



VOICE OF THE ILWU

HONOLULU HAWAII
LOCAL 142

Volume 43 • No. 4

The VOICE of the ILWU—Published monthly except April and a combined June/July issue by Hawaii Local 142, International Longshoremen's & Warehousemen's Union

May 2003



ILWU Dispatcher

Hawaii ILWU members received the May 2003 *Dispatcher* instead of the April issue of the *Voice of the ILWU*. This is a one time occurrence and was necessary because the May *Dispatcher* contained important information about the upcoming International Elections.

The *Dispatcher* is published by the International ILWU and is mailed to all ILWU members on the West Coast. Hawaii has a special arrangement with the International union where Hawaii members receive the *Voice of the ILWU* instead of the *Dispatcher*. The International pays part of the cost and the *Voice* reprints certain articles from the *Dispatcher* such as the president's message, report from Washington, official notices, and stories of interest to Hawaii members.

ADDRESS LABEL

ILWU LOCAL 142 OFFICIAL NOTICE OF NOMINATION AND ELECTION, PAGE 2

What did you think of the International Convention?



Mary Kay HofMann
Unit 2306 - Maui Land and Pine Cannery
The best part of the International Convention was Ah Quon's speech. It gave a lot of fodder for my unit bulletin and gave a lot of inspiration to share with my fellow unit members. Her speech gave a shining example of what Local 142 is all about. It made me proud to be from Hawaii.

Leonor Corpuz
Unit 1402 - Mauna Loa Mac Nut
The Convention filled my head with lots of information. This will help give me information to talk to members who don't support union political action and don't vote. A lot of people sit on the fence or vote the other way.

Dillon Hullinger
Unit 4405 - Foodland Oahu
The Convention was good, the weather was good. I think the International is moving in the right direction toward organizing, being more powerful in politics, getting more active in world affairs, and working more openly with other unions.



International Elections: Don't Forget to Vote!

All ILWU members should be receiving mail ballots to vote in the International Elections. It is your right and duty to vote for the people who will be running your International union for the next three years.

You should have received a ballot in the mail by June 23, 2003. If you have not received a ballot and you believe you are an ILWU member who is eligible to vote, you should call Sequoia Pacific, the outside agency assisting in this election, at 1-800-347-4598. Do not call the ILWU Office as Sequoia is the only place you can get a ballot.

Ballots must be returned by mail no later than **July 31, 2003**.



Dixie Youts
Unit 2512 - Renaissance Wailea Beach Resort
There were a lot of discussion and differences on some interesting and controversial issues. It sometimes got dysfunctional, but in the end we came together as one union.

Steve West
Unit 2511 - Maui Prince Hotel
It was a great learning experience. I was part of the Programs Committee and worked on the proposal to spend more money for education in the union. I want to learn more to help support our members back home.



Iraq war impact on Hawaii tourism largely negative

Preliminary data on visitor arrivals from the State's Department of Business and Economic Development and Tourism show a dramatic and ominous decline in tourism numbers since the U.S. war on Iraq. The decline in visitors from Japan is most dramatic, dropping by an average of 34 percent since March 19, 2003 when the U.S. began to bomb Iraq.

Domestic arrivals from the Mainland increased by a strong 10.1 percent in April, but fell to 2.9 percent in May and again fell to 2.3 percent in the first half of June 2003. The weak increases in domestic arrivals were not enough to offset the sharp decline of Japanese visitors and accounts for the overall negative numbers in visitor arrivals. The data compares 2003 arrivals to the same period last year in 2002 but does not include visitors from Canada.

Total visitor arrivals to Hawaii dropped by only -0.2 percent in April, but the slide downward hits -5.8 percent in May, and then plummets to -13.2 percent for June.

