men and women to lead our country to economic recovery and to our full potential as a nation. With our endorsement today, we affirm our faith in him and pledge to work with him through the election and his second term to restore fairness, security and shared prosperity.

The coming election is about values. President Obama honors the values of hard work, of mutual respect, and of solving problems together—not every person for himself or herself. He believes that together we will get through the most challenging economic crisis in memory and restore opportunity for all. Each of the Republican presidential candidates, on the other hand, has pledged to uphold the special privileges of Wall Street and the 1%—privileges that have produced historic economic inequality and drowned out the voices of working people in America.

President Obama took

America from the brink of a second Great Depression by pressing Congress to pass the American Recovery and Reinvestment Act, which saved or created 3.6 million jobs. He championed

do it faster, we have never doubted his commitment to working families. He has worked hard to create good jobs; he has made the revival of the manufacturing sector a hallmark of his jobs agenda; he has moved aggressively to protect workers' rights, pay and health and safety on the job; he has worked for a fair resolution of the housing crisis and he put his confidence and administration unequivocally behind the workers and companies in the American auto industry—a move that saved hundreds of thousands of jobs and is helping to revive the economy now and for the future.



comprehensive health insurance reform, which—while far from perfect—set the nation on a path toward health security that had eluded our country for nearly 100 years. He insisted upon Wall Street reform—passed over the objection of almost every Republican—that is now beginning to reverse decades of financial deregulation that put our entire economy at risk.

Although the labor movement has sometimes differed with the president and often pushed his administration to do more and

The labor movement is the original social network—a working class social network—and this year the Unions of the AFL-CIO will be mobilizing working people to come together to organize our neighborhoods door to door, powered by cutting-edge technology and old-fashioned energy. We will be running an independent program rooted not in parties or candidates but in helping working people build power, making informed decisions about which candidates at every level to work for based on records and issues."

## Senator Rockefeller rips foreign-flag Carnival for failure to pay taxes

Senator Jay Rockefeller (D-West Virginia) Chairman of the Senate Commerce, Science and Transportation Committee, blasted Carnival Cruise Lines—the owner of the ill-fated *Costa Concordia*—for paying no federal taxes last year and a small fraction of taxes on its \$11.3 billion in profit during the last five years.

Senator Rockefeller at a Committee hearing on March 1, argued that cruiseship companies should pay their share of the burden of 22 federal agencies such as the U.S. Coast Guard

which assist the cruise lines. Over the past five years, Carnival, which is headquartered in Miami but incorporated in Panama, paid 1.1% in federal, state and local taxes. Senator Rockefeller "invited" the company to move to other countries, if they didn't want to pay.

Carnival Cruises is the world's largest cruiseship operator, running 82 ships—all under foreign-flag—under the Princess (formerly P&O), Holland America, Seabourn, Costa and Carnival house flags. The company is owned by Micky

Arison and his family. It should be noted that Arison's father Ted, now deceased, renounced his U.S. citizenship in 1990 to avoid paying U.S. taxes.

In addition to being the owner of the *Costa Concordia*, Carnival through its subsidiary Costa owns the cruiseship *Costa Allegra*, which was towed to a port in the Seychelles earlier this month after being adrift in the Indian Ocean with approximately 1,000 people aboard. The vessel had lost all power after a fire in its engine room.

Senator Rockefeller pressed

Christine Duffy, president of the industry group Cruise Lines International Association, as to whether current tax policy is fair. "Don't think I'm being mean; I'm being fair," Rockefeller said. "You are a world unto yourself."

The Senate hearing was the second on Capitol Hill regarding the *Costa Concordia* disaster. On February 29, John Mica (R-Florida), Chairman of the House Transportation and Infrastructure Committee, announced plans for a round table with the U.S. Coast Guard to develop new safety laws for cruise lines.

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# SUP Honor Roll

Voluntary contributions from the membership to the following funds:

## Organization/ General Fund

<b>Joey Gallo in memory of Gene VanKlinken</b> .....	<b>50.00</b>
<b>Robert Greene</b> .....	<b>100.00</b>
<b>Clinton Gregg</b> .....	<b>100.00</b>
<b>Mark Hargus</b> .....	<b>50.00</b>
<b>Czeslaw Knobbe</b> .....	<b>100.00</b>
<b>Nicholas Marinovich</b> .....	<b>50.00</b>
<b>Victor Mendoza</b> .....	<b>10.00</b>

## Political Fund

<b>Archie Bickford in memory of Mike Novakovich</b> .....	<b>200.00</b>
<b>Brendan Bohannon</b> .....	<b>200.00</b>
<b>Robert Burns</b> .....	<b>10.00</b>
<b>Mikaela Carnes</b> .....	<b>50.00</b>
<b>Kevin Conroy</b> .....	<b>25.00</b>
<b>Diane Ferrari</b> .....	<b>100.00</b>
<b>Dave Garcia</b> .....	<b>30.00</b>
<b>Marvin Glasgow</b> .....	<b>75.00</b>
<b>Val Goncharov</b> .....	<b>10.00</b>
<b>Robert Greene</b> .....	<b>100.00</b>
<b>Mark Hargus</b> .....	<b>50.00</b>
<b>Gunnar Lundeberg</b> .....	<b>50.00</b>
<b>Ramiro Montoya</b> .....	<b>20.00</b>
<b>Dennis Murphy</b> .....	<b>200.00</b>
<b>Napoleon Nazareno</b> .....	<b>10.00</b>
<b>Vince O'Halloran</b> .....	<b>100.00</b>
<b>Mike Orosz</b> .....	<b>30.00</b>
<b>Ricky Pangan</b> .....	<b>50.00</b>
<b>Erik Partika</b> .....	<b>25.00</b>
<b>David Purganan</b> .....	<b>20.00</b>
<b>Teofilo Rojas in memory of Jose Alves</b> .....	<b>50.00</b>
<b>Philip Romei</b> .....	<b>100.00</b>
<b>Greg Schauf</b> .....	<b>25.00</b>
<b>Ralph Senter</b> .....	<b>100.00</b>
<b>Anton Seravaseiyar</b> .....	<b>50.00</b>
<b>Vincent Sullivan</b> .....	<b>75.00</b>
<b>Ken Thueringer</b> .....	<b>200.00</b>
<b>Albert Villacrusis</b> .....	<b>20.00</b>
<b>Eric Weintraub</b> .....	<b>100.00</b>
<b>Wil Williamson</b> .....	<b>200.00</b>

## West Coast Sailors

<b>Brendan Bohannon</b> .....	<b>50.00</b>
<b>Thor Erikson</b> .....	<b>10.00</b>
<b>Marvin Glasgow</b> .....	<b>75.00</b>
<b>Burnett Green</b> .....	<b>30.00</b>
<b>Robert Greene</b> .....	<b>100.00</b>
<b>Wilton Gustafson</b> .....	<b>100.00</b>
<b>John Houlihan</b> .....	<b>25.00</b>
<b>Joseph Meehan</b> .....	<b>25.00</b>
<b>Joseph Muir</b> .....	<b>25.00</b>
<b>Frank Portanier</b> .....	<b>25.00</b>
<b>Arsenio Purganan</b> .....	<b>10.00</b>
<b>William Remoto</b> .....	<b>10.00</b>
<b>John Rescino</b> .....	<b>25.00</b>
<b>Teofilo Rojas in memory of Jose Alves</b> .....	<b>50.00</b>
<b>Stephen Rydberg</b> .....	<b>125.00</b>
<b>Vincent Sullivan</b> .....	<b>75.00</b>
<b>Bruce Thompson in memory of Maxie Korenblatt and Al Wheeler</b> .....	<b>25.00</b>
<b>Bruce Thompson</b> .....	<b>25.00</b>

## Dues-Paying Pensioners

<b>Gordon Abbott</b>	<b>Book #3785</b>
<b>Robert Copeland</b>	<b>Book #4763</b>
<b>Donald Cushing</b>	<b>Book #4777</b>
<b>Romaine Dudley</b>	<b>Book #2593</b>
<b>Knud Jensen</b>	<b>Book #3940</b>
<b>John Jewett</b>	<b>Book #4291</b>
<b>Kaj E. Kristensen</b>	<b>Book #3120</b>
<b>Hannu Kurppa</b>	<b>Book #3162</b>
<b>James K. Larsen</b>	<b>Book #4055</b>
<b>Duane Nash</b>	<b>Book #2437</b>
<b>John Perez</b>	<b>Book #3810</b>
<b>Alex Romo</b>	<b>Book #3193</b>
<b>Francisco Salvatierra</b>	<b>Book #7498</b>
<b>James Savage</b>	<b>Book #7488</b>
<b>Ralph Senter</b>	<b>Book #7323</b>
<b>David Shands</b>	<b>Book #7483</b>
<b>Peter Villanueva</b>	<b>Book #0857</b>

## Final Departures

**Kunio Kondo**, Book No. 3092. Born in Hawai'i in 1926. Joined SUP in 1951. Died in San Francisco, California, February 19, 2012. (Pensioner)

**Max Kirkham**, Book No. 2789. Born in Australia in 1925. Joined SUP in 1946. Died in Laguna Woods, California, February 2, 2012. (Pensioner)

**Norman Parker**, Book No. 3608. Born in Texas in 1928. Joined SUP in 1946. Died in Sun City, Arizona, February 23, 2012. (Pensioner)

## SUP Meetings

These are the dates for the regularly scheduled SUP meetings in 2012:

	<i>Hdq.</i>	<i>Branch</i>
April	9	16
May	14	21
June	Tues. 12	18
July	9	16
August	13	20
September	10	17
October	Tues. 9	15
November	Tues. 13	19
December	10	17

## Timely Reminder

**Second quarter 2012  
dues are due  
and payable now!**

## SUP Constitution 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's 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.**

# Costa Concordia master faces new criminal charges

*Costa Concordia* Master Francesco Schettino is facing new criminal charges and is now accused of abandoning incapacitated passengers and failing to inform the authorities of last month's cruiseship disaster, on top of existing counts of multiple manslaughter and abandoning ship before evacuations were complete.

First Officer **Ciro Ambrosio**, four other officers and three *Costa Cruises* executives are also under investigation, according to reports in the Italian media. The *Costa Cruises* managers have been named as Vice President **Manfred Ursprunger**, Fleet Superintendent **Paolo Parodi** and **Robert Ferrarini**, head of the company's emergency planning unit. Pretrial hearings began on March 3.

# 17,000 workers at United Airlines join Int'l. Association of Machinists

Passenger service and reservation workers at the new United Airlines voted this month to join the International Association of Machinists (IAM). The 17,000 new members represent the passenger service and reservation workers at United who previously were IAM members before the merger with Continental and the Continental workers who had no Union prior to the merger.

IAM also represents 14,800 ramp service and stock and store employees at the new United. With the addition of the passenger service and reservations workers, the IAM now represents more than 31,500 employees at the merged airline.

United had objected to including some 1,000 fleet service workers in the election, but the National Mediation Board ruled those workers should have the right to vote on joining the Union.

# Master and mate plead guilty in New Zealand grounding

The captain and second mate of a containership shipwrecked on a reef near the port of Tauranga on February 29, pleaded guilty to causing New Zealand's worst environmental disaster.

The two now face sentences that include hefty fines and years in jail, Reuters reported. They were charged after the 3,032teu, Liberian-flagged *Rena* grounded about 12 miles from New Zealand's biggest export port on October 5.

*Rena's* captain pleaded guilty to operating a vessel in a dangerous manner, releasing toxic substances and attempting to pervert the course of justice by altering the ship's documents, Maritime New Zealand (MNZ) said in a statement. The second mate had denied one of the lesser charges, but pleaded guilty to the rest and will face trial in May, according to Reuters.

Both are currently out on bail and will be sentenced on May 25, when they can be finally named under New Zealand law, the BBC reported; but the Philippines Department of Foreign Affairs has already identified the captain as **Mauro Balomanga**.

The stern section of the Mediterranean Shipping-chartered *Rena* has fallen off the well-marked Astrolabe Reef, near a New Zealand North Island resort area, and is all but submerged, however, the bow is still wedged upright. Salvage teams continue to remove containers off the *Rena* and collect debris off beaches and the sea floor. Overall, salvage costs are expected to exceed \$100 million.

The ship has spewed about 350 tons of bunker fuel into the sea when it hit the reef, killing thousands of sea birds and fouling beaches up to 62 miles from the wreck.

