



West Coast Sailors

Official Organ of the Sailors' Union of the Pacific

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SAN FRANCISCO, CALIFORNIA

Tuesday, May 24, 2005

LMSR injunction rejected by Frisco judge Patriot files with U.S. Court of Appeals GAO cites fraud a factor in MSC award

In a misguided and muddled opinion, Judge Martin Jenkins of the United States District Court for the Northern District of California in San Francisco on May 16, denied Patriot Contract Services' motion for a preliminary injunction to stop the transfer of SUP-crewed Large Medium Speed Roll-On/Roll-Off (LMSR) vessels to American Overseas Maritime Corporation (AMSEA).

The judge made his ruling despite the fact that on May 11, the Government Accountability Office (GAO), issued an advisory opinion requested by the Court stating that AMSEA engaged in fraud and bait-and-switch tactics to win the award of the Military Sealift Command (MSC) ships in August of 2004. In fact, the GAO stated that if the agency were resolving Patriot's original protest of the award, it "would sustain it and recommend that AMSEA's contract be terminated and that a contract be awarded to Patriot."

Patriot responded quickly by filing an appeal on May 19, of Judge Jenkins' ruling asking that the company's application for an

injunction pending the appeal of the District Court's order. Patriot also requested that the Court grant an injunction pending a ruling by the United States Court of Appeals for the Ninth Circuit. Granting the injunction is critical as three LMSRs (*USNS Yano*, *USNS Fisher*, *USNS Brittin*) are scheduled to be turned-over to AMSEA in June while the *USNS Piliilau* is scheduled to be turned-over in mid-July. Five other LMSRs have already gone from Patriot to AMSEA management.

In his decision, Judge Jenkins acknowledged that "while the turnover of the LMSRs is clearly a hardship for the Unions and their members, the Court notes that the honorable sailors and merchant marines and other essential personnel operating and maintaining these particular ships were never guaranteed that Patriot would always have the LMSR contract with the Government." Further, "the Court finds that while Plaintiff (Patriot) and the intervener Unions (Sailors' Union of the Pacific, International Organization of Mas-

ters, Mates & Pilots, Pacific Coast Marine Firemen, Oilers, Watertenders & Wipers Association) have shown that the

serious harm here. In such a situation, the Plaintiff must show a strong likelihood of success on the merits. Plaintiff has not met

"We recently stated that an offeror's submission of a proposal containing material misrepresentations should disqualify the proposal from consideration for award, noting that the integrity of the procurement process demands no less. Accordingly, if our office were resolving the protest, we would sustain it and recommend that AMSEA's contract be terminated and that a contract be awarded to Patriot Contract Services if otherwise appropriate."

**Anthony H. Gamboa
General Counsel
Government Accountability Office
May 11, 2004**

public will be harmed if the injunction does not issue, those concerns are, at least slightly outweighed by the public's interest in ensuring that essential military vessels operate as smoothly as possible."

Judge Jenkins also acknowledged that "both parties had demonstrated the potential for

its high burden. The Government's decision to award the ship operation contract to AMSEA was reasonable and is entitled to substantial deference. With respect to Plaintiff's contention that AMSEA engaged in fraud warranting termination of the Contract, the Court finds that Plaintiff has raised questions

about the integrity of the procurement process. However, this is not enough to demonstrate a strong likelihood of success on the claim's merits."

The SUP and the other affected Unions believe that there are definitely grounds for an appeal on the fraud, bait-and-switch and misrepresentation portions of Judge Jenkins' decision. Additionally, the SUP believes the District Court used a mixed bag of legal standards in order to reach its decision. And, by doing so, Judge Jenkins raised the bar and held Patriot to a higher legal standard than the law requires.

It appears that Judge Jenkins focused in on the "alternate test" for determining injunction relief. Under the alternate test, the Plaintiff must demonstrate either a combination of (1) probable success on the merits and (2) the possibility of irreparable injury; or that (1) serious questions are raised and (2) that the balance of hardship tips sharply in its favor. With respect to the outlined formulations at an "irreducible minimum," the Plaintiff

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National Maritime Day Proclamation by the President of the United States of America

America's merchant mariners make our Nation more secure and our economy stronger. Throughout our history, they have promoted commerce and protected our freedom. On National Maritime Day, we honor the dedicated service of the United States Merchant Marine.

Each year, the men and women of the U.S. maritime transportation system move more than 2 billion tons of cargo along our waterways and across the open seas. Many of the raw materials Americans purchase are transported by merchant vessels, and merchant mariners ship

agricultural products and finished goods in and out of the United States every day.

Merchant mariners have also served in every conflict in our Nation's history. The U.S. Merchant Marine helps provide our Nation's Armed Forces with crucial supplies and equipment. These brave men and women demonstrate courage, love of country, and devotion to duty, and we especially honor those who have made the ultimate sacrifice in defense of our Nation. The United States is safer and the world is more peaceful because of the work of our mer-

chant mariners, and we are grateful for their service.

In recognition of the importance of the U.S. Merchant Marine, the Congress, by joint resolution approved on May 20, 1933, as amended, has designated May 22 of each year as "National Maritime Day," and has authorized and requested that the President issue an annual proclamation calling for its appropriate observance.

NOW, THEREFORE, I, GEORGE W. BUSH, President of the United States of America, do hereby proclaim May 22,

2005, as National Maritime Day. I call upon the people of the United States to celebrate this observance and to display the flag of the United States at their homes and in their communities. I also request that all ships sailing under the American flag dress ship on that day.

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

George Bush

SUP Quarterly Finance Committee Report

SUP QUARTERLY FINANCE COMMITTEE REPORT
FOR THE QUARTER ENDED MARCH 31, 2005

The Quarterly Finance Committee, duly authorized to act by the regular meeting at Headquarters on April 11, 2005, hereby submits the following report:

SUMMARY OF CASH AND INVESTMENTS

General Fund	\$1,461,072.60
Political Fund	\$4,393.61
Strike Fund	<u>\$1,293,730.99</u>
Total Cash and Investments 1st Qtr. 2004	<u>\$2,759,197.20</u>

GENERAL FUND

Income:	
Dues, Initiation, Assessments	\$114,742.85
Interest	20,456.27
Donations - West Coast Sailors	2,530.00
Tanker & Joint Committee, Hiring Hall	93,673.48
Advertising & Promotion	39.95
Miscellaneous Reimbursements, Fines	1,322.88
Reimbursed Administrative Expenses	21,882.69
Bequests	482,599.27
Contributions - General Fund	<u>2,305.00</u>
Total Income:	<u>\$739,552.39</u>

Expenses:

Auto & Travel	\$1,738.51
Rent	16,135.95
Postage, Printing & Office	7,639.78
Telephone & Telegraph	4,551.21
West Coast Sailors Publishing Expense	6,754.84
Per Capita	12,026.95
Salaries & Payroll Taxes	207,926.66
Office Workers Pension	6,333.60
Insurance	25,104.02
Field Expense	1,696.85
Committee & Neg., Conference & Conv.	1,605.05
Investment Expense	1,380.30
Advertising & Promotion	360.00
Legal	24,414.71
Contributions	751.71
Flowers	243.57
Officials Pension	854.91
Lobbying	345.00

Accounting Expense	2,000.00
Subscription	<u>3,265.20</u>
Total Expense:	<u>\$325,128.82</u>

BUILDING CORPORATION

Income:	
Assessments	\$3,240.00
Rents	114,561.07
Bldg. Utilities & Service Reimbursement	<u>1,497.92</u>
Total Income:	<u>\$119,298.99</u>

Expense:

Building Services & Utilities	\$22,073.91
Repairs & Maintenance	6,501.05
Salaries & Payroll Taxes	12,736.60
Legal Expense	1,180.00
Filing & License Fees	347.00
Accounting Expense	2,000.00
Pension	122.13
Insurance	<u>9,312.67</u>
Total Expense:	<u>\$54,273.36</u>

POLITICAL FUND

Income:	
Contributions	\$3,185.00
Interest	<u>1.31</u>
Total Income	<u>\$3,186.31</u>

Expense:

Contributions	\$2,400.00
Filing Fee	<u>50.00</u>
Total Expense:	<u>\$2,450.00</u>

Net Income 1st qtr. \$480,185.51

/s/Steve Cary	/s/Volkert Lories
/s/Rafael Cooper	/s/Steve Swinton
/s/Romaine Dudley	

ACTION BY THE MEMBERSHIP May 9, 2005. M/S/C—That we concur in the report of the SUP Quarterly Finance Committee and, as per past practice, publish in the West Coast Sailors. Carried unanimously.

British Union warns of fatigue at sea

The National Union of Marine, Aviation, and Shipping Transport Officers (NUMAST) has launched a campaign against crew fatigue and cutbacks of crew levels. Safety at sea is being compromised, because officers on merchant ships do not get enough rest periods, the British Union warned.

Researchers working with NUMAST said that two percent of masters and officers were clocking 16 hours per day, and 2.4 percent worked over 100 hours a week. Almost a third could not regularly get 10 hours of rest every 24 hours,

and almost 12 percent did not regularly get at least six hours of continuous rest every 24 hours.

The General Secretary of NUMAST, Brian Orrell, said, "Fatigue has been a problem for far too long and it is appalling that there is no concerned effort to address the consequent dangers to shipping and the health of seafarers. Ship-owners are putting insufficient number of seafarers on their ships, and administrators are in competition with each other on the issue of minimum safe manning certificates."

BC Ferries president sued by Union

David Hahn, president of Canadian operator BC Ferries, has been hit with a libel suit over comments he made about BC Shipyard Workers Federation President George MacPherson concerning the contracting out of a newbuilding project.

In a lawsuit filed in the British Columbia Supreme Court, MacPherson claims Hahn made "false and malicious" comments during local radio and newspaper interviews. MacPherson is asking for "general and special damages, punitive and exemplary damages and an interim and permanent injunction restraining Hahn, or BC Ferries, from making further defamatory remarks."

Hahn's comments accused MacPherson of misleading the public and of being an embarrassment to the labor movement. They were made as a result of persistent Union speculation that BC Ferries plans to build a new \$28 million ferry at Remontowa shipyard in Poland rather than at a Vancouver yard.

Los Angeles labor leader Miguel Contreras dies

Miguel Contreras, Executive Secretary Treasurer of the Los Angeles Federation of Labor, died on May 6, at the age of 52, of an apparent heart attack.

A statement issued by Art Pulaski, Executive Secretary-Treasurer of the California Labor Federation, AFL-CIO, said in part that: "From the fields of the Central Valley where he picked grapes as a young farm worker to the powerful corridors of Los Angeles city politics, Miguel Contreras tirelessly promoted the principles of equity, justice and dignity for all workers. Through his work, the labor movement in Los Angeles was rebuilt into a model for Union progress in America."

Brother Contreras is survived by his wife, Maria Elena Durazo who is a leader of UNITE HERE in Los Angeles, and two sons.

Chester Lester, the Federation's political director under Contreras, was appointed to fill Contreras's post as secretary-treasurer for the next 60 days, said Rick Icaza, the L.A. Federation's long-time president and president of the United Food and Commercial Workers Local 770.

Final Departures

Robert Brann, Book No. 5454. Born in Wisconsin in 1927. Joined SUP in 1948. Died in Fountain Valley, California, April 14, 2005. (Pensioner)

John Bataeff, Book No. 5018. Born in California in 1926. Joined SUP in 1946. Died in Santa Rosa, California, April 19, 2005. (Pensioner)

SUP Meetings

These are the dates for the regularly scheduled SUP meetings in 2005:

	Hdq.	Branch
June	14*	20
July	11	18
August	8	15
September	12	19
October	11*	17
November	14	21
December	12	19

*Tuesday

SUP Halls closed for holidays

All SUP halls will be closed on Monday, May 30, in observance of Memorial Day, a holiday under all SUP contracts.

