



West Coast Sailors

Official Organ of the Sailors' Union of the Pacific

Volume LXXV No. 5



SAN FRANCISCO, CALIFORNIA

Friday, May 25, 2012

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

For 237 years, the men and women of the United States Merchant Marine have risen to meet our country's call. They have strengthened our economy and our security in times of calm and conflict, connecting our service members to the supplies they need and transporting our exports into the global marketplace. On National Maritime Day, we pay tribute to all those who have served and sacrificed on our waterways and around the world.

From privateers who bravely fought for American independence to mariners who have supported our Armed Forces for over two centuries, the United States Merchant Marine carries forward an enduring legacy of service to our Nation. In the War of 1812, mariners put their lives on the line to preserve our young Republic, engaging British warships with sloops and schooners off our Atlantic coast. During World War II, they executed perilous transits to support our troops in combat. And throughout the 20th century and into the 21st, Merchant Mariners have contributed to the defense of our Nation by transporting essential cargo to ports across the globe. Their commitment has helped deliver us through periods of conflict, and their service will remain a critical asset to our security in the years ahead.

Our maritime industry also sustains the robust domestic and international trade networks that power our economy. As we open up new markets for American exports and support our businesses here at home, the United States Merchant Marine will continue to play a vital role in driving progress and prosperity in communities across our country. Today, we commemorate that important work, and we honor the mariners who dedicate their lives to seeing it through.

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

NOW, THEREFORE, I, BARACK OBAMA, President of the United States of America, do hereby proclaim May 22, 2012, as National Maritime Day. I call upon the people of the United States to mark this observance and to display the flag of the United States at their homes and in their communities. I also request that all ships sailing under the American flag dress ship on that day.

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

BARACK OBAMA

Jones Act violator is fined but work lost for Americans

The following is an opinion piece by Tony Munoz, Editor-in-Chief of The Maritime Executive and MarEx Newsletter

The largest fine ever imposed for a Jones Act violation was upheld by U.S. Customs and Border Protection (CBP) against Escopeta Oil, which is now rebranded as Furie Operating Alaska LLC. Escopeta defied the Jones Act after being denied an extension on a 2006 waiver it had received when it hired a Chinese-flagged vessel to move a jackup rig from Houston, Texas, to Cook Inlet, Alaska.

The \$15 million fine, which was the market value of the *Spartan 151* rig, was imposed on October 23, 2011. In its petition requesting relief from the unprecedented fine, the company

admits to the violation but claims its actions were 'non-aggravated' and that a qualified U.S. vessel was not available. But CBP states the facts say otherwise.

On November 8, 2010, CBP made it adamantly clear to Escopeta that its 2006 waiver was no longer valid and that it must secure a new waiver from the Department of Homeland Security (DHS). The oil company submitted another request to DHS on the premise there was an immediate energy shortage in Alaska and a qualified U.S. vessel could not be hired in time. Meanwhile, the company continued its preparations to move the rig with the Chinese charterer,

but on March 7, 2011 DHS denied the Jones Act waiver.

Locked on the horns of a dilemma, and with precious oil leases and a \$20 million tax credit from the State of Alaska on the line, Escopeta decided to 'roll the dice' and commenced transportation of the *Spartan 151* rig on March 18, 2011. While the Chinese vessel sailed towards South America's Cape Horn with the jackup, Escopeta launched a full-blown media assault, claiming southern Alaska was desperately in need of energy and that its actions were fully supported by the Alaskan congressional delegation. Moreover, the company insisted that the 2006 waiver had never been revoked and that it continued to

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Dave Connolly is honored as Alameda Labor Council's Unionist of the Year



Alameda Labor Council Unionist of the Year Award Dinner, April 20, at the Marriot Hotel in Oakland. Left to right: Alameda Labor Council 2nd Vice President Gary Jimenez, Michelle Connolly, Dave Connolly, Alameda Labor Council 1st Vice President Martha Kuhl and Alameda Labor Council Executive Secretary-Treasurer Josie Camacho.

SUP Vice President Dave Connolly was honored on April 20, as the Alameda Labor Council's Unionist of the Year. The Council is comprised of 120 Unions representing over 100,000 workers.

Besides his duties on behalf of the membership of the Sailors' Union, Brother Connolly serves as President of the Council, a non-paying job to which

he was elected in 2010, after serving as an SUP delegate beginning in 1996.

In a statement the Council said: "Without question or hesitation, with unanimous agreement from our Executive Committee and strong support from our Delegates, Dave has played an incredible role providing leadership on many levels involving very complex, contro-

versial issues to a stealth understanding of our by laws and procedures. The manner in which he has conducted himself in meetings or conversations has been done with integrity and respect. We are proud to honor and recognize Dave as our Unionist of the Year, as he continues to serve as a champion for labor everyday!"

Congratulations Dave!

Periodicals' postage paid at San Francisco, CA (USPS 675-180)



SUP Quarterly Finance Committee Report

SUP QUARTERLY FINANCE COMMITTEE REPORT FOR THE QUARTER ENDED MARCH 31, 2012

The Quarterly Finance Committee, duly authorized to act by the regular meeting at Headquarters on April 9, 2012, hereby submits the following report:

SUMMARY OF CASH AND INVESTMENTS

General Fund	\$727,222.41
Political Fund	\$18,182.78
Strike Fund	<u>\$1,293,730.99</u>
Total Cash and Investments 1st Qtr. 2012	<u>\$2,039,136.18</u>

GENERAL FUND

Income:	
Dues, Initiation, Assessments	\$134,648.75
Interest	16,848.18
Donations - <i>West Coast Sailors</i>	1,685.00
Tanker & Joint Committee, Hiring Hall	136,499.61
Advertising & Promotion	687.00
Miscellaneous Income, Reimbursements, Fines	2,060.49
Reimbursed Administrative Expenses	24,121.77
Contributions - General Fund	<u>1,058.00</u>
Total Income:	<u>\$317,608.80</u>
Expenses:	
Auto & Travel	\$489.50
Rent	19,362.30
Postage, Printing & Office	7,148.07
Telephone & Telegraph	4,234.35
<i>West Coast Sailors</i> Publishing Expense	11,103.78
Accounting	3,510.00
Per Capita	18,176.50
Salaries & Payroll Taxes	216,405.94
Office Workers Pension	7,493.20
Insurance	62,986.61
Field Expense	1,762.61
Committee & Neg., Conference & Conv.	8,791.68
Investment Expense	1,203.63
Advertising & Promotion	1,460.00
Officials Pension	623.07
Subscriptions	3,864.73
Filing Fees	36.00
Contributions	250.00

Legal	935.00
Miscellaneous	<u>287.00</u>
Total Expense:	<u>\$370,123.97</u>

BUILDING CORPORATION

Income:	
Rents	\$144,658.39
Bldg. Util. & Service Reim.	<u>3,058.95</u>
Total Income:	<u>\$147,717.34</u>
Expense:	
Building Services & Utilities	\$30,012.44
Repairs & Maintenance	4,606.90
Salaries & Payroll Taxes	17,979.81
Filing Fees	1,969.00
Accounting	1,000.00
Auto	188.20
Office	103.04
Officials Pension	124.20
Insurance	<u>6,702.66</u>
Total Expense:	<u>\$62,686.25</u>

POLITICAL FUND

Income:	
Contributions	\$7,578.00
Total Income	<u>\$7,578.00</u>
Expense:	
Contributions	\$3,500.00
Office and Conference Expenses	<u>74.91</u>
Total Expense:	<u>\$3,574.91</u>
Net Income 1st Qtr.	<u>\$36,519.01</u>
Net Income YTD	<u>\$36,519.01</u>

/s/ Kaj E. Kristensen

/s/ Arthur Thanash

/s/ Diane Ferrari

/s/ David Larsen

/s/ Bob Copeland

ACTION BY THE MEMBERSHIP May 14, 2012. 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.

Barge hijacked off Indonesia

East Asian pirates are suspected to have hijacked a tug and set the crew adrift in the South China Sea, ReCAAP (the Regional Cooperation Agreement on Combating Piracy and Armed Robbery Against Ships in Asia) reported.

The Malaysia-registered tug *Wantas 6* left Langkawi, Malaysia, on April 12, towing the barge *Wantas VII*. Communication with the tug was lost on April 16, while passing the port of Batam, Indonesia, the vessel owner said. On April 26, the Philippines Coast Guard said its search team found the barge *Wantas VII* off the coast of Palawan in the Philippines, with eight containers forcibly opened.

The seven crew of the tug were rescued by a passing fishing boat on April 30, and were taken to Vietnam.

ReCAAP also noted that incidents such as this have been recurrent since 2008. ReCAAP representative Amy Fang said: “Robbers usually dislodge the barge from the tug to let the barge drift, while the crew members are usually put on a life raft, given some water, cash and their travel documents. “Usually, the robbers will position the raft at frequently travelled routes.”



SUP crew in the lounge of the Florida Voyager alongside Richmond Long Wharf on April 16, before sailing for Cherry Point, Washington. AB Jeffrey Titco, AB and Delegate Bob Turner, AB Alex Yekimenko and (in front) AB Rey Clores. Photo Dave Connolly.

Final Departures

Enrique Rodriguez, Book No. 3016. Born in Ecuador in 1918. Joined SUP in 1948. Died in Cupertino, California, April 22, 2012. Pensioner.

Steve Robinson, Book No. 2732. Born in Ashland, Maine in 1912. Joined SUP in 1945. Died in Pensacola, Florida, April 22, 2012. Pensioner.

James Olds, Book No. 2443. Born in Massachusetts in 1926. Joined SUP in 1951. Died in San Francisco, California, April 26, 2012. Pensioner.

Richard Chung, Book No. 4702. Born in Honolulu, Hawai'i in 1920. Joined SUP in 1954. Died in Honolulu, Hawai'i, April 29, 2012. Pensioner.

Simeon Cwihun, Book No. 3792. Born in New York in 1921. Joined SUP in 1945. Died in Snug Harbor, North Carolina, April 30, 2012. Pensioner.

“There is a direct relationship between the ballot box and the bread box, and what the Union fights for and wins at the bargaining table can be taken away in the legislative hall.”

Walter Reuther
President of the United Auto Workers from 1946-1970

SUP Meetings

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

	Hdq.	Branch
June	Tues. 12	18
July	9	16
August	13	20
September	10	17
October	Tues. 9	15
November	Tues. 13	19
December	10	17

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Published monthly by the Sailors Union of the Pacific (an affiliate of the Seafarers International Union of North America, AFL-CIO), Headquarters, 450 Harrison St., San Francisco, CA 94105. Phone: 415-777-3400. FAX: 415-777-5088. Dispatcher: 415-777-3616. Website: www.sailors.org. Periodicals' postage paid at San Francisco. (USPS 675-180). Printed by Howard Quinn Co., a Union shop. POSTMASTER: Send address changes to West Coast Sailors, 450 Harrison St., San Francisco, CA 94105.

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Neptune Orient posts \$254 million first quarter loss

Neptune Orient Lines (NOL), the parent company of APL, reported a first-quarter loss of \$254 million, underlining the depth of the industry's troubles after last year's price war and amid the soaring cost of fuel. The Singapore company, which lost \$10 million in the opening three months of 2011, blamed high bunker prices and low freight rates for the punishing shortfall. NOL also warned that, despite the rates increases that have been locked into place since March, "if conditions for rates and fuel costs do not improve, the group's financial performance will remain weak".