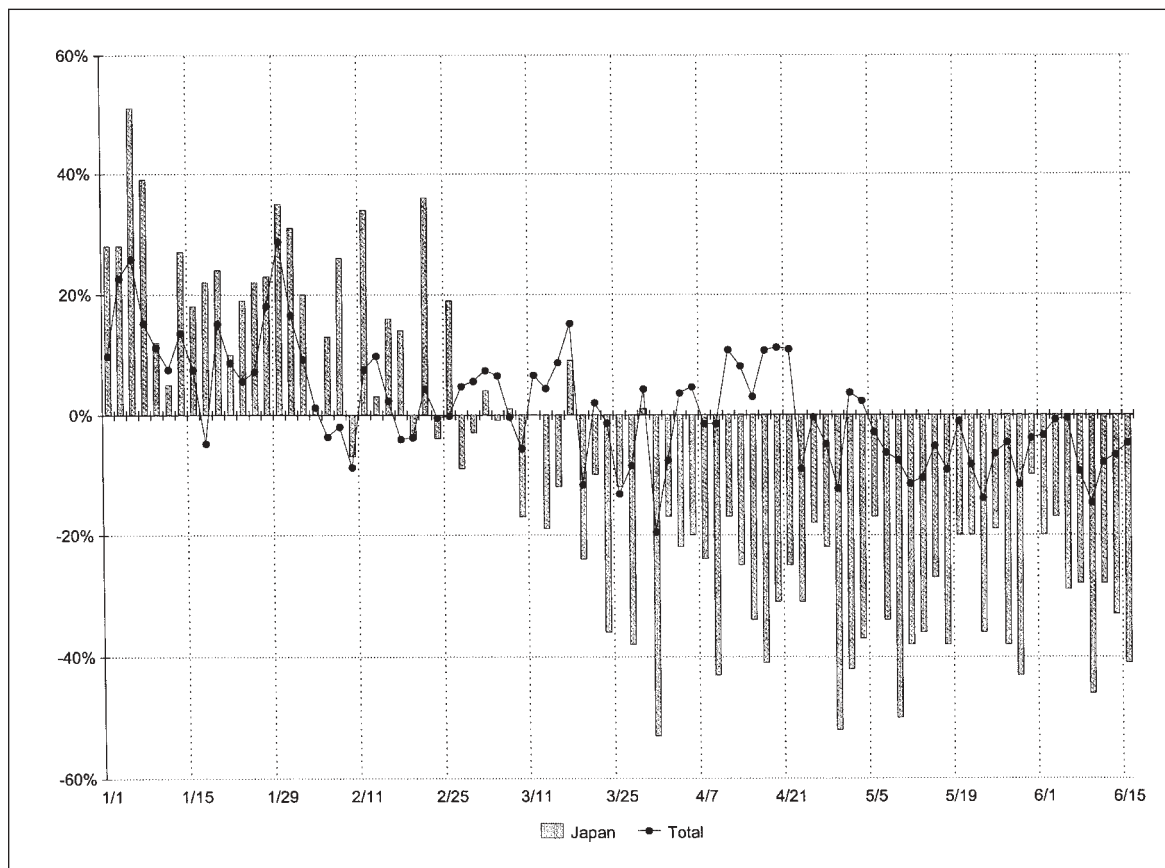
The actual impact of the war on

Iraq varied widely from island to island. The tourism industry on Oahu and the Big Island were the hardest hit, while Kauai and Maui actually saw some increases in tourism.

Island-by-island data for May and June was only available for domestic visitors, but some estimates can be made from the partial data. Domestic arrivals for Oahu and the Big Island were virtually flat, but the sharp decline in Japanese visitors would have hit Waikiki hard as some 41 percent of Oahu's visitors are from Japan. About 19 percent of the Big Island's visitors are from Japan, so that island would also have seen an overall drop in tourism.

On the other hand, Kauai and Maui had overall increases in visitor arrivals. These islands had large increases in domestic visitors which more than made up for the drop in Japanese visitors.

The chart below shows the percentage change in visitor arrivals from January 1, 2003 to June 15, 2003 compared to the same period in 2002. The data shows a dramatic drop in Japanese visitors (the bars), which in turn pulls down the overall tourism numbers (the lines).



ILWU Local 142

NOTICE OF NOMINATION AND ELECTION OF OFFICERS FOR 2004 - 2005 - 2006

—PROCEDURES—

NOMINATION—September 1-15, 2003

Nomination Petitions (ILWU-E-Form 14) signed by 25 members in good standing must be submitted to the Local Secretary-Treasurer by September 15, 2003. The Local President, Vice President, Secretary-Treasurer, and Industrial Grouping Local Executive Board members shall be nominated from the floor at the Local Convention.

ELECTION—November 15-21, 2003, to conclude 4 p.m. Friday, November 21, 2003 (but not to exceed five (5) days). The specific date for the election in your Unit will be announced by your Unit Election Committee.

RUN-OFF ELECTION (IF NECESSARY)—December 1-5, 2003, to conclude 4 p.m. on Friday, December 5, 2003.

1. OFFICERS TO BE NOMINATED AT THE CONVENTION OFFICERS

- Local President 1 to be elected by Statewide voting of all members in all industrial groupings.
- Local Vice President 1 to be elected by Statewide voting of all members in all industrial groupings.
- Local Sec.-Treas. 1 to be elected by Statewide voting of all members in all industrial groupings.

INDUSTRIAL GROUPING LOCAL EXECUTIVE BOARD MEMBERS

- Sugar 1 to be elected by Statewide voting of all members in all sugar industrial groupings.
- Pineapple 1 to be elected by Statewide voting of all members in all pineapple industrial groupings.
- Longshore 1 to be elected by Statewide voting of all members in all longshore industrial groupings.
- General Trades 1 to be elected by Statewide voting of all members in all general trades industrial groupings.
- Tourism 1 to be elected by Statewide voting of all members in all tourism industrial groupings.