All halls will also be closed on Monday, June 13, in observance of Kamehameha Day, which this year falls on Saturday, June 11. Due to the holiday, the Headquarters' meeting will be held on Tuesday, June 14.



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LMSR Case continued from page 1

must show a fair chance of success on the merits.

The entire standard of legal review seems to hinge on a single sentence in the District Court's decision where Judge Jenkins holds that the "Court finds that [Patriot] has raised questions about AMSEA's conduct but not shown a strong likelihood of success." First, when using the "alternate test" the legal standard is not that the Plaintiff must show a "strong" likelihood of success, but rather, that Plaintiff must show a "probable" likelihood of success and that at an "irreducible minimum" the Plaintiff must show a "fair" chance of success on the merits. Secondly, as previously stated, Judge Jenkins unequivocally found that Patriot would suffer irreparable harm. And thirdly, there are unequivocal serious questions raised by the conduct of AMSEA.

The Government Accountability Office's advisory opinion on the merits of Patriot's protest was released to Judge Jenkins on May 11, and was referred to in his decision of May 16. However, this important document was under a so-called "protective order" of the Court. On May 18, the SUP and MM&P filed a request with Judge Jenkins that the Court release the GAO's report. Despite the opposition of the U.S. Government and AMSEA, the protective order was lifted and the report was made public at the close of business on May 20. The release of this document was due in part to the inquiries made to the GAO by the House Minority Leader Nancy Pelosi (D-San Francisco) working in conjunction with the SUP and the Marine Engineer's Beneficial Association's (MEBA) American Maritime Congress.

The overwhelming majority of the GAO opinion revolves around AMSEA's material misrepresentations regarding key personnel, including port engineers, in AMSEA's bid proposal (Patriot's Port Engineers are MEBA members). The GAO finds on several occasions that AMSEA made several inaccurate statements in its bid proposal and during hearings with the GAO.

In summarizing the opinion, AMSEA's president first represented in a sworn declaration under oath that it could not provide the port engineers it proposed claiming that the Navy had changed the location of the layberths and that the proposed port engineers had declined to relocate. Patriot responded to the GAO by pointing out that the Navy had not changed the layberths during the course of the bid process. Shortly thereafter, AMSEA's president submitted another sworn declaration under oath acknowledging that the layberth locations had not been changed. This sworn declaration also contained additional statements that AMSEA's letters of commitments from its proposed port engineers attested to agreements to work for AMSEA and agreements with respect to salary, benefits and position. Thereafter, during a telephone hearing, the GAO was advised that five of six port engineers proposed by AMSEA would not work under the contract awarded to AMSEA.

Upon being advised of this failure of performance on the part of AMSEA and its proposed port engineers, the GAO stated that, "In light of AMSEA's significant substitution of key personnel, along with the inaccurate representation of AMSEA's president regarding the

purported rationale for those substitutions, the [GAO] conducted another telephone hearing during which testimony was obtained from seven witnesses: AMSEA's president; the AMSEA corporate employee responsible for preparing AMSEA's proposal; and the five proposed port engineers who would not work under the contract."

According to the GAO opinion, the testimony provided during that hearing amazingly disclosed the following information: "Among other things, the AMSEA [corporate] employee who was responsible for preparing AMSEA's proposal and for communicating with the proposed port engineers regarding their commitment letters testified that, despite the RFP's requirement that commitment letters 'must reflect mutually agreed position, salary and benefits,' there had been no discussion of salary, benefits, or location of employment with the proposed port engineers." Further, the five proposed port engineers who declined employment testified that "prior to the award of the contract, there had been no discussion of, nor agreement regarding, salary, benefits or location of employment. Also, during the hearing, AMSEA's president testified that he was "mistaken" on his initial sworn declaration that the port engineers refused employment because they would have to relocate to different cities. AMSEA's president continued to assert that the commitment letters reflected "agreements with AMSEA with respect to salary, benefits, and positions." Accordingly, based on the testimony the GAO found "it is clear that the revised representations of AMSEA's president in this regard are also inaccurate."

Quoting from the GAO opinion: "Here, based on the record discussed above, we conclude that AMSEA made material misrepresentations in its proposal regarding compliance with the solicitation's requirements for proposed key personnel. Further, because the solicitation expressly required agreement regarding salary, benefits, and position, it is clear that the [MSC] relied on AMSEA's misrepresentations in evaluating AMSEA's proposed key personnel under the personnel evaluation subfactor as "very good" and "highly qualified" . . . Finally, in light of the relatively close evaluated ratings of AMSEA's and PCS's proposals and their proposed prices, we conclude there is a substantial chance that AMSEA's misrepresentations regarding its proposed key personnel were material to [MSC's] source selection."

The GAO's final conclusion held: "On the record presented to our office, we conclude that [Patriot's] protest is meritorious. We [GAO] recently stated that an offeror's submission of a proposal containing material misrepresentations should disqualify the proposal from consideration for award, noting the integrity of the procurement process demands no less... Accordingly, if our office [GAO] were resolving the protest, we would sustain it and recommend that AMSEA's contract be terminated and that a contract be awarded to [Patriot] if otherwise appropriate."

As background to this saga, the MSC awarded nine LMSRs operated by Patriot to AMSEA on August 31, 2004. Two other LMSRs (*USNS Gilliland* and *USNS Gordon*), also operated by Patriot since

1999, were awarded to a "small business set-aside" company named 3PSC.

The SUP, MFOW and MEBA mobilized immediately to protest this outrageous decision by the Government in the middle of a war.

SUP President Gunnar Lundeberg and Vice President Dave Connolly along with the heads of the other affected Unions demanded a meeting with MSC and on September 8, 2004, met with Vice Admiral Dave Brewer. The Unions told Admiral Brewer (see the September 2004 issue of the *West Coast Sailors*) that the award to AMSEA was detrimental to the best interests of the United States.

Admiral Brewer was hostile to the assertions made by the Unions and said the contract had been awarded on a "best value basis" based on price according to GAO guidelines.

The Unions responded by calling into question the flawed, discriminatory and inconsistent manner in which MSC evalu-

ates and awards contracts.

The value of the award made to AMSEA is \$23.5 million for the first year and contains four one-year options which, if exercised, would bring the total value of the award to \$122.6 million. Patriot's bid exceeded that of AMSEA by \$700,000 for the first year. Brewer, again, stated that cost alone was the determining factor in the award.

However, in 2002, the MSC with Admiral Brewer in command, awarded a \$219 million contract to Maersk Line for the operation of eight "prepositioning" LMSRs. Patriot also bid for these vessels and lost despite the fact Patriot's bid was \$18 million lower than Maersk's, which was the incumbent operator! When apprized of this inconsistent double standard, Brewer could only repeat his mantra that price in the AMSEA award was the determining factor.

[Editor's Note: Parts of this report are courtesy of the MEBA's *Telex Times* of May 20.]

m/v Manulani christened in Philly



Photo: Dave Connolly

The new *m/v Manulani* was christened at Kvaerner Philadelphia Shipyard on May 21, by Mrs. Joann Camacho, wife of Guam's Governor Felix Camacho.

The 712-foot, 30,000-ton vessel is the third of a four ship order for Matson Navigation Company. The *m/v Manukai* and *m/v Maunawili* went into service in 2003 and 2004. The fourth vessel is under construction and is expected to be delivered in the second quarter of 2006.

When the APL/Matson Alliance expires in February 2006, *Manulani* and her sister ships are slated to enter the West Coast/Guam/China service. Until then, *Manulani* is scheduled to call West Coast ports and Honolulu.

Chevron drops Texaco from its name

ChevronTexaco announced on May 9, that it is shortening its name to Chevron Corporation, returning to the handle it used before acquiring Texaco in 2001.

The move, designed to simplify the company's brand name, won't do away entirely with the Texaco name. About 1,200 U.S. service stations will continue to operate under the Texaco brand.

Texaco traced its lineage back over a century. Joseph Cullinan, a veteran of Pennsylvania's oil industry, founded the Texas Fuel Company in 1901, in Beaumont, Texas, during the state's first oil boom. A year later the firm became the Texas Company and started using Texaco as a brand name.

The company took Texaco as its corporate name in 1959, years after it had

moved its headquarters from Texas to New York.

San Ramon, California-based Chevron traces its roots back to 1879, with the establishment of the Pacific Coast Oil Company. In 1906, it became Standard Oil Company (California); in 1926, Standard Oil Company of California (SOCAL); in 1984, Chevron Corporation; and in 2001, ChevronTexaco Corporation. In addition to changing its name, Chevron also unveiled changes to the company logo, adding new details in texture and shading while keeping the basic design.

The Sailors' Union represents all unlicensed personnel in Chevron's U.S.-flag vessels.

SUP Honor Roll

Voluntary contributions from the membership to the following funds:

Organization/ General Fund

*In lieu of dues increase.

Noel Balaguer	50.00
Erik Finneman	50.00
Louis Fraizer	40.00
Marvin Glasgow	55.00
John Hamann	20.00
Pal Harsany	80.00*
Nick Hoogendam	20.00*
Darin Loberg	10.00
Bill McAndrew	20.00
Ricky Pangan	70.00
Randy Runyan	20.00
Whitey Secrest	100.00
Ernie Stimach	20.00
Ed Suguitan	25.00
John Svane	40.00
Erik Williamson	20.00

Political Fund

Noel Balaguer	100.00
John Drolla	30.00
Jeff Evanhus	30.00
Michael Freng	20.00
Dale Gibson	10.00
Marvin Glasgow	55.00
Robert Jones	70.00
Gunnar Lundeberg	100.00
Robert McDougal	120.00
Vincent O'Halloran	100.00
William Ofsthus	100.00
Michael Orton	10.00
John Palenapa	25.00
David Pangan	10.00
Ricky Pangan	70.00
Ray Pinoch	20.00
Paul Purugganan	40.00
John Rawlings	150.00
Ralph Senter	70.00
Mike Soper	20.00
Richard Stinson	10.00
Ed Suguitan	25.00
Robert Taylor	100.00
Robert Vandermey	10.00
Troy VanLiendon	10.00
Joshua Walker	50.00
Patrick Weisbarth in memory of Manu and Kaela Weisbarth	50.00



West Coast Sailors

Noel Balaguer	50.00
Billy Bell	25.00
Ojvind Bernhagen	25.00
Joseph Castege in memory of Frank Castige	100.00
Jay Dillon	10.00
Mike ElMobdy	20.00
Anthony Figueroa	10.00
Erik Finneman	50.00
Michael Freng	20.00
Roberto Garcia	10.00
Marvin Glasgow	30.00
James Graham	25.00
John Gugich	30.00
Herman Hallman	50.00
Franklin Haugen	25.00
Henry Holzberg	25.00
James Kawaski	25.00
Alberto Laurel	10.00
William Ofsthus	50.00
Robert Palakiko	25.00
John Perez	25.00
Henry Quirk	20.00
Philip Romei	25.00
George Sherbula	25.00
William Smith	25.00
Kaj Sorensen	25.00
Eugene Souza	25.00
Gerald Spafford	25.00
Edward Suguitan	50.00
Leo Surmeian	25.00
Robert Taylor	20.00

Dues-Paying Pensioners

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

NYC ferry director pleads guilty in fatal 2003 accident of the *Andrew J. Barberi*

Patrick Ryan, director of ferry operations for the New York City Department of Transportation, pleaded guilty last month to negligent manslaughter after 11 people died in 2003 when the ferry *Andrew J. Barberi* slammed into a pier.

The case marks a rare instance where shoreside management has been successfully prosecuted for an incident at sea.