# TWIC card reader pilot test yields mixed results

The Transportation Security Administration (TSA) has reported that a pilot test of the terminals intended to read the Transportation Worker Identification Credential (TWIC) has yielded mixed results. During the pilot program, terminals were installed at port facilities and on ships. TSA said some card readers worked well, while others did not. The agency found that "an unexpectedly high number of TWIC cards malfunctioned electronically and did not work with the readers." It also concluded that where and how the devices were installed were key factors in the success or failure of each terminal.



## West Coast Sailors

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## STATEMENT OF THE *AD HOC* COALITION IN SUPPORT OF SUSTAINED FUNDING FOR FOOD AID

Submitted for the Hearing Record of the  
Subcommittee on Agriculture, Rural Development,  
FDA, and Related Agencies  
Committee on Appropriations  
U.S. House of Representatives  
March 20, 2012

Mr. Chairman, Members of the Subcommittee, this statement is respectfully submitted on behalf of the *ad hoc* coalition composed of the organizations listed below. The coalition supports sustained funding for our nation's food aid programs, including the P.L. 480 Title II Food for Peace Program, McGovern-Dole International Food for Education, and Food for Progress. We strongly oppose USDA's proposal to divert funding away from Food for Peace.

### FOOD AID'S UNIQUE ROLE

The donation of American commodities as food aid has been the cornerstone of U.S. and global foreign assistance programs since their inception, and the need for food aid today is stronger than ever. According to USDA's Economic Research Service, 12 million metric tons of commodities are needed each year to fill food gaps in the 70 most food insecure countries. Food aid, delivered in bags bearing the U.S. flag marked "From the American People" provides a tangible symbol of our nation's generosity and compassion and builds good will towards the American people.

In recent years, opponents of food aid programs have argued that they are not being administered efficiently, and that we should therefore just transfer these programming funds over to USAID's Emergency Food Security Program (EFSP). Through a variety of reforms, such as prepositioning commodities and application of the Famine Early Warning System, the speed of delivery and accuracy of food aid targeting has been dramatically improved in recent years, leading USAID Administrator Shah to announce last summer that the United States is now the fastest provider of food assistance at times of crisis and emergency. Rather than abandon the demonstrated, life-saving benefits of U.S.-sourced food aid, we should work together across agencies, and across stakeholders, to apply American ingenuity to these programs, and continue to make them the best, most efficient programs they can be while still preserving their unique benefits overseas and here at home.

In contrast to most other foreign assistance programs which just send money overseas, food aid also provides direct economic benefits here at home. U.S. food aid programs not only further our humanitarian and security goals by allowing Americans to share their bounty with the needy, but these programs also provide stable jobs for hundreds of thousands of Americans in our farming, processing, and shipping economic sectors.

### DIVERSION OF FOOD AID FUNDING FOR CASH DONATIONS

The U.S. Department of Agriculture's proposed FY 2013 budget includes a request to divert \$66 million in funding away from Food for Peace, instead adding it to the \$300 million already designated for USAID's EFSP.

Mr. Chairman, we are concerned that this back-door diversion of funding will further weaken the Food for Peace Program, which has suffered extraordinary cuts in recent years. Although the program is authorized at \$2.5 billion, funding has fallen in recent years and the current requested level is only \$1.4 billion. This proposal is a replay of USDA's proposals for FY 2007-2009, which would have given authority to USAID to use Food for Peace funding for the purchase of foreign or "local and regional" commodities at its discretion. The U.S. government and its global partners already have significant cash amounts for local and regional purchases when it is necessary and appropriate. Especially in light of the recent cuts to Title 11, it is our belief that the present funding level of EFSP does not need a further infusion of scarce Title II funds. We respectfully request that this Subcommittee again reject USDA's proposal, and preserve the integrity of the Food for Peace program.

### CONCLUSIONS AND RECOMMENDATIONS

We respectfully recommend that our food aid programs continue to be funded at responsible, sustainable levels. The P.L. 480 Food for Peace Program is the world's most successful foreign assistance program, has saved countless lives, and has provided valuable jobs to the American people, who take pride in their tangible commitment to relieving global hunger. Its straightforward delivery of American food to the hungry fills a clear and immediate need overseas, and its unique architecture has made it a successful program here at home that has endured for over fifty years. Therefore, we respectfully recommend that USDA's request to siphon money away from Food for Peace be denied as it was in prior years.

America Cargo Transport Corp.  
American Maritime Congress  
American Maritime Officers  
American Maritime Officers' Service  
American Soybean Association  
Central Gulf Lines, Inc.  
Hapag-Lloyd USA, LLC  
International Organization of Masters,  
Mates & Pilots  
Liberty Maritime Corporation  
Maersk Line, Ltd.  
Marine Engineers' Beneficial Association  
Maritime Institute for Research and Industrial Development  
National Association of Wheat Growers  
National Corn Growers Association

National Council of Farmer Cooperatives  
National Potato Council  
National Sorghum Producers  
North American Millers' Association  
**Sailors' Union of the Pacific**  
Seafarers International Union  
Sealift, Inc.  
Transportation Institute  
United Maritime Group, LLC  
U.S. Dry Bean Council  
U.S. Wheat Associates, Inc.  
USA Dry Pea & Lentil Council  
USA Maritime  
USA Rice Federation  
Waterman Steamship Corporation

## Banditos rob cruiseship passengers in Puerto Vallarta

Twenty-two passengers on the foreign-flagged *Carnival Splendor* cruiseship out of Long Beach, California, were robbed at gunpoint in Mexico last month as they traveled by bus from a nature hike in the jungle to the Mexican port city of Puerto Vallarta, according to cruiseship officials and Mexican media reports.

Hooded gunmen intercepted the tourists' bus about 5:00 P.M. on February 23, as it returned from the pueblo of El Nogalito, known for its trail through the jungle, according to the Mexican newspapers *El Norte* and *La Jornada*. The gunmen took cameras, money, watches and other valuables before fleeing into the countryside, the papers said.

"Carnival sincerely apologizes for this very unfortunate and disturbing event and is providing its full support and assistance," Miami-based Carnival Cruise Lines said in a prepared statement. No one was injured and guests returned safely to the ship.

The tourists were part of a week-long cruise that left Long Beach on February 19, and returned on February 26, said Carnival Cruise Lines spokesman Vance Gulliksen, who could not provide details of the robbery.

The cruise line has suspended the nature trail tour where the robbery occurred. "Carnival is working with guests to reimburse them for lost valuables and assist with lost passports or other forms of identification," the cruise line said.

The *Carnival Splendor* generally carries more than 3,000 passengers and operates year-round week-long cruises from Long Beach. As of last fall, one cruise line had decided to suspend stops in Puerto Vallarta, a popular port of call, because of the country's ongoing drug war.

## Columbia River Bar Pilot rescued after fall into Pacific

Columbia River Bar Pilot Deborah Dempsey is doing well after falling into the Pacific Ocean in the early morning hours of March 5, while transferring from a Greek-flagged grain ship to the pilot vessel *Chinook*. Dempsey fell into the water at about 1:41 A.M. while disembarking the *Navios Ionian*. "She went into the water and was rescued almost immediately," said Captain Gary Lewin of the Columbia River Bar Pilots, who underlined the fact that pilot boat crews are well trained in open-water rescues.

Typically, ships are brought down the Columbia River from Portland or Kalama by a river pilot until the ships reach Astoria. At that point, it's another 12 or 13 miles to the Columbia Bar, which is considered the most treacherous bar crossing in the world. "Deb had completed her job and the ship was going on with its load of grain and in process, she ended up in the water," Lewin told John Killen of *The Oregonian*. Dempsey was wearing a float suit with automatic strobe lights and a radio signal that begins transmitting when it hits the water.

Captain Dempsey, a member of the Masters, Mates & Pilots, has been with the bar pilots for nearly 20 years. Before that, she was among the first women to graduate from a U.S. maritime academy, earn an unlimited tonnage master's license and command a merchant ship in international waters.

Piloting is a dangerous and sometimes fatal job. On January 9, 2006, Columbia River Bar Pilot Kevin Murray fell into the Pacific while attempting to transfer from a ship to a pilot boat during rough weather. His body was found washed up on a beach 75 miles north of the river's mouth.

## Ransom ban threatens seafarers' lives

Moves to ban paying ransoms to Somali pirates will condemn seafarers to death, a British/Dutch seafarer Union has warned in a letter to Prime Minister David Cameron. Nautilus International, which represented officers, spoke out after a recent London Conference on Somalia, at which the Prime Minister announced plans to create an international task force to find ways to limit or eliminate such payments. U.S. Secretary of State Hillary Clinton has also called for ransom payments to end. Opponents argue that caving in to pirate demands for cash only makes matters worse, encouraging further hijacks.

Nautilus General Secretary Mark Dickinson told Cameron: "We are deeply worried that there appears to be an emerging and concerted international political move to prevent such payments... being made." British government ministers appear to have accepted that, in most cases, negotiations on ransom payments take place between pirates and the shipping company affected, and not necessarily the countries of origin of the hostages or the flag state of the ship, he pointed out.

However, the British government has issued repeated statements that it will not make substantive concessions to hostage-takers and will dissuade or prevent ship-owners paying to secure the release of hijacked ships and their crew. This could jeopardize the safety of seafarers held captive, Nautilus said.

"We believe pirates will carry through threats to kill and/or cause environmental damage if they are not paid, a concern that would appear to be justified in the wake of the escalation of violent attacks in recent months," Dickinson said. "Any attempted prohibition of [ransom] payments will surely send seafarers to their deaths." Nautilus does not condone the payment of ransoms, but says it supports shipowners' right to do whatever they think is necessary to ensure the safe return of seafarers to their families.



Bosun Bill Wood and SUP Delegate Arsenio Purganan in the conference room of the President Truman, in New York on March 13, discussed contractual issues with the agent during a break between stores pallets.

## Dark clouds hang over East Coast longshore bargaining

Shippers could divert cargo from U.S. Gulf and East Coast ports to Pacific ports rather than risk being caught up in industrial action during forthcoming negotiations on a new labor contract.

Concern about the likelihood of disruption rose this month after a fiery speech from International Longshoremen's Association (ILA) president Harold Daggett who made it clear that any one of the four key major items on the negotiating table was a potential strike issue.

While other senior ILA officers pointed out that there had been no strikes for 35 years and that there was every reason to hope negotiations with the United States Maritime Alliance would reach a satisfactory outcome, the uncompromising stand taken by Daggett nevertheless left transport managers fearing the worst.

Negotiations on a new labor contract, which will start in Tampa this month, are expected to be followed closely by the International Longshore and Warehouse Union which represents longshore workers in the West Coast and whose current contract continues through until 2014. However, West Coast labor relations have been relatively cordial in recent years. Peter Payton, President of ILWU Local 63, promised Los Angeles and Long Beach terminal operators and shippers that "we will help companies and retailers make sure that this is the place where they want to do business". Relations are less rosy on the other side of the country where the ILA has been provoked by a \$7 million compensation claim brought by the New York Shipping Association over a two-day stoppage that disrupted the port in 2010.

U.S. Maritime Alliance Chief Executive James Capo, who will lead negotiations on behalf of the employers, said he was "hopeful, even confident" that an agreement could be reached without any disruption to port operations. He nevertheless acknowledged that a number of

challenges had to be resolved, including the application of new technologies.

But Daggett appeared to leave little room for compromise on the issues he regards as central to the contract negotiations; jurisdiction, chassis, container weights and automation. Addressing the TransPacific Maritime conference in Long Beach, the ILA president spoke of the "dark clouds that hang over the ILA", and in particular the lawsuit. "When you are in a fight for your lives you tend to clench your fists and prepare to defend yourself," he said. "That's where we are today. We will not be bullied. There is nothing I would rather report than that the ILA and U.S. maritime Alliance are partners and see no problems ahead as we face the end of our current contract on September 30. This lawsuit expands the wedge between our two sides that could adversely affect any hope of harmony in the negotiations."

Daggett refused to rule out strikes but hinted that they could be selective, with big companies singled out for industrial action and smaller lines spared. He warned ocean carriers not to use the issue of poor financial results to negotiate with the Union, saying that labor could not be blamed for their losses when it was the lines that had ordered too many ships, which then drove down freight rates. And the fact that they had resumed ordering suggested lines expected the market to pick up. He described port automation as "a disaster for organized labor" and singled out Maersk for selling its chassis business to a private equity firm, with the potential loss of ILA jobs.