2. OFFICERS TO BE NOMINATED BY PETITIONS SIGNED BY 25 MEMBERS IN GOOD STANDING AND SUBMITTED TO THE LOCAL SECRETARY-TREASURER BY SEPTEMBER 15, 2003.

Contact your Unit Officers or Division Office for nomination petitions; job descriptions for Business Agent and Division Director are available for review at your Division Office.

DIVISION OFFICERS	Hawaii	Maui	Kauai	Oahu
DIVISION DIRECTOR	1	1	1	1
DIVISION TRUSTEE	1	1	1	1
DIVISION LOCAL EXECUTIVE BOARD MEMBER	1	1	1	1
BUSINESS AGENTS—AT LARGE	6	6	3	6

DELEGATES TO THE 2006 INTERNATIONAL CONVENTION

INTERNATIONAL CONVENTION	Hawaii	Maui	Kauai	Oahu
AT LARGE	2	1	-	1
LONGSHORE INDUSTRIAL GROUPING	1	1	1	1
GENERAL TRADES INDUSTRIAL GROUPING	1	1	1	1
PINEAPPLE INDUSTRIAL GROUPING	-	1	-	1
SUGAR INDUSTRIAL GROUPING	-	1	1	-
TOURISM INDUSTRIAL GROUPING	1	1	1	1

(Nomination petitions for above Officers must be submitted to the Local Secretary-Treasurer by September 15, 2003.)

If you require accommodation for voting under the Americans with Disabilities Act please submit a written request to the Local Election Committee postmarked no later than Sept. 15, 2003 c/o 451 Atkinson Drive, Honolulu, Hawaii 96814.

AUTOMOBILE INDUSTRY UPDATE

Job security a major concern for auto workers

HONOLULU—Worker representatives from nine ILWU organized auto dealers met for two days at a state-wide caucus in Honolulu on May 29-30, 2003, to talk about common problems they face as workers in the auto industry and to propose changes to strengthen the language in their union contracts. They were also joined by the full-time business agents who service auto units.

The caucus was chaired by Richard Desmond, from Schuman Carriage, and secretary Kenneth Ige, from Servco Pacific.

Four of the larger auto units, Valley Isle Motors, Schuman Carriage, Honolulu Ford, and Servco Pacific, will be negotiating new contracts with their employers later this year. The four companies employ 375 ILWU workers or more than 83 percent of the 450 unionized members in the auto industry. Cutter Maui is currently negotiating a contract and the remaining four units have two or more years before their contracts expire.

Job security

The threat of losing their jobs and the need to mobilize and educate members around job security was a major focus of the two-day meeting. The concern over job security was brought on by recent events at Cutter of Maui, where most of the 37 ILWU members working for the company lost their jobs when Cutter sold its General Motors and Nissan dealerships to Valley Isle Motors and the handful of remaining members are fighting to protect their rights and livelihood against one of Hawaii's

largest companies.

The caucus participants looked carefully at what could happen when a company is sold. In the past, most sales involved only a change in management—none of the workers lost their jobs and wages and benefits remained unchanged. The new management signed on to the existing union contract and assumed all the financial obligations of the workers' prior years of service.

Recently, however, in a growing number of sales, the new owners try to get a cheaper deal by negotiating a new contract (which is happening at HT&T) or rehires less than half of the former workers and operates non-union (which happened at Hawaii Motors). The National Labor Relations Act only requires a new owner to recognize and bargain with the union if it rehires a majority of former workers and the business remains largely unchanged. A new owner who hires less than half of the former workers is not required by law to recognize the union or bargain a new contract. Such a new owner could set whatever wages, benefits, and working conditions it pleased.

Stronger contracts

By itself, the law provides only limited protection to workers when a company is sold. To further safeguard their jobs and livelihoods, the caucus looked at strengthening the union contract to require a new owner to sign on to the existing contract. This protects wages and benefits, and more importantly, requires the new employer to recognize and bargain with the workers and



Attorney Rebecca Covert addresses the statewide auto caucus.

their union.

The caucus looked at language in the Honolulu Ford contract which requires a purchaser to be bound by the existing agreement and language negotiated at the Honolulu Airport Hotel which requires the employer to condition a sale on getting a written agreement from the buyer to assume the union contract.

Actually getting such language into the contract will depend on the strength and unity of union members. Members need to understand how a strong union and union contract are vital to their job security. And members need to get more involved and show strong support of their union team when it's time to negotiate a new contract.