As part of his plea agreement, Ryan admitted being guilty to a single count of manslaughter (out of 11 charges), and is expected to serve up to a year in prison. His brother-in-law, port captain John Mauldin, also pleaded guilty to making a false statement to the National Transportation Safety Board.

Ryan's plea, which came just ten days before his case was expected to go to trial, stems from his admitted negligence in not properly enforcing the "two pilot rule" aboard the ferries under his oversight. The sole man at the helm of the *Barberi* when it ran into the pier, assistant captain Richard Smith, pleaded guilty last August to 11 counts of manslaughter and is awaiting sentencing.

SUP pickets support IBU



Photo: Jay Ubelhart, IBU.

Inlandboatmen's Union of the Pacific (IBU) "Sound Refinery" dockworkers/tankermen organizing at an April rally in Tacoma, Washington. From left to right: SUP Seattle Branch Agent Vince O'Halloran, SUP members Tony Jones, Chuck Maringer (face hidden), IBU Puget Sound Regional Director Dennis Conklin, IBU Business Agent Stu Downer. In the background between Jones and O'Halloran is Dave Freiboth, IBU National President.

UFCW demands Wal-Mart disclose funds used for anti-Union activities

Wal-Mart's former vice president Tom Coughlin may have used undeclared funds to pay workers who informed management about pro-Union colleagues. The United Food & Commercial Workers (UFCW) is now demanding that the company disclose its records connected to the forced resignation of Coughlin. A criminal investigation is on its way.

It was the *Wall Street Journal* that first broke the story accusing the former Wal-Mart executive of spending between \$100,000 and \$500,000 from his expense account for improper financing of secret anti-Union activities.

"We are deeply disturbed by these allegations of Wal-Mart's anti-Union activity," stated UFCW Executive Vice President and Director of Organizing Bill McDonough.

"These are serious criminal offenses and cast Wal-Mart's systematic anti-worker activities on a much more sinister level. Wal-Mart should not try and cover up its activities but should do the right thing and make all of the documents public immediately," Bill McDonough says.

Wal-Mart has already been found guilty of illegally spying, bribing with promotions, firing and intimidating workers. According to the *Wall Street Journal*, these revelations, if true, mean that Wal-Mart's anti-worker, anti-Union program would represent a criminal offense under the federal Taft-Hartley Act—a federal felony to pay employees to persuade coworkers to abandon support for Union representation, the UFCW website comments.

Of course, this would also be a violation of core International Labor Conventions, which expressly forbid employers to involve themselves in Union activities. However, this has never stopped Wal-Mart from engaging in open and brutal Union busting.

Management comments to the *New York Times* seem to focus mainly on damage control. The company clearly accepts that its former vice president indeed used money for Union busting, but tries to explain that this behavior was not authorized.

If and when a court case against Coughlin takes place, it will be interesting to see what he tells about using funds to payments for Union busting. Speculations are that this would be an important part of his defense.

Oakland scanning cargo for radiation

The Port of Oakland, California, has started scanning cargo containers for radioactive material, becoming the first major U.S. port to do so as part of a broader effort to prevent smuggling of the material. The port has installed federally funded radiation detectors in recent months at its international terminals and put them into full operation on April 26, said Marilyn Sandifur, a spokeswoman for the Port of Oakland.

The detectors are sensitive to any kind of radiation that exceeds normal levels of background radiation," she said. If alarms are triggered, Customs agents inspect containers more closely.

The Department of Homeland Security plans to have the monitors in operation at all California seaports by the end of the year, said Nat Aycox, director of field operations for the customs and border protection unit in San Francisco.

The port handles up to 5,000 cargo containers a day and is America's fourth largest container port behind Los Angeles-Long Beach and New York-Newark.

California lawmakers have given initial approval to a bill that would raise \$130 million annually to improve port security by imposing a \$10 fee on each cargo container shipped into the state. The bill would authorize the state to collect fees on cargo container traffic and distribute the funds to ports.

The Port of Oakland's \$4 million drive-through radiation monitors are so sensitive they can detect naturally occurring radiation like potassium in bananas, which can trigger alarms, Sandifur said.

Bush plan could eliminate middle class' Social Security benefits

President George W. Bush's proposal to index Social Security benefits could lead to huge cuts in guaranteed benefits for 70 percent of future retirees, with millions of middle-class American workers receiving starkly reduced benefits, according to a report by the Center on Budget and Policy Priorities (CBPP).

At the same time, Bush is proposing to privatize Social Security by allowing workers to divert part of their payroll taxes to private accounts and paying for it by reducing guaranteed benefits by about 40 percent for those who choose the private accounts. As a result, Social Security benefits for people electing the accounts would be lowered twice—once due to the indexing changes and a second time to pay for the accounts, CBPP says.

The Bush proposal is a change in the way future benefits would be calculated. Bush claims the changes would protect benefits for the poor, but the CBPP report shows millions of workers, even those with relatively low earnings, would get significantly less under the Bush plan than what they would get under today's promise. For example, under the Bush plan, a worker participating in the private account program, who had average annual earnings of \$36,000 (in 2005 dollars) and retired in 2055, could lose 66 percent in benefits that are guaranteed under the current system—from \$22,100 a year under today's system to \$7,510 in 2005 dollars. A worker earning \$59,000 could see a whopping 87 percent drop in benefits from \$29,300 a year to \$3,750 in 2005 dollars.

Because Medicare premiums, which also are deducted from Social Security checks, are rising rapidly due in part to Bush's flawed drug benefit enacted last year, many retirees will see their Social Security checks reduced to nothing or almost nothing, the CBPP report says.

The latest Bush plan was conceived by Robert Pozen, a Boston investment executive who served on the Bush commission that recommended privatizing Social Security. Under the plan, Social Security benefits for some 70 percent of workers would be indexed, in part, to increases in consumer prices rather than to increases in average wages. Because wages typically rise faster

than prices, the change would mean that retirement benefits for middle- and upper-middle-class Americans would climb much more slowly than currently promised benefits.

Bush's latest plan "confirms what we've said since last December: His Social Security 'reform' plans would cut guaranteed benefits enormously, gigantically increase the federal budget deficit and force retirees to rely on risky private accounts for their retirement income," AFL-CIO President John Sweeney says.

The AFL-CIO and its allies are mounting an all-out campaign to urge members of Congress to oppose privatization and benefit cuts, which Bush announced at an April 28 press conference. The Senate Finance

"Should any political party attempt to abolish social security, unemployment insurance, and eliminate labor laws and farm programs, you would not hear of that party again in our political history. There is a tiny splinter group, of course, that believes you can do these things. Among them are [a] few other Texas oil millionaires, and an occasional politician or business man from other areas. Their number is negligible and they are stupid."
— President Dwight D. Eisenhower, November 1954

Committee began hearings on the Bush privatization plan April 26.

That same day, more than 3,000 union members, retirees and activists rallied on Capitol Hill. They were

"Security of the home, security of livelihood and the security of social insurance...constitute a right which belongs to every individual."
—Franklin D. Roosevelt June 1934

joined by several dozen U.S. Senate and House members who vowed to protect Social Security's guaranteed benefits and derail Bush's risky privatization plan.

Meanwhile, the Alliance for Retired Americans has released a 12-minute video "Saving Social Security," viewable online, which highlights the perils of privatizing Social Security and features Oscar-winning actress Olympia Dukakis.

"We need a 'call to arms' for older Americans everywhere," says Alliance President George Kourpias. "Seniors must stand up and fight not just for the retirement income they earned and deserve, but for the future generations...who will need the peace of mind and security synonymous with Social Security."

Lykes Lines house flag to disappear by year's end

Lykes Lines, one of the bulwarks of the U.S. Merchant Marine for over a century, will be no more by the end of 2005.

CP Ships Ltd., the owner of Lykes, announced this month that it plans to "re-brand" its container shipping services under the CP Ships name and retire its seven operating "brands" by the end of the year. Besides Lykes, the other brands that are due to become defunct are: ANZDL, Canada Maritime, Cast, Contship Container Lines, Italia Line and TMM Lines.

Before its takeover by Canadian Pacific Ltd. (the former parent of CP Ships) in July 1997, Lykes Lines was known as Lykes Brothers Steamship Company which traced its roots back to 1899.

The Lykes family owned cattle ranches and started the line as a means to transport their cattle from the United States to Cuba. They expanded the operation to offer the service to others and in 1906 Lykes Brothers Steamship Company was born. The company, run by seven brothers, began operating chartered schooners, side-wheel steamers and other craft between the U.S. West Gulf and Caribbean ports.

During World War I, Lykes began operating entirely as a U.S.-flag carrier. In 1922, the first vessels were purchased—five war-built, U.S.-flag ships. Over the next few years, Lykes ships began to extend beyond the Gulf of Mexico and the Caribbean and offices were opened in the United Kingdom and other European countries.

In 1933, Lykes purchased 52 ships from the Dixie and Southern States Lines, making the company one of America's leading ocean carriers with a total of 67 ships.

Lykes added new trade routes. In 1941, services were started between the U.S. Gulf and South/East Africa and in 1945, Lykes entered the West Coast South America trade.

During World War II, all U.S. ships were requisitioned for essential transportation and at the peak of the fighting, Lykes operated 125 cargo ships of all types, carrying 60 million tons of cargo. Overall, 22 Lykes ships were lost through enemy action, with the loss of 272 lives.

Currently five Lykes Lines vessels operate under the U.S. flag as part of the Maritime Security Program. The names of these vessels will also be changed, dropping the Lykes name.

CP Ships chairman Ray Miles, said that the company's customers wanted to simplify business and trade under a single brand name. "It is time to move on," Miles added.

Gas carrier freed after 17-day hijack

A liquid petroleum gas (LPG) tanker and its 17 crew members were freed on April 28, after being held hostage by pirates in Somali waters since April 10, according to the International Maritime Bureau (IMB) Piracy Center.

The ship was lured into a trap by armed pirates by means of a fake distress flare. A news blackout held during prolonged and sensitive negotiations, the IMB said, but the ship and its complement were freed and sailed under U.S. Navy escort to the Persian Gulf. The IMB would only say that an accommodation was reached with the pirates who left the ship and departed from the scene.

The ship has been described as sailing under a flag-of-convenience and having a highly reputable Asian-based manager. The ship's owner had summoned the assistance of Coalition forces in the Gulf region, and it is understood that a U.S. warship was in attendance during the entire 17-day period of negotiations.

IMB director Captain Pottengal Mukudan emphasized that the nature of

the ship was not an issue in this purely criminal attack. "We do not want to create unnecessary speculation," he said. The pirates were apparently interested only in obtaining money and had no sinister interests in the ship itself or the cargo it might have been carrying, he said. Mukudan stressed that the most important issues the incident raises are the increasing danger of navigation in Somali waters, and the iniquitous use of fake distress signals by criminals. "This kind of attack is very worrying," Mukudan stressed. "Ships in Somali waters must be very careful indeed. Of course, masters must respond to distress signals, but they must be very wary. We would advise them before responding to try to confirm the nature of the alarm, if possible contact any naval vessel in the region and ideally ask them to respond to the incident."

There have been two attacks in Somali waters in April; the other vessel involved a bulk carrier. There is no legal infrastructure in Somalia, no one to report such incidents or to give assistance, he said.

USCG blacklists seven countries for lax anti-terrorism safeguards

Anti-terrorism safeguards are so lax in seven countries—five of them in Africa—that U.S. Coast Guard officials will now board and screen all ships which recently docked there before allowing them to enter the United States.

It said Madagascar, Liberia, the Democratic Republic of Congo, Mauritania, Guinea-Bissau, Albania and Nauru have failed to comply with the ISPS international maritime security standards imposed last year and therefore lacked effective anti-terrorism measures in their ports.