All lines have managed to raise freight rates significantly since the start of the year, but the impact of these restorations will not start to show up until the second-quarter financial results. The latest move on rates has come from the Pacific where container lines operating eastbound services plan to bring in a peak-season surcharge next month, following similar action by several carriers in the Asia-Europe trades. Members of the Transpacific Stabilization Agreement (TSA) have advised customers that they will recommend a \$600 per feu levy, to take effect from June 10, covering cargo moving from Asia to the United States.

On the Pacific, the TSA said forward bookings suggested that cargo demand, and associated costs, would build throughout the summer. "The lines see a strong outlook for the coming months, with utilization already in the 95% range," TSA executive administrator Brian Conrad said in a statement. "At the same time, they continue to dig out after a long period of serious financial losses and want to be sure they are well-positioned to ramp up services as the trade rebounds."

NOL, one of the first liner companies to post first-quarter numbers, said it had achieved a fifth of its goal to cut \$500 million from its costs in 2012, saving \$100 million through reduced fuel consumption and improved operational costs. The company said that it was on track to achieve its goal by end of the year. In the 2012 first quarter, revenue for NOL's container line APL declined only 4% year on year to \$2 billion. In contrast, APL's figure for core earnings before interest and taxes in the three-month period sank to a \$246 million loss from a modest \$8 million deficit in the year-earlier period, illustrating the degree to which low rates and high bunker costs have hit the line. Average revenue in the first quarter fell 7% to \$2,420 per feu. Bunker fuel prices rose to \$684 per ton in the first quarter, compared to \$523 per ton the year before.

Like all the major container lines, NOL has pushed through several general rates increases since March 1, but the first-quarter numbers reflect very little of this gain. APL President Kenneth Glenn said: "Rates have been moving up since March, but not yet enough to offset the high costs of fuel. Much more remains to be done to increase rates and manage down expenses."

The first-quarter loss for NOL follows a devastating fourth-quarter loss of \$320 million NOL lost \$478 million in 2011.

News of APL's hefty first-quarter loss, following from Hyundai Merchant Marine's similar results earlier this month, is "not entirely surprising given the weak fundamentals that have prevailed for too long", said *Lloyd's List* Intelligence Analyst Dimitris Morochartzis. "The confluence of factors such as the spot freight rates in the Asia-Europe and transpacific trades, which have moved, on average, some 12% below the levels of the same period a year ago, coupled with the fact that bunker fuel prices have moved by some 20% in the opposite direction, illustrate the adverse conditions into which carriers had to operate."

Foreign-flag cruise line sued for failing to rescue fisherman

Princess Cruises has been sued in Florida for the failure of the crew of *Star Princess* to rescue a man from a drifting Panamanian fishing boat on March 10. According to the complaint, the one surviving fisherman, Adrian Vasquez, is suing Princess in Miami-Dade Court, alleging negligence and intentional infliction of emotional distress. A jury trial is sought, with undisclosed damages being pursued.

Vasquez was on the small fishing boat *Fifty Cent* when it lost power off Panama on February 24. Vasquez's two fellow fishermen died before Vasquez was rescued off the Galapagos on March 24.

Three passengers on *Star Princess* spotted the *Fifty Cent* on March 10. Princess previously confirmed that the passengers' report had been relayed to the bridge, but neither the captain nor the officer on watch were notified due to a "breakdown in communications on the bridge". The Florida suit further alleges that the three passengers again alerted a *Princess* office on March 12, who "once again failed to act". The suit argues that "with such clear notice of this situation, the *Star Princess* had

the duty to rescue these men and by failing to do so, the defendant, Princess, breached its duty.

"The extreme and outrageous conduct on the part of the vessel and its crew members and officers has caused severe emotional distress to Vasquez, of such intensity and duration that no ordinary person should be expected to endure it," says the suit. "Vasquez has suffered significant and extensive bodily injuries, including physical, emotional and psychological injuries, pain and suffering, and mental pain and anguish."

Italian court finds skipper unfit to command

Captain Francesco Schettino has been found unfit to command cruiseships following the grounding and fatal capsizing of *Costa Concordia*. Italy's Court of Cassation said on May 16, that Schettino had shown "little resilience in performing command functions or in handling responsibility for the safety of persons under his care," *Reuters* reported.

Costa Concordia ran aground off the island of Giglio in January. At least 30 people were killed and more than 4,000 had to be evacuated from the capsized vessel.

Schettino has been under house arrest ever since. He is charged with multiple manslaughter and abandoning ship prematurely. The court said Schettino had shown himself to be unable to manage a crisis and maintain the safety of passengers. If he were to command a ship again, there was a risk of a repeat incident, *Reuters* reported the court as finding.



The SUP deck in Matson Navigation Company's C-9 containership *Manoa* in Oakland on April 18, before sailing for Long Beach. From the left: Bosun Don Bohle, Delegate Jerry Komoto, Pio Aujero, Jennifer Corner, David Purgannan. Hiding behind the delegate is Charlie "Roadkill" Butler. Photo Dave Connolly.

Matson joins businesses in fight to keep A's in Oakland

SUP-contracted Matson Navigation Company has joined some of the biggest names in the Oakland business community that have joined forces to keep the Oakland Athletics professional baseball team in the East Bay city either by buying the team or building a new downtown stadium.

A consortium of business leaders led by Don Knauss, CEO of Clorox, held a press conference on May 3, with Oakland Mayor Jean Quan to announce several initiatives and reaffirm their desire to keep the team in advance of a meeting of baseball team owners scheduled for later this month.

Lew Wolff, manager partner of the A's ownership, has publicly said several times he intends to move the team from Oakland and is looking at San Jose as a new home.

"If the current ownership group is not committed to Oakland, we want to make clear that Oakland and the East Bay business community are ready to step up to the plate to help ensure the A's stay home where they belong in Oakland," Knauss said. "We're confident we have identified an ownership group with the financial wherewithal to buy the team, keep them here and get a new stadium built."

Knauss was part of an effort in Houston to build a new stadium for the Astros baseball team when he was president and CEO of the Minute Maid Company and secured naming rights for the ball park.

Clorox, based in Oakland, is one of the Bay Area's largest public companies with revenue of \$5.31 billion in 2011. Other firms joining the fight to keep the

A's besides Matson, are Kaiser Permanente, Safeway, Signature Development Group, law firm Wendel Rosen Black & Dean, developer Reynolds & Brown, World Market, Pandora Internet Radio, Bigge Crane & Rigging and Dreyer's Grand Ice Cream. The Oakland Jobs and House Coalition and Oakland Metropolitan Chamber of Commerce also support the effort.

The main initiatives the business leaders proposed to rouse financial support of the team include stadium naming rights, establishing major corporate sponsorship commitments, attracting more regional sponsorships from other parts of Northern California, and pursuing specific industry anchor sponsors such as airlines, health care, car manufacturers, beverage and food companies, energy companies and consumer companies.

Oakland officials and business leaders have been pushing for about three years to keep the A's. Knauss said that two-and-a-half years ago, he and other local executives met with a three-person committee appointed by Major League Baseball to study the viability of keep the A's. At the time, the executives laid out ideas for attracting financial support for the team and created an escrow account with \$1 million collected from about 45 local companies as a good faith deposit. Since then the group has had no direct contact with A's ownership or top leaders and MLB has not said if that group has reached a conclusion, or whether they have even finished their work.

"It's really as simple as them reaching out to us and saying, 'We'll take you up on your offer,'" Knauss said. "We're just asking for them to reach out to us and sit down and have a discussion."

Building a new stadium for the A's could cost somewhere between \$400 million and \$500 million. Oakland could use a model similar to one that the San Francisco Giants used to build AT&T Park which included bank loans and equity raised from local businesses, Knauss said. "We want the ownership to know that it's not like Oakland should be a dead issue," he said. "We really support the A's and sometimes people over time forget how deep that support is."

SUP Honor Roll

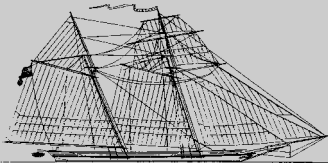
Voluntary contributions from the membership to the following funds:

Organization/ General Fund

Mike Arceo 50.00
Thomas Hooke..... 25.00
Phil Howell in lieu of
dues increase 100.00
Ryan McLaughlin..... 100.00
Charles Rafael 100.00
Robert Taylor 40.00

Political Fund

Sahur Ali..... 50.00
Jonathon Anderson-Kaisa .. 10.00
Billy Bell 50.00
Robert Bourne 200.00
Milton Cabellero 10.00
Mikaela Carnes..... 50.00
Jennifer Corner 25.00
Marc Dulay..... 20.00
Franklin Dyer..... 100.00
Joseph Eckert 10.00
David Fadoul..... 125.00
Diane Ferrari 50.00
Marshall Griggs 120.00
Monte Kalama 50.00
Dale Lindquist 100.00
Gunnar Lundeborg..... 50.00
Alan Marshall 400.00
Remigio Noble 50.00
Vince O’Halloran 100.00
John Perez 100.00
Dave Purganan 30.00
John Sheldon..... 100.00
Robert Taylor 100.00
Bruce Thompson 100.00
Alberto Villacrusis 20.00



West Coast Sailors

Billy Bell 25.00
George Boyeas 25.00
Joseph Castege in memory
of Frank Castege 1000.00
Michael Fox 50.00
John Gugich..... 30.00
Egon Jorgensen..... 50.00
James Kerns 25.00
James Kula 25.00
David Munroe 25.00
John Perez 25.00
Earl Phillips 25.00
Charles Rafael 25.00
Roberto Ramirez 25.00
Carl Schou..... 50.00
William Smith 25.00
Kai Sorensen 25.00
Eugene Souza 25.00
Robert Taylor 20.00
Richard Walsh..... 25.00

Dues-Paying Pensioners

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



Crew and shoregang in the APL Japan standby the just raised engine room stores hatch in New York on May 21. From left to right Victorino Mendoza, Wilson Abanto, Oliver Francelisco and AB Spencer Thompson. Photo: Dave Connolly.

Jones Act violator continued from page 1

rely on it, even in the face of a denial of the new request by DHS Secretary Napolitano.

The Painful Elaboration of the Obvious

Danny Davis, president of the company at the time the illegal transport took place, had bought about 100,000 acres of onshore and offshore oil and gas leases from the State of Alaska during the 1990s and named the area ‘Kitchen Lights’ in honor of crude oil being cooked over time. He proclaimed the acreage held about 250 million barrels of crude and between 750 billion and 3.5 trillion cubic feet of natural gas reserves.

Davis had tried numerous times to get a drilling rig to Cook Inlet, but whether it was the availability of a rig or money, he simply could not get the project off the ground. In 2006 he negotiated for a rig, and the stars seemed aligned as he petitioned then DHS Secretary Michael Chertoff for a Jones Act waiver, which was granted. In fact, a foreign vessel was actually in Houston and languished on standby for over a month, but Davis couldn’t hold the deal together. So after more than a decade of trying, in 2010 the wildcat oilman finally had a firm grip on a jackup rig and no matter what the consequences, he was going to transport it to Cook Inlet. But Davis diverted the rig to Canada for prepping and final repairs. And, in a calculated move, he hired a U.S. towing company for the final leg from Canada to Alaska.

During the illegal transport of the rig and as DHS and CBP were bearing down on Escopeta for its violation, a reality loomed that the U.S. government could actually seize the rig. Davis was removed by Escopeta’s Board of Directors, which quickly began its own legal maneuvering. As the rig sat in Canada, Escopeta claims that it would not have committed the ‘considered, intentional and (a) commercialfinancial’ Jones Act violation if it had not been for ‘assurances’ received in two letters from the government.