Auto is big business

Auto sales is big business in Hawaii. Each year *Hawaii Business Magazine* publishes a list of the top 250 Hawaii companies, and last year 20 automobile dealers made the top 250 list. The twenty auto companies had a combined annual sales of over \$2 billion dollars and employed 4,911 people in 2001. They also did fairly well, reporting an average increase of 5% in sales over 2000. For more information go to:

www.hawaiibusiness.cchb82002/default.cfm?articleid=12

Cutter of Maui is big business. It is part of the Cutter family empire of 32 automobile franchises in Hawaii and California and is the 64th largest auto dealer in the nation. The company sells a wide variety of brands, including Ford, Isuzu, Dodge, Chrysler, Jeep, Chevrolet, Mitsubishi, Nissan, Hyundai, Volkswagen, Oldsmobile, Cadillac, Pontiac, Buick, and

Mazda. The company, run by Gerald and Nick Cutter (uncles of Governor Linda Lingle), reported sales of \$470 million and 968 employees in 2001.

In terms of sales, the Cutter Management Company is the 15th largest company in Hawaii in *Hawaii Business Magazine's* annual rankings of the 250 top Hawaii companies in 2001. A similar ranking published by the *Ward's Dealer Business* magazine lists the Cutter Automotive Team at number 64 in its annual Megadealer 100. For more information go to:

<http://wdb.wardsauto.com>

The second largest Hawaii auto dealer is Servco Pacific with \$428 million in sales and 1,237 employees. Servco is number 17 on the *Hawaii Business* list and number 73 on the Megadealer 100 list. The company sells the Lexus, Toyota and Chevrolet brands.

The data published by Ward's shows where the dealers make their money. The chart at left compares the Cutter and Servco operations for 2002, and shows that Cutter gets much more of its revenues from used car sales, financing, and sales of parts and accessories. Servco gets the bulk of its revenues from new car sales.

Selected auto revenues for 2002

Year 2002	Cutter	Servco
New Revenue	\$277.30	\$313.53
New Retail - No. of Units	11,363	14,137
Used Revenue	\$84.92	\$32.44
Used Retail - No. of Units	6,424	3,011
Finance & Insurance	\$16.67	\$5.08
Service	\$20.10	\$10.80
Body Shop	None	\$1.51
Parts & Access.	\$37.58	\$14.63
Total No. of Units Sold	20,619	19,366
Total Revenue	\$455.83*	\$407.67*

*Auto revenues are in millions of dollars



The VOICE of the ILWU (ISSN 0505-8791) is published monthly except April and a combined June/July issue for \$2 per year by Hawaii International Longshoremen's & Warehousemen's Union, 451 Atkinson Drive, Honolulu, Hawaii 96814. Periodicals postage paid at the post office of Honolulu, Hawaii.

POSTMASTER: Send address changes to VOICE of the ILWU, c/o ILWU Local 142, 451 Atkinson Drive, Honolulu, HI 96814. Editorial Board: Eusebio Lapenia Jr., Robert G. Girald and Guy K. Fujimura.

Editor: Mel Chang

SPECIAL UPDATE — HAWAII LONGSHORE

Pasha Hawaii Transport Lines

Pasha Hawaii Transport Lines (PHTL) is scheduled to enter the West Coast-Hawaii shipping market in late 2004 with the *Jean Anne*, a brand-new, \$70 million U.S. made ship, specifically designed to handle cars and trucks. The highly specialized cargo ship is called a "pure car and truck carrier" (PCTC) and the one being built for Pasha by VT Halter Marine Yard in Pascagoula, Mississippi, will have the capacity to carry as many as 4,300 cars, buses or trucks. The 579 foot vessel will have 10 decks and a 100-ton stern ramp which will allow cars to be driven on and off the ship.

A second, identical ship is scheduled for delivery in 2005. Work on the *Jean Anne* was delayed by 18 months when Friede Goldman, the parent company of Halter Marine filed for bankruptcy relief in April 2001. Their ship building facility in Pascagoula, Mississippi was

finally acquired by Vision Technologies Systems and work was resumed on the *Jean Anne*.

Pure Car and Truck Carrier ships are supposed to reduce damage to cars by eliminating the need to rack or floor-load vehicles. The ships also reduce the number of steps in loading and unloading compared with containerized shipping of cars. Pasha estimates the ship can be loaded at a rate of 1,000 vehicles every four hours (see their website at www.pashagroup.com/ and go to PHTL).

PHTL is a joint venture between the Pasha Group, a California-based automobile handling and logistics company, and Van Ommeren (USA), a Connecticut-based ship owner. The ship will meet all Jones Act requirements—U.S. owned, built, and crewed—which will allow it to move cargo between U.S. ports and between the U.S. and foreign ports. Mr. van Reesema, President and principle owner of Van

Ommeren Shipping also sits on the board of directors of Trailer Bridge, which competes with Horizon and SaltChuk in the Puerto Rican market.

Presently, Jones Act shipping in Hawaii has been served primarily by Matson Navigation and Horizon Lines (formerly CSX Lines). Matson has 64% of the Hawaii market with 15 ships, including two ro-ros, and Horizon

New pla Hawaii s

has a 36% share of the market with 8 container ships.