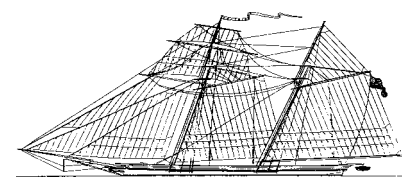
The Coast Guard also said that beginning May 23, all ships which had docked in these states on one of their last five stops would automatically be denied entry to the United States unless they took tough new security precautions, such as placing guards at all access points to the ship while in a blacklisted state.

While the countries on the list are fairly small on the global shipping map, the

impact on vessels that have recently docked there could be large. Security boardings at sea or a denial of entry to the United States can trigger extremely costly delays, and perishable cargo can be lost completely.

Fearing a seaborne attack by militant groups such as al Qaeda—the Coast Guard has vowed to police strictly according to the ISPS rules that came into force on July 1, 2004, by turning away ships that are not security-certified or delaying ones, that have called at "contaminated ports."

About 200 ships call on the United States' 361 ports every day.



ESU Office Assignments

For the month of June, Bob Knight will be in the Seabrook office and Tommy Thompson will be in the Benicia office.



MAY 2005

Official Publication of the Exxon Seamen's Union

Nomination period continues for Steward Department Trustee

As reported in last month's *ESU NEWS*, a special election for the Steward Department Trustee position is being conducted due to the untimely resignation of Gerard Nelson.

As outlined under the ESU Constitution and By-Laws under Article V paragraph 4-A states in part: "When a vacancy occurs in a Union Executive Board office position due to resignation or for other reasons and more than one year remains of the unexpired term, the Executive Board shall call a special election to fill the vacancy. The vacancy shall be announced to the membership and sixty (60) days allowed for candidates to gather the requisite signatures for nomination as specified in Article V, paragraph 1 D. If no candidate seeks election for the remainder of the term, the Executive Board can then appoint a member to fill the remainder of the term".

Eligibility requirements for the position of Trustee are described in Article V, Section 1 of the Unions Constitution and By-Laws. Requirements include: Candidate having his/her dues paid through the month in which the nomination is made and have at least two (2) years of continuous service in the Company and be a member of the Union for at least one (1) year. The nominee must be a qualified driver possessing a current, valid auto driver's license. Members may either nominate themselves or be nominated by other members in good standing. Candidates for this position will be required to submit a nomination form with a minimum of 25 signatures from members in good standing. Nomination forms can be sent by regular mail, or by certified mail if there is any question concerning the timely receipt of the form. Each bona fide candidate for this position is requested to provide a campaign statement that will be presented to the membership in a mail-out from the Union office along with the ballot.

The nomination period for this election is April 15, 2005 through June 14, 2005. As of May 16, 2005, the Union has received no nomination forms for this election. The Executive Board encourages all steward department members to consider stepping forward and offering their services in this vital leadership role within our Union.

13 take layoff from SeaRiver

On March 22, 2005, the Company gave notice to the ESU that a surplus of 26 employees had developed due to the transfer of the *S/R Mediterranean* to IMT. Employees affected by the layoff were notified by the Company and given until April 28, 2005 to either take a layoff from the Company or accept a demotion to a lower rating. Bargaining Unit employees that decided to take layoff would be entitled to severance payments as outlined under the Collective Bargaining Agreement.

Of the 26 bargaining unit employees affected, 13 decided to take a layoff from the Company. They are as follows: Raymond Balles (QMED), Emmanuel Banan (AB), Edward Botchway (AB), Joe Davis (QMED), John Drew (AB), Jarvis Gainer (QMED), Felix Jacobs (Cook), Lance Jacobs (QMED), Russell Kopecki (AB), Erwin Laserna (AB), Danilo Perez (AB), Sal Raul Plaza (QMED) and John Valle (QMED).

Other unlicensed personnel that have left the bargaining for various reasons, which include retirements, resignations,

etc. since January 1, 2005 are as follows: Roy Broussard, Jr. (Cook), Jose Brito (AB), Marcos Clotter (2PM), Allen Cooper (QMED), Percy Anderson (AB), Russell Saia (Cook), Forest Karch (QMED), Julio Lima (MS), Daniel McBride (MS), Larry Moses (MS), Peter Oyetade (MS), Darren Kaiser (MS), James Schettler (MS), Peter Seifert (MS), Samuel Smith (MS), Michael Stanley (MS), Joseph Wolff (MS) and George Thomas (AB).

Over the past few months, sea tours have been unusually short due to surplus employees and still continue at the present time. Although predicting a normal seatour is much like predicting the weather, the Board believes tours will return to the neighborhood of the normal 60-day tour in the near future. Those that have decided to take the layoff will help the situation. Additionally, attrition for the first part of this year has been higher than normal.

We wish the best to all former members that have left the ESU Bargaining Unit during 2005.

Another Savings Plan loan interest rate increase

The Savings Plan Trustee will increase the loan interest rate to 6.50% per year effective June 1, 2005, superseding the current 6.25%. Loans requested prior to 7:00 a.m. Eastern Time Tuesday, May 31, 2005 will be processed using the 6.25% loan interest rate. Loans requested on or after 7:00 a.m. Eastern Time Tuesday, May 31, 2005, will be processed using the 6.50% loan interest rate. The interest rate on existing loans remains unchanged.

If you have further questions, please check the Saving Plan website at www.xomsavings.csplans.com or call a Customer Service Representative at 1-877-966-4015.

Demotion arbitration sustained for ESU

As you recall, On July 1, 2004, SeaRiver Maritime Inc. notified 11 ESU unlicensed employees that they were being demoted. The Union grieved the demotions, alleging violations of Article XI, Section 1, paragraphs A-F.

On July 8, 2004, the Union elevated a grievance to the third step. On August 6, 2004, management responded to the third step grievance, stating first, the "Layoff and Recall" provisions were inapplicable to the action affecting these 11 employees because the company had not "declared any surplus." The second reason offered by management as to why the "Layoff and Recall" provisions did not apply was that their actions were taken in accordance with the seniority article and that an individual demoted under the language of the seniority article was "not surplus" and thus not subject to layoff. The Union maintained that the definition of demotion is found in Article X, Section 3; the order of demotion is outlined in Article X, Sections A-C; and the procedure for demotion is outlined in Article XI.

The Union elevated the grievance to the fourth step on August 10, 2004 and management responded denying the grievance on August 26, 2004. On August 30, 2004, the Union notified management of its intent to elevate the matter to arbitration.

On January 25, 2005, the American Arbitration Association notified the parties that the hearing on the matter was to take place on February 8, 2005. The arbitration hearing between the Exxon Seamen's Union and SeaRiver Maritime Inc. Grievance #2004-05-Demotions without Notice or severance was held on February 8, 2005 at the Doubletree Hotel in Houston, Texas. The Arbitration was heard by Ms. Kathy Fragnoli J.D. an arbitrator appointed by the *American Arbitration Association*. Representing the

Union was our attorney Ms. Sharon Groth, Union arbitrator, witnesses, ESU Vice President Mr. John Straley, and ESU Recording Secretary Mr. Thomas Thompson III. Representing the Company was Mr. Miguel A. Quinones-Suarez attorney for the company, Mr. Todd Covini arbitrator for the company, and Mr. David Walker, former labor head at SeaRiver Maritime Inc., was a witness for the Company.

On May 5, 2005 the arbitrator provided her final ruling in favor of the Union. The arbitrator findings stated in part that, "While management does, indeed, retain the management rights outlined in Article III, the fact that it can freely administer those rights does not relieve it from the responsibilities and bargained for consequences of those decisions. When SeaRiver Maritime, Inc. demoted 11 members of Exxon Seamen's Union in July of 2004, it was required to provide the Union six months notice of those demotions It failed to do so. In addition, SeaRiver Maritime was required to follow the provisions of Article XI (D) and (F) and provide those 11 employees demoted the rights available to them under these provisions."

The Award read, "The Union's grievance is sustained. The Company is directed to reinstate the employees affected by this grievance to the position they would have been in prior to the demotion letter at issue and make them whole for all lost wages, benefits and seniority. The arbitrator retains jurisdiction over the remedy should a conflict arise as to its application."

Accolades are due to ESU attorney Sharon Groth for her professionalism in presenting and articulating our argument and for her diligence throughout this ordeal. Additionally, the ESU salutes John Straley and Tom Thompson for a job well done on the preparation of this case and for being expert witnesses.

Contract bargaining underway

As reported in the April issue of the *ESU NEWS* on August 31, 2005, the current bargaining agreement between the ESU and SeaRiver Maritime Inc. will expire. Accordingly, the Exxon Seamen's Union and SeaRiver Maritime Inc. began collective bargaining on Tuesday, May 10, 2005 in Galveston, Texas.

The ESU Bargaining Committee consisted of the four principal Executive Board Officers: Jerry Patterson, John Straley, Bob Knight and Tommy Thompson as well as the Department Trustees William Ackley (Engine), Pat Campbell (Deck), and Tom McKee, filling in for the Stewards Department due to the resignation of Gerard Nelson. The Union's attorney Sharon Groth attended as Advisory Counsel to the Union.

The company was represented in the negotiations by Gregg Edlmann, Human Resources Manager, Al Galik, SeaRiver Legal Department, Captain William (Bill) Sheehy, Ship Group Coordinator, Ron Floyd Ship Group Coordinator, Todd Covini, Labor Relations Supervisor, Chris Matteson, Human Resources and John LaRese, Ocean Fleet Chief Engineer.

The bargaining sessions and exchanges were cordial as both sides exchanged preliminary positions and proposals to begin the process. Both sides agreed to meet again in Galveston, Texas, on May 23, 2005, to continue the negotiations. Further negotiating dates, if needed, will be established during the May 23, 2005 negotiations. It now appears that this may be necessary. The ESU remains optimistic and is dedicated to a successful outcome.

EKG tests not required by SeaRiver

As everyone in the membership is aware, the Company yearly physical program has been in place for several years now. SeaRiver requires these physicals to satisfy STCW and Federal Regulations. One particular test that is offered to older employees is an EKG (Electrocardiogram). This test is not required by Regulations or SeaRiver according to the Medical Director of SeaRiver.

During the 2005 Ship Representative Conference, Dr. Ralph Frates, SeaRiver's Medical Director, was asked if the Company required EKG's and his response was "no". Dr. Frates was addressing those in attendance at the conference and the question came up in reference to an employee that had an EKG recently at one of the Company contracted clinics. The employee's initial test results indicated that the individual might have a health issue relating to the heart. The results of the employee's initial EKG where later determined through additional tests and follow-up to be in error.

In this particular instance, the Medical Department required the employee to have follow-up tests after receiving the results of the initial EKG before he could return to work. The individual was also required to submit the cost of the

additional tests and exams to his medical plan since the Company would not pay. Ordinarily, tests and exams like this would incur some out-of-pocket expenses to the individual or deductibles if not already satisfied. The bottom line in this case was the individual had to jump through hoops in order to be eligible to work because of a misleading and/or erroneous EKG test, which is not even required by the Company.

Certainly, the ESU is not trying to discourage anyone from taking advantage of a test that is offered by the Company through the annual physical program. We encourage all members to live a healthy lifestyle and monitor their health on a regular basis even beyond what is offered through the Company's physical program. However, we want you to be aware there may be follow-up costs that the Company will require you or your medical insurance plan to pay if there are questions about the results of an EKG test. Perhaps, the best method for some members would be to decline the Company EKG and to see your own physician about this particular health issue when you reach the prescribed testing age or if your doctor believes certain tests are necessary based on family medical history.

Gas costs eat into paychecks

The rise in gas prices is like a disease that relentlessly attacks an individual's take-home pay. Driving less isn't an option. And many can't afford to buy more fuel-efficient cars. Energy prices have increased by 16.1% in 2004 and by 21.1% so far during 2005.