A DHS letter dated May 20, 2011 said that, while denying the Jones Act waiver, the agency would work with Escopeta in an equitable way to allow transportation of the rig to Alaska. Additionally: a letter sent by email on July 6, 2011 from Allen Gina, Assistant Commissioner of the Office of International Trade, said that after mitigating factors advanced by the oil company the rig would not be seized upon its arrival in Alaska. But a Jones Act penalty would be assessed, and Mr. Gina recommended a \$7 million fine to the CBP commissioner, who instead ruled that the penalty be assessed under normal procedures.

A third party assessor for the government calculated the market value of the rig to be \$15 million, and that amount was used by CPS as the amount of the penalty. The oil company said the rig should be assessed at the median value of the rig (\$12-\$15 million). But CBP stated that the rig’s owner, Spartan Offshore Drilling, involved in litigation in Texas, cited the value of the rig as \$46.7 million, and that its decision to use the third party assessment was fair and justifiable. The fine is to be paid within 30 days, which is now in play.

Did the Rule of Law Prevail?

While Furie Operating Alaska LLC argues it should not be held responsible for Danny Davis and Escopeta Oil’s actions, the precedents on that subject are clear: A corporate takeover and change of name do not permit the existing corporation to shrink from its legal responsibilities for pre-existing liabilities to the government. Davis was fully empowered to make decisions on behalf of Escopeta, which caused a Jones Act violation and the largest fine in its history.

The fact is Escopeta was forewarned three times: twice before the transportation commenced and once while in transit, Davis threw caution to the wind when he loaded the rig onto a foreign vessel because he wholeheartedly believed the citizens, government and congressional delegates of Alaska would come to his aid. But it was the oil company’s Board of Directors, in the end, that hired the towing company and conducted the illegal and final move between Canada and Alaska.

Unfortunately, the blatant disregard of the Jones Act has hardly been expiated in this saga because the *Spartan 151* rig is now drilling in the Kitchen Lights: the company has filed production and drilling tax credits and, if Danny Davis was right and the Kitchen Lights is a hydrocarbon-rich sanctuary, the company will reap billions. Finally, if you look hard enough, somewhere in the background Mr. Davis is lurking, and he will profit somehow. For the Jones Act and its operators, the government’s fine is for the government, and what could have been revenue and work for them simply never happened.”

Maritime workers thanked by TTD

Edward Wytkind, president of the Transportation Trades Department. AFL-CIO (TTD) issued this statement to commemorate National Maritime Day, May 22:

“As we celebrate the 79th National Maritime Day in the U.S., we express our gratitude to the nation’s skilled maritime and longshore workers who endure hardships and make sacrifices to keep cargo and people moving and the economy thriving.

A strong maritime industry is critical to our multi-modal transportation system and economy, and it plays a critical role in protecting national security. But because our ships and navigation channels are not as visible as congested highways, aging bridges and deteriorating transit systems, funding for our ports and waterways is far too often pushed down the priority list. This neglect must end.

We also renew our vigorous support for a strong, privately owned U.S.-flag fleet through policies such as U.S. cargo preference laws and the Jones Act. These laws are essential if the U.S. is to keep an adequate pool of trained mariners capable of meeting sealift objectives. TTD is also 100 percent behind the RAMP Act - common sense legislation that would ensure funds collected under the Harbor Maintenance Tax go solely to maintaining our ports and waterways.

The skilled employees in the maritime industry work tirelessly to keep our country and our economy moving, often in dangerous and trying circumstances. It is especially appropriate to pause today and thank these workers who risk their lives to preserve our freedom and our economic strength around the world.

TTD honors these men and women on this 79th National Maritime Day and pledge to do even more to support their jobs and the industry to which they have dedicated their careers.”

The Transportation Trades Department, AFL-CIO, represents 32 member Unions in the aviation,rail, transit, motor carrier, highway, longshore, maritime and related industries.

The SUP is affiliated with TTD.

Philippines acts on seafarer standards

President Benigno Aquino of the Philippines has intervened directly into the nation's troubled labor supply industry by strengthening the powers of Maritime Industry Administration to oversee reforms necessary to avoid a European Union (EU) ban on its seafarers. Under the terms of an executive order signed on April 30, the maritime activities of all agencies under President Aquino's authority are to be placed under the control of a beefed-up super agency, which will continue to be known by the acronym "Marina".

The move follows an EU threat to withdraw recognition of all new certificates issued in the country, because of repeated complaints about quality. Although complaints center on individual schools, the Standards of Training, Certification and Watchkeeping (STCW) convention only allows sanctions on countries as a whole. The EU threat was taken seriously because of its possible economic consequences. The Philippines provides more seafarers to the world maritime industry than any other nation, roughly a quarter of crew of ships at sea.

Western users of Filipino crews have been quick to welcome the shake-up, Ian Sherwood, managing director of crewing agency Delta Marine and chairman of the International Maritime Employers Committee, said: "This is welcome and well overdue. "One of the problems is that there are so many competing agencies. Putting it all under one umbrella is going to make the whole industry more efficient, and will go some way to resolving problems with the European Commission."

Philippines Secretary of Transport Mar Roxas admitted that the government was acting in response to calls for stricter governance in maritime education and training, which could prejudice the employment prospects of 90,000-100,000 seafarers working on EU-flagged ships. The plan will mean that a single head will oversee all affairs concerning administration of maritime training and education in the nation.

Absorbed into Marina will be the training, education and certification oversight activities of the Department of Labor, the Technical Education Skills Development Authority, and the Department of Transportation and Communication, of which Marina is part. Marina will report directly to the Department of Transport and Roxas.

Marina Deputy Administrator Nic Conti said: "[The order] consolidates the fragmented maritime functions of various agencies for better control of the process of monitoring education training and certification so that our certificates are fully compliant with the STCW convention." The bureaucratic overhaul comes in the wake of long-simmering concern about an audit by the Lisbon-based European Maritime Safety Agency (EMSA), which inspected local schools in 2010 and sent its report to the European Commission. Although EMSA has refused to make its findings public, it is understood to have recommended withdrawal of recognition of STCW certificates from the Philippines unless the issue is resolved.

Recent years have brought growing concern about STCW observance in the Philippines. The issue came to the forefront in the *Rena* casualty, which has embroiled a Filipino master and second officer in a New Zealand court case, charged with negligence and recklessness in the grounding of the container vessel on Astrolabe Reef last October.

Since the EMSA audit became public last year, the government has shut down three maritime academies. *Lloyd's List* reported in January that the government could be targeting up to 12 maritime training bodies, although no additional shut-downs have occurred.

Los Angeles releases new five-year port plan

Ensuring that discretionary cargo continues to move through Los Angeles is at the heart of a new five-year strategic plan for the largest port in the United States. Container traffic accounts for more than 80% of revenue, of which around half heads for destinations outside the region, mainly to the mid-west. Those containers could potentially be shipped via other West Coast ports including Canadian and Mexican ports. Once the enlarged Panama Canal opens, more cargo could also be shipped on all-water services to Gulf or East Coast ports rather than move through Southern California.

"Protecting and maintaining discretionary cargo market share in the face of changing economic conditions and intensifying competition is the key to the future of the port and the region," the L.A. Harbor Commission states when setting out the vision for the future in the new plan. The plan acknowledges that competition for transpacific cargo will intensify with the expansion of the Panama Canal and the growth of ports in neighboring countries. "Maintaining our position as the nation's premier trade gateway to the Pacific rim requires renewed effort and revitalized commitment to our key factors for success."

The plan aims to "place greater emphasis on building stronger relationships with current and future customers, with critical strategic partners such as railroads and transportation agencies, and with communities". In addition to competitive operations and strong relationships, the plan focuses on financial strength. It also maps out port priorities, objective and various initiatives for developing infrastructure, enhancing overall competitiveness, growing market share, optimizing land use, advancing maritime technologies and sustainability efforts, as well as the wish to keep L.A.'s top ranking.

"This plan is a blueprint for responsible growth and job creation that will guide us toward maintaining our competitive advantage as the nation's premier trade gateway," said Los Angeles Mayor Antonio Villaraigosa. "It is this kind of strategic thinking that helped the port become one of the nation's leading economic engines, and meeting the strategic plan's objectives will ensure our future success."

Outbound for East Asia



AB Hector Diaz and AB Alex Barkhorder in the APL Singapore, take a breather in the crew lounge in Oakland on April 27, before sailing for Dutch Harbor, Alaska. Photo: Dave Connolly

Hostage negotiator convicted in Virginia

A federal judge in Norfolk, Virginia, has convicted a Somali hostage negotiator who was apprehended last year by U.S. forces in an unusual onshore secret operation. The negotiator, Mohammad Saaili Shibin, was found guilty on 15 counts, including piracy, for his role in the incident involving the U.S. yacht *Quest* in February 2011, and the hijacking of a German-owned combined chemical and oil tanker, the 13,168dwt *Marida Marguerite*, which was held off the coast of Somalia from May to December 2010. Four U.S. nationals in the *Quest* were killed. Shibin could be jailed for life at his sentencing, currently scheduled for August 13.

Shibin's appearance at his indictment in Norfolk in April last year elicited much interest, as his arrest was said to mark the first time U.S. forces went ashore in Somalia in pursuit of suspected pirates. "This conviction is particularly important in two respects," maritime regulatory consultant Dennis Bryant said. "First, all acts for which Shibin was convicted, occurred ashore, which shows an effort to move enforcement of piracy up the food chain from just the individuals on the pirate skiff. Second, the convictions related to *Marida Marguerite* demonstrate a willingness on the part of the United States to not limit enforcement and prosecution of pirates to just those involving vessels of its own registry."

Shibin's conviction for an attack on a non-U.S. ship follows the sentencing in April last year of pirate Jaamac Ciidle for the November 2008-January 2009 hijacking of the 7,120dwt general cargo ship *CEC Future*.

U.S. Attorney Neil MacBride said: "The verdict marks the conviction of the highest-ranking Somali pirate ever brought to the United States. Shibin was among an elite fraternity of pirate negotiators — the vital link to any successful pirate attack. His skills were essential to obtain a ransom for those who attacked the vessel and the financiers who paid for the attack."

Decoded al Qaeda files suggest passenger vessels may be at risk for terror attacks

About one year ago, Berlin police stopped and interrogated a 22-year-old Austrian on his return from Pakistan. During their search, authorities recovered a digital storage device and memory cards hidden in his underpants.

After weeks of attempting to crack a password that was protecting the devices, investigators uncovered an array of intelligence, with over 100 al Qaeda documents describing some of their future plots against the world. These documents were strategically encoded deep inside two pornographic files.

Some of the plans include: seizing cruise ships, carrying out gun attacks in Europe, and they also provided PDF versions of terrorist training manuals in multiple languages. In a document titled "Future Works", the terrorist group discusses the goal of finding new targets and methods of attack.

One major plan recognized is to seize passenger ships. According to CNN, the author of the plan detailed hijacking a passenger vessel and using it to pressure the public — a similar effort made by sea pirates today. Once onboard the ships, the documents state that passengers will then begin to be executed, as al Qaeda forced the release of particular prisoners, their allies.

This plan would also include dressing passengers in orange jump suits, as if they were al Qaeda prisoners at Guantanamo Bay, and then videotaping their execution, according to the original report in German newspaper *Die Zeit*.