Daggett will also seek an immediate crackdown on overweight containers that pose a threat to port safety, after 12 ILA members died last year in cargo-related accidents. "It is criminal that overweight containers that jeopardize the lives of anyone traveling our nation's highways are allowed to leave our terminals," he said.

## Ultra-large container ship calls ports of Long Beach and Oakland

The *MSC Fabiola*, a 158,000 gross ton container ship capable of carrying 12,500 TEUs, called Long Beach and Oakland this month, making her the largest box ship to call the United States. The Liberian-flagged, Italian-owned vessel of the Mediterranean Shipping Company is 1,201 feet in length with a beam of 157.5 feet.

The *Fabiola*, which previously operated in the Asia-Europe trades, entered TransPacific service with this voyage. She is the first of what is expected to be a number of larger container ships to be deployed in the West Coast-Asia trades. The largest container ships in the trade have had capacities of 8,000 TEUs.

# Automation coming to L.A. waterfront

Automation is coming to the U.S. West Coast, with a terminal in the Port of Los Angeles about to make a technological breakthrough.

TraPac, which handles New World Alliance members APL, MOL and Hyundai Merchant Marine, is preparing to install automated straddle carriers later this year. TraPac will be the first automated yard on the West Coast, according to Port of Los Angeles Executive Director Geraldine Knatz.

Los Angeles, the country's largest container port, is investing in infrastructure and operational improvements to keep its terminals globally competitive as the U.S. shipping industry prepares for the arrival of much bigger ships in the Pacific and the opening of the larger Panama Canal locks.

In the past, the industry would have viewed with trepidation the prospects for a wider canal that allows bigger boxships to sail from Asia directly to the U.S. East Coast via Panama. Now, this is not the case. "I love this whole canal project," Dr. Knatz said. Instead, the threat of cargo diversion has united the port authority, terminal operators and, crucially, the workforce. Employers and labor are now working as partners to improve efficiency and ensure that both Los Angeles and neighboring Long Beach serve the needs of customers. "The relationship is at the highest point for years," said Joe Cortez, President of ILWU Local 13, which represents more than 7,000 longshore workers in LA and Long Beach.

The introduction of new cargo handling process including robotics is not as controversial on the West Coast as it is on the East Coast of the country where

Harold Daggett, President of the International Longshoremen's Association, has already fired opening shots ahead of contract negotiations that start later this month. In a heated debate this month at the *Journal of Commerce* TransPacific Maritime Conference in Long Beach, Daggett warned that automation, left unchecked, would be "a disaster for organized labor" and a potential cause of industrial conflict.

The situation is far less sensitive on the Pacific Coast, where new technologies were written into the 2002 labor agreement. "The ILWU contract has technology in it, and the ILA's doesn't, so they are where we were 10 years ago," said Dr. Knatz. "We have already crossed that hurdle."

Cortez says that the Union is not going to stand in the way of technology. "Automation is not something that scares us, as long as employers take us along with them," he said. Nevertheless, the situation is not entirely straightforward. Under the ILWU agreement, any new systems that cut out traditional longshore jobs must be offset by awarding repair and maintenance work associated with the new equipment to ILWU members.

Union leaders say employers do not always keep their side of the bargain, resulting in frequent arbitration proceedings to settle disputes. And so the ILWU is braced for further cases when TraPac launches new container handling operations similar to those in the APM Terminals-built Virginia facility and the systems installed in Rotterdam and Hamburg. In 2014, about two-thirds of TraPac will be automated and a third will retain traditional practices.

## Thousands of cattle die on stranded ship

The animal rights group Compassion in World Farming, on March 13, called for urgent action after thousands of cattle died aboard a livestock carrier in the Red Sea. Compassion said 2,750 cattle had already died on the converted former ro-ro cargo vessel *Gracia Del Mar*. The 12,299dwt vessel's ventilation system broke down after one of its engines failed.

The vessel was heading for Ain Sohknah in Egypt with the cattle from Brazil, but the port's authorities refused to let it dock because of its cattle carcasses. Other Egyptian ports have also refused *Gracia Del Mar* entry, said Compassion, which added: "The situation is worsening with every hour that passes, and reports suggest conditions on board are desperate."

Animal Australia meantime said in a statement: "This is nothing short of an animal welfare disaster. If remaining cattle are not off-loaded, more of these animals will suffer appalling deaths at sea. We are appealing to authorities in Egypt to off-load the remaining cattle at Ain Sohknah, as was originally intended."

The ship is managed, operated and owned by Marshall Islands-listed Camel Shipping and is flagged in Panama. *Gracia Del Mar* was converted into a livestock carrier by the present owners after it was sold by Spanish shipowner Contenemar in 2009.

## Passenger gets the slammer for dropping the anchor

In 2010, a California man made national headlines for releasing the anchor of a moving cruiseship. He has just recently been sentenced to two to four months in a federal prison for the crime.

Rick Ehlert is also facing an additional two months of home confinement, followed by three years of probation. His sentence also includes a \$7,500 fine and substance abuse/mental health counseling.

In August 2011, he pleaded guilty to one count of attempting to damage a maritime facility. He allegedly broke into a control room and deployed the ship's anchor onboard Holland America's

*Ryndam* in a drunken stupor.

The *Ryndam* was traveling from Mexico's Costa Maya to Tampa at the time of the incident, which took place on November 27, 2010. A surveillance video show Ehlert entering a restricted area and dropping the 18-ton stern anchor. Investigators say the Holland America ship avoided damage because the anchor didn't hit the sea floor, although the ship was delayed by three hours. On March 6, U.S. District Judge Steven Merryday called Ehlert's actions a "bothersome crime" according to a *USA Today* report.

# AFL-CIO: Fixing what's wrong with our economy

**The economic policies that led to the financial crash of 2008 and the subsequent Great Recession should have been permanently discredited by their epic failure. Instead, the Republican presidential candidates are now resurrecting the same failed policies and pretending the crash never happened, according to the following AFL-CIO report:**

America cannot afford to go down this path again. If we want to fix what is wrong with our economy, we have to learn from our mistakes and avoid repeating them.

The crash of 2008 and the Great Recession were inevitable consequences of three decades of economic policies designed by and for Wall Street and the wealthiest Americans. At the heart of the problem was the hollowing out of American manufacturing, the growing dysfunction of our financial sector and a rapid increase in economic inequality, all of which crippled the growth engine of the U.S. economy.

Starting in the 1980s, corporate America decided to boost profits by shipping U.S. jobs overseas. NAFTA and the admission of China into the World Trade Organization (WTO) accelerated the drive to relocate production to "export platforms" in foreign countries that would ship goods back to the U.S. market. Corporations that sent jobs overseas became forceful proponents of a "strong" (overvalued) dollar, which enhanced the profitability of their overseas operations but at the same time made much of the U.S. manufacturing sector uncompetitive and led to perennial U.S. trade deficits.

Also by the 1980s, the U.S. financial sector was failing to perform its essential function of channeling savings to productive investment in the real economy. Financial firms on Wall Street focused instead on making a quick buck by stripping assets from existing businesses and downsizing their workforces, and on various forms of complex financial engineering that had little economic value. Financial firms also provided critical support for a "strong dollar" policy that diverted productive investment away from the U.S. manufacturing sector toward overseas operations. By the eve of the crash of 2008, the manufacturing sector had shrunk to half its 1960 size, while the financial sector had doubled in size and accounted for 40% of corporate profits.

The de-industrialization of America and the substitution of speculation for productive investment were not accidents, they were not inevitable, and they were not the outcome of natural forces. They were the predictable results of mistaken policy choices made by politicians of both parties for more than a generation. These policy choices had victims with first and last names: millions of displaced workers, shuttered factories and hollowed-out communities across the country hobbled by shrinking tax bases that no longer could support vital public services.

Both de-industrialization and the dysfunction of finance contributed to a remarkable rise in economic inequality starting in the late 1970s. Trade deficits and offshoring wiped out millions of well-paying, middle-class jobs, and the threat of offshoring held down wages for all workers. But a long list of other deliberate policy choices also played key roles in the rise of inequality. These included the abandonment of full employment in favor of fighting inflation, the prolonged attack on workers' right to organize and bargain collectively with their employ-

ers, the erosion of the minimum wage and other labor protections and massive tax cuts for the wealthy. In the end, nearly two-thirds of the pre-tax income gains after 1979 were captured by the richest 10% and more than half was captured by the richest 1%.

**The experience of the past 30 years shows that rising inequality is bad not only for workers, but also for the economy as a whole. Less affluent households tend to spend more of their income, generating more economic activity, while more affluent households tend to consume less. Wage stagnation undermines political support for the levels of taxation necessary to support public investment in things like roads and schools, which underpins future economic productivity. And high levels of inequality are associated with political decision-making that leads to slower growth. In short, the upward redistribution of income throws sand in the gears of the economy.**

The combination of all these policy mistakes caused the growth engine of the U.S. economy to sputter. Starting in the early 1980s, the economy's average annual growth rate slowed considerably in comparison with the postwar period. The expansion of the Bush years was the weakest since World War II in terms of output growth, investment growth, employment growth and wage growth. In fact, the Bush expansion was the first since World War II in which real income for the typical middle-class family actually declined. There was clearly something wrong with the U.S. economy long before the crash.

The weakness of the economy was temporarily papered over by a bubble in real estate prices at the turn of the 21st century, which was made possible by the deregulation of Wall Street. Instead of broad-based, sustainable growth fueled by rising wages and investment, the U.S. economy was artificially inflated by complex financial engineering that made credit more easily available and exposed the entire economy to enormous risk. The bubble allowed working families to maintain their standard of living, despite stagnant wages, by borrowing against the value of their homes and going deeper into debt. But of course households could not keep increasing their debt loads forever. When the real estate bubble finally burst, the house of cards came crashing down and working people were once again forced to pay for the sins of Wall Street with their homes, their dreams and their children's futures.

We are still digging our way out from the rubble of the crash. It typically takes years to repair the damage from the collapse of speculative asset bubbles. When the U.S. real estate bubble burst, households lost more than \$10 trillion in wealth from the plunge in housing and stock prices, and they were heavily indebted to begin with. Even today, households are still digging their way out of debt, and it may take years for them to see daylight. This helps explain why progress toward closing our jobs deficit has been so difficult, and why the economic recovery is still so fragile. Another drag on the recovery has been the loss of

765,000 jobs at the state and local levels between 2007 and 2011, more than in any modern downturn.

The Republican presidential candidates not only failed to learn anything from Wall Street's mistakes, they now want to double down on more of the same. They propose to deregulate the financial sector yet again, pass more trade agreements that encourage the offshoring of U.S. jobs, suppress wages by intensifying the assault on unions, prioritize inflation-fighting over full employment and perpetuate overvaluation of the dollar and the U.S. trade deficit. We already tried this approach, and it already failed spectacularly.

The Republican candidates pretend that tax cuts for corporations and the wealthy are the answer to wage stagnation and the economic crisis, but the Bush years taught us that these obscenely wasteful tax cuts only make the problem worse. They are the equivalent of eating our seed corn, because they starve the kind of public investment in education, infrastructure and innovation that is indispensable for long-term economic growth.

President Obama has shown that he understands the problem. He has said clearly that "we are not going back to an economy that's all about outsourcing and bad debt and phony profits," we cannot return to a "bubble and bust" economy propped up by "fleeting bubbles and rampant speculation," and we "must make sure such a crisis never happens again." He has called for rebuilding an economy "built to last" through a sustained program of public investment in infrastructure, education and innovation. He has called economic inequality the "defining issue of our time" and sounded the alarm at the decline of the American middle class over the past 30 years. He has opened a national conversation about encouraging businesses to bring jobs back to the U.S. instead of shipping jobs overseas. He has acknowledged that America can no longer "serve as the consumer engine for the entire world," and called on trading partners that run trade surpluses every year to rebalance their economies by consuming more of what they produce.

**What we need now is an economic program as serious and far-reaching as the problem President Obama has correctly diagnosed. We must start by shifting the focus of U.S. economic policy from one of maximizing the competitiveness and profitability of corporations that happen to maintain headquarters somewhere on U.S. territory to one of maximizing the competitiveness and prosperity of the human beings who live and work in America.**

**First**, if we want to be competitive with Germany and China in the 21st century, we will need trillions of dollars in productive public investment over the next 10 years in affordable education and apprenticeship programs for young people, who have suffered greater income loss than any other demographic; infrastructure; energy; manufacturing; transportation; skills training and upgrades; and new technologies; all of which have been starved by successive rounds of tax cuts for the wealthy and inaction on long-term federal investment initiatives. Wall Street and the wealthiest Americans, who have benefitted most from the economic policies of the past 30 years, will have to start paying their fair share. We need to pass a financial speculation tax, let the Bush tax cuts for the wealthy expire, tax capital gains at the same rate as ordinary

income and establish a minimum effective tax rate of 30% for households earning more than \$1 million.