The entry of PHTL into the



SHIP'S CHARACTERISTICS - TECHNICAL SPECIFICATIONS AND MAIN PARTICULARS

Length: 579.72 ft / 76.70 m

Deadweight: 13,000 metric tons

Quarter Stern Ramp Strength: 100 tons

Vehicle Capacity: 4,300

Breadth: 102.03 ft / 31.30 m

Number of Decks: 10

Deck Capacity: 387,000 sq. ft. / 36,000 m²

Horizon Lines

CSX Lines has been operating in Hawaii since 1987 as Sea-Land Services. What changed this March 2003 was the purchase of controlling interests from parent company CSX Corporation by the Carlyle Group for \$175 million in cash and \$140 million in equity.

The sale also resulted in a name change to Horizon Lines, although the current management team of CSX Lines will continue to run the company. Horizon provides Jones Act shipping to Hawaii, Alaska,

Guam and Puerto Rico. Its fleet of 17 mostly steam-turbine container ships have an average age of 27 years. However, the company plans on a useful life of 40 years for their ships.

Included in the sale is Horizon Services Group, which may have been the real target behind Carlyle's acquisition of CSX Lines. The Horizon Services Group was created by CSX in 2001 as a separate company to sell its information technology applications to other shipping and intermodal logistics companies. CSX had developed a highly

successful online booking, billing, scheduling and tracking computer system where now CSX Lines leads the world in booking 70% of its shipments on-line. This in turn enables the company to automate other parts of its operation and move towards paperless gates at Oakland, Houston, and New Orleans.

The Horizon Services Group sells a wide range of software for cargo tracking, terminal operations, inland container systems, ocean management systems, and individual packages to automate gate access, dispatching, U.S. Customs forms, load planning, rail and truck routing, and more.

The purchase of CSX Lines by the Carlyle Group raised some eyebrows in the investment community as Carlyle is better known as one of the largest U.S. military suppliers and for buying and selling companies around the world. In recent years, Carlyle has made a fortune investing in companies that do business with government, such as defense contractors, and companies affected by government regulations, such as telecommunications. To open government doors, Carlyle has recruited a high profile group of "advisors" such as former president George Bush, former British Prime Minister

John Majors, and former Philippine president Fidel Ramos. Carlyle's chairman is Frank Carlucci, who was secretary of defense and national security adviser during the Ronald Reagan administration and, prior to that, deputy director of the Central Intelligence Agency (CIA). James Baker III, a former secretary of state and treasury, is Carlyle's senior counselor.

The Carlyle Group is a global private equity firm with more than \$13.9 billion under management. The company invests in the United States, Europe, Japan, and Asia. Since 1987, the firm has invested \$7.2 billion and achieved a realized internal rate of return of 36 percent. The Carlyle Group employs 510 people in 22 offices in 11 countries.

The CSX Corporation, which will retain a minority share of Horizon Lines, owns one of the largest rail networks in the United States. CSX Transportation Inc., and its 34,000 employees provide rail transportation services over a 23,000 route-mile network in 23 states, the District of Columbia and two Canadian provinces. CSX Corporation also provides intermodal and global container terminal operations through other subsidiaries.

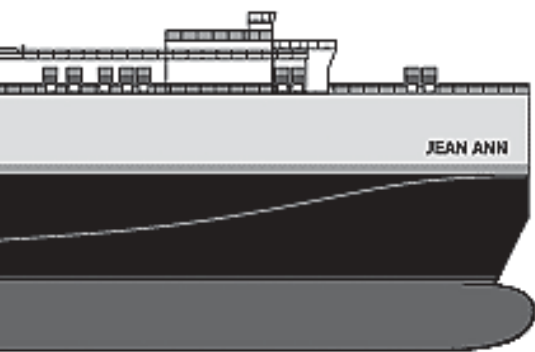


The CSX Navigator is an 813 foot container ship built in 1972.

SPECIAL UPDATE — HAWAII LONGSHORE

Layers in Shipping

Hawaii market is expected to impact Matson's share of ro-ro cargo.



ARS

Draft: 28.71 ft / 8.75 m
 Hoistable Decks: 3
 Speed Service: 20 knots

SaltChuk Resources

SaltChuk Resources of Seattle, Washington entered the Hawaii market in 1999 when it bought Young Brothers and Hawaiian Tug and Barge from Hawaiian Electric Industries. SaltChuk ("chuk" is a native Indian word for water) is a privately owned family investment company which owns 15 companies and employs over 4,500 people. Some of the companies owned by SaltChuk include Totem Ocean Trailer Express (TOTE), Foss Maritime, AMNAV Maritime Services, Young Brothers/Hawaiian Tug & Barge, and Sea Star service in Puerto Rico – a partnership with Matson Navigation.

SaltChuk's TOTE has 61% of the domestic shipping business to Alaska with five roll-on/roll-off cargo ships operating between Alaska and Washington state. The other 39% of the market is held by Horizon (formerly CSX Lines) which uses three container ships.