"Future Works" suggests al Qaeda was an organization under pressure, without a major attack to its name in several years, as Western intelligence agencies have become excellent in hampering attacks. Although the document does not contain dates, places, or specific plan, it appears to be a brainstorming exercise to grab the initiative and reinstate al Qaeda around the world.



SUP Delegate Bryan Short on the starboard boat deck of the Mississippi Voyager at Richmond Long Wharf early Sunday morning on April 22, just before sailing for Wilmington. Brother Short uncovered a payroll discrepancy for riding gang maintenance AB's and notified the Union who notified the Company who fixed the problem with retro pay applied. In the background is Angel Island and San Francisco — obscured by a fogbank. Photo Dave Connolly

Last National Maritime Union president dies

Rene Lioeanjie, the last president of the old National Maritime Union (NMU), died on April 10, in Panama at age 89.

A native of Dutch Guyana, Lioeanjie, came to the United States in 1945, after sailing in Dutch-flag ships and immediately began sailing with the NMU in the deck department. After serving in various capacities in the Union, he was elected president in 1997 serving until 2001 when the NMU merged with the SIU-Atlantic, Gulf, Lakes and Inland Waters District. From 2001 until his retirement in 2009, he served as a Vice President At Large for the SIU-AGLIWD/NMU.

The NMU originated as a splitter group ("Rank and File ISU") of the old International Seamen's Union of America (ISU) in 1936 comprised of East Coast mariners. In 1937 the group reconstituted itself as the NMU which then affiliated with the new Congress of Industrial Organizations (CIO). In 1946, the NMU had 46 branches, a staff of 500 and 73,000 members.

On the West Coast, the SUP—which founded the ISU in 1895—was expelled in 1936 from that organization for "radicalism". In that year, Harry Lundeborg was elected SUP Secretary-Treasurer, succeeding Andrew Furuseth. In 1938, the American Federation of Labor (AFL) issued a charter to the SUP to organize a new national seamen's union which was named the Seafarer's International Union of America (SIUNA), with Lundeborg as its first president. The SUP as well as the SIU-AGLIWD and later the Marine Firemen's Union and Marine Cooks & Stewards (MC&S) became autonomous affiliates of the SIUNA. The MC&S merged with the SIU-AGLIWD in 1978.

Arctic summers will be ice-free by 2050

Although increased global warming is creating more ice-free waters in the Arctic, shipping will still have to contend with ice-bound winters for decades. Speaking at the annual Arctic shipping forum in Helsinki, Finland, Gunnar Sander of the European Environment Agency said the region will still have ice levels that will pose a risk to shipping for many decades, as global warming is causing unreliable and varied annual changes.

Global warming has long been linked with the annual decline in summer ice levels in the Arctic, a change that has increased interest in the northern sea route across Russia's north. While summer sea ice levels have decreased about 12% over the decade, winter ice levels have declined less than 3% according to data from the Norwegian Polar Institute. Accelerated summer melting is likely to increase the number of icebergs that break off Greenland's glaciers, Sander said, increasing the risks to Arctic shipping. Climate developments will increase the window of opportunity for Arctic transits, but will also decrease ice thicknesses as multi-year ice is replaced by first-year ice. However, receding ice levels in summer could bring ice-free summers by 2050, and international rules need to clarify this issue.

The role of national administrations defined by UN Convention on the Law of the Sea (UNCLOS) will cease to apply directly as the Arctic waters that are navigable fall under the UNCLOS definition of being ice-covered. Once the waters of the Arctic become ice-free, Russia will not be able to control shipping that seeks to take a more direct route between Europe to Asia across the North Pole region. The rules that apply will be international ones, such as the IMO's pollution and safety legislation, which often has little focus on Arctic operations. The UNCLOS sovereignty claims are, however, based on the Arctic being ice-covered most of the time. And so global warming will create new political challenges according to Daniel Watt, an associate at U.S. law firm of McInnes Cooper.

Russia has been promoting the northern sea route through its territorial waters as a summer alternative to sending cargoes through the Panama or Suez Canals. In 2011, 34 voyages sent more than 820,000 tons of cargo. More vessels are expected to use the route in 2012, sending more than a million tons of cargo. Increased demand has led state-owned ice breaker operator Rosatomflot to order a large nuclear-powered icebreaker to meet the expected increase in demand.

Cosco Busan owners sue former San Francisco Bar Pilot's pharmacy

The owners of *Cosco Busan*, the containership that hit the San Francisco-Oakland Bay Bridge in 2007, are suing former pilot John Cota's pharmacist on multiple counts, blaming negligently supplied medication to Captain Cota for some or all of the damage caused. The lawsuit seeks to recover some of the damages they paid to settle the case, contending that a pharmacist's "modern role" has changed since 50 years ago, when it simply meant filling prescriptions. Experts are watching the case with interest because it implies that a drug store is obliged to alert its customers' employers about their drug use and raises critical questions about a patient's right to privacy.

Cosco Busan owner Regal Stone and technical manager Fleet Management have filed a suit in California State Superior Court against Longs Drug stores, its corporate parent CVS Caremark and three pharmacists said to have been employed at the Longs shop in Petaluma, California, at the time of the incident. Regal Stone has refused to comment on the case. But California media quoted CVS saying it would vigorously defend the case and it did not believe its shop bore liability.

Cosco Busan hit the bridge in heavy fog on November 7, 2007, spilling 53,000 gallons of oil. A 26-mile patch of shoreline was smeared and more than 2,500 seabirds died. Official estimates of damage from the incident included \$70 million for the ecological cleanup; \$2 million for the ship and \$1.5 million for the bridge.

In 2009, the owner pleaded guilty to a \$10 million fine, going on to spend tens of millions of dollars more to settle state and local claims and claims by fishermen. In that year, Captain Cota was sentenced to 10 months in jail. Then 59, he had been a member of the San Francisco Bar Pilots for 26 years.

The National Transportation Safety Board (NTSB) report blamed Captain Cota for the casualty, although it also held the ship's operators responsible for training its seafarers inadequately. Prescription drugs impaired Captain Cota's cognitive performance, NTSB held.

The owner's suit alleges negligence and unfair business practice and demands comparative equitable indemnity and contribution from CVS. The lawsuit contends that Captain Cota, suffering from numerous medical conditions, had been a "frequent and well-known" Longs patient since at least 2004. He visited the Petaluma shop "hundreds of times" in the two years before the accident and received "thousands upon thousands of capsules of drugs". His "ongoing and cumulative use of these drugs impaired his cognitive function on the morning of the incident and was a cause of the incident," the suit states.

Longs and its staff "knew or should have known" that Captain Cota's functions as a professional mariner affect public safety, but their warnings or counselling "fell below the standard of care of professional pharmacists." They should not be allowed to "falsely and deceptively advertise themselves" as professionals, the suit contends. Captain Cota's relationship with Longs was akin to that between a physician and patient, the lawsuit states. It argues that 50 years ago, a pharmacist's "only duty" was as a drug dispenser and that the physician prescribing a drug was responsible for ensuring it was safe. Today, the lawsuit contends, a pharmacist's duties have "evolved markedly and include drug therapy, disease management [and] patient counselling, and take a more comprehensive, outcome-oriented approach in dealing with patients."

Costa Concordia salvage bid awarded to Crowley subsidiary

Titan Salvage, a subsidiary of Crowley Maritime, in partnership with the Italian firm Micoperi, have been awarded the right to remove the wreck of the *Costa Concordia* which went aground off the Italian island of Giglio on January 13. An estimated 30 people were killed in the disaster.

The salvage operation, which started this month and will take approximately a year to complete, will aim to remove the 114,147 gross ton wreck in one piece to ensure minimal environment impact.

The wreck removal contract is thought by industry sources to be the largest ever awarded, an estimated \$290 million.

U.S. container imports increased 7.3% in March

A surge in furniture and auto parts shipments helped U.S. containerized imports to bounce back in March, over the same month in 2011, with a 7.3% increase to 1.4 million teu. The trade intelligence company Piers reports that the March rise followed a 5.9% decline in February. On a month-to-month basis, overall imports climbed 15.2% in March, following a contraction of 19% in the previous month of 2012.

For the first quarter, overall imports advanced 2% year-on-year to just over 4 million teu, compared to the 1.5% forecast.

Journal of Commerce/Piers economist Mario Moreno said: "Latest teu data supports my view of very modest imports growth through the second half of the year. Although the U.S. economy is showing signs of deceleration, it will likely be momentary as the Federal Reserve Bank has made it clear it is prepared to do more if conditions worsen. Import growth should regain in the second half of the year."

On a country level, shipments from China showed the most gains, up 13% to 579,000 teu. "This sharp jump in shipments from China is mostly owed to an easier year-over-year comparison with March 2011 base as the 2012 lunar new year came early," Moreno said.

U.S. imports from China rose 13% year-on-year in March, while Vietnamese imports rose 32%.

ESU Office Assignments

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



MAY 2012

Official Publication of the Exxon Seamen's Union

ExxonMobil volunteer program

If you are looking for something to do this summer to benefit a charitable organization in your area, you may want to consider the ExxonMobil volunteer program. Initiated in 1996, the Volunteer Involvement Program is funded by ExxonMobil Foundation, the primary philanthropic arm of Exxon Mobil Corporation. The Volunteer Involvement Program seeks to encourage employees, retirees, and other eligible participants to actively contribute their time and talent to charitable organizations by providing contributions on their behalf. The intent of this program is to encourage volunteerism to worthwhile charitable activities in the community, rather than to provide large sums of money to organizations.

The Volunteer Involvement Program is designed for employees, retirees, and other eligible participants who volunteer in the community on an individual basis. A \$500 grant can be awarded to a charitable, nonprofit organization after an eligible participant volunteers at least 20 hours of their time to the organization during a calendar year.

Each eligible participant (employee, retiree, surviving spouse, or director) may apply at <https://www.easymatch.com/exxonmobil> for four individual grants per calendar year. These grants may be for the same or separate organizations, provided 20 hours of work is performed for each grant. An organization may receive a maximum of \$5,000 per calendar year of Individual Volunteer Grants, in addition to the \$10,000 maximum for Team Grants.

Although spouses and children may participate as part of the four individual

grants per employee or retiree per year, hours may not be combined. All application forms must be completed by the employee, retiree, surviving spouse, or director. A separate application must be completed for each \$500 grant request.

Eligible organizations must be charitable and recognized as tax exempt by the Internal Revenue Service under Section 501(c)(3) of the Internal Revenue Service Code and have an Employer Identification Number (EIN), or be an instrumentality of a state or local government under IRC Section 170(c)(1). Public charities are included, but private foundations are excluded. Eligible organizations include those providing: Disaster relief and emergency services; Community assistance including food, shelter & clothing; Assistance to the disabled and underprivileged; Youth empowerment and a chance at a brighter future; Family crisis services and programs; Senior citizens with a better quality of life; Health care, health volunteer services and cure for diseases; Cultural organizations including arts, museums, cultural & historical societies, performing arts, public broadcasting, etc.; Civic services including volunteer fire departments, emergency management, community centers & services, and libraries; Youth activities (age 18 and under); Parks, nature centers, botanic gardens; K-12 education (accredited private and public schools) and supporting organizations such as PTA; Colleges and universities; Educational tutoring & mentoring; Environmental programs including biodiversity, conservation, and preservation of endangered species & habitats; and Humane societies, animal shelters, SPCA, etc.