**Second**, to encourage domestic investment and lay a stronger and more stable foundation for long-term growth, it is essential that we tackle the problems of wage stagnation and economic inequality. This will require reforming our labor laws so that all workers who want to form a union and bargain collectively have a fair opportunity to do so, making full employment the highest priority of our economic policy, increasing and indexing the minimum wage, shrinking the trade deficit and, again, eliminating incentives for offshoring.

**Third**, we need to start making things in America again. We cannot hope to revive U.S. manufacturing without bringing our trade deficit under control, which means ending the overvaluation of the U.S. dollar and combating currency manipulation by our trading partners. We will also need to enhance Buy America safeguards, aggressively enforce our trade laws and end incentives for offshoring in the tax code and in our trade agreements.

**Fourth**, we need to shrink our bloated financial sector and make it serve the real economy once again. We can no longer afford a financial sector that squanders scarce resources on unproductive gambling and exposes the entire economy to the intolerable risk of speculative bubbles. This means re-regulating Wall Street, eliminating tax advantages for leveraged buyouts and finding other ways to favor strategic investment over short-term speculation.

**Fifth**, if we expect other countries to stop relying on trade surpluses as their source of growth, we will have to make it easier for them to rely on domestic incomes as their source of growth. This will require a global New Deal that establishes minimum standards for the global economy, prevents a race to the bottom, creates vibrant consumer markets in the global South and in the process creates new markets for advanced U.S. manufacturing.

We also have unfinished business in digging out from the rubble of the crash. America wants to work, and decisive action to close our jobs deficit must not be delayed any further. An immediate multi-year program of public investment in infrastructure and clean energy would draw in business investment and buy time while households dig their way out of debt. To stop the foreclosure epidemic and stabilize housing prices, broad-based reductions in mortgage principal will also be needed. The U.S. economy cannot recover until the housing market—the single largest market in the country—is healthy again, and the banks must be held accountable for their contribution to the crisis.

**One thing is clear: We can no longer rely on household debt, real estate bubbles, tech bubbles, stock bubbles or any other kind of bubbles to fuel our economic growth. We cannot go back to a low-wage, high-consumption economy. We need bold leadership to draw the right lessons from the mistakes of the past 30 years and forge a new model of economic growth in which we make things in America again, workers can form a union and bargain collectively if they want to, working people can afford to buy the things they make, the U.S. economy produces as much as it consumes, everybody who wants to work can find a good job and prosperity is broadly shared.**

# Somali piracy costs world economy billions in blood and treasure

The economic cost of Somali piracy last year came to \$6.6 billion-\$6.9 billion, with about 80% of the bill falling on the shipping industry, according to research compiled by a

U.S. non-governmental organization published on February 8.

Such vast expense stands in sharp contrast to the total expenditure of just \$38 million devoted to prosecutions, impris-

onment and the building of regional and Somali capacity to tackle the menace, the One Earth Future Foundation point out in the report entitled "The Economic Cost of Somali Piracy 2011".

Average ransoms increased by 25% from approximately \$4 million in 2010 to \$5 million in 2011. Although the total cost of ransoms hit \$160 million in 2011, that still represents 2% of the overall impact. The total represents a decline on the widely-publicized estimate published by the same organization last year, which was put somewhere in a wide band of \$7 billion-\$12 billion. The 2011 figure has benefited from extensive feedback from the industry, and is likely to be more accurate, thus suggesting that the tally for last year may have been an over-estimate.

Anna Bowden, the author of the report, said that the report was based on an assessment of different direct cost factors related to Somali piracy, arrived at with substantial cooperation from stakeholders. Once costs were broken down, it emerged that the largest outlay, some \$2.7 billion, was incurred by operators increasing speed and thus fuel consumption when transiting high-risk areas.

This is followed by the expenditure of \$1.3 billion on military operations and \$1.1 billion on security equipment and armed guards. Insurance costs are put at \$635 million, with anywhere around \$486 million-\$680 million spent on re-routing vessels along the western coast of India. Then there is the \$195 million extra cost accounted for by Filipino government stipulations that double pay is due to seafarers either transiting the area or being held hostage, and \$21 million went on anti-piracy organizations, including the Contact Group of Piracy Off the Coast of Somalia.

Bowden points out that most of the money is made up of recurring costs associated with the protection of vessels, which must be repeated each year. She also emphasized that while ransoms provide the underlying incentive for Somali pirates to attack vessels and hold hostages, they represent a disproportionately small cost compared to the vast sums spent on thwarting such outrages.

"The human cost of piracy cannot be defined in economic terms," Bowden added. "We do note with great concern that there were a significant number of piracy-related deaths, hostages taken and seafarers subject to traumatic armed attacks, in 2011. This happened in spite of the success of armed guards and military action in the later part of the year."

The updated report was welcomed by Pottengal Mukundan, director of industry anti-piracy watchdog the International Maritime Bureau, who said that it would help the industry make the case for governments to pay more attention to the issue. Captain Mukundan said: "It is a very useful thing for someone to try to put an economic cost on piracy. It is a difficult task because there are so many variables, and it is good that someone is making the effort and doing so year-on-year, so we can see what the trends are."

## A mariner's guide to waves

The following article was written by Fred Pickhardt, a professional marine meteorologist and owner of Ocean Weather Services. Ocean Weather Services provides professional marine meteorological research reports to admiralty law firms and insurance underwriters, Ocean weather forecasts and ship routing services.

There are five types of ocean waves: 1) Wind generated; 2) Tides; 3) Seiches; 4) Tsunamis; and 5) Pressure induced.

### 1. Wind-Generated

Wind-generated waves are the most common waves found on the ocean and are the result from stress on the water surface caused by the wind. The smallest of these are capillary waves which can be quickly brought back to equilibrium solely by the cohesion of the individual water molecules. Most wind-generated waves, however, are referred to as gravity waves since it is gravity that acts to restore them to equilibrium. Wind driven waves are the waves that have the greatest impact on ships.

### 2. Tides

Tides are the rise and fall of sea level caused by the gravitational attractions of the moon and sun and by the centrifugal force of the spinning earth.

When the solar and lunar gravitational forces are in line they combine to create the highest of the high tides and lowest of the low tides which are referred to as "spring tides." When the forces are perpendicular to each other, the forces are pulling the water in different directions so the difference between high and low tides are minimized and is referred to as a "neap tide".

### 3. Seiches

A seiche is the sloshing of water back and forth in lakes and other large bodies of waters. Seiches can be caused by a disturbance such as an earthquake or landslide, changes in air pressure, or changes in the wind. The most common cause of seiches are persistent strong winds blowing along the long axis of large water body causing a rise in the water level at the downwind side and a lowering of the water level at the upwind end.

When the wind abates, the water is released as a seiche wave. Flooding and erosion can occur at one end of the lake, while at the other end the decreased water depth can cause hazards to ship navigation.

### 4. Tsunami

Recent events in Japan have focused our attention on tsunamis. Tsunamis are long-period waves generated by under-sea earthquakes, volcanic eruptions and landslides. In the open deep oceans a tsunami will have extremely long wavelengths with small amplitudes and might go unnoticed by ships. Tsunami waves travel at very high speeds, often at hundreds of miles per hour through deep water but as the tsunami waves reach shallow water near the coast, they begin to slow down while gradually growing

steeper, due to the decreasing water depth and can grow to tens of meters or more as they reach the shoreline. The effects can be further amplified where a bay, harbor, or lagoon funnels the waves as they move inland and well document during Japan's recent event. Another potential cause of a tsunami is an asteroid impact in the deep ocean which could produce a tsunami waves of over 330 feet.

### 5. Pressure Induced

The 5th but less significant type of wave develops as air pressure perturbations move over the water surface. The sea surface height rises or falls slightly as the atmospheric pressure changes. Low air pressure within a strong storm can elevate the ocean's surface up to 0.5m (1.6 feet), creating an atmospherically forced pressure wave beneath the storm.

### Wave Definitions

A wave crest is the highest point in the wave and a wave trough is the lowest

point in the wave. Swells characteristically exhibit smoother, more regular and uniform crests and a longer period than wind waves.

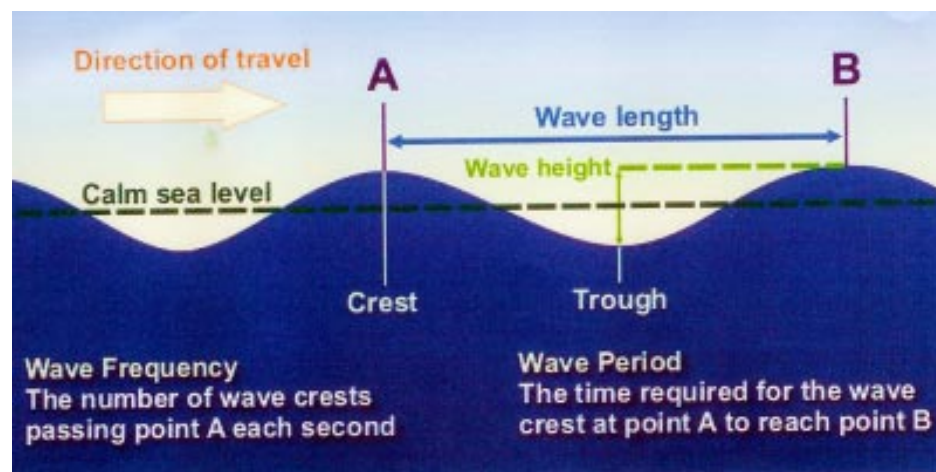
### Wave Energy

Wave energy increases by a factor of four as the wave height doubles so a 10-foot wave is four times more powerful than a 5-foot wave.

The significant wave height (Hs) is the mean height of the highest one third of the waves passing a point. This is of interest as this wave height correlates best with the wave height a trained observer reports after examining a group of wave heights from a ship or platform. The averaged periods of the waves used to compute significant wave height is known as the significant wave period.

### Statistical distribution of wave heights

Ocean Swell is defined as any wave that has moved out of its wind genera-



point in the wave.

Wave height (H) is the vertical distance between the wave crest and the wave trough.

Wavelength (L) is the distance from one crest to the next crest or from one trough to the next trough.

Wave period (T) is the time it takes successive wave crests or successive wave troughs to pass a fixed point. In the real world, the wave period is actually a spectrum of periods scattered about a mean wave period.

Wave steepness (S) is defined as wave height divided by wavelength ( $S = H/L$ ). Therefore, the same wave height will result in high steepness if the wavelength becomes smaller. A small height divided by a large length will produce a low steepness. When the wave steepness exceeds about 1/7 the wave will begin to break or "white cap."

Wave speed (C) is the speed an individual wave moves through water. If the wave period (T) and wave length (L) are known, then the wave speed (C) can be determined by  $C = L/T$

### Other Wave Facts:

#### Deep Water or Shallow Water

A wave is considered to be a deep water wave as long as water depth exceeds 1/2 the wavelength. A wave is considered to

be a shallow water wave as long as water depth is less than 1/20 the wavelength. The area between deep and shallow water is transition zone.

Combined Seas describes the combination or interaction of wind waves and swells in which the separate components are not distinguished. Combined Seas (CS) is the square root of the square of swell plus the square of wind waves: The National Weather Service considers the combined seas as being the same as significant wave height.

### Rogue waves

Rogue waves (sometimes called freak waves) are simply unusually large waves appearing in a set of smaller waves. A rogue wave will have a height of at least twice the size of surrounding waves, often come from a direction different than the prevailing waves, and they are unpredictable. Most reports of extreme storm waves say they look like "walls of water," and are seen as steep-sided with unusually deep troughs. The *USS Ramapo* reported one such wave with a height of 112 feet in the Pacific in 1933. Another report of a freak wave occurred when one struck the *Queen Mary* amidships, south of Newfoundland, at the end of World War II, rolling her to within a degree or two of capsizing.

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## ESU Office Assignments

For the month of April,  
John Straley will be in the  
Seabrook office.