Two of TOTE's newest ships—the Midnight Sun and North Star—were just put into service this year. The ships were built by General Dynamics National Steel

and Shipbuilding Company in San Diego, California, for \$310 million and are the first commercial dry cargo vessels to be built in the US in 10 years. According to SaltChuk's chairman of the board Mike Garvey, the money invested in the ships are more than all the profits made by TOTE in the last 27 years and represent a major investment in the future of Alaskan shipping.

The two Orca-Class trailer ships are double-hulled, 840-foot-long, 118-foot-wide roll-on/roll-off cargo ships and can carry trailers as large as 53 feet in length. According to TOTE, the ships'

cargo can be loaded and discharged in nine hours. In designing the ship, the company sought advice and input from customers, longshoremen, and shipboard crews.

SaltChuk also operates the Sea Star Line with two ro-ro ships between the U.S. and Puerto Rico in a partnership with Matson Navigation. Horizon is also in the Puerto Rico trade with 35% of the market serviced by six older container ships. The other major shippers to Puerto Rico include tug operators Crowley and Trailer Bridge.



Artist illustration of Orca-Class ship from TOTE's website.

Young Brothers approve new contract

HONOLULU—After a series of membership meetings held on all islands, members of Units 1201, 2201, 3201, and 4209 - Young Brothers Ltd. approved a newly negotiated contract with their employer. The Young Brothers unit has 105 members statewide.

The new agreement runs six years until June 30, 2008. The first wage increase of 25 cents an hour goes into effect on July 1, 2005. Wages increase another 25 cents on July 1, 2006. The increase jumps to \$1.00 an hour on July 1, 2007, then

to \$1.50 an hour on January 1, 2008.

The company will contribute \$1.75 an hour for each employee's compensable hours into a special fund which in turn will be used to pay the employee's 10 percent share of health insurance, a \$50 per month retirement benefit increase for former employees or their surviving spouse, and the retirement plan for active employees.

Effective July 1, 2002, pension plan benefits will increase to \$75 times years of credited service up to a maximum of 35 years. Effective June 30, 2008, the pension benefit will

increase to \$100 times the years of credited service up to a maximum of 35 years for all employees who retire on or after May 18, 2003.

A large number of problem areas were resolved in policy statements that clarified the union's and company's understanding of how the issues are to be handled. These problem areas dealt with such issues as itemized pay statements, job posting of Honolulu machine operator positions, requests for time off from overtime work, emergency vacation requests, attending funeral services during work

hours, unit officers meeting with management during work hours, and more.

Vice-President Robert G. Giraldo served as the union spokesperson. Rankin Gossert, Jonathan Kaaihue, Patty Kanaha, Byron Kaohi, Walter Rawlins, Paul Keator, Bobby Kishimoto, Dean Piltz, and Jane Williams served as the union's committee members. The union negotiating team worked long and hard to address the many difficult issues and problem areas in this negotiation.



Young Brothers Ltd. union negotiating committee members included: (l-r) Bobby Kishimoto, Rankin Gossert, spokesperson Robert G. Giraldo, Patty Kanaha, and Jonathan Kaaihue. Not pictured: Byron Kaohi, Walter Rawlins, Paul Keator and Dean Piltz. (Right) Oahu members review the tentative agreement before voting on whether or not to accept the new contract.

32ND INTERNATIONAL CONVENTION

Local 142 at the 32nd International Convention

Local 142 Hawaii played an important and progressive role in setting the direction of the International ILWU for the future.

Local 142 introduced a series of 13 resolutions that defined the policy of the union towards a wide-range of critically important political issues—such as working for peace, protecting public education, calling for national health care, opposing attacks on civil liberties, and protecting social security. Hawaii delegates were active and vocal in their committees and on the floor of the Convention. Some debates were heated, but differences were always settled by full discussion and a democratic vote.

The Convention left the union more united and stronger than ever.



Hawaii Division delegates Rankin Gossert, Eli Miura, and Dean Piltz. Miura is from Unit 1201 - HT&T Company (longshore) and Gossert and Piltz are from Unit 1201 - Young Brothers, Ltd.



Kauai Division delegates Jon Garcia of Unit 3411 - Kauai Commercial Co., Diana Lopez of Unit 3410 - G.N. Wilcox Memorial Hospital, and Jerson Alop and Robert Ritch of Unit 3105 - Gay & Robinson, Inc.



Delegates from Oahu Division included pineapple representatives (l-r) Avelino Martin, Ismael Bugarin, and Francis Butay.

“The rank and file makes the union. There is no union unless you have members . . . devoted to attending meetings, devoted to understanding the lessons of the past, devoted to learning, devoted to asking questions, devoted . . . to the Constitution of the ILWU, which is one of the more democratic documents in the entire American labor movement.”