Reminder

As previously announced, the ESU due to cost savings measures, changed the telephone numbers and also terminated the toll free number. As of May 1, the old numbers and the toll free number are no longer operational. The new numbers to reach the ESU office are as follows:

Phone # 832-295-3047 Fax # 832-201-0441

Ship reports

S/R American Progress

Vessel makes the last load in Valdez for discharge to the Puget Sound area around the 25th of May. The crew is getting ready for about a week and a half of tank cleaning and rafting operations in Port Angeles before starting the three week trip West to Singapore. Cook, Joel Mitchell has been filling in as Ship Rep. and doing a good job. No beefs, all is well aboard.

Kodiak

ESU Board officer visited the vessel at the Outer Anchorage in Long Beach, CA on April 26. The vessel had a couple of days at anchorage before

docking at the offshore terminal in El Segundo, CA. Regular Ship Rep. Joe Butler was aboard and reports everything is going well.

The vessel received several accolades and thumbs up for the great job at the terminal.

Sierra

The vessel is currently heading south from Valdez to El Segundo, CA. Deck Trustee, Kevin Conroy filling in for Regular Ship Rep. Thor Floreen. Kevin reports all is well onboard. Thor has been on sick leave but should return to duty shortly and sends his thanks to all well wishers.

Exxon Mobil Corp. declares second quarter dividend

On April 25, the Board of Directors of Exxon Mobil Corporation (NYSE:XOM) declared a cash dividend of 57 cents per share on the Common Stock, payable on June 11, to shareholders of record of Common Stock at the close of business on May 14. This second quarter dividend compares with 47 cents per share paid in the first quarter of 2012. Through its dividends, the corporation has shared its success with its shareholders for more than 100 years and has increased its annual dividend payment to shareholders for 30 consecutive years.

The next day ExxonMobil Corporation released its numbers for the first quarter of 2012 the following is part of the press release and comments from Rex W. Tillerson Chairman of ExxonMobil:

"First quarter results reflect our ongoing focus on developing and delivering energy needed to support job creation and economic growth. Despite continuing economic uncertainty, we are progressing our robust investment plans to meet the energy demands of the future. Capital and exploration expenditures were \$8.8 billion as we continue with plans to invest about \$37 billion per year over the next five years. We continued to generate strong cash flow from operations and asset sales with \$21.8 billion in the quarter.

First quarter earnings of \$9.5 billion were down 11% from the first quarter of 2011. Oil-equivalent production was down over 5% from 2011. Excluding the impact of higher prices on entitlement volumes, OPEC quota effects and divestments, production was down 1%.

The Corporation distributed more than \$7 billion to shareholders in the first quarter through dividends and share purchases to reduce shares outstanding. During the first quarter of 2012, Exxon Mobil Corporation purchased 66 million shares of its common stock for the treasury at a gross cost of \$5.7 billion. These purchases included \$5 billion to reduce the number of shares outstanding, with the balance used to acquire shares in conjunction with the company's benefit plans and programs. Share purchases to reduce shares outstanding are currently anticipated to equal \$5 billion in the second quarter of 2012."

NMC announces new automated application status notification via email

On Monday, April 30, the National Maritime Center (NMC) launched an improvement to the automated email system originally fielded in December 2009. Mariners who have provided an email address to the NMC will receive an email notification 90 days prior to the expiration of their Merchant Mariner Credential, License, Merchant Mariner Document, or Standards of Training, Certification and Watchkeeping. Intended as a final reminder of your impending credential expiration, you can ignore the email if you have recently submitted an application for renewal. If you have any questions regarding your application, use the on line Application Status Checker to determine the status.

In order to receive the emails, the NMC respectfully reminds all that wish to participate to ensure the following email address is not blocked or routed to "Junk" or "Spam": donotreply_MMLD_NOTIFICATION@uscg.mil.

An email address is needed for this service. Mariners, and NMC stakeholders, can obtain one from numerous sources of free email services available on the

internet. Replies to this email address are not monitored; if you wish to contact the NMC, you can do so at IASKNMC@uscg.mil or 888-IASKNMC. Should you have any question related to this, or any other aspect of the NMC's suite of customer services available from the field units or on the NMC website, you can call the Customer Service Center for support at 888-IASKNMC (888-427-5662).

If you want to provide feedback, please do so via the online survey. Look for it on the left side of the web page under the "Online Survey" tab.

This may be used as another tool to remind ourselves of when it's time to start the application process for renewal of your documents, although the ESU has on numerous occasions in the past recommended to the membership to start the process well in advance (six months or more) since in some cases it may take several rounds of going back and forth with the NMC in order to finalize the renewal process. Also when you receive your new documents, we encourage you to go over it to make sure all endorsements, including STCW credentials are in order.

EXXON SEAMEN'S UNION

Founded March 28, 1941

Affiliated with the Sailors' Union of the Pacific

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Board Member at Large John McCarthy

Deck Trustee Kevin Conroy

Engine Trustee William Ackley

Steward Trustee Kurt Kreick



SUP Delegate Bob Strabbing in the APL China, checks out the Union dispatch slip of newly joined AB Paul Davis (seated to the right) at the mess deck table soon after arrival in Oakland on April 13. Sailed the next morning in good shape for Dutch Harbor, Alaska and the Far East. Photo Dave Connolly.

Singapore and Shanghai tie as world's busiest container ports

Singapore has almost regained the crown as the world's top container port from Shanghai, after strong container throughput growth in the first quarter of this year. According to the Maritime and Port Authority of Singapore, Singapore handled 7.5 million teu in the January-March period, up 6.6% year-on-year. In March alone, Singapore's box volumes reached 2.6 million teu, compared with 2.5 million teu in the corresponding month last year.

Meanwhile, Shanghai's container throughput was also at 7.5 million teu during the first three months of this year, a year-on-year growth of 3.5%. Shanghai first dethroned Singapore as the world's busiest container port in 2010, driven by rapid expansion of Chinese trade. However, with China's economic growth slowing to its weakest level in nearly three years last quarter, Shanghai has also seen much weaker growth in box volumes.

Both Shanghai and Singapore have still enjoyed stronger growth compared to Hong Kong, another regional giant, though. According to the Marine Department, Hong Kong's box throughput grew 2.7% on year to 5.6 million teu in the first quarter.

Aussie plans to build a full scale replica of *Titanic*

An Australian billionaire said he'll build a high-tech replica of the *Titanic* at a Chinese shipyard and its maiden voyage in late 2016 will be from England to New York, just like its namesake planned.

Weeks after the 100th anniversary of the sinking of the original *Titanic*, Clive Palmer announced he has signed a memorandum of understanding with state-owned Chinese company CSC Jinling Shipyard to build the *Titanic II*. "It will be every bit as luxurious as the original *Titanic*, but ... will have state-of-the-art 21st-century technology and the latest navigation and safety systems," Palmer said in a statement. He called the project "a tribute to the spirit of the men and women who worked on the original *Titanic*." More than 1,500 people died after the *Titanic* hit an iceberg in the North Atlantic on its first voyage. It was the world's largest and most luxurious ocean liner at the time.

Palmer built a fortune in real estate on Australia's Gold Coast tourist strip before becoming a coal mining magnate. BRW magazine reported he was Australia's fifth-richest person last year with 5.2 billion Australian dollars.

Palmer said at a news conference that previous attempts to build a *Titanic* replica failed because proponents failed to raise enough money and commission a shipyard. The *Titanic II* is the first of four luxury ships Palmer has commissioned CSC Jinling Shipyard to build. Palmer did not provide a cost estimate. He said he had established a new shipping company, Blue Star Line Pty. Ltd., and that design work for the *Titanic II* has begun with assistance from a historical research team.

The diesel-powered ship will have four smoke stacks like the coal-powered original, but they will be purely decorative. The most obvious changes from the original *Titanic* would be below the water line, including welding rather than rivets, a bulbous bow for greater fuel efficiency and enlarged rudder and bow thrusters for increased maneuverability, Palmer said.

Brett Jardine, general manager for Australia and New Zealand in the industry group International Cruise Council, said *Titanic II* would be small by modern standards but could prove viable at the top end of the luxury market. "From a marketing point of view, many will embrace it and perhaps there'll be some that wouldn't," Jardine said. "If you've got a niche, it's going to work. Why go out there and try to compete with the mass market products that are out there now?" he added.

While the *Titanic II* would carry around 1,680 passengers, most modern cruise ships create economies of scale by catering for more than 2,000 passengers, he said. Among the world's largest passenger ships, *Allure of the Seas* is 295 feet longer than the 886-foot *Titanic* and has 2,700 cabins.

Welfare Notes

May 2012

Medicare & Medicare Supplemental Plans

Medicare does not send official notices when you become eligible for Medicare coverage at age 65. To avoid penalties that will require you to pay an additional amount forever, you must enroll when you first become eligible for Medicare. Your initial enrollment period lasts seven months including the three months before your birthday and the three months after your birthday. As an example if your birthday is in June your enrollment period is March 1 through September 30.

Before going to your Social Security office to enroll for Medicare or to an office to enroll in a supplemental plan to Medicare consider the questions you may want to ask and write the questions down. As examples if you are a Kaiser member considering a Kaiser Senior Advantage Plan find out if you will be able to use the same doctors you are currently seeing. Will your current prescriptions be covered under the Prescription Plan you are enrolling in and will the Prescription Plan cover changes in the drugs being prescribed for you?

Keep a record of the responses you receive to your questions and follow up with an inquiry to the Medicare website or another visit to the Social Security office on any information you feel is still questionable.

If the Social Security office gives you any forms that need to be completed by your employer or administrator, please send the forms to the SUP Welfare Plan office.

Active participants may enroll later for Medicare Part B and Part D; however, to avoid late enrollment penalties, you must enroll for Medicare within the eight-month period that begins when your work ends or your coverage under the plan ends whichever is first.

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SUP Welfare Plan 730 Harrison Street, #415

San Francisco, CA 94107

Phone Numbers: 415-778-5490 or 1-800-796-8003

Fax: 415-778-5495

Asian shipping lines bleed a river of red

Five of the biggest shipping companies in Asia released earnings figures at the end of last month, all of them more or less dripping in red. The five —COSCO, China Shipping Development and Japan's Big Three— all shared similar reasons for their losses, from higher bunker prices, the appreciation of both the yen and the Yuan, low spot and period market rates and general overcapacity.

The three biggest Japanese lines —Mitsui OSK Line, NYK and K Line— all predicted profits for the year. The predictions boosted the stock of NYK and K Lines, despite deep losses that each of the companies reported for their fiscal years. MOL reported a \$322 million loss for the year to March 31. NYK's loss was even deeper at \$903 million. K Line reported a shortfall of \$502 million.

The most spectacular shortfall came from COSCO (China Ocean Shipping Company), which has performed below analysts' expectations in this quarter and in 2011. China COSCO's net profit attributable to shareholders stood at Yuan 2.7 billion (\$428 million). COSCO posted a record yearly loss for shipping of Yuan 10.5 billion in 2011. COSCO lost \$4.7 million for each of the 91 days in the first quarter. Its revenues stood at Yuan 15 billion against costs of Yuan 17.9 billion, but it said almost nothing about what contributed to those costs. Besides factors that afflicted all lines, COSCO is still hobbled by "onerous contracts" that its dry bulk unit agreed at the height of the market for its massive fleet of chartered-in vessels, about 43% of the 374 dry bulk ships it operates. Its container division has also suffered from vessels chartered on long-term contracts that are now at the mercy of a low-rates market. Barclays Capital analyst John Windam characterized China COSCO's position as a "river of red" running deep in his report on the earnings.