# ESU NEWS

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## Application for Steward's Department (F.H.) MMC

This is an important reminder for members that are renewing their MMD credentials, especially in the Stewards Department but also those that want to have the FH endorsement on their MMD.

The requirement is that mariners applying for a Steward's Department Food Handler rating provide a statement from a licensed physician, physician assistant or nurse practitioner attesting that they are free of communicable diseases. In order to minimize the need for additional information, the USCG bulletin clarifies the application process for steward's department ratings as follows:

Applications received that specifically request Steward's Department (F.H.) will be required to have a statement attesting that the applicant is free of communicable diseases in accordance with 46 CFR 10.215(d)(2).

Applications received for Steward's Department (F.H.) that do not have this statement will be considered incomplete and will be held at the cognizant Regional Examination Center for a period not to exceed 60 days to afford the mariner applicant time to acquire the required statement. After 60 days, if no statement is received, the application package, in its entirety, will be returned to the applicant.

Applications received for any/all entry level ratings that contain the statement required by 46 CFR 10.215(d)(2) will be processed as a request for Steward's Department (F.H.).

Applications that do not specifically request food handler, and do not have the statement required by 46 CFR 10.215(d)(2), will be processed and an appropriate credential will be issued without the food handler endorsement (e.g. Ordinary Seaman, Wiper, Steward's Department).

If you are applying for entry level ratings and wish to have food handler included on your MMC be sure to apply for Ordinary Seaman, Wiper, Steward's Department (F. H.) and be sure to include the statement from your physician attesting that you are free of communicable diseases. This statement can be written on the CG Form 719K, CG Form 719K/E or provided separately. The Coast Guard is considering adding the statement to the next revision of both forms.

If you have questions regarding this clarification, you should contact the Mariner Information Call Center at 1-888-IASKNMC.

## Mileage reimbursement rate for 2012

As of January 1, 2012, the optional standard mileage rate for all miles of use for business purposes remains at 55.5 cents per mile. Reimbursements made using this rate will satisfy IRS accounting requirements and will not be included in the employee's W-2 income or subject to tax withholding.

Mileage reimbursement is intended to cover normal vehicle operation costs including: gas, oil, repairs, tires, registration fees, licenses, depreciation, lease payments, and insurance. Road tolls and parking fees are not included in the standard mileage reimbursement but are reimbursable when incurred during business travel and submitted with receipts.

Under the current Collective Bargaining Agreement unlicensed employees are permitted to use an automobile for business travel and receive reimbursement from the company. Current contract language states in part, *"When an employee uses an automobile as transportation from his/her home to a vessel, to/from a training program, or to/from a meeting, or for other reasons approved by the COMPANY, the employee shall be paid for the actual miles driven for a reasonably direct route at the mileage rate then current for the COMPANY. Actual miles driven shall include round trip mileage when an employee is driven by another person who returns to the employee's home. The COMPANY will also reimburse any tolls actually paid for the trip. In no case will the total payment be greater than the cost of the prevailing coach class airfare as described herein plus ground transportation allowances provided when traveling by air."*

## Ship reports

### S/R American Progress

Vessel continues to trade between Valdez and refineries in the Puget Sound area. AB Larry Miles has been filling in as Ship Rep. and doing a good job. Board Member at Large, John McCarthy departed for paid leave. Vessel continues to make preparations for the upcoming shipyard period within the next few months but no final word yet where this will take place.

### Kodiak

The vessel continues with regular runs to the SF Bay area for discharge of cargo at Chevron Richmond. Marvin Marcum is filling in as Temporary Ship Rep. and reports all is well. Regular Ship Rep. Joe Butler should be returning to duty soon from sick leave.

### Sierra

Regular Ship Rep. Thor Floreen aboard and reports no problems. The *Sierra* last port call was the Puget Sound for cargo discharge and minor repairs in Port Angeles. It looks like the vessel will continue the same run for the next few weeks.

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

## Milestone reached at Aker Philadelphia Shipyard

An important milestone was reached the week of March 12, in Philadelphia at the Akers Shipyard where the first steel plate was cut for the SeaRiver New Builds Project. SeaRiver President, Jack Buono along with recently retired President Will Jenkins witnessed the ceremony.

The following press release was posted by the shipyard: Aker Philadelphia Shipyard, Inc. (APSI), the sole operating subsidiary of Aker Philadelphia Shipyard ASA (Oslo: AKPS), began production activities on the first of two Aframax tankers that it will build for SeaRiver Maritime, Inc. (SeaRiver), Exxon Mobil Corporation's U.S. marine affiliate. When completed in 2014, the vessels will be 820 feet long and be capable of carrying 115,000 tons of crude oil.

Since the shipbuilding contract was signed in September 2011, engineering, planning, and procurement work have been underway. After a small ceremony in the shipyard's Fabrication Shop, the cutting of the steel plates began. These plates will become part of the double hull of the tanker that protects the cargo tanks.

Kristian Rokke, President and CEO of APSI said, "We are excited to undertake this project which is an important demonstration of the power of American manufacturing. Today we used the shipyard's brand new plasma cutting machine, which was manufactured in Wisconsin, to cut steel plate that was rolled right here in Pennsylvania. Thousands of welding and fabrication hours will be spent in Philadelphia making this plate, and many more like it, into a quality vessel to move Alaskan oil."

SeaRiver President Jack Buono commented, "This project, which is known as the Liberty Class, represents our ongoing commitment to safe and reliable marine transportation. The robust design incorporates important technologies to meet some of the most demanding marine conditions in the world."

This step in the new build process is very positive and well received news for the ESU membership. It has been more than two decades since the Company built a new vessel and everyone is looking forward to the completion and the delivery of the two new vessels for ANS service.

## Car discounts for ExxonMobil employees

If you are in the market for a new car there are ExxonMobil corporate discounts that are available to SeaRiver employees. After registering with the car manufacturer of your choice, you are able to visit a dealership in your area and receive a discount price for a new car or truck without haggling over price. Below are some of the car companies that offer a discount to ExxonMobil/SeaRiver employees:

General Motors (GM) call 1-800-960-3375 or go to [www.gmsupplierdiscount.com](http://www.gmsupplierdiscount.com): You will be asked for a company code which is (836706) then you will be given a personal authorization number which you take to any dealer to get your discount.

Ford is called the Ford X-Plan Price. Call 877-945-2600 or go to [www.fordpartner.com](http://www.fordpartner.com): When asked for the supplier code, answer XJ068. Your employment will need to be verified. You will then be given a four digit PIN number which is good for 12 months and for up to 2 cars per household. Provide the PIN number to the dealer of your choice to receive a 4% above dealer cost (Exception: Vehicle over 8,500 lbs). All other incentives are also applicable to the deal.

Nissan & Infiniti or the Royal Nissan and all Star Nissan VPP program is 2.87% below dealer cost for Nissan plus any rebate or special financing offered on model purchased. Also, 1.65% below dealer cost for Infiniti plus any rebate or special financing offered on model purchased. Call Nissan at 800-299-4753 to obtain Nissan claim number which is good for 90 days. You must bring the claim number and an employee ID or pay voucher to prove employment at the dealership.

Dodge/Chrysler— call the Program Headquarters at 888-444-4321 to obtain a Control Number by providing your information, company name and the company code (S72413). You then take the control number with your company ID picture or the most recent pay voucher to the dealer. There are other automobile discounts available to different vendors if you live in the Houston area, if you have any questions about vendor's available call the ESU office and we can help you.

## EXXON SEAMEN'S UNION

Founded March 28, 1941

Affiliated with the Sailors' Union of the Pacific

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Board Member at Large John McCarthy

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

## Costa Concordia survivors attend hearing on disaster

The first hearing of the criminal investigation into the *Costa Concordia's* shipwreck was held on March 3, in Grosseto, Italy, with angry survivors seeking compensation, justice and the truth. The judge at the hearing assigned four experts to analyze the cruise ship's data recorder and ordered them to report their findings in July, confirming predictions by Prosecutor Francesco Verusio that examination of the data, as well as of conversations involving officers on the ship's bridge, could take months.

Prosecutors must decide whether to seek a trial against the captain, other top officers and officials of Italian cruise company Costa Crociere SpA, which is owned by Miami-based Carnival Corp. Crucial to their decision could be what the experts determine are such details as the *Concordia's* speed when she slammed into a reef the night of January 13, off Giglio Island, its exact route, and what commands were given by whom and when.

Participants acknowledged that the search for truth and justice will be a long one. "This is just the beginning," said Francesco Compagna, a lawyer for some passengers and an injured Russian crew member, Irina Nazarova. "We don't expect quick things but we think that the investigation must follow in all the directions," he said.

**The shipwreck killed 32 people. Captain Francesco Schettino is accused of abandoning ship while many of the 4,200 passengers and crew were still aboard during a confused evacuation. Prosecutors say the captain steered the ship too close to the island to show off the vessel to islanders in a publicity stunt.**

Survivor Sergio Ammarota, among those who entered the hearing, said he wanted to know "exactly how it (the crash) happened and why the captain... could have carried out such a maneuver." Captain Schettino has claimed that the reef, which appears on many tourist maps, wasn't on his navigational charts. Schettino is also accused of abandoning ship while many passengers and crew were still aboard, and struggling to escape. Some of the passengers and crew jumped into the water and swam to shore after the *Concordia's* list made it impossible to lower all the life boats.

Four experts were appointed by the court to examine the vessel's data recorder. Lawyers emerging from the theater at the end of the daylong hearing, which was closed to the general public and journalists, said the judge ordered the experts to present their findings at a hearing on July 21.

A lawyer for Schettino, who is accused of manslaughter, causing a shipwreck and abandoning ship, slipped into the hearing through a back door. Schettino, who is under house arrest in his home near Naples, denies wrongdoing and didn't attend the hearing. Schettino's lawyer, Bruno Loporatti, later told reporters that the captain expects that the black box exam will "further confirm what he already told investigators."

Italian law allows injured parties to attack civil suits to criminal cases, and at least some of the survivors or lawyers or relatives of the victims who came to the hearing are pressing requests for compensation. "The compensation that has been proposed to our clients absolutely is not in line with the damage suffered," lawyer Michelino Suriano said. The Italian news agency Lapresse quoted Suriano as saying her clients were offered about \$15,000 by the cruise company.

Much of the hearing was devoted to just who will be allowed by the court to attach lawsuits to the case. Among those rebuffed were residents of Giglio, an island that lives off tourism and where the wreck of the *Concordia* still rests on a rocky stretch of sea bed just outside the main port. Their lawyer, Pier Paolo Lucchesi, said the decision by Judge Valeria Montesarchio was tantamount to dividing injured parties "into major league and minor league". Environmental groups were among others that were excluded. So far no major oil spill from the wreck has occurred, but there are fears the wreckage, with its refuse and other contents, will spoil the pristine waters of Giglio, which hosts dolphins, whales and other sea life.

**The conversations among Schettino and his officers, and with Italian Coast Guard officials, are crucial in determining what happened, and why the captain initially told the Coast Guard there was a blackout aboard, but didn't mention the collision. Some conversations have already been made public, including one played on Italian TV in which a coast guard official based in Livorno, on the mainland, in a phone call repeatedly orders a reluctant Schettino to get back on his ship and direct the evacuation and rescue efforts. Giulia Bongiorno, a lawyer for some of the passengers, said she would press the court to order the analyzing of recorded conversations from the time the *Concordia* left the port of Civitavecchia a few hours before the collision, and not just immediately before, and following the accident and evacuation. She also is seeking examination of recorded conversation between the captain and his officers on the bridge and the engine room.**

Costa Crociere again came under the spotlight earlier this month when a fire broke out in the generator room of the *Costa Allegra* (sistership to the *Costa Concordia*), leaving the cruise ship without power and adrift in waters known to be prowled by pirates in the Indian Ocean. The ship arrived in the Seychelles after three days under tow. There were no injuries. "I can understand the *Costa Allegra's* fire," angry *Concordia* survivor Patrizia Bagnasco, who came to the hearing, said. "But for the *Concordia*, we're talking about an unexplainable human error," LaPresse quoted her as saying.

Meanwhile, in the waters off Giglio Island, work was begun to make an opening in the wreckage to allow a salvage crew to enter the engine room and empty the tanks holding the last fuel still inside the ship, authorities said. Italian navy divers finished inspecting elevators in the forward part of the ship, as well as the *Concordia's* theater and some lodging areas for the ship's crew, but the search yielded no bodies, the agency said.