—Ah Quon McElrath
32nd ILWU Convention



(Above) Former ILWU Local 142 social worker Ah Quon McElrath gave a rousing speech that brought the house to its feet. (Right) Maui delegates Ven Garduque, Lena Staton and Rose Corpin represent tourism workers on the Valley Isle.



32ND INTERNATIONAL CONVENTION



“Political action is still paramount on the agenda of workers. The adage ‘reward your friends and punish your enemies’ is still good advice, especially at a time when some members of the Democratic Party, touted as a friend of labor, are behaving like the worst Republicans.”

—Ah Quon McElrath
32nd ILWU Convention

◀ (Left) Local 142 members caucused throughout the week to discuss specific resolutions.



▶ (Right) ILWU Washington Representative Lindsay McLaughlin (left) explains the ramifications of a proposal to allow drilling in the Arctic National Wildlife Refuge (ANWR) to the Local 142 caucus. Local 142 decided to support keeping the federally protected lands free from oil development.



▶ (Left) Local 142 President Eusebio Lapenia Jr. acknowledges with a wave and sincere *mahalo* well-wishers who spoke to congratulate him on his upcoming retirement. Retirement resolutions were passed for both Lapenia and International Secretary-Treasurer Joe Ibarra.



(Left) Several issues brought to the Convention floor required a standing vote to determine whether or not the issue was passed by the body. (Above) Rev. Jesse Jackson was one of several guest speakers, including Local 142’s Ah Quon McElrath, AFL-CIO Secretary-Treasurer Richard Trumka, Maritime Union of Australia General Secretary Paddy Crumlin, Columbian union leader William Mendoza, and California Governor Gray Davis. Pictured above are Hanalei Peters, Teddy Espeleta, Jerrybeth DeMello, Jackson, Luana Amano, and Martin Jensen.

Medicare prescription drug coverage

By Lindsay McLaughlin
ILWU Washington D.C. Representative

Millions of retirees are forced to choose between paying for food and paying for soaring costs of prescription drugs. This week, the Senate will be debating a bill that could make matters even worse for millions of retirees.

Rather than passing a real Medicare prescription drug bill to provide real relief for America's seniors, Senator Chuck Grassley (R-IA) and Sen. Max Baucus (D-MT) are pushing a sham prescription drug bill that could lead employers to drop existing retiree prescription drug coverage. The Congressional Budget Office estimates that the prescription drug bill could leave as many as 4.4 million retirees without employer-sponsored prescription drug coverage.

The House of Representatives is feverishly working on legislation that is even worse for seniors.

Employee-sponsored retiree health benefits are the single greatest source of coverage for retirees, providing drug coverage for one in three Medicare beneficiaries.

Retiree coverage is declining dramatically. Just 34% of all large firms offered retiree benefits in 2002, down from 68% of all large firms in 1988.

Drug costs constitute 40 to 60 % of employer's retiree health care costs, and steep price increases are prompting employers to eliminate drug benefits, cap their contributions or drop retiree coverage altogether.

Employers need immediate relief for their retiree prescription drug costs, yet the Republican proposals in 2002 would have only exacerbated the current downward trend in retiree benefits.

The GOP proposals in 2002 would

discriminate against Medicare beneficiaries with employer-provided coverage. With a trick definition of out of pocket costs, known as "true out of pocket costs," the Republican plan would not allow any spending by employers to count towards meeting the various spending levels in the GOP plan.

Congress must enact a drug benefit that recognizes employers that are doing the right thing. To do otherwise will further threaten retiree coverage and will drive millions more seniors to Medicare for the coverage they used to get from employers.

What a Medicare prescription drug benefit should and should not be

A Medicare drug benefit should be adequately financed, comprehensive in coverage and affordable and voluntary for all Medicare beneficiaries. Aggressive initiatives designed to rein in the cost of medications for all Americans is critical to the success of any program.

A meaningful prescription drug must provide comprehensive, continuous and certain coverage.

A prescription drug benefit must be provided through the Medicare program as any other Medicare benefit is provided.

Rising prescription drug prices threaten not only a Medicare drug benefit, but all health care coverage.

A benefit must be affordable for beneficiaries, with a low premium and coverage of the vast majority of drug costs.

Retirees that currently have adequate coverage should not be placed at risk of losing good benefits.

A Medicare drug benefit should not be held hostage to force radical

privatization proposals that would cut benefits and increase cost for retirees.

President Bush has a proposal that is at odds with principles acceptable to the labor community as a whole and the ILWU specifically. There are four basic issues with the Republican plan:

- Despite the promises made to provide assistance to all Medicare beneficiaries, many millions will not

get help with their drug costs under the President's plan.

- Seniors will have to leave the doctor they choose to get the drugs they need.

- Bush's plan holds a drug benefit hostage to privatizing Medicare.

- Despite the deceptive claim that seniors will have choices just like Federal employees, no senior will get even close to benefits that Members of Congress get today.