A new Gallup survey finds that higher gas prices are taking their toll on American consumers. Almost 6 in 10 say the higher prices are causing a hardship, the highest number on this measure in the past six years. Fifteen percent say the hardship is "serious." More than a third of Americans have cut back significantly on spending because of the higher prices, and about half have cut back significantly on the amount of driving they do. While multi-national oil companies wallow in unprecedented profits, the relentless assault on Americans wages and take home pay continues unabated.

ChevronTexaco/ConocoPhillips allowing sailors to share in profits

Mariner's employed on vessels owned by oil giants ChevronTexaco and ConocoPhillips have recently been rewarded with large bonus payments based on their contributions in both operational and profitability performance experienced corporate-wide. ChevronTexaco unlicensed oceangoing seamen are employed by ChevronTexaco Shipping and represented by the Sailors' Union of the Pacific (SUP). Polar Tankers, Inc. is the shipping arm of ConocoPhillips and the Atlantic Maritime Employees Union (AMEU) represents their unlicensed mariners.

The bonus paid to Polar Tanker employees in February amounted to 13.38%, a significant amount when factored on employees' 2004 entire W2 wages (minus the amount of the previous years bonus). Approximately half of the factors used by the corporation to determine the payout were based directly on economic performances. Areas such as TSR (total shareholder return) and ROCE (return on capitol employed) are examples of economic measures that contribute to profit performance. Polar Tanker, Inc./ChevronTexaco employees have been benefactors of performance bonuses for several years.

Also, in February of this year ChevronTexaco employees received combined bonuses of 14.5%, much of which was calculated on an employee's total W2 wages. A 6% special bonus was distributed to employees as reported in the February *West Coast Sailors* (SUP President's Report). This bonus was paid based on an employee's regular base wages in 2004. Additionally, another bonus payment of 8.5% was paid as a Success Sharing reward heavily dependent on both the corporation and the shipping company's performance. A 4% maximum of an individual's wages comes from the ChevronTexaco Corporation's ranking versus its major competitors in Total Shareholders Return (TSR) and a potential maximum from the overall performance of ChevronTexaco Shipping Company. This bonus can range from 0-10% annually.

Other factors, besides economic considerations determining bonus percentages were performance comparisons to the companies peer groups in areas such as health and safety. Specifically, total lost time injuries and recorded injuries. These are industry safety measurements that ESU members are familiar with and have been achieving, by managements own admission, high ratings in for years.

Profit performance in respect to ExxonMobil is inarguably outstanding (see: "Profit, profit and more profit; *ESU NEWS*, February 2005). The oil behemoth is the envy of not only its peer group, but also most of corporate America. The ability to reward employees for their contribution in these exceptional performance achievements in the areas of operations and profit is not in question.

ExxonMobil Corporation has paid no such bonus awards to its frontline, "blue collar" employees. This, even though not only the corporation, but its American flag tanker fleet operated by SeaRiver Maritime, Inc. continues to either lead or compare favorably with these two above mentioned conglomerates and their shipping affiliates in all categories.

How specs live forever (trivia)

The U.S. standard railroad gauge (distance between the rails) is 4 feet, 8.5 inches. That's an exceedingly odd number. Why was that gauge used? Because that's the way they built them in England, and the U.S. railroads were built by English expatriates. Why did the English people build them like that? Because the first rail lines were built by the same people who built the pre-railroad tramways, and that's the gauge they used.

Why did 'they' use that gauge then? Because the people who built the tramways used the same jigs and tools that they used for building wagons, which used that wheel spacing. Why did the wagons use that odd wheel spacing? Well, if they tried to use any other spacing the wagons would break on some of the old, long distance roads, because that is the spacing of the old wheel ruts.

So who built these old rutted roads? The first long distance roads in Europe

were built by Imperial Rome for the benefit of their legions. The roads have been used ever since. And the ruts? The initial ruts, which everyone else had to match for fear of destroying their wagons were first made by Roman war chariots. Since the chariots were made for or by Imperial Rome, they were all alike in the matter of wheel spacing.

Thus, we have the answer to the original questions. The United States standard railroad gauge of 4 feet, 8.5 inches derives from the original specifications for an Imperial Roman army war chariot. Specs and bureaucracies live forever. So, the next time you are handed specifications and wonder what horse's a— came up with them, you may be exactly right. Because the Imperial Roman chariots were made to be just wide enough to accommodate the back ends of two warhorses.

Source: Unknown

Ship reports

SR American Progress

ESU Board Officer visited the vessel on May 3, at ExxonMobil Dock in Beaumont, TX. Regular Ship Representative Ed Caldwell on board and reports everything is running smoothly. Minor MS issue that was taken care of shipboard by Ed. Vessel slated to depart for Singapore during June for her shipyard period. Thanks to Michael Harrison for providing the vessel with the Play Station that the members had purchased while he was the Ship Rep on the *S/R Puget Sound*.

SR Baytown

Vessel has completed the scheduled CAIP and mini repairs in Port Angeles and is now slated for a couple of San Francisco port calls. Crew continues to communicate with the ESU office via cell phone to keep apprised of events. Kevin Conroy filling in as Temporary Ship Rep. No beefs, ESU Board Officer scheduled to visit vessel when it comes to San Francisco.

SR Columbia Bay

Vessel last visited on April 12, at the Valero Dock in Benicia, CA. Representative Thor Floreen is aboard and keeps in contact with the Union office and reports no beefs. Vessel will be visited again at the Valero dock in Benicia, CA in May.

SR Galena Bay

Board Officer visited vessel on April 10, at the Valero dock in Corpus Christi, TX. Representative George Taylor went to paid leave and Rick Baur is filling in as the Temporary Ship Representative. Vessel continues on cross-Gulf trade between Corpus Christi and Tampa.

SR Hinchinbrook

Vessel continues on the Puget Sound to Valdez run. Representative Danny Jones keeping in contact with the Union and reporting all is well and running smoothly at the present time.

SR Long Beach

Vessel now making last trip before her scheduled shipyard period to Singapore in June. Ship Representative Joe Grara back aboard and reports no beefs. The ESU thanks Nick Wise for serving as Temporary Ship Representative in Joe's absence.

SR Wilmington

Board Officer visited the ship on May 5, 2005, at the ExxonMobil Dock in Baytown, TX. Regular Ship Representative Charlie Pollard on board and reports no problems. Ship continues on Gulf/East Coast trade with a scheduled stop in Puerto Rico following her discharge in New York.

EXXON SEAMEN'S UNION
 Founded March 28, 1941
 Affiliated with the Sailors' Union of the Pacific

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President Jerry Patterson

Vice President John Straley	Deck Trustee Patrick Campbell
Secretary/Treasurer Robert Knight	Engine Trustee William Ackley
Recording Secretary Thomas Thompson III	Steward Trustee Gerard Nelson

Sailors' Union of the Pacific/ Training Resources, Ltd.

Schedule of Course Offerings for 2005

The following dates are tentative. Contact Steve Messenger (415 778-5490) for more information.

STCW 95 Basic Safety Training

• Basic Fire Fighting	• Basic First Aid		
• Personal Survival	• Personal Safety and Social Responsibility		
May 23-27	Jul. 25-29	Sep. 19-23	Nov. 14-18
Jun. 6-10	Aug. 8-12	Oct. 3-7	Dec. 5-9
Jun. 20-24	Aug. 22-26	Oct. 17-21	Dec. 12-16
Jul. 11-15	Sep. 12-16	Oct. 31-Nov. 4	

LMSR Vessel Training (MSC approved)

Jun. 7-17	Aug. 9-19	Oct. 11-21	Dec. 6-16
Jul. 12-22	Sep. 13-23	Nov. 8-18	

Small Arms Training (MSC approved)

May 23-25	Jul. 25-27	Sep. 26-28	Nov. 21-23
Jun. 20-22	Aug. 22-24	Oct. 24-26	Dec. 19-21

Able Seaman (AB)

Jun. 6-18	Aug. 8-20	Oct. 10-22	Dec. 5-17
Jul. 11-23	Sep. 12-24	Nov. 7-19	

Survival Craft (Lifeboatman)

May 23-26	Jul. 25-28	Sep. 26-29	Nov. 14-17
Jun. 6-9	Aug. 8-11	Oct. 3-6	Dec. 5-8
Jun. 20-23	Aug. 22-25	Oct. 17-20	Dec. 19-22
Jul. 11-14	Sep. 12-15	Oct. 31-Nov. 3	

Training Information and Enrollment

Contacts

Steve Messenger, SUP Training Rep. SUP Welfare Plan 450 Harrison St., San Francisco, CA 94105 Tel: (415) 778-5490 Fax: (415) 778-5494 E-mail: suptrainingrep@sbcglobal.net	Dave Connolly, SUP Vice President c/o Andrew Furuseh School of Seamanship 450 Harrison St., San Francisco, CA 94105 Tel: (415) 777-3400 Fax: (415) 777-5088 E-mail: daveconnolly@msn.com
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Attend your SUP monthly Union meetings

Editor's Note: For those who want to receive the *West Coast Sailors* in a more timely manner, subscriptions via **first-class mail** are now available (one-year intervals only) for \$25 per year.

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Welfare Notes

May 2005

Active Participant Eligibility

Eligibility rule changes for active participants will become effective May 1, 2005. Please be sure to contact the Plan office if you have any questions about your eligibility. (800-796-8003).

Allergy Season

In the United States over 35 million people are affected by spring allergies. Not every area of the country begins allergy season at the same time. Common symptoms for people suffering from allergies are sneezing, congestion, runny nose, itchiness in the nose, scratchy throat, watery or itchy eyes, and feeling miserable.

If you are one of the millions who suffer with allergies, precautions can help you through the allergy season. Check windows, bookshelves, and air vents for dust and mold. Thoroughly clean these areas. Using a mask when cleaning may be helpful.

Since pollens are usually emitted between 5:00 a.m. to 10:00 a.m., postpone outdoor activities until later in the morning whenever possible. Use air conditioning at home and in your car on days with a high pollen count. Use a filter or mask when mowing the lawn and stay indoors on hot, dry and windy days.

Antihistamines can be effective in controlling allergy symptoms. Be sure to read warning labels about overuse and use when taking prescription medicines. Consider consulting an allergist if over the counter aids do not give you relief.

SIU-PD Pension Office 415-437-6889
SIU-PD Supplemental Benefits 415-437-6870

SUP Welfare Plan

450 Harrison Street, San Francisco CA 94105

Telephone Numbers:

Main.....	(415) 778-5490
Eligibility active members/dependents	(415) 778-5491
SUP Money Purchase Plan, SUP 401(k) Plan,	
Pensioner Medical Benefits.....	(415) 778-5493
Toll Free Number	(800) 796-8003

Bodies found in hold of foreign-flag bulker

Two bodies were discovered in the cargo hold of the Panamanian-flagged bulker *Ocean Belle* when she recently docked in Tampa, Florida, after returning from the Dominican Republic, last month.

The badly decomposed bodies were removed from the vessel and the county medical examiner later said the individuals had been dead for about two weeks. Sources with the U.S. Immigration and Customs Enforcement say it is unclear if the two were Dominicans and even their sex was in questions because of the "ad-

vanced state of decay." No identification papers were found.

According to local authorities, the 32,130-dwt vessel arrived in the Dominican Republic on March 27, with a cargo of grain from New Orleans and departed on April 6, for its return to Tampa to pick up a cargo of fertilizer. While at sea, the crew smelled a very foul odor below decks. Investigators are uncertain whether the pair were aboard as stowaways, but are questioning the Korean master and mate and the 18 Chinese crewmen as part of the probe.

Tug mate facing criminal charges for spill

Criminal charges were lodged last month against the first mate of the tug *Evening Tide* in connection with the April 27, 2003 oil spill that left some 327 tons of oil on the shore of Massachusetts' Buzzard's Bay.