## Welfare Notes

March 2012

### Dental Treatment

When major dental work is necessary, it is recommended that you get an estimate from your dentist before the services are started. You should know in advance what your payment obligations will be.

Most plans for Active participants have a waiting period for new members before major work is allowed. The waiting period may be 6 months to 12-months. Crowns, bridges, and dentures are considered major work.

All plans also have limitations and calendar year maximums. Implants and cosmetic dental work are not covered expenses. Co-payments required for treatment by members can be submitted to the Plan office for reimbursement. Non-covered services are not reimbursable by the SUP Welfare Plan. Co-payments for dependents are not reimbursable expenses.

Your HMO or PPO dentist should submit a treatment plan to the HMO or PPO carrier prior to beginning major work. After the treatment plan is approved, your dentist can then inform you of what your payment obligations will be. Active Participants can contact the Plan office to make sure you are enrolled in a dental plan.

Emergency treatment performed by a dentist outside of the Plan can be submitted to the HMO carrier as a claim, however, the reimbursement allowance is very limited.

The maximum allowance for dental treatment under the Pensioners' Annual Allowance is included in the \$500.00 fiscal year maximum for medical co-payments and vision. (Example: \$250.00 medical, \$100.00 dental, & \$150.00 vision would total the \$500.00 maximum).

It is also recommended that Pensioners check with your dentist about your payment obligations before proceeding with major dental work. The dental office may be willing to arrange for a payment plan. The new fiscal year begins August 1, 2012.

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## Check hearing; avoid falls

Older adults with mild hearing loss have a significantly higher risk of falling than those with normal hearing, researchers report in Archives of Internal Medicine. Gradual loss of hearing occurs as people age, but it isn't typically considered a risk factor for falls.

The study used data on 2,017 subjects age 40 to 69 enrolled in a broader U.S. health survey from 2001 to 2004. Each subject underwent testing with an audiometer, a machine that measures a person's ability to hear sound frequencies. Subjects were tested for balance and questioned about falls that occurred in the previous year. Demographic information and cardiovascular risk factors, such as smoking, diabetes and hypertension, were also considered.

Hearing loss greater than 25 decibels was found in 287, or 14% of the subjects. Of those subjects, 5% reported falling during the preceding 12 months. (A loss of 25 to 40 decibels is considered mild.) Risk of falling increased by 40% with every 10-decibel loss of hearing, the study found. Decreased hearing sensitivity may affect the auditory cues needed for environmental awareness, researchers said. As the sense organs responsible for hearing and balance are both located in the inner ear, dysfunction in one may affect the other, the report said.

## NYSE shuns Horizon Lines

Horizon Lines could face significant fallout after the New York Stock Exchange (NYSE) rejected the company's appeal and affirmed its delisting.

After multiple warnings in May-August 2011, the NYSE commenced suspension procedures for the Jones Act container line's stock on October 13. The stock was suspended October 20, after which shares were traded over the counter.

Horizon appealed the suspension to NYSE Regulation's Committee of the Board of Directors. But according to a new statement from NYSE: "The appeal was conducted on February 6, and NYSE Regulation's staff delisting determination was upheld by the committee on February 29." The delisting was effective March 11.

In a recent Securities & Exchange Commission filing, Horizon warned that failure to successfully appeal its NYSE suspension would "materially adversely impact our results of operations and financial condition".

Horizon conceded that the delisting would reduce the liquidity and price of its common stock, curb its ability to raise equity financing, prevent access to public markets and impair its ability to incentivize employees. Horizon admitted that the delisting would also represent a "fundamental change" under the indentures of its convertible bonds, which could result in an increased conversion rate for the notes.



# Workers and NLRB under attack

**Republicans have accomplished what Democrats and Unions never could: they've made the National Labor Relations Board (NLRB) a household name. The NLRB, which in the Bush era churned out anti-Union rulings in obscurity, now stars in stump speeches, Congressional hearings, and TV ads. The day after the Iowa Caucus, Mitt Romney launched a South Carolina TV ad condemning the NLRB as "stacked with Union stooges selected by the President." He lost the state to Newt Gingrich, who promised South Carolinians that he would seek to unilaterally eliminate the agency.**

On New Year's Eve, labor was bracing for the NLRB, which interprets and enforces labor law, to be rendered comatose for 2012. An expiring appointment was set to leave the Board one member short of a quorum, and thus unable to rule on any cases. Senate Republicans had promised to prevent any new appointments. But Obama acted to keep the agency's lights on, making three new NLRB recess appointments in defiance of Republican claims that the Senate was in session.

With Obama's re-election uncertain and pro-labor legislation stillborn, the NLRB's actions this year may represent the last chance for years at improving the legal regime facing workers seeking to extract a measure of justice from the one percent. Obama's appointees did enough last year – investigating aerospace giant Boeing, modestly reforming Union election rules, reversing some Bush precedents – to guarantee the hatred of the anti-Union Right. But labor and its advocates will judge the Board on whether it seizes three key opportunities over the coming year.

**First**, there are workers across America waiting for the NLRB to remedy alleged crimes by their employers. One of these workers is Elvis Alvira, a Long Island technician who says he began organizing a Union at T-Mobile after a manager's favoritism forced him to work an hour away from his house while his wife was at home coping with a high-risk pregnancy. Alvira and the majority of his 15 co-workers filed a petition with the NLRB last May seeking to join the Communications Workers of America.

T-Mobile responded with a series of legal challenges that postponed the election for months. Alvira and the CWA say that delay bought the company seven months to run a classic anti-Union campaign: mandatory anti-Union meetings, raises and promotions to sway ambivalent workers, and firings of Union supporters. In December, CWA lost the election. "The anti-Union campaign the company put together, along with the eight months waiting for the doggone election, is really what killed it..." says Alvira. "That whole process, it's broken...They were able to play the NLRB."

In cases like these, time is on management's side; discouraging pro-Union activists, distracting their co-workers, and lending ill-gotten employer victories the air of legitimacy. Under normal circumstances, the NLRB's process is painfully slow, but its backlog swelled after a 2010 Supreme Court ruling threw out hundreds of decisions reached when the Board had only two members, forcing the current Board to take them up again. To expedite the process, the NLRB could make greater use of its injunction power, which forces faster resolution of urgent misconduct. In January, the Board issued its first injunction of the year, against Renaissance Equity Holdings LLC, owner of apartment complex in Brooklyn, which was accused of illegally locking porters and handymen out of their jobs. But there are hundreds of such cases waiting for NLRB judgment. CWA President Larry Cohen says Obama's appointees "need to put themselves in the shoes of these workers," and clear the back log, even "if they have to work day and night."

**Second**, labor is looking to the NLRB to continue exercising its power to issue new rules governing Union elections. The Board began this process last year. Labor advocates have long charged that companies use spurious legal challenges to buy themselves time for Union-busting. Under new rules effective this April, many such challenges will be heard after the voting rather than before. This modest reform passed only after the Democrats on the NLRB withdrew other proposed changes, and only after a Republican NLRB member withdrew his threat to resign and deny the Board a quorum.

In a January interview with the Associated Press, NLRB Chairman Mark Pearce announced his intention

to revive other proposed election changes left on the cutting room floor last year. Among these remedies is a requirement that employers provide more employee contact information to Unions – including e-mail addresses – and provide it earlier in the process. Even with last year's changes, former NLRB General Counsel Fred Feinstein says the process is "not balanced, because employers have hugely more access to the workforce." Putting more employee info in Unions' hands, and sooner, would be one step towards addressing the imbalance.

**Third**, like the Supreme Court, the NLRB's rulings on precedent-setting cases determine what labor law means: what it protects, what it prohibits, and to whom it applies. How the Board handles some of the cases in front of it this year will help determine the relevance of the NLRB – and the law it enforces – in a twenty-first-century economy where employment relationships are often opaque or indirect. Graduate student employees at New York University, who do a substantial portion of university teaching but were ruled not to be workers by George Bush NLRB appointees, petitioned in 2010 for an election to win back Union recognition. Similarly, airport shuttle bus drivers have asked the Board to reject their employers' claims that they are "independent contractors" ineligible for Unionization. Historian Jennifer Klein says these cases illustrate a trend: "Fewer and fewer workers are considered to be employees" covered by many NLRB protections. Thus the right Elvis Alvira exercised – to force a Union election by signing up his co-workers – doesn't exist for a growing number of Americans. Pro-labor rulings this year could reverse that trend.

**Whatever the NLRB does, Republicans will keep attacking it. Congressman Elijah Cummings, the Ranking Democrat on the House Oversight Committee, says Republicans "have tried to use every kind of leverage that they could think of" to weaken the NLRB. That includes blocking its appointments, threatening its budget, and demanding its internal documents. Cummings says the Board is "more vulnerable" as a result.**

That's smart politics, says University of Texas professor Julius Getman, because it allows the GOP to frame an assault on workers as a move against "big government." Feinstein, who was the NLRB's top prosecutor under President Clinton, says such attacks are also effective at discouraging Democratic appointees and career staff from acting in defense of workers. "People become concerned..." says Feinstein. "People are shaken by that, and we felt like that caused people to sort of pull in their wings a bit."

Continued right-wing fury at the NLRB is certain, and it will remain white-hot until Republicans return to the White House and ratchet the Board back to the right. In the meantime, Obama's new appointees face a choice: be cowed by right-wing hatred, or do something to earn it.

## Greek sailors end strike after two days but wage, pension, and cabotage issues remain unresolved

Greek ferry services were restored to normal on March 21, after the country's Union mariners called off a threat to stage rolling strikes after just two days. The Panhellenic Seamen's Federation (PNO) approved the return to work by majority vote after meeting Anna Diamantopoulou, the newly appointed Minister of Development, Competitiveness and Shipping. The Union was protesting over pension cuts and changes to collective labor agreements faced a backlash from island farmers who depend on the ferry network to distribute their produce and already face their own financial difficulties.

"We have managed to prevent a very dangerous crisis," Ms. Diamantopoulou said. "There was a sense of national responsibility." PNO General Secretary John Halas said, "We decided not to add to the worsening of the situation, which would hurt the productive classes and the passengers."

Seafarers gained limited assurances from government officials regarding some demands, but Union leaders said that these were not a solution in themselves.

Ms. Diamantopoulou said that the government was moving to bring the Seamen's Pension Fund under supervision of the Ministry of Labor and Social Security to safeguard seafarers' rights and secure control of expenses. The state budget has allocated more than \$1.3 billion to fund the seafarers' pension fund this year.

The government claims that even after cuts the pension is significantly higher than for most categories of workers and that the subsidy for each retired seafarer is more than seven times higher than for the average pensioner who worked ashore. Among the problems that the fund faces is the fact that numbers of pensioners are more than four times higher than numbers of contributors.

The PNO also demanded preservation of cabotage in Greek waters. However, the government said it was freeing up laws that have prevented non-European Union-flagged cruiseships homeporting in Greece.



*Bosun Paul Barbour and SUP Delegate Rich Reed on the bow of the Mokihana as they prepare to load stores in Oakland, February 15.*

## UN to transfer convicted pirates from Seychelles

The United Nations Office of Drugs and Crime (UNDOC) has confirmed that it is to deport 19 convicted pirates to Somalia to serve their sentences at home because prisons in the Seychelles are now full.

A spokesman for the UNDOC said the move was part of the "grand plan" and that both its piracy prison transfer and trial program were well underway. UNDOC aims to create humane and secure imprisonment for pirates in Somalia and a fair and efficient legal system. Because trying pirates in the failed state takes time, international law now allows pirates to stand trial in other countries then transfer to Somali prisons.

However, there are sizeable differences in the sentences that different jurisdictions award to convicted pirates. Pirates in Somaliland can be jailed for 20 years; in states such as Yemen they may serve just seven years. This has not gone unnoticed by Somali pirates: the group that seized the Panama-flagged vessel *Leila* is calling for the release from jail of fellow pirates in return for the ship's release.

According to UNDOC, the average life expectancy for a young Somali male is around 45 years old. But a Somali pirate can earn up to \$10,000 in a matter of weeks, in a country in which the average annual income is \$600.



# SUP President's Report

March 12, 2012

## APL MARINE SERVICES, LTD.

On March 1, the SUP was notified by John Dragone, APL's new Director of Labor Relations, that the company's C-10 Class vessels (*Presidents Adams, Jackson, Polk and Truman*) must be replaced in the Maritime Security Program (MSP) within the next 18 months due to their age. All were built in 1988, and under MSP, no vessel 25 years or older can be enrolled. According to this communication, no final decision has been made with respect to the vessels that will replace the C-10s in MSP or with respect to the disposition of the C-10s.