China Shipping Development (CSD), which as a contrasting model of owning more dry bulk vessels deployed on long-term contracts with industrial partners, suffered a milder loss of Yuan 320 million for the quarter. The reason: operating costs of Yuan 3.1 billion were 36% higher than the figure at the end of 2011 and represented 115% of first quarter revenue. This was due to spiralling fuel costs, which came to 47% of the total operating cost of CSD's average fuel cost, based on benchmark Singapore bunker prices that increased 13% during the first quarter of 2012 to \$732 per ton.

The state-owned Chinese lines are both assumed to have the deep pockets of government behind them, which explains COSCO's apparent lack-of in the face of earnings disaster report. Both COSCO and China Shipping Development have pledges of up to about \$10 billion each in credit as a cushion.

Japan's major lines have no such guarantees, although it is inconceivable that any of these historical lines would be allowed by the government to fail. All approach their markets with a similar strategy of diversification. It may turn out that this strategy will help them to achieve their goal of profitability over the next 12 months.



California Labor Federation, AFL- CIO

Endorsements for the June 5 Primary Election

State Assembly

1. Robert Meacher

2. Wes Chesbro

3. Charles Rouse

4. Mariko Yamada

5. Marc Boyd

6. Reginald Bronner

7. Roger Dickinson

8. Ken Cooley

9. Dr. Richard Pan

10. Michael Allen

11. Jim Frazier

12. No endorsement

13. Xochitl Paderes

14. Susan Bonilla

15. Nancy Skinner

16. Joan Buchanan

17. Tom Ammiano

18. Dual: Rob Bonta/
Abel Guillen

19. Phil Ting

20. Bill Quirk

21. Adam Gray

22. Kevin Mullin

23. Richard Rojas

24. Rich Gordon

25. Bob Wieckowski

26. No endorsement

27. Nora Campos

28. Paul Fong

29. Mark Stone

30. Luis Alejo

31. Henry Perea

32. Rudy Salas

33. John Coffey

34. Mari Goodman

35. No endorsement

36. No endorsement

37. Das Williams

38. Edward Headington

39. Richard Alarcon

40. Russ Warner

41. Chris Holden

42. Mark Anthony-
Orozco

43. Mike Gatto

44. Dual:
Tom Mullens
Jeff Gorell (R)

45. Bob Blumenfield

46. Adrin Nazarian

47. Joe Baca Jr.

48. No endorsement

49. Ed Chau

50. Betsy Butler

51. Jimmy Gomez

52. Norma Torres

53. John Perez

54. Holly Mitchell

55. No endorsement

56. V. Manuel Perez

57. No endorsement

58. No endorsement

59. Reggie Jones-
Sawyer

60. No endorsement

61. Jose Medina

62. Steven Bradford

63. Anthony Rendon

64. Isadore Hall

65. Sharon Quirk-
Silva

66. Al Muratsuchi

67. No endorsement

68. No endorsement

69. Julio Perez

70. Bonnie Lowenthal

71. Patrick Hurley

72. Joe Dovinh

73. No endorsement

74. No endorsement

75. No endorsement

76. No endorsement

77. Greg Laskaris

78. Toni Atkins

79. Dual:
Shirley Weber/
Sid Voorakarra

80. Ben Hueso

State Senate

1. Les Baugh (R)

3. Lois Wolk

5. Cathleen Galgiani

7. Mark DeSaulnier

9. Loni Hancock

11. Mark Leno

13. Jerry Hill

15. Jim Beall

17. Bill Monning

19. Jason Hodge

21. No endorsement

23. No endorsement

25. Carol Liu

27. Fran Pavley

29. Greg Diamond

31. Dual:
Steve Clute
Richard Roth

33. Ricardo Lara

35. No endorsement

37. No endorsement

39. Marty Block

U.S. House
of Representatives

1. Jim Reed

2. Jared Huffman

3. John Garamendi

4. Jack Uppal

5. Mike Thompson

6. Doris Matsui

7. Dr. Ami Bera

8. No endorsement

9. Jerry McNerney

10. Jose Hernandez

11. George Miller

12. Nancy Pelosi

13. Barbara Lee

14. Jackie Speier

15. Pete Stark

16. Jim Costa

17. Mike Honda

18. Anna Eshoo

19. Zoe Lofgren

20. Sam Farr

21. Blong Xiong

22. Otto Lee

23. Terry Phillips

24. Lois Capps

25. Lee Rogers

26. Julia Brownley

27. Judy Chu

28. Adam Schiff

29. Tony Cardenas

30. No endorsement

31. Pete Aguilar

32. Grace Napolitano

33. Henry Waxman

34. Xavier Becerra

35. Joe Baca

36. Dr. Raul Ruiz

37. Karen Bass

38. Linda Sanchez

39. Jay Chen

40. Lucille Roybal-
Allard

41. Mark Takano

42. No endorsement

43. Maxine Waters

44. Janice Hahn

45. Sukhee Kang

46. Loretta Sanchez

47. Alan Lowenthal

48. No endorsement

49. Jerry Tetalman

50. No endorsement


51. Juan Vargas

52. Scott Peters

53. Susan Davis

U.S. Senate

Dianne Feinstein



California Ballot
Propositions

28. Limits on Legislator Terms in Office
to 12 years, either in the Assembly,
the Senate or a combination of both
— YES

29. Imposes an additional tax on
cigarettes
— NO RECOMMENDATION

California
Residents:
VOTE JUNE 5

Cruise industry outlines safety plan

The cruise industry has announced three immediate safety changes based on investigation of the fatal *Costa Concordia* capsizing.

The Cruise Lines International Association (CLIA) and the European Cruise Council unveiled the policy changes at European Union’s (EU) Passenger Ship Stakeholder Conference held on April 24, in Brussels.

First, all cruise ships will more strictly adhere to International Maritime Organization (IMO) passage planning guidance and follow best practices contained in the International Chamber of Shipping Bridge Procedures Guide. All bridge team members will be thoroughly briefed on passage plans, which must be approved by the ship’s master. The *Concordia* accident followed a diversion to the island of Giglio, ordered by master Francesco Schettino.

Secondly, no one without operation functions will be allowed on a bridge during any period of “restricted manoeuvring or when increase vigilance is required”. During the *Concordia* casualty, a female friend of Schettino’s was on the bridge.

Thirdly, cruise lines will significantly increase the number of lifejackets on board. In addition to the statutory requirement of one lifejacket per person aboard, cruise ships will add lifejackets equal to at least the total number of people berthed within the ship’s most populated main vertical fire zone.

On February 9, CLIA members instituted a mandatory policy calling for muster drills before departure from port, compared with the legal requirement for within 24 hours.

L.A. and Long Beach make gains after Chinese New Year

The ports of Los Angeles and Long Beach both reported substantial growth in container imports during March, partly influenced by the timing of the Chinese New Year holidays this year. Long Beach saw a year-on-year increase of 18.3% in loaded inbound containers to 226,141 teu. For the same period, Los Angeles reported a rise of 9.3% to 324,758 teu.

The improvement is in line with a new trade assessment by Clarksons. The broker says in its latest quarterly report that, “with U.S. consumer data showing signs of improvement, eastbound TransPacific trade is projected to pick up somewhat in 2012, with current estimates forecasting container trade growth of 4.7% this year”.

However, Los Angeles pointed out that the higher imports “reflect a surge in volume following the Chinese New Year break”. This is because the Chinese New Year fell in late January this year, whereas in 2011 it was in early February. That influences trade patterns and year-on-year comparisons. Container traffic handled by Los Angeles fell by 5.3% in February, the result of China’s January break. Likewise, Long Beach’s loaded inbound container imports for February stood at a relatively low 191,475 teu, but picked up to 226,141 teu in March.

Overall, Los Angeles’ container volume was 8.3% higher in March, despite a 2.4% drop in outbound traffic, while Long Beach saw a 12% increase as loaded outbound volumes rose almost 10%.



SUP President's Report

May 14, 2012

SUP ELECTION INFORMATION

The triennial election of SUP officers and referendum on proposed amendments to the SUP Constitution and Shipping Rules will commence on December 1, 2012, and will conclude on January 31, 2013.

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 any Headquarters or Branch meeting by June.

Resolutions submitted will be referred to a rank-and-file 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.

The Committee on Constitution will turn-to at Headquarters on Monday, June 25, at 9:00 A.M.

APL MARINE SERVICES, LTD

As reported in March, the SUP was notified by APL that the company was planning to replace the C-10 Class vessels (*Presidents Adams, Jackson, Polk and Truman*) enrolled in the Maritime Security Program (MSP) due to the age of the vessels. All were built in 1988, and under MSP, no vessel 25 years or older can be enrolled.

During March and April, the Union was informed by company representatives that the C-10s would remain in the Suez Express Service as non-subsidized vessels along with the *APL Japan* and be replaced in MSP by the *APL Agate, APL Coral, APL Cyprine* and *APL Pearl* with the SUP aboard all four. It should be noted that the *Cyprine* and *Pearl* are currently crewed by the SIU-A&G and the AMO.

After protracted negotiations between MEBA and APL which concluded in late April, the SUP, MFOW and SIU-Marine Cooks which comprise the SIUNA Pacific District signed a Memorandum of Understanding—subject to membership ratification—that will shift the vessels mentioned in and out of MSP.

The tentative turnover schedule is as follows:

The *APL Cyprine* will transfer into MSP upon arrival in New York on July 2. The *President Jackson* will cycle out of MSP at sea enroute to New York, however, MSP wages will be in effect until payoff in New York.

The *APL Agate* will transfer into MSP at sea enroute to Singapore on July 17. It is assumed articles will be broken so that the new wage rates can take effect. The *President Truman* will cycle out of MSP on arrival in New York in mid-July.

The *APL Pearl* will transfer into MSP after arriving in New York on August 6. The *President Polk* will cycle out of MSP at sea enroute to New York.

The *APL Coral* will transfer into MSP at sea on October 2, enroute to Singapore. Again, like the *Agate*, articles will be broken. The *President Adams* will cycle out of MSP when she calls New York in October.

The membership should be aware that vessels going into MSP will work under the higher MSP wage scale and Group I medical coverage while the C-10s going out of MSP will work under the lower non-MSP wage scale and Group II medical coverage. Questions on medical coverage should be directed to the SUP Welfare Plan.

With the addition of the *APL Cyprine* and *APL Pearl*, the company will be operating by October, nine vessels under MSP including the *APL Agate, APL Coral, APL China, APL Korea, APL Philippines, APL Singapore* and *APL Thailand*.

The non-MSP vessels will be the four C-10s plus the *APL Japan*. A net gain of two ships. How long APL will continue operating these non-subsidized vessels is a matter of speculation. Currently, cargo has dropped considerably on the Suez Express Service due to insta-

bility in Pakistan which has stopped company vessels from calling Karachi since November. A major key to increased cargo volumes—and the continued use of non-MSP vessels—is calling Karachi which is the beginning of the most direct land route to Afghanistan.

It should be noted that the non-MSP vessels can be reflagged at any time.

Recommend membership ratification of the Memorandum of Understanding covering the MSP and non-MSP vessels.

PATRIOT CONTRACT SERVICES

In another item of good news, the Union was informed by Patriot on May that the Maritime Administration (MarAd) has extended, until July 27, 2015, the company's contract to operate and maintain the Ready Reserve Force (RRF) vessels *Admiral W. M. Callaghan*, and *Cape Orlando*. Patriot also manages the RRF vessels *Cape Farewell* and *Cape Flattery*, however, these vessels are in the process of being laid up.