Franklin Hill is facing charges of violating the Clean Water Act and the Migratory Bird Treaty Act. Hill had the helm duty aboard the tug which was pulling a barge containing over 13,600 tons of oil when the incident occurred. He is accused of leaving the wheelhouse to tend to duties aft when the tug wandered off

course and struck rocks that punctured one of the barge's tanks. They say Hill's actions were negligent and violated the company's "watchstanding orders." Hill's employer and the tug owner, Bouchard Transportation, pleaded guilty to the same charges in November 2004, and was ordered to pay a \$10 million fine. If convicted, Hill could receive one-and-a-half years in jail and a fine. The spill is the root of the controversial Massachusetts law, regarding tankers, that is being disputed by both the U.S. Coast Guard and Intertanko.

Record of SUP Shipping April 2005

	Hdqs.....	Seattle	Wilm	Hono	Total
Bosun.....	3	0	7	4	14
Maint. Man.....	7	0	0	3	10
A.B. Dayworker	0	0	12	6	18
A.B.	9	10	10	6	35
O.S.	0	1	2	1	4
Standby	10	1	74	46	140
TOTALS	39	12	105	66	222

SUMMARY ANNUAL REPORTS

SUP WELFARE PLAN, INC.

This is a summary of the annual report of the SUP Welfare Plan, Inc., EIN 94-1243666, for the year ended July 31, 2004. The annual report has been filed with Department of Labor, as required under the Employee Retirement Income Security Act of 1974 (ERISA).

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

Insurance Information

The plan has contracts with Health Plan of New York, Health Net, Kaiser Foundation Health Plan of the Northwest, Private Medical-Care, Inc., Kaiser Foundation Health Plan, Inc. Dental Health Services Inc., Group Health Cooperative, Bluecross Blueshield of Louisiana, Guaranty Assurance Company, MHN Services DBA Health Management Center, and The United States Life Insurance Company in the City of New York to pay certain medical, dental, and death claims incurred under the terms of the plan. The total premiums paid for the policy year ending July 31, 2004 were \$3,731,479.

Basic Financial Statement

The value of Plan assets, after subtracting liabilities of the Plan, was \$17,271,208 as of July 31, 2004, compared to \$20,840,265 as of August 1, 2003. During the plan year, the Plan experienced a decrease in its net assets of \$3,569,057. This decrease included unrealized appreciation or depreciation in the value of plan assets; that is, the difference between the value of the plan's assets at the end of the year and the value of the assets at the beginning of the year or the cost of assets acquired during the year. During the plan year, the plan had total income of \$5,087,531 including employer contributions of \$4,370,568, participant contributions of \$50,683, realized losses of \$210,242 from the sale of assets, earnings from investments of \$865,884 and other income of \$10,638.

Plan expenses were \$8,656,588. These expenses included \$1,212,270 in administrative expenses and \$7,444,318 in benefits paid to participants and beneficiaries.

Your Rights to Additional Information

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

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

To obtain a copy of the full annual report, or any part thereof, write or call the office of SUP Welfare Plan, Inc., who is the plan administrator, at 450 Harrison Street, San Francisco, California 94105, telephone (415) 778-5490. The charge to cover copying costs will be \$23.00 for the full report, or \$5.25 per page for any part thereof.

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

You also have the legally protected right to examine the annual report at the main office of the Plan at 450 Harrison Street, San Francisco, California 94105 and at the U.S. Department of Labor in Washington, D.C., or to obtain a copy from the U.S. Department of Labor upon payment of copying costs. Requests to the Department should be addressed to Public Disclosure Room, N5638, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, NW, Washington, D.C. 20210.

ANDREW FURUETH SCHOOL OF SEAMANSHIP TRAINING PLAN

This is a summary of the annual report of the Andrew Furuseth School of Seamanship Training Plan, EIN 30-0162507, for the year ended July 31, 2004. The annual report has been filed with the Department of Labor, as required under the Employee Retirement Income Security Act of 1974 (ERISA).

Basic Financial Statement

The value of plan assets, after subtracting liabilities of the plan, was \$223,207 as of July 31, 2004 compared to \$363,573 as of August 1, 2003. During the plan year, the plan experienced a decrease in its net assets of \$140,366. The plan had total income of \$508,431 including employer contributions of \$507,457 and earnings from investments of \$974.

Plan expenses were \$648,797. These expenses included \$158,828 in administrative expenses, and \$489,969 in benefits paid to participants and beneficiaries.

Your Rights to Additional Information

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

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

To obtain a copy of the full annual report, or any part thereof, write or call the office of Andrew Furuseth School of Seamanship Training Plan, 450 Harrison Street,

San Francisco, CA 94105, telephone (415) 778-5490. The charge to cover copying costs will be \$2.00 for the full annual report, or \$.25 per page for any part thereof.

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

You also have the legally protected right to examine the annual report at the main office of the plan at 450 Harrison Street, San Francisco, CA 94105, and at the U.S. Department of Labor in Washington, D.C., or to obtain a copy from the U.S. Department of Labor upon payment of copying costs. Requests to the Department should be addressed to Public Disclosure Room, Room N5638, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210.

SIU PACIFIC DISTRICT PENSION PLAN

This is a summary of the annual report for SIU Pacific District Pension Plan, 94-6061923 for the fiscal year ended July 31, 2004. The annual report has been filed with the Department of Labor, as required under the Employee Retirement Income Security Act of 1974 (ERISA).

Basic Financial Statement

Benefits under the plan are provided by the Trust. Plan expenses were \$11,791,666. These expenses included \$884,889 in administrative expenses and \$10,906,777 in benefits paid to participants and beneficiaries. A total of 3,645 persons were participants in or beneficiaries of the plan at the end of the plan year, although not all these persons had yet earned the right to receive benefits.

The value of plan assets, after subtracting liabilities of the plan, was \$135,749,137 as of July 31, 2004, compared to \$137,395,691 as of August 1, 2003. During the plan year the plan experienced a decrease in its net assets of \$1,646,554. This decrease includes unrealized appreciation or depreciation in the value of plan assets that is, the difference between the value of the Plan's assets at the end of the year and the value of the assets at the beginning of the year or the cost of assets acquired during the year. The plan had total income of \$10,145,112, including employer contributions of \$31,186, losses of \$1,132,505 from the sale of assets, earnings from investments of \$11,242,953 and other income of \$3,478.

Minimum Funding Standards

An actuary's statement shows that enough money was contributed to the plan to keep it funded in accordance with the minimum funding standards of ERISA.

Your Rights to Additional Information

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

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

To obtain a copy of the full annual report, or any part thereof, write or call the office of SIU Pacific District Pension Plan, who is the administrator, 1422 Market Street, San Francisco CA 94102, (415) 437-6850. The charge to cover copying costs will be \$17.00 for the full annual report, or \$0.25 per page for any part thereof.

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

You also have the legally protected right to examine the annual report at the main office of the plan at 1422 Market Street, San Francisco, CA 94102, and at the U. S. Department of Labor Washington, DC, or to obtain a copy from the U. S. Department of Labor upon payment of copying costs. Requests to the Department should be addressed to Public Disclosure Room, Room N5638, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N. W., Washington, D.C. 20210.

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

You also have the legally protected right to examine the annual report at the main office of the plan, 1422 Market Street, San Francisco, CA 94102 and the U.S. Department of Labor in Washington, DC, or to obtain a copy from the U.S. Department of Labor upon payment of copying costs. Requests to the Department should be addressed to: Public Disclosure Room, Room N5638, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, DC 20210.



SUP President's Report

May 9, 2005

LMSR PROTEST UPDATE

As reported for the past four months, Patriot Contract Services filed a motion with the United States District Court for Northern California in San Francisco seeking a preliminary injunction to stop the Military Sealift Command (MSC) from turning over Patriot's nine Large Medium Speed Roll-On/Roll-Off (LMSR) vessels to American Overseas Maritime Corporation (AMSEA).

Patriot's motion, originally scheduled to go before Judge Martin J. Jenkins, on March 29, was finally heard on April 26. However, prior to the hearing, the Unions won a significant victory when Judge Jenkins on April 21, granted the motions of the SUP, MM&P and MFOW to intervene on behalf of Patriot. Basing his ruling on the Unions' deep involvement in the outcome of the case, Judge Jenkins stated, "The applicants have provided evidence that 300 SUP members, 100 MM&P members, and 100 MFOW members will lose their jobs if AMSEA takes over the operation and maintenance of the LMSR vessels and that expensive training will be wasted. The harm the applicants will suffer is immediate and concrete." As part of the motion to intervene, the Union had to demonstrate that its interests were not adequately represented by Patriot. The Judge said, "Here the applicants have demonstrated that the Plaintiff may not have full familiarity with the training efforts employed by the Unions to prepare their members to work on the vessels. Additionally, the Plaintiff does not have the same obligation and incentive, as the Unions do, to represent the employees whose jobs are at stake, and to protect the substantial investment in their respective training programs."

At the hearing on April 26, the SUP was represented by Vice President Dave Connolly, Duane Beeson of the law firm of Beeson, Tayer and Bodine (who also represented the Masters, Mates & Pilots), and SUP attorney Jeffrey Walsh. In attendance for the MM&P was Don Marcus, Vice President Pacific Ports. The MFOW was represented by President Anthony Poplawski and MFOW attorney Peter Saltzman of the Leonard Carder law firm. Patriot was represented by Captain Saunders Jones, Chief Operating Officer, Tim Gill, Patriot General Counsel, and Patriot's attorneys from the Washington, D.C.-based law firm of Winston & Strawn. The government had six attorneys from the Department of Justice and MSC. AMSEA also had an attorney present.

During the course of the two-and-a-half hour hearing, the Judge acknowledged how important and complicated the case is. Both sides delivered oral arguments in support of previously submitted briefs. Judge Jenkins demonstrated that he was knowledgeable concerning the issues of the case, challenging both sides frequently on the substance of their arguments and demanded in depth analysis on several points, including evaluation criteria, key personnel and past performance.

Although a decision on Patriot's motion for a preliminary injunction was anticipated to be made last week, as of today's meeting, Judge Jenkins had not issued a ruling. Because of the delay in the decision, the *USNS Bob Hope* and *USNS Benavidez* were turned over to AMSEA on May 6. These vessels are in addition to the *USNS Shughart* (March 11) and the *USNS Mendonca* and *USNS Seay* on April 22. If Patriot ultimately prevails in court, the goal is to get these ships back and retain the other four LMSRs.

MATSON NAVIGATION COMPANY

The SUP, MFOW and SIU-A&G Marine Cooks met with Matson at Headquarters on May 3, to discuss various issues associated with the collective bargaining agreements with the company.

Representing the Pacific District Unions were MFOW President Anthony Poplawski, SIU-A&G West Coast Vice President Nick Marrone, MFOW Vice President Bill O'Brien, SUP Vice President Dave Connolly, SUP Business Agent Bill Berger, and your secretary. Matson

was represented by Captain Jack Sullivan, Vice President, Vessel Operations & Offshore Labor Relations, Tom Percival, Manager Vessel Operations & Labor Relations and attorney Martin ("The Butcher") Oppenheimer.

As reported last month, the SUP/MFOW agreement covering the CV 2600 vessels *Manukai* and *Maunawili* calls for a 3.25% increase in wage and wage-related items effective July 1, 2005, while the SUP/MFOW agreement for the rest of the fleet, except the ITB *Moku Pahu*, calls for the parties to meet to discuss wage and wage-related items. If the parties cannot come to an agreement by June 15, the issue will be submitted to arbitration, with the Unions having the option to select either interest arbitration or "baseball" arbitration. In addition, the SUP and MFOW Maintenance Agreements expire on June 30. All SIU-A&G Marine Cooks agreements with Matson expire on June 30.