It should be noted that the SUP agreement with APL covers nine vessels enrolled in MSP—currently the four C-10s and five C-11 Class vessels (*APL China, APL Korea, APL Philippines, APL Singapore, and APL Thailand*). In addition, the SUP has a supplemental agreement that covers non-MSP vessels. Those vessels—currently the *APL Agate, APL Coral* and *APL Japan*, operating off the East Coast in the company's Suez Express Service—can be withdrawn from service and reflagged at any time.

Will keep the membership fully informed as more information becomes available.

## FOSS MARITIME COMPANY

In preparation for bargaining with Foss, caucuses were held on February 15, February 16, February 17, and February 22, to vet proposals from the membership and to formulate demands for negotiations. Those in attendance for one or more of the meetings included Brothers Alex Castillo, Ed Chilbert, John Crockett, Mike Higa, Don Nichols, Eric Partika, Joe Plant, Mike Potenti, JD Rymel, Gary Rymel, Dick Smiley, Carl Turner, Tom Tynan, Greg Vogeazopoulos, Eric Weintraub plus Vice President Dave Connolly and your secretary.

The primary subject of the caucuses was the astronomical rise in health care costs since the last Agreement with Foss was bargained in 2008. Although escalators were incorporated to cover projected costs over the four-year life of the contract, those projections proved to be inadequate due to the rise in health care premiums, the demographics of the Foss bargaining unit and the impact of the federal health care law, passed last year, on the SUP Welfare Plan.

In bargaining in 2008, the Foss contribution rate to the SUP Welfare Plan for health care provider premiums (Kaiser Northern California, Health Net HMO and Health Net PPO) and dental care premiums (Delta PMI and United Healthcare-Pacific Union Dental) plus the other benefits provided by the SUP Welfare Plan (glasses, death benefit, etc.) increased from \$52 per day to \$69 per day for a maximum monthly contribution of \$966 per month. By 2011, the Foss contribution rate had risen to \$85.72 per day or \$1200 per month.

However, the cost projections for 2012 for Foss are estimated to be \$1,689.30 per month or \$120.66 per day. This is 28% higher than the \$1,315.02 per monthly estimated average cost for all other eligible participants in the SUP Welfare Plan.

A prime reason for this disparity is caused by the demographics of the Foss group as opposed to the rest of SUP Welfare Plan participants. In the Foss group, 29% are single, 26% are married and 56% have families. Of the non-Foss participants in the Plan 38% are single, 29% are married and 33% have families. Also, due to the new health care law, 11 dependents of Foss employees between the ages of 19 and below 26, were enrolled in the Plan effective August 1, 2011, for an additional cost of \$3,479.11. Non-Foss participants have 27 dependents in this category for a monthly cost of \$10,398.04.

Bargaining between the SUP and Foss began on February 27, and concluded in the evening of February 28. The Union Negotiating Committee was comprised of

Eric Partika, Carl Turner, Tom Tynan, Eric Weintraub, Dave Connolly and your secretary. Brother Higa participated on February 27, and Brother Crockett for the full day on February 28, with Brother Gary Rymel participating for a portion of the session on the 28<sup>th</sup>. The company was represented by Mike O'Connor, Director of Labor Relations; Ken Leever, Labor Relations; Bob Gregory, Northern California Regional Director; Laura Rosenberg, Marine Personnel Manager; Walt Partika, Tank Barge Supervisor; and Matt Barrett, the incoming Tank Barge Supervisor.

The first proposal by the SUP was for Foss to increase its contribution to the SUP Welfare Plan to \$1,689.30 per month or \$120.66 per day. This was obvious "sticker shock" to the company which estimated that this would be a 40% increase over the old rate, and if expressed as a wage increase, would amount to 6.5% for the first year of the Agreement.

The Union had several other proposals that, while improving the Agreement, were cost items that ultimately had to be withdrawn in light of the absolute necessity of achieving the increased welfare contribution rate from the company.

For Foss, the number one item was the renewal of the tripartite agreement between the SUP, the Inlandboatmen's Union (IBU) and Foss covering jurisdiction on the company's tug boats in order to provide for the most efficient use of those vessels. It should be noted that the SUP ratified a restatement of this Agreement last year (see the August *West Coast Sailors*) and the IBU approved it last year in bargaining with the company.

**However, the discussion on the cost of health care overshadowed all other items brought forth by the parties.**

The Union agreed with a company proposal of annual physicals. That language is as follows:

### Section 9.04

**Crew members will be required to complete a medical evaluation once each calendar year at either a company-approved facility or with a physician of the employee's choice. Physical examinations at a company-approved facility will be paid for by the company and be held in accordance with Merchant Mariner Physical Examination Form (USCG For CG-719k or subsequently revised). Up to four hours straight time wages will be paid for the time to obtain the physical at a company-approved facility. Physical examinations at a physician of the employee's choice will be the employee's own expense. Upon completion of a physical examination at the employee's chosen physician, the examining physician will provide the company with a declaration on a professional letterhead that the examination was completed. Disputes arising as a result of the outcome of the physical examination may be deferred to an independent medical examiner (IME). The party requesting the IME is responsible for all related costs.**

**It is understood that it is the employee's responsibility to meet this requirement and provide the employer with the appropriate verification. Additionally, if an employee does not meet this requirement, said employee will not be allowed to work until such time as they meet the requirement.**

The Union also agreed to revised language to the Tankerman Training Program, a revision to the continuously crewed tug work rules (Section 27.) whereby the "deckhand/engineer shall be capable of starting and stopping engines" and a change under the work guarantee in Section 29.06 which was revised to include a ten-day-on/five-day-off schedule. A call order for this work was agreed to, after much discussion, whereby the first call would go to an SUP seniority employee, then the Union daily standby list, then the hiring hall and then assignment by reverse seniority to the least senior engineer. Job calls include the right to respond within 20 minutes with time starting at the call if required to report in less than two hours.

The company agreed to an Engineer Training Program to be developed within six months and to remove the 1400-hours-worked requirement to collect vacation pay.

**Foss pressed and the SUP rejected several proposals that would have diluted working conditions and reduced compensation. Among those was a proposal to eliminate the eight-hour day for casual tankermen; "any source" access to the 160-hour guarantee; seniority forfeiture for refusing jobs; quarter-hour increments for overtime instead of a half-hour; reducing the call-out tug penalty for cancellation of a job from eight-hours pay to four hours; reducing engineers pay for certain jobs; and reducing tankerman travel time by 50% between Foss Richmond to the Richmond Long Wharf and from Foss Richmond to Richmond Inner Harbor. It should be clearly understood that all these company proposals were still on the table until a final agreement was reached.**

On contributions to the SUP Welfare Plan, Foss agreed to the Union-proposed \$120.66 daily rate for 2012 but with "only" 10% increases in that rate in subsequent years of the agreement. The Negotiating Committee stated this was inadequate given the uncertainty over escalating costs. The company countered that if costs exceed the amounts negotiated that, costs over and above that the necessary amount would be deducted from an employee's paycheck. The SUP Committee flatly rejected this proposal.

The Negotiating Committee then counter-proposed that the company meet current costs of the SUP Welfare Plan for Foss employees and that effective August 1, 2013, August 1, 2014, and August 1, 2015 the company would contribute an amount necessary to meet costs per eligible Foss employee as calculated by the SUP Welfare Plan but not to exceed 12.5% per year.

Foss agreed to the SUP proposal but with the following caveat: That wage and overtime rates be frozen for the first two years of a proposed four year agreement to partially defray the cost of the increased health care contribution. Tied-in to this economic package proposal were proposals that call-out minimums be reduced from one hour to a half hour, that tankermen conference overtime (one hour) at the Foss Home Dock be eliminated, that holiday pay for call-out pay for casuals be capped at 12 hours and that casual tankermen would receive the current IRS mileage allowance for actual miles driven to and from work to a maximum of 55 miles per day worked. Foss withdrew the other work rule proposals previously mentioned.

The Negotiating Committee thoroughly discussed and debated the company's counter proposal and unanimously came to the conclusion that maintaining health care coverage for members employed by Foss and their families significantly outweighed the minor work rule changes requested.

Bargaining concluded with the Union and company agreeing to the company's last offer but with the SUP proposing and Foss agreeing to a 2.5% increase in wage and overtime rates effective March 1, 2014, and a 2.75% increase effective March 1, 2015.

The SUP Negotiating Committee, comprised at the end of bargaining by Brothers Crockett, Partika, Turner, Tynan, Weintraub, Vice President Connolly and your secretary unanimously recommend membership ratification of the Foss contract.

## MATSON NAVIGATION COMPANY

For the past several years, Matson has requested that the Storekeeper job in the Paint & Rigging Gang in Honolulu be non-rotating based on the skills required and the desire for continuity.

According to Paint & Rigging Gang Bosun Monte Kalama, the Storekeeper is required to take a 40-hour Hazwoper class and renew it yearly as the Storekeeper has the responsibility of maintaining the HAZMAT locker on the dock on Sand Island—separating, labeling any and all hazardous materials that come off company vessels in a safe manner and prepares them for disposal by a certified contractor. In addition, the Storekeeper maintains the paint locker, turns-to an hour before the gang to prepare paints and/or gas for the skiff or manlift so the gang can be ready to go to work at 7:00 A.M. The Storekeeper also maintains and cleans the Rigging Loft.

*continued on next page*

## President's Report continued

Having a non-rotating Storekeeper is not with precedent as one was employed by APL at the old Middle Harbor Terminal Rigging Loft in Oakland.

Therefore, with the concurrence of Brother Kalama, signed a Memorandum of Understanding with Matson on March 1, subject to membership approval, that stipulates a non-rotating Storekeeper for the Paint & Rigger Gang. It should be noted that the gang will consist of six rotating sailors and two non-rotating sailors (Bosun and Storekeeper). Recommend membership approval.

### PATRIOT CONTRACT SERVICES

On February 16, Patriot notified the SUP that the Maritime Administration had posted a solicitation for the operation and maintenance of three Ready Reserve Force vessels: *Cape Henry*, *Cape Horn* and *Cape Hudson*.

The *Cape Henry*, berthed at Pier 3 in Alameda, has been operated by Patriot since April of last year. The *Cape Horn* and *Cape Hudson* are currently operated by Interocean Ugland Management (IUM), an SIU-A&G-contracted company. The *Horn* and *Hudson* are berthed at Pier 50 in San Francisco.

The Request for Proposal (RFP) will be solicited on an unrestricted, full and open competition basis. MarAd has decided to split the solicitation into two ship groups. One group consists of the *Cape Henry*, while the second comprises the *Capes Horn* and *Hudson*. MarAd plans to make contract awards for the vessels by July 1, for a three-year performance period ending July 27, 2015, and will include options to extend the awards up to an additional six months.

As reported last month, the Military Sealift Command notified Patriot that they intended to put the special mission ship *USNS Waters* out for competitive bid. On February 28, the company notified the Union that MSC had issued an RFP for the vessel, which provides for operation and maintenance for one-year and, if exercised four one-year options.

The SUP will work with Patriot, the MFOW and SIU-A&G to formulate bids to operate the vessels mentioned.

### MARITIME TRADES DEPARTMENT

At the invitation of Mike Sacco, President of the Maritime Trades Department (MTD), AFL-CIO, attended that organization's Executive Board meeting on March 8 and 9, at Lake Buena Vista, Florida, near Orlando.

The Executive Board discussed and adopted policy statements of importance to the membership. The Jones Act, cargo preference, the Maritime Security Program, port modernization dredging and the attacks on Union workers across the country were among many subjects on the agenda.

Meeting speakers included Rear Admiral Mark Buzby, Commander of the Military Sealift Command; Congressman Michael Grim (R-New York), Congressman Cedric Richmond (D-Louisiana), AFL-CIO President Richard Trumka; Sandy Hook; Pilots Association President Andrew McGovern; and Rear Admiral Wendi Carpenter, President of the New York Maritime Academy at the State University of New York.

The MTD is comprised of 23 international Unions and 21 port maritime councils in the United States and Canada representing 5.5 million workers. The SUP is active in the Puget Sound, San Francisco Bay & Vicinity, Southern California and Hawai'i Port Maritime Councils.