Patriot also manages the RRF vessel *Cape Henry* under General Agency Agreement for MarAd. As reported in March, the company responded to a Request for Proposal (RFP) to operate and maintain the *Cape Henry* as well as the *Cape Horn* and *Cape Hudson*. The *Henry* is berthed in Alameda, while the *Horn* and *Hudson* are at Pier 50 in San Francisco.

The award for these vessels was to be made prior to July 28, however, Maersk Line has protested the bidding procedure for these vessels which complicates the award process. If the protest is not resolved in a timely manner, the award will be delayed. However, Patriot will continue to operate the *Cape Henry* until a decision is made.

TRANSPORTATION WORKER IDENTIFICATION CREDENTIAL

All transportation workers who are required to possess a Transportation Worker Identification Credential (TWIC) know that currently it takes at least two trips to a TWIC enrollment center to first apply for and then pick up and activate the document. This process needs to be reformed, particularly when other secure identity documents, such as passports and merchant mariner credentials, can be returned to qualified applicants by mail.

Legislation pending in House of Representatives—H.R. 3173—is an important step in reforming a cumbersome bureaucratic process and provide relief for the two million transportation workers who are currently covered by the program and will need to renew their TWIC to ensure that they can continue to work in the U.S. transportation industry. With thousands of TWICs coming up for renewal in late 2012, and thousands more in 2013 and beyond, passage of this important legislation is particularly important.

Accordingly, on May 8, the SUP in conjunction with the MFOW, MM&P, MEBA, SIU, ILA, AMO and the American Waterways Operators sent a letter to Congressman Peter King (R-New York), Chairman of the House Committee on Homeland Security, and Ranking Member Bennie Thompson (D-Mississippi) urging passage of H.R. 3173. On May 12, the legislation unanimously passed the Subcommittee on Border and Maritime Security and has been referred to the full committee. Similar legislation has been introduced in the Senate by Senator Kelly Ayotte (R-New Hampshire).

CALIFORNIA LABOR FEDERATION

As a Vice President of the California Labor Federation, AFL-CIO, participated in the Executive Council meeting in Los Angeles on April 10, and represented the SUP along with Wilmington Branch Mark Hurley at the Federation's Pre-Primary Committee on Political Education (COPE) Convention the following day.

In addition to making recommendations to the Convention for those running for Congress, the state legislature and propositions for the June 5, primary election, the Executive Council discussed the Federation's 2012 legislative agenda. A statement of that agenda follows:

"Working families in California have been devastated by the Great Recession. First the private sector collapsed in the wake of the foreclosure free fall, and then the public sector crumbled under the deepest cuts we've ever seen. Jobs have disappeared, home values have plummeted, and services have been decimated. In a few short years, millions of families have lost the security that took decades to build.

2012 is the year to invest in California's future. We will win new revenue to stabilize our economy and rebuild this state. We will confront the growth in contingent work that is eroding basic worker protections. We will get Californians back to work, keep families in their homes, and restore benefits to injured workers.

The Labor Movement will not give up on the California Dream. If we invest in California's future, we can repair this state, restore economic fairness, and rebuild the middle class.

Build high-speed rail in California

The high-speed rail line will bring immediate economic stimulus and long-term economic growth. It will result in thousands of good new jobs in construction and operations, attract businesses to California, and benefit the environment. We cannot afford to lose this opportunity.

Stop corporate wage thieves

Companies that follow state laws shouldn't have to compete with those that cheat their employees. Today, companies are increasingly using third party labor contractors, like staffing and temporary agencies, to avoid responsibility for wages, hours, and working conditions. We must close loopholes that allow employers to shift and shirk their responsibilities to their workers.

Cut waste, fraud and abuse in the enterprise zone tax giveaways

Every year, the state spends over \$500 million on the ineffective enterprise zone tax giveaway program. This program has been proven to create no new jobs. In fact, companies can get these tax credits even if they lay off existing workers to relocate where labor is cheaper. That's an outrageous use of taxpayer funds and it must be stopped.

Corporate fair share for worker health care

With the implementation of health care reform, there are major corporations that pay no tax dollars yet expect taxpayers to subsidize the cost of employees' health care. We need transparency to figure out which companies aren't paying their fair share by dumping their workers into the taxpayer subsidized Health Care Exchange.

Restore benefits to injured workers

The last administration slashed benefits to permanently disabled workers by nearly 70%. We must restore some dignity to those who were injured on the job by increasing permanent disability benefits.

End discrimination against the unemployed

There are employers refusing to even consider the unemployed for jobs. At a time of record unemployment, we cannot allow those who are out of work to become a permanent underclass. Everyone deserves a fair shot at getting work.

Stop foreclosures on families in loan modification

Foreclosures have not only destroyed families, they have cost the state billions and have depressed home values across California. Banks should be modifying unaffordable loans instead of foreclosing on families. Instead, they are actively foreclosing on homeowners who are in the loan modification process. Let's hold the banks accountable and stop unnecessary foreclosures."

At the Pre-Primary Convention, the Executive Council's recommendations were thoroughly debated then acted upon by the delegates. A complete list of the Federation's recommendations will be published in this month's *West Coast Sailors*.

PORT OF REDWOOD CITY

Last year (June 2011 *West Coast Sailors*) reported that developers planned to build 12,000 units of housing on the old Cargill salt ponds on San Francisco Bay

continued on next page

President's Report continued

adjacent to the Port of Redwood City. The SUP, ILWU, Teamsters and other Unions opposed this plan as it would have effectively destroyed the port.

On May 3, it was announced that the Redwood City City Council would consider a recommendation to terminate the developer’s massive bay fill development which has been languishing for over a year. Rather than wait until May 7 for the Council to officially deny their proposal, the developers withdrew it. However, the fight is not over as the developers still plan to submit a revised version of this inappropriate and unprecedented bay fill and maritime jobs and infrastructure killing project.

Will keep a weather-eye on the situation to protect the Port of Redwood City.

BUNKER TAX LEGISLATION

As reported last month, the SUP is in support of legislation introduced by California State Senator Alan Lowenthal (D-Long Beach) that would stop the reimposition on marine fuels (bunkers) purchased in California for out-of-state use. The tax, if reimposed, would have an adverse impact on Foss Maritime Company and SUP members employed in the company’s bunkering operation on San Francisco Bay.

The bill (SB 1243) was heard before the Senate Governance and Finance Committee on May 9, and passed with “aye” votes from all in attendance. Most importantly, Senator Christine Kehoe (D-San Diego) praised the bill and made the motion for passage. Senator Kehoe is Chair of the Senate Appropriations Committee, where the bill will be heard next.

MILITARY SEALIFT COMMAND

At the invitation of Military Sealift Command (MSC) Commander Rear Admiral Mark Buzby, attended the semi-annual Maritime Labor Executive Session at the Washington Navy Yard in Washington, D.C. on April 19. Also in attendance were representatives of the MFOW, SIU-AGLIWD/NMU, MM&P, MEBA and AMO.

MSC executive staff gave a thorough and informative presentation on a wide variety of topics regarding this branch of the U.S. Navy.

Of prime concern to all was the effect of budget cuts on MSC and its ship operations. The Budget Control Act of 2012 placed caps on discretionary spending, requiring the Department of Defense spending reductions of approximately \$487 billion over ten years. The cuts, passed by Congress and signed by the President call for a \$24.6 billion in Defense Department spending in Fiscal Year 2012.

Since the Joint Select Committee on Deficit Reduction failed to propose a deficit reduction solution last year, “sequestration” was to go into effect. Sequestration is a procedure by which automatic spending cuts are triggered. However, no consensus has been reached on what to cut. The Defense Department’s Fiscal Year 2013 budget does not include the sequestration mandate, although additional sequestration cuts are due in January 2013. All this is complicated by the fighting in Congress, with Republicans proposing to expand the Pentagon’s budget while making cuts to social programs that benefit the poor, the elderly and children.

Cost cutting measures contemplated by MSC include transferring nine surge Large Medium-Speed Roll-On/Roll-Off (LMSR) vessels and five Maritime Prepositioning Force (MPF) vessel to the Maritime Administration is Ready Reserve Force (RRF) in Fiscal Year 2013, which might mean new job opportunities for SUP members.

Currently, SUP members serve in six MSC vessels operated by Patriot Contract Services. The *USNS Waters* and *USNS Martin* are both in Full Operating Status, although the *Martin* is slated to go into Reduced Operating Status in October. The *USNS Gilliland*, *USNS Gordon*, *USNS Shughart* and *USNS Yano* are all in Reduced Operating Status with three sailors (Bosun, AB, OS) aboard each vessel.

MARITIME INDUSTRY CONGRESSIONAL “SAIL-IN”

The maritime industry –seagoing Unions, U.S.-flag companies and industry trade associations– came out in force in Washington, D.C. on May 9, to increase Capitol Hill awareness of the importance of America’s maritime industry to the economic and national security of the United States, and to generate support for the programs and policies that are key to the survival and growth of the U.S.-flag merchant marine and to the jobs of American merchant mariners and America’s maritime workforce.

The third annual “Sail-In” was organized by the United States Maritime Coalition, a volunteer committee of representatives from the industry. The Sailors’ Union is a member of the coalition. Over 155 participants from 22 states, 52 Congressional Districts, 11 Unions and labor organizations and 10 related associations were involved in the effort.

Representing the SUP were Berit Eriksson, Director of Workforce Development of the Andrew Furuseth School of Seamanship; Barbara (Bobbi) Shipley, a rank-and-file member who lives close to Washington and who volunteered to participate; and your secretary.

The day began at 8:00 A.M. in the Rayburn House Office Building where participants were briefed on the message to deliver to Congress on the importance of the U.S. merchant marine: specifically the Jones Act, the Maritime Security Program and cargo preference.

The participants were then assigned to 27 groups.

Sister Eriksson’s group was comprised of Jim Haussener of the California Marine Affairs and Navigation Conferences; Nick Marrone, West Coast Vice President of the SIU-A&G; Dan Shea, Vice President of the AMO; and Rocky Smith of Crowley Maritime Corporation. Over the course of the day, the group met with representatives of Congressman Peter DeFazio (D-Oregon), Congressman Mike McIntyre (D-North Carolina), Congressman Todd Akin (R-Missouri), Congresswoman Bar-

bara Lee (D-California), Congressman Tim Walz (D-Minnesota) and Congressman Jerry Lewis (R-California).

Sister Shipley’s group met with representatives of Senator Carl Levin (D-Michigan), Congressman Scott Rigell (R-Virginia), Congressman Adam Schiff (D-California), Congressman Steve Austria (R-Ohio), Senator Joe Manchin (D-West Virginia) and Congressman Walter Jones (D-North Carolina). Shipley’s group included SIU-A&G Political Director Brian Shoeneman; AMO member John Arnold, Jack Craig from APM Terminals and SIU-A&G Vice President Kermet Mangram.

Your secretary’s group was comprised of MFOW President Anthony Poplawski; IBU President Alan Cote, MEBA Secretary-Treasurer Bill Van Loo; Jack Sullivan, Senior Vice President for Matson; Johan Sperling of Crowley Maritime and Steve Wines of the MM&P’s Maritime Institute for Research and Industrial Development (MIRAID). This group met with Senator Barbara Boxer (D-California) and her staff, plus representatives of Congressman Adam Smith (D-Washington), Congresswoman Grace Napolitano (D-California), Senator Barbara Mikulski (D-Maryland), Congressman Don Young (R-Alaska) and House Minority Leader Nancy Pelosi (D-California).