Judging by the statements of Captain Sullivan, which often have to be taken with a grain of salt, it appears that Matson has dropped its gambit of threatening to time-charter the new *Manulani* and a second vessel under construction at Kvaerner Philadelphia Shipyard and due to go in service in June 2006. Sullivan acknowledged that *Manulani*, due to be delivered to the company on May 20, is covered by the current agreement and tacitly admitted that the second vessel was also covered, if Matson buys the ship. However, in your secretary's judgment, anything is possible with this outfit, particularly regarding the second ship.

Despite the fact the agreements are in place, except for the SUP and MFOW Maintenance Agreements and the SIU-A&G Marine Cooks agreement, Matson proposed that all agreements be extended until January 15, 2006, using the disingenuous rationale that the company was fully engaged in government bids and prepared for the entry of the new Kvaerner vessels into the fleet. After caucusing, the Unions rejected the company's extension proposal. The Unions countered by proposing that the agreement covering *Manukai*, *Maunawili*, *Manulani* expire on June 30, 2008, instead of June 30, 2013, along with the rest of the Matson fleet and the fourth, as yet unnamed vessel. This proposal was rejected by the company.

Matson ultimately agreed to discuss wages and wage-related items with the SUP and MFOW for non-CV 2600 class vessels in accordance with the agreement, but proposed that there be no increase in wages and wage-related items in 2005 for those employed under the SUP and MFOW Maintenance agreements. As a justification for this proposal, Matson cited the American Ship Management Maintenance Agreements (see the January *West Coast Sailors*) which calls for a wage freeze effective October 1.

The SUP and MFOW rejected this proposal and demanded that Maintenance Agreement bargaining begin.

The parties agreed to resume discussions on May 9, and May 23. Will keep all hands fully informed.

As far as the *Manulani* is concerned, Sullivan indicated that she will call for a gang around May 20 and that she will temporarily relieve the *Kauai*, which will be drydocked in China, on the Seattle/Oakland/Honolulu run. In accordance with the Shipping Rule passed by the membership in the 2003-2004 election which states that: "Jobs shall be distributed equally between all hiring halls if a new ship or reflagged ship is scheduled to call the affected port," the jobs in the *Manulani* shall be split evenly between the Seattle and Honolulu branches and Headquarters.

PATRIOT CONTRACT SERVICES

Patriot Contract Services, a division on Patriot Holdings/American Ship Management notified the Union on April 18, that the Military Sealift Command rated the company's performance in Year 5 (August 1, 2003-July 31, 2004) of the Large Medium Speed Roll-On/Roll Off (LMSR) contract as "Exceptional" and awarded Patriot 91% of the Award Fee Bonus for all the LMSRs eligible in Year 5, except for the *USNS Shughart* which received a "Very Good" rating and 73% of the Award Fee Bonus.

The amount awarded was prorated for the actual time

the ships were under Patriot's LMSR contract. Pre-Delivery Orientation days were not counted by MSC toward the award computation.

The total Award Fee Bonus for the period allocated to crew members, top to bottom, was \$433,463.47. Of that amount, 178 SUP members were awarded bonuses totaling \$65,241.71.

The Award Fee Bonus is not a contractual provision under the collective bargaining agreement with Patriot, but strictly an MSC award for the purpose of attracting and retaining qualified crew members.

SUP 401(k) PLAN

The Trustees' Dave Connolly and your secretary for the Union and Tim Gill (American Ship Management) and Tom Percival (Matson) of the self-directed SUP 401(k) Plan regularly review the performance of certain Columbia investment options, in order to provide adequate investment options to the Plan's participants. That review includes but is not limited to oversight on the performance, expense, and variety of the investment vehicles.

As part of the regular and thorough review of the performance of some Columbia investment options, the Trustees agreed with the recommendations of the Plan's investment advisor to make changes that will benefit the participants.

To be specific, the Trustees replacing those funds that are showing significant underperformance (relative to their peer groups) with funds that are in line with or beating their peer group benchmarks. In the case of the Columbia Balanced Fund, the Trustees are also including an increased range of balanced fund options, from very conservative to slightly more growth oriented. The Trustees believe these changes are in the best interests of the long-term retirement goals of the participants.

Columbia will conduct a seminar at the Honolulu Branch: Monday, May 16, Headquarters: Tuesday, June 14, Seattle Branch: Monday, June 20, Wilmington Branch: Monday, July 18, to aid participants in understanding how their new investment options fit with their individual retirement goals. If you have any questions please call Joan Steel at 415-913-3281.

This information was mailed to all Plan participants on April 25.

SUP ELECTION INFORMATION

The biennial election of SUP officers and referenda on proposed amendments to the SUP Constitution and Shipping Rules will commence on December 1, 2005, and will conclude on January 31, 2006.

Although nominations for elective office will not occur until September, the membership is reminded that in accordance with Article XXVII of the SUP Constitution, proposed Constitution and Shipping Rule changes must be submitted, in writing, to Headquarters or any Branch June meeting.

Resolutions submitted will be referred to a Committee on Constitution elected at the June coastwise meetings. The Committee, as per the Constitution, will consist of three members from Headquarters and one member elected at the Seattle, Wilmington and Honolulu Branch meetings.

BURGESS v. SUP

As reported last month, Wayne Burgess filed a charge on March 21, with the National Labor Relations Board in Los Angeles, alleging that the Union committed unfair labor practices when your secretary reported to the membership in October and December of 2004 that Burgess had filed other charges that were ultimately dismissed by the NLRB. By reporting these legal actions against the Union, Burgess alleged that a "hostile" work environment was created.

continued on next page

President's Report continued

On April 20, NLRB Regional Director Victoria E. Aguayo, dismissed the case. In a letter to Burgess, copied to the Union, Ms. Aguayo stated: "Based on your lack of cooperation, I am refusing to issue a complaint in this matter."

Glenn Rothner of the Pasadena-based law firm of Rothner, Segall & Greenstone, defended the SUP on this charge.

HOLIDAYS

All SUP halls will be closed on Monday, May 30, in observance of Memorial Day, a holiday under all SUP contracts.

All halls will also be closed on Monday, June 13, in observance of

Kamehameha Day, which this year falls on Saturday, June 11. Due to the holiday, the Headquarters' meeting will be held on Tuesday, June 14.

In accordance with the Matson agreement, Kamehameha Day is a paid holiday for all vessels at sea (except for the *Manukai*, *Maunawili*, *Moku Pahu* and the new *Manulani*) and in port, the Paint & Rigging gang in Honolulu and casual standbys employed on that date.

ACTION TAKEN

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

Gunnar Lundeberg

Vice President's Report

May 2005

It's official: *Wall Street Journal* declares the death of the American self-made man

On Friday, May 13, 2005, the *Wall Street Journal* reported that the gap between rich and poor in the United States was not only widening, but that upward mobility in America had statistically stopped. Using sophisticated new computer analysis of dozens of studies over a period of more than 30 years, a large group of economists and sociologists have concluded that mobility between classes—long the central belief of American society—is not supported by the data. The fact is that if you are born into poverty you have a better chance of climbing into the middle class if you live in Canada or Europe than in these United States.

In terms of income, the working families of the lower classes are either static or falling back. The Economic Policy Institute just released a study proving that the income of all types in that group in 2003 was less than it was in 2000. The causes include the economy, Bush tax policy and a threefold increase health care co-pays, deductibles and premiums over the period. Meanwhile, the ratio of CEO pay to the average worker went from 42 to one in 1982 to 301 to one in 2003. In this age of globalization, the indisputable effect in America is to erode wages and benefits at the bottom and increase them at the top.

Where's the outrage? Why have we not overturned a government that has sold out the American dream? The answer lies in the automatic cultural teaching that builds and maintains our perception of the United States as a place of unlimited opportunity for everyone. That inbred falsehood is convenient for the nation's corporate and moneyed interests because it is the political rationale for the sharp limitation of the role of government. Regulations (i.e. governmental controls) necessarily limit the degree to which the employers can profit from (i.e., exploit) the poor and working class both here and abroad. From a multi-national corporate point of view, the less regulation, even good and necessary regulation, the better. After all, the fiction goes, who needs controls if America is a mobile, classless society because everyone has an equal chance to make it big? The actual result is the continuous export of good jobs with benefits in exchange for cheap toys, household bric-a-brac and Wal-Mart style employment. And the outrage of the many, whose wealth and opportunity has been plundered by the privileged few, is bottled up by the myth of the self-made man.

Class-bound was once the American pejorative description of European society, but now it applies to us with a difference: ours is unconscious. As class lines become clearer and more entrenched that may begin to change. Still, the myth of the self-made man as a statistically significant possibility persists, and that means there will be a strong resistance from even progressive members of Congress to use the power of government to take simple action to address the obvious problems, such as reversing the dangerous escalation of trade deficit, protecting our ports from terrorist attack, and easing the myriad negative effects of poverty. If our government wanted to reverse the trade deficit it could put in place a simple economic policy with a proven record of success: the tariff. If our government wanted to make our ports safe it would fully adhere to its own risk-based strategy and "push out the borders" by requiring more cargo to be carried on U.S.-flag ships. If our government cared about those at the middle and bottom rungs of society they'd raise the minimum wage, require employer paid health care, and abandon their war on the best thing ever invented to fight poverty—labor unions.

Of course, we'll be charged with protectionism. Corporate interests routinely argue that such action would taint the free-flow of commerce and ruin the market economy. The same economy, they'll patiently remind us, that allows the hard workers of humble origins who by thrift and industry become billionaires like Andrew Carnegie, Thomas Mellon, and Bill Gates. But today we know what we always suspected—there are better odds in the lottery. As determined by scientific method and reported in the *Wall Street Journal*: this is not Ben Franklin's America anymore. The self-made man is the stuff of legend. We believe in it by self-delusion and at the peril of oppression.

Transport Workers' Identification Card

On May 19, 2005, the Coast Guard released its Notice of Proposed Rulemaking

on "The Identity Security and Merchant Mariner Credential Statutes." As I reported in detail last month, the U.S. government will soon install new credentialing procedures and criteria that will change the way we go to work. The rulemaking is loaded with references to the 9/11 Commission's report that faulted the government for issuing the 19 hijackers government identification and recommended adopting tighter controls. Of course, it isn't mentioned the hijackers carried mostly driver's licenses issued without background checks, not Merchant Mariner Documents. But the reference will aid its passage into law, and given that the proposal includes new rules on suspension and revocation that are related to criminal activity not terrorism it is certain to have an impact. As we have reported before, they will expand the jurisdiction for credentials to include all areas adjacent to ships. That means that all workers in marine terminal facilities will be required to have either a Merchant Mariner's Document or a Transport Workers Identification Card (TWIC). The criteria and standards used for issuance of a TWIC will be very similar if not the same, and therefore the days of riding out a suspended z-card with shoregang work are limited. The Union will post comments to the docket and may attend the public meeting.

Maritime meetings

I attended the Marine Transportation System's National Advisory Council meeting on May 5, following a legislative conference in Sacramento. The Council is supposed to make recommendations to the Secretary of Transportation on how to best improve maritime infrastructure to meet the expected tripling of cargo growth in the next decade. We wanted to be sure that the members of this Council understand that investments in infrastructure are wasted if not accompanied by investments in trained manpower. Our message got through.

Also attended a meeting on May 20, of senior staff to the House Transportation and Infrastructure Committee and its subcommittee on Coast Guard and Maritime Transportation in Washington DC. Both the majority and minority staff directors, John Rayfield for Chairman Don Young, and John Cullather for Rep. Bob Filner, attended the meeting. Also in attendance was Christopher Mitchell for Rep. Mike Honda, Kerry McHugh for Rep. Brian Baird and Tom Whittaker for Rep. Neil Abercrombie. Discussion on a wide range of manpower issues including the effect of STCW, new physical evaluation standards, aging demographics, and new credentialing regulations. The Congressional staffers understood that the present mariner recruitment and retention crisis must be addressed with legislation that supports apprenticeship schools, hawsepipes projects, and mariner training. We presented a maritime educational loan idea that would be partially forgiven on a graduated scale according to seetime served.