### HOLIDAYS

#### "Teddy" Gleason's Birthday

Although March 17 falls on a Saturday this year (an overtime day), it is also an International Longshoremen's Association (ILA) holiday in honor of former ILA President Thomas "Teddy" Gleason.

#### Harry Bridges Memorial Day

The Honolulu Branch will be closed on Friday, March 30, in observance of an ILWU Local 142 holiday. Under the SUP agreement with Matson, this is a holiday for company vessels in Hawai'i ports on that day, the Paint & Rigging Gang and those employed under the Extra Maintenance Agreement. This not a holiday in Pacific Coast ports. Harry Bridges Birthday is a holiday in Pacific Coast ports and is observed on July 28.

#### Cesar Chavez' Birthday

All SUP halls on the West Coast will be closed on Monday, April 2, in observance of Cesar Chavez' Birthday which this year falls on Saturday, March 31. As an ILWU holiday, it is, therefore, a recognized holiday for SUP members working under the APL and Matson Maintenance Agreements and for those in APL and Matson vessels in West Coast ports on that day. The holiday is also applicable to members employed by the San Francisco Bar Pilots.

Cesar Chavez' Birthday is not a holiday in Hawai'i, therefore, the Honolulu Branch will be open.

### ACTION TAKEN

M/S to ratify the Foss Agreement. Carried. 23 Yes and 10 No.

M/S to ratify MOU with Matson that stipulates a non-rotating Storekeeper for the Paint & Rigging Gang. Carried unanimously.

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

Gunnar Lundeberg

## Vice President's Report

March 2012

**President Truman:** Walter Harris, delegate. Delegate struggled mightily to educate the Mate on the proper accounting for penalty meal hour without success. Time taken up with management. New delegate is Arsenio Purganan. Bosun Bill Wood busting out the work.

**APL Philippines:** Freeman Stamp, delegate. Investigation of potable water load in Yokohama revealed origins in northern Japan with low risk of contamination from nuclear fallout. New coffee makers are ordered and storing issues discussed with Captain.

**APL Thailand:** Jon Rose, delegate. Clarification on call-outs of the bosun: not required in every case. Reported harassment under investigation.

**Lurline:** Noel Itsumaru, delegate. Ventilation issue resumed with the Company. Management called to task on replacement of old and worn mooring lines—new lines ordered. Time starts when you are called, excluding the meal hour.

**Mokihana:** Rich Reed, delegate. Gang still cleaning up months after a Chinese shipyard drydocking: new paint peeling off, overhauled anchor brake band failure, among many other things. Job security for sailors.

**Maui:** Duke Maringer, delegate. Question on stocktender accommodations researched: unlike their use of our laundry sailors deck accommodations not prohibited by contract.

**USNS Yano:** Saul Townsend, delegate. In good shape moored neared the mouth of the Big Muddy. *Shughart* crew rotation underway.

**San Francisco Bar Pilots:** Mike Koller and Terry O'Neill, delegates. Extending the summer 6 and 6 station boat rotation found by the gang to be presently unfavorable.

**Foss Maritime Company:** JD Rymel, delegate. After two marathon sessions of bargaining the SUP Negotiating Committee reached a deal with management. The speed of the deal, as well as the cost, was driven by the outrageous rise of health insurance premiums. The Negotiating Committee members deserve thanks and appreciation. See the President's Report.

Dave Connolly



*Specially Trained Ordinary Seaman Chris Halberg in the President Truman in New York before payoff on March 13. On this trip Chris completed the required sea service and will be assisted by the Andrew Furuseth School of Seamanship in the last steps of acquiring his AB ticket. Note the list of necessary work on arrival.*

## Pilots take harder line on Mississippi draft rules

Lower Mississippi River pilots are taking a harder line on draft restrictions after an overloaded vessel incident.

The Associated Branch Pilots (ABP), which takes ships through the Southwest Pass into and out of the Gulf of Mexico, denied passage of an unidentified outbound vessel on March 11, when it tried to circumvent the 44-foot draft restriction.

In a memo to maritime representatives, the pilots confirmed that the ship's agent said the vessel had been loaded to 44.4 feet (within previously allowable leeway), when it was actually loaded to 45.6 feet. The vessel was forced to head back to the dock "to discharge cargo that should have never been loaded," noted ABP President Michael Lorino, who added: "There is no excuse for this to occur."

As a result of the incident, any inbound or outbound vessel more than one inch above the recommended loading draft of 44 feet will not transit the pass, Lorino warned. The only exception will be in the event that there is a lowering of the recommended draft while a vessel is already in transit, the pilots noted. In that instance the pilots will evaluate the situation and try to accommodate the vessel.

After long delays in receiving sufficient dredging funding from the U.S. government in 2011, four hopper dredges are now working the Southwest Pass to get the draft level to an authorized depth (45 feet), which could be attained within the coming month.

# SUP Branch Reports

## Seattle

February 21, 2012

Shipped during the period: 2 Boat-swains, filled with one A member to steady job and a B member to a USNS ship; 7 Able Seamen billets were filled by 4 A members and 3 B members; 1 STOS shipped and 4 standbys, filled with B members.

Registered: 10 A cards for a total of 29; 17 B cards for a total of 37; 4 C cards for a total of 11.

### Ships Checked

The Matson ships *M/V Mahimahi*, *SS Maui* and *SS Kauai* all called Seattle with little or no trouble. The *SS Kauai* headed down to the Columbia River for indefinite lay-up. The *President Polk* called in New York and the Patriot vessels *USNS Watters* and *USNS Gilliland* called for crew replacements.

I represented the SUP/MFU at the following meetings: The Seattle Central Waterfront Stakeholders committee; the King County Labor Council Executive Board and Delegates meetings; the Puget Sound Harbor Safety Committee meeting; the Alaska Way Viaduct Replacement Committee meeting; the Puget Sound Area Maritime Security Committee meeting; and the Puget Sound Ports Council, Maritime Trades Department AFL-CIO meeting.

Please contribute to your Union's Political Fund. If every member contributed at least \$100.00 a year. This money will help us fight back the billionaires' assault through the Republican Party's attack on not only blue collar workers but any color collar workers' right to a livelihood in the USA. Contribute now!

Vince O'Halloran, Branch Agent

Attend your  
SUP Branch  
meeting

## Port of Auckland declares war on Kiwi dockers

Striking longshore workers in Auckland, New Zealand, were notified this month that they are "redundant" and will be fired.

A March 7, letter from the private operator, known as the "Ports of Auckland," was sent to the Maritime Union of New Zealand (MUNZ) President Gary Parsloe. The letter says the company has decided to "contract out stevedoring," which will make Union workers "superfluous."

The decision of Ports of Auckland CEO Tony Gibson rejects a negotiated solution and dramatically escalates the dispute at the port. It would throw 320 dockers out of work and devastate their families and community relations in the city. In Gibson's words the workers are "superfluous to our needs."

The MUNZ and the International Transport Workers' Federation (ITF) has already mobilized support among its member Unions, and ITF President

## Wilmington

February 21, 2012

Shipped during the period: Bosun: 5, AB: 8, AB Maint.: 6, STOS: 1, standbys: 56. Total jobs shipped: 76.

Registration: A cards: 30, B cards: 25, C cards: 13, and D cards: 12.

### Ships Checked

*Mokihana*, *Maunalei*, *APL Philippines* (running out of food), *Matsonia*, *R.J. Pfeiffer*, *APL Singapore*, *Manukai*, *Matsonia* (happy ship), *Manulani*, *APL Korea*, *Mokihana*, *Maunawili*, *APL Thailand*.

On January 19, Brother Gary Thompson and I, along with MFOW's Bob Bugarian and Mike Gazillo, attended the Maritime Trades Department (MTD) lunch meeting on the *Lane Victory*. We all heard a great talk from Congresswoman Lucille Roybal-Allard about importance of jobs for our country and how working families should be our focus. She is also familiar with the Jones Act, Maritime Security Act, and supports our Unions.

On January 24, we had our first of the year American Merchant Marines Veterans Memorial Committee meeting.

On January 31, Eli Wegger attended the L.A. Federation of Labor meeting about TransPacific Free Trade Agreement hosted by Celeste Drake, Trade Policy Specialist, AFL-CIO. On the following day, Eli also attended a rally to protest "NAFTA of the Pacific". Eli also taught a splicing class on January 27, and February 3, during his trip off.

By the way, one of our "A" members was accosted by three men in the daylight hours here in Wilmington. A well aimed hit with a can in a plastic bag deterred the robbers. Be careful on the streets of Wilmington.

On February 10, attended an MTD meeting and on February 16, first Labor Day Harbor Labor Coalition meeting of the year.

Mark Hurley  
Branch Agent

## Honolulu

February 21, 2012

Shipped the following jobs in February: 2 ABD (steady), 2 ABD (relief), 4 ABW (steady), 1 ABW (relief), and 1 OS (return). The ship's jobs were filled by 2 A cards, 3 B cards, 4 C cards and 1 D card. Also shipped 33 standby jobs. The standby jobs were filled by 8 A cards, 5 B cards, 8 C cards, and 12 D cards.

Registered in February: 4 A cards, 5 B cards, 4 C cards, and 4 D cards. To date totaled registered: 14 A cards, 6 B cards, 4 C cards and 5 D cards.

### Ships Checked

The *Manukai*, *Maunawili*, *Maunalei*, *Manulani*, *RJ Pfeiffer*, *Mokihana*, *Lurline*, *Matsonia*, *Maui*, *Mahimahi*, and the Paint and Rigging Gang. All are running with few or no beefs.

During the month, I represented the SUP at the Hawai'i Ports Council monthly meeting; which includes the monthly Hawaii Ocean Safety Team (HOST) meeting report.

**Please remember to check your paperwork before you compete for a job. I had to deny a member a job this month because his drug card had expired. Check your Z-card, Passport, TWIC card, Annual physical card, Drug card, discharges (1 year discharges in the last 5 years) or STCW BST certificates that are less than 5**

years old, and make sure your Union dues are paid through the current quarter. This is what is required to ship out in the SUP.

Kind of makes you wish for the old days, when all you needed to ship out was a Z-card. (Which was good for life?) Oh well, new days, new rules. We might as well get used to them. Mahalo,

Mike Dirksen, Branch Agent

## Dispatcher's Report

Headquarters—Feb. 2012

Deck	
Bosun .....	1
Carpenter .....	0
MM.....	5
AB .....	5
OS .....	4
Standby .....	11
Total Deck Jobs Shipped .....	26
Total Deck B, C, D Shipped.....	12
Engine/Steward	
QMED .....	0
Pumpman .....	0
Oiler .....	0
Wiper .....	0
Steward .....	0
Cook .....	0
Messman .....	0
Total E&S Jobs Shipped .....	0
Total E&S B, C, D Shipped .....	0
Total Jobs Shipped - All Depts. ...	26
Total B, C, D Shipped-All Depts. .	12
Total Registered "A" .....	26
Total Registered "B" .....	22
Total Registered "C" .....	20
Total Registered "D" .....	36



At the Southern California Maritime Trades Port Council meeting aboard the *SS Lane Victory*. From the left are: SUP member Gary Thompson, SUP Wilmington Branch Agent Mark Hurley, Congresswoman Lucille Roybal-Allard, 34th District in California, MFOW member Mike Gazillo, and MFOW Port Agent Bob Bugarin.

## U.S. container outlook brightens

U.S. container imports should start gaining steam as stores begin restocking shelves, according to the National Retail Federation (NRF). The NRF raised its import outlook for March to 1.2 million TEU, a year-on-year increase of 10%, after predicting an 8.6% rise for March a month ago.

"Retailers only import more if they expect to sell more, so these numbers are a sign that optimism is growing," noted Jonathan Gold, NRF's supply chain vice president.

Major U.S. container ports handled 1.22 million TEU of imports in January, the latest month for which final numbers are available. That was up 1.3% from January 2011, according to Global Port

Tracker, which monitors imports for NRF. February, historically the slowest month, was estimated at 1.05 million TEU, down 4.2% on the same month of 2011. April is forecast at 1.26 million TEU, up 3.6% year-on-year.

Despite the rosier outlook, shipowners have more vessels in service than cargo to fill them, said Hackett Associates founder Ben Hackett, who collaborates with the NRF on the Global Port Tracker report. Owners are asking shippers for a rate increase of \$300 per FEU, to try to bring Asia-U.S. box rates closer to 2011 contract levels. "The maritime industry is in a quandary," Hackett warned. "As long as this imbalance exists, there will be volatility in the freight rates."