Important Notice on ILWU Political Action Fund

Delegates to the 30th Convention of the ILWU, meeting in Honolulu, Hawaii, April 7-11, 1997, amended Article X of the International Constitution to read:

"SECTION 2. The International shall establish a Political Action Fund which shall consist exclusively of voluntary contributions. The union will not favor or disadvantage any member because of the amount of his/her contribution or the decision not to contribute. In no case will a member be required to pay more than his/her pro rata share of the union's collective bargaining expenses. Reports on the status of the fund and the uses to which the voluntary contributions of the members are put will be made to the International Executive Board.

"The voluntary contributions to the Political Action Fund shall be collected as follows:

"Up to One Dollar and Fifty Cents (\$1.50) of each March and July's per capita payment to the International Union shall be diverted to the Political Action Fund where it will be used in connection with federal, state and local elections. These deductions are suggestions only, and individual members are free to contribute more or less than that guideline suggests. The diverted funds will be contributed only on behalf of those members who voluntarily permit that portion of their per capita payment to be used for that purpose. The Titled Officers may suspend either or both diversions if, in their judgement, the financial condition of the International warrants suspension.

"For three consecutive months prior to each diversion each dues paying member of the union shall be advised of his/her right to withhold the contribution or any portion thereof otherwise made in March and July. Those members expressing such a desire, on a form provided by the International Union, shall be sent a check in the amount of the contribution or less if they so desire, in advance of the member making his/her dues payment to the local union for the month in which the diversion occurs.

"Those members who do not wish to have any portion of their per capita payment diverted to the Political Action Fund, but wish to make political contributions directly to either the Political Action Fund or their local union, may do so in any amounts whenever they wish."

No contribution - I do not wish to contribute to the ILWU Political Action Fund. I understand that the International will send me a check in the amount of \$1.50 prior to July 1, 2003.

Less than \$1.50 - I do not wish to contribute the entire \$1.50 to the ILWU Political Action Fund. I will contribute _____. I understand that the International will send me a check for the difference between my contribution and \$1.50 prior to July 1, 2003.

More than \$1.50 - I wish to contribute more than the minimum voluntary contribution of \$1.50 to the ILWU Political Action Fund. Enclosed please find my check for \$_____.

Signature _____

Name _____

Address _____

Local # _____

Unit # _____

Return to: ILWU, 1188 Franklin Street • San Francisco, CA 94109

NOTE: CONTRIBUTIONS ARE NOT DEDUCTIBLE AS CHARITABLE CONTRIBUTIONS

Espeleta and Kaniho fill vacancies

Members will see a number of new faces among their servicing business agents. On the Big Island, Richard Kaniho will be replacing Gary Duguran as a temporary business agent. Kaniho is from Unit 1516 - Mauna Lani Bay Hotel, where he also served as unit chair. Duguran is from Unit 1401 - MLP Ka'u Orchard.

On Maui, Teddy Espeleta, from Unit 2307 - Maui Land and Pineapple Company, will fill the vacancy created when elected business agent Virgilio Viernes was tragically killed in an auto accident while on vacation in the Philippines. Viernes was originally from Unit 2101 - HC&S.

The ILWU constitution allows the titled officers (president, vice-president, and secretary-treasurer) to appoint a member to fill a vacancy in an elected position, with the approval of the Division Executive Board where the vacancy occurs.

Both appointments are temporary until the positions are filled through the union's regular elections which are scheduled for this November 2003. All newly elected business

agents would then take office on January 2, 2004, and serve a three-year term until January 1, 2007. The ILWU has 21 elected business agents.



Teddy Espeleta
Maui Division



Richard Kaniho
Hawaii Division

BA Viernes lost in tragic accident

WAILUKU—The Viernes family and Maui ILWU members suffered a tragic loss when veteran Business Agent Virgilio Viernes and his wife Genee Viernes were killed in an automobile accident on April 25 in the Philippines.

Viernes was born in Bacarra, Ilocos Norte, and graduated from Feati University Manila Philippines.

He was an ILWU member since 1988 at Unit 2102 - Hawaiian Commercial & Sugar Company (HC&S), where he worked as a power plant operator.

Viernes was an active rank-and-file member, serving as Unit Secretary-Treasurer and sitting on the HC&S negotiating committee before running for full-time office.

He was first elected as Business Agent in November 1997, and was serving out his second term when the accident occurred.

Viernes is survived by son Virgilio "V.J." Jr., daughters Princess

Footitt Jr. and Caress Viernes, brothers Faustino and Mario, and sisters Erlinda Domingo, Francisca Llego, Angie Manlansing, Bella Maitoza and Vessie Funtanilla.

ILWU members mourn the loss of this Maui leader, whose trademark was his friendly, positive attitude. Mahalo and aloha to Virgilio, and thanks to his family, who allowed him to spend time in service of the ILWU.