In the judgment of your secretary, the Sail-In was successful, but its value can only be gauged when legislation that either helps or hurts the maritime industry comes before Congress. The SUP will continue to make its presence known in Washington as our Union’s survival and that of the industry is dependent upon what happens there.

SAN FRANCISCO BAR PILOTS

In accordance with the 2011-2012 Agreements between the SUP and San Francisco Bar Pilots covering marine personnel and dispatchers, notified the Pilots of the Union’s desire to amend the Agreements, both of which expire on June 30.

Caucuses are in progress to solicit negotiating proposals from the membership. By mutual agreement, bargaining is scheduled to begin on June 18.

ESTATE OF ERIK FINNEMAN

This month the Sailors’ Union received a generous bequest from the estate of Erik Finneman.

Brother Finneman, born in Finland in 1919, joined the SUP in New York in 1951, after sailing in Allied vessels during World War II. Heading west in the 1960’s, Brother Finneman began sailing out of Seattle until he retired in 1986. Until his passing in 2011, Brother Finneman remained involved and committed in the affairs of the Union and never missed a membership meeting. He left the Union \$100,000, which was deposited in the General Fund. Steady as she goes, Erik.

HOLIDAYS

All SUP halls will be closed on Monday, May 28, in observance of Memorial Day, a holiday under all SUP contracts.

All SUP halls will also be closed on Monday, June 11, in observance of Kamehameha Day. In accordance with the Matson Agreement, Kamehameha Day is a paid holiday for all company vessels (except the *Moku Pahu*) at sea or in port and all members employed under the Maintenance and Extra Maintenance Agreements. If the *Moku Pahu* is in an Hawai’i port, the holiday is observed as per the ILWU Local 142 Agreement. Due to the holiday, the Headquarters meeting will be held on Tuesday, June 12.

ACTION TAKEN

M/S to ratify non-MSP and MSP MOU with APL. Carried unanimously.

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

Vice President's Report

May 2012

USNS Martin: Nick Mannesseotis turned over the delegate’s job to Jon Beeman. In Saipan and departing this summer for offloading in Jacksonville after which this ship may go into ROS due to budget cuts. Clarification on sanitary: departing sailors are required to leave clean focsles. Supplemental wage discrepancy under investigation.

President Adams: Dave Sylstra, delegate. Clarification on delayed sailing. Investigation of other issues called for a pending visit to the ship in Charleston.

President Jackson: John McNeill, delegate. Questions on new non-MSP wages and benefits answered via email. This is the first C-10 to roll out of the MSP. Wages will adjust down to the non-MSP rates but those rates also go up by 3% on June 16. Group II status on medical coverage will become a factor in the future.

APL Japan: Spencer Thompson relieved by Adam Tassin, delegate. Boarded in New York. Crew came together despite differences to get the job done. Penalty meals payable on pirate watches. New bosun is Mike Henderson.

APL Philippines: Gary McDeavitt, delegate. Watermaker still down—Company claimed adequate safety precautions taken in procurement of water (from far north-

continued on next page

SUP Branch Reports

Seattle

April 16, 2012

Shipped 6 Able Seaman, dispatched and filled with 4 A-cards and 2 B-cards; STOS went to a C-card. No standbys were called this month.

Registration for the month: 5 A cards for a total of 22; 11 B cards for a total of 37; and 3 C cards for a total of 9.

Ships Checked

Matson vessels *Mahimahi* and *Maui* called twice in Seattle with little or no problems. *President Polk* called in New York with a Seattle gang.

During the month I represented the SUP/MFU at the following meetings: the King County Labor Council's By-Laws meeting and Executive Board meetings; the Washington State Labor Council's Economic and Transportation Committee meeting; the Puget Sound Harbor Safety Committee meeting; the Central Waterfront Stakeholders meeting.

The SUP/MFU was represented at the following meetings in our opposition to a proposed multi-event arena in the Seattle marine industrial area: a meeting with the Seattle Manufacturing Industrial Council; a meeting with City of Seattle Councilmember Tim Burgess; a meeting at ILWU Local 19 with representatives from the Mayor's office where it was clarified there will be no money for freight mobility traffic mitigations in this project. We are joined in our opposition to this arena site by the entire maritime community with ILWU Local 19 and the Inlandboatman's Union leading in this fight!

I represented the SUP/MFU at a small informal event for United States Senator Maria Cantwell of Washington and Alaska Senator Mark Begich. At this event I spoke on the importance of the "Jones Act" and in particularly in protecting trade between Alaska and Washington State. What is of great relevance is that this was the same day that Senator John McCain (R-Arizona), launched a renewed attack on eliminating the Jones Act and sending the entire U.S. Merchant Marine into extinction. Both Senators Cantwell and Begich referenced this attempt by Senate Republicans and adamantly pledged to oppose any legislation to amend the Jones Act!

Vince O'Halloran
Branch Agent

Wilmington

April 16, 2012

Shipped during the period: 3 bosuns, 15 ABs, 5 AB maints., 1 OS and 48 standby jobs for a total of 72 jobs shipped.

Registration: 35 A cards, 29 B cards, 11 C cards and 11 D registrants.

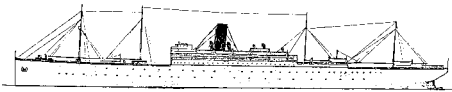
Ships checked

"*Lucky*" *Lihue*, *Maunawili*, *APL Korea*, *Mokihana*, *Maunalei*, *APL Thailand* (investigated harassment charges, what was needed was multiple signature letter), *R.J. Pfeiffer*, *APL China*, *Manoa*, and *Manukai*.

Sworn in as delegate for SUP at monthly L.A. County AFL-CIO delegate meeting on March 19. On March 22, Bob Bugarin and I hosted the Harbor Labor Coalition meeting. Wendy Joseph also attended. On April 5, Bob Bugarin and I had a lunch meeting with Jacques Blumer, Labor Account Manager, from Kaiser. Good to have Jacques on our side. On April 10, with Clinton Greg, Bob and some of his guys attended a Teamsters' rally for Toll Employees. They voted to join the Teamsters the next day. This is the first time in 30 years that truckers voted to join the Teamsters in our port. On April 11, thanks to Mark Littlejohn for holding down the hall while I, along with Gunnar, attend the California AFL-CIO Pre-Primary Convention. The endorsements will be in a future *West Coast Sailors*. The big topic was the campaign finance reform that Republicans are putting on the November ballot. If passed, it will prevent Unions from making political contributions. On April 12, elected officers and delegates at the MTD Executive Board meeting for the next two-year term. SIU's Jeff Turkus was elected President, USW's Larry Barragan was elected Vice President (thank you Larry for doing the president's job for 10 years), and Teamsters' Louis Diaz (who is also our Harbor Labor Coalition Chairman) was elected as Secretary-Treasurer.

Congratulations to Andy Facundo for getting his AB ticket.

Mark Hurley
Branch Agent



Honolulu

April 16, 2012

Shipped the following jobs in April: 1 Bosun steady, 1 Bosun relief, 1 Bosun return, 2 AB Day return, 1 AB Watch steady, 1 AB Watch relief, 1 AB Watch return, 1 OS steady, and 1 AB Maint steady. The shipping jobs were filled by 8 A cards, 1 B card, and 1 C card. Also shipped 30 standby jobs. The standby jobs were filled by 16 B cards, 2 C cards, 11 D cards and 1 MFU member.

Registered in April: 10 A cards, 5 B cards, 5 C cards, and 4 D cards.

To date totaled registered: 14 A cards, 10 B cards, 6 C cards, and 6 D cards.

Ships checked

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

During the month I represented the SUP at the Hawai'i Ports Council monthly meeting; which includes the monthly Hawaii Ocean Safety Team (HOST) meeting report, the grand opening of the Mufi Hannemann for U.S. Congress campaign headquarters and the grand opening of the Mazie Hirono for U.S. Senator campaign headquarters. The SUP is also supporting Colleen Hanabusa in her reelection bid for U.S. Congress. There are many things you can

do to help, from sign waving to phone banking to planting signs in yards, among other things. Just let me know how you are interested in helping and I will point you in the right direction. Mahalo

Michael Dirksen
Branch Agent

Dispatcher's Report

Headquarters—April 2012

Deck	
Bosun	4
Carpenter	0
MM.....	5
AB	9
OS	1
Standby	24
Total Deck Jobs Shipped	43
Total Deck B, C, D Shipped.....	7
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. ...	43
Total B, C, D Shipped-All Depts. ..	7
Total Registered "A"	27
Total Registered "B"	22
Total Registered "C"	20
Total Registered "D"	40

Vice President's Report continued

ern Japan) that was loaded at Yokohama. Investigation ongoing. Delayed sailing due to fog in Shanghai no good: weather a well-established force majeure.

APL Agate: Gabe Moreno, delegate. Gangway watches to be stood by the AB watchstanders. One-man watch should be maintained from Norfolk to Singapore and from Colombo to New York and through any port calls in between.

APL Thailand: Norm Kurtz, delegate. Clean in Oakland. Gabe Sipin is the bosun. Crew pleased to learn about the addition of new ships to the APL fleet.

APL Korea: Joe Marusak, delegate. Clean in Oakland. Harry Naeole is the bosun.

Moku Pahu: Ben Bracerios relieved by Cody Clark as delegate. In at Crockett. Richard Crowell is the bosun and has things well in hand. Headed to short layup before callback.

Mahimahi: Dave Kaupiko, delegate. Shipyard period delayed again. Mick McHenry is the bosun and has the ship in good shape.

Mokihana: Dennis Belmonte, delegate. Because of extra maintenance work clearing the garage decks, the washdown took longer than normal and the C/M shut it down. But there is no clock on the washdown and after considerable discussion Co. agreed to pay.

Manoa: Jerry Komoto, delegate. Agreement book restored to delegate's file. No problems in Oakland.

Oregon Voyager: Micah Sanders relieved Ed Windeler. Overtime starts at the time of the call, provided the call is outside regularly scheduled hours. Ship is headed to Canada and then the Hawaiian Islands. Crew recently washed and mucked every tank without incident or complaint. Thor Erikson is the bosun.

Florida Voyager: Bob Turner, delegate. In at Richmond Long Wharf. Messperson LaShon Miles stepped up into to the cook position based on superior performance in the first instance of filling this newly bargained feature of the Agreement. Unfortunately, there is no requirement to fill the messman's position at the same time so the steward department remains heavily burdened. Michaela Carnes is the steward.

Mississippi Voyager: Bryan Short turned over the sheets to Franklin Dyer, delegate. In at Richmond with no problems. Sailing for Wilmington berth 189. Crew noted morale uplift associated with the negotiated improvement of time starting at the call.

San Francisco Bar Pilots: Mike Koller and Terry O'Neill, delegates. Now receiving proposals for bargaining in June. Arbitration on termination set for June.

Foss Maritime Co.: JD Rymel, delegate. Although the focus in bargaining for elimination of the reimbursement for travel miles of parking lot campers was directed at the casual tankerman, the "actual miles" language has been in the Agreement for a number of years and applies to all tankermen. Moreover and despite the history of payment, the nature of a legitimate reimbursement depends on the event of an actual expense—if claimed expense is theoretical then it is fundamentally deficient and not reimbursable.

Dave Connolly



Bosun Ron Gill with Steward Michaela Carnes and AB delegate Bob Turner in the Florida Voyager at Richmond Long Wharf on May 3. Photo: Dave Connolly.