Also attended the christening of the newest SUP ship, Matson Navigation Company's *Manulani* at the Kvaerner Philadelphia Shipyard on May 21. The ship, which was delivered on budget and ahead of schedule, brings the average age of the Matson fleet to 14. SUP gang goes aboard May 24.

Finally, on Friday, May 1, 2005, Foss Co-delegate Tom Tynan and I met with Foss management on a series of outstanding issues and grievances. The Company was represented by Tank Barge Superintendent Walt Partika, Port Captain Ern Russell, and Gregory Poettgen. Both sides presented documentation in support of their positions on numerous outstanding grievances. After lengthy discussion, which in some cases was the culmination of many months of discussion, all grievances not related to the jurisdictional sharing of the boats were settled. For more specific information on individual issues contact Tom Tynan, Mike Worth, or me. I believe that the hard work of the delegates and the Union working with the Company have greatly improved the conditions in this unit over the last year.

Dave Connolly

SUMMARY REPORTS continued

SIU PACIFIC DISTRICT SUPPLEMENTAL BENEFITS FUND

This is a summary of the annual report of the SIU Pacific District Supplemental Benefits Fund, Inc., EIN 94-1431246 for the year ended July 31, 2004. The annual report has been filed with the Department of Labor, as required under the Employee Retirement Income Security Act of 1974 (ERISA).

The Board of Trustees of SIU Pacific District Supplemental Benefits Fund, Inc. has committed itself to pay all supplemental benefits.

Basic Financial Statement

The value of plan assets, after subtracting liabilities of the plan was \$1,618,698 as of July 31, 2004, compared to \$2,109,227 as of August 1, 2003. During the plan year the plan experienced a decrease in its net assets of \$490,529. During the plan year, the plan had total income of \$9,392,124, including employer contributions of \$9,359,818, earnings from investments of \$30,506 and other income of \$1,800.

Plan expenses were \$9,882,653. These expenses included \$490,522 in administrative expenses, and \$9,392,131 in benefits paid to participants and beneficiaries.

Your Rights to Additional Information

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

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

To obtain a copy of the full annual report, or any part thereof, write or call the office of SIU Pacific District Supplemental Benefits Fund, Inc., at 1422 Market Street, San Francisco, CA 94102, telephone number (415) 437-6832. The charge to cover copying costs will be \$3.25 for the full annual report, or \$0.25 per page for any part thereof.

SUP Branch Reports

Seattle

April 18, 2005

Shipped during the period: 2 Boat-swains: 1 A-card returned from a trip-off and 1 B-card to a Navy bottom. 11 Able Seaman berths filled by 2 A; 3 B; 4 C's and 1 D registrant; 6 of these jobs went to Navy ships. 1 Ordinary Seaman to USNS ship and 1 A-card to a standby job.

Registered during the period: 9 A cards for a total of 20; 11 B cards for a total of 33; 13 C cards for a total of 19.

Ships Checked

Maui and *Kauai* in twice with no problems. Navy ships continuing to call for relief's even as some of these ships have returned stateside and have gone into reduced reserve operating status.

I attended a meeting with Congressman Don Young (R-Alaska) who is chairman of the Transportation and Infrastructure Committee. Congressman Young spoke on funding for transportation projects critical to Washington State's commerce but warned us that money will be tight in this year's budget.

I met with Congressman Dave Reichert (R-Bellevue), who is on the House Transportation and Infrastructure Committee, subcommittee United States Coast Guard. Congressman Reichert serves on the House Committee for Homeland Security; with his previous experience as the King County Sheriff, I believe we have someone who finally understands that United States citizen workers are not the enemy on or around the docks.

I attended the King County Labor Council's Port Coalition meeting and the Puget Sound Port Council, MTD, AFL-CIO meeting.

The SUP supports Rich Berkowitz for Seattle Port Commissioner. Berkowitz works as a tireless defender and advocate of Jones Act issues who will counter the direction that the current commission has been heading; which is to put condos and office space on property that has both deep water and rail and roadway access.

Along with SUP members Tony and Suzi Jones and Chuck Maringer, the SUP marched and stood in solidarity with the Inlandboatmen's Union at their rally and picket line supporting IBU workers at the Sound Refinery in Tacoma.

Vince O'Halloran
Branch Agent

Wilmington

April 18, 2005

Shipped during the period: 6 bosuns, 10 AB, 9 AB maints., and 40 standbys for a total of 65 jobs shipped. Registration: 51 A members, 48 B members, 9 C members and 2 D registrants.

Ships Checked

Maunawili: OK, Tommy James delegate. *President Grant*: OK, Norman Kurtz delegate. *Matsonia*: OK, John Rose delegate. *APL China*: OK, Teo Rojas delegate. Washdowns start leaving Oakland for Dutch Harbor and leaving the Orient for the United States. *Mokihana*: OK, Dan McDonald delegate. *Manukai*: OK, Sean Moore delegate. *President Truman*: OK, Larry Gately delegate. *APL Philippines*: Julio

Nunez delegate. On sanitary: D-deck sailors: is ours only, not the SIU shoregangs. It will be both swept and mopped too. A couple remaining beefs settled by Bill Berger as ship was ready to sail. *Manoa*: OK, Paul Calais delegate. *President Jackson*: OK, Patrick Tite delegate. *APL Thailand*: OK, Diane Ferrari delegate. *Mahimahi*: OK, Jose Galeas delegate. *R.J. Pfeiffer*: OK, Rich Reed delegate.

Took care of the duties and responsibilities of the port for the membership during the period. We were pleased to have Joan Steel of Columbia Management and Michelle Chang of the SUP Welfare Department at the meeting to explain the 401(k), Money Purchase Plan benefits, and the changes in our Welfare medical benefits. Many questions were answered, and it was very informative. Thank you.

Keith Miller
Branch Agent

Honolulu

April 18, 2005

During the month of March, dispatched the following: 2 ABs, 3 AB reliefs, 3 ABD, 1 ABD relief, and 1 OS. These jobs were filled by: 5 A members, 3 B members, 1 C member and 1 D registrant. Also shipped 42 standby jobs filled by 1 A member, 13 B members, 23 C members, 4 D registrants and 1 MFOW member, for a total of 52 jobs shipped.

During the month of March, registered the following: 9 A members, 9 B members, and 8 C members. To date registered are: 13 A members, 15 B members, 12 C members, and 2 D registrants for a total of 42 registered.

Ships Checked

Maui, Lurline, Matsonia, Kauai, R.J. Pfeiffer, Lihue, Maunawili and *Manukai*. All with few or no beefs. Paint and Rigging gang running smoothly with Monte Kalama as bosun.

USNS Piliiaau through Pearl Harbor homebound from a relatively smooth trip.

On April 20, attended the Hawai'i Ports Maritime Council meeting. Easter Seal campaign, scholarship preparations and Maritime Memorial Day boat parade—which will be on May 29 this year—

San Francisco Business Agent

May 9, 2005

Visited and paid off the following ships:

Kauai— Robert Bacon, delegate: In from Seattle. Question on overtime clarification. Made twice.

Lurline— John Gabourel, delegate: Good shape. No disputes. Trev Motlow back from relief trip.

Mahimahi— Jose Galeas, delegate: Voyage pay off. In from shipyard. Cleared dispute about sanitary work and equalization of overtime.

Maui— Duke Maringer, delegate: In from Seattle. Good shape. No disputes.

Mokihana— Dan McDonald, delegate: Voyage pay off. No disputes except for the steward using leftovers and having a poor menu.

Moku Pahu— Eric Williams, del-

egate: No disputes, in from a three-and-a-half month trip. Now back on sugar run.

On April 22, former SUP member and retired MM&P Captain Joe Itson stopped by the hall. Retirement has done him well.

Tony Ledesma is on the binnacle list. The Honolulu membership wishes him a speedy recovery!

Mike Duvall
Branch Agent

Jacksonville

April 2005

For the month of April, two Boat-swains, three Able Seamen and two Ordinary Seamen were dispatched to USNS ships. These jobs were filled by three B, one C and three D-cards.

Ships Checked

USNS Gordon—Boarded at CSX Docks in Newport News, VA, on April 4. Glenn Loutsenhizer was the delegate and Martin Dempsey, the boat-swain. Crew reports a great voyage with plenty of OT available. Clean pay-off and high morale despite imminent turn-over next month.

USNS Mendonca—Boarded at Tioga Docks in Philadelphia, PA on April 9. Joe Jewell was the delegate and Lou Hathaway, the bosun. Ship going to ROS status awaiting turn-over the end of this month. Plenty of OT was available and the pay-off was clean with no disputed OT.

USNS Seay—Boarded at Tioga Docks in Philadelphia, PA, on April 9. Joe Richwagen was the delegate and Brian Yost the bosun. Ship in ROS status awaiting turn-over to AMSEA later this month. Very difficult task for the crew because of the lack of available OT to clean the ship up properly. Gang was told that a shore gang would be employed to tie-up the *Mendonca* outboard the ship on April 8, at 2300. These shoreside employees never materialized and the "All Hands" were called at 2200 on extremely short notice to secure the *Mendonca* and did so in SUP fashion despite the fact there were only a bosun, two AB's and one OS available.

USNS Benevidez—Boarded at Violet, LA on April 12. Noel Isumaru is the delegate and Mike Henderson, the boat-swain. Ship went into ROS status fol-

lowing discharge of cargo in Corpus Christie, TX. Clean pay-off with morale high. Chief mate Charles Campbell wrote a letter to the gang stating that the SUP sailors are "the best of the best" and that their enthusiasm and professionalism never waned despite the imminent turn-over.

USNS Bob Hope—Boarded in Violet, LA, on April 12. Robert McDougall was the delegate and Jeff Evenhaus was the bosun. Ship went into ROS status awaiting turnover next month. No disputed OT and a clean payoff.

USNS Brittin—Boarded in Violet, LA, on April 20. Steve Garrett was the delegate and Tony Brantley was the bosun. Ship went into ROS status awaiting turnover to AMSEA. No disputed OT and a clean payoff.

All LSMR sailors need to be complimented on their loyalty to the Union and professionalism during these difficult times. Every ship returning from Operation Iraqi Freedom has done so with high moral, outstanding performance and without beefs. All of the masters and mates have commented on what great sailors the SUP has. Thanks to all sailing aboard these vessels for upholding the traditions and reputation of the SUP. I join all of the Union leadership in saying "job well done" to these fine sailors.

Bud Yost
SUP East/Gulf Coast Representative

Australia focuses on lifeboats

The Australian Maritime Safety Authority (AMSA) is in the process of conducting a "focused inspection" of lifeboats between May 1 and July 31. AMSA says the inspections will be run in conjunction with regular Port State Control inspections and are intended to ensure that lifeboats and their launching gear are being properly maintained and that adequate emphasis is being given to the safe operation of this equipment. The campaign will also be used to raise shipping operators' and crews' awareness of the IMO Marine Safety Committee's circulars related to lifeboat safety.

Dispatcher's Report

Headquarters—April 2005

Deck	
Bosun	3
Carpenter	0
MM	7
AB	9
OS	0
Standby	20
Total Deck Jobs Shipped	39
Total Deck B, C, D Shipped	6
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. ...	39
Total B, C, D Shipped-All Depts. ..	6
Total Registered "A"	70
Total Registered "B"	69
Total Registered "C"	10
Total Registered "D"	10

Bill Berger