



VOICE OF THE ILWU

HONOLULU HAWAII
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LOCAL 142

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ADDRESS LABEL

Standing: Members of the ILWU Political Action Committee from Hawaii, Maui, Kauai, and Oahu, which includes retiree representatives from ILWU pensioner clubs. Sitting: ILWU Secretary-Treasurer Guy Fujimura, ILWU Vice-President Donna Domingo, Senator Colleen Hanabusa, former ILWU President Fred Galdones, ILWU President Isaac Fiesta, Jr.

ILWU 142 supports Senator Colleen Hanabusa for Congress

HONOLULU—ILWU Local 142 endorsed Colleen Hanabusa for the 1st Congressional District in the special election and general election.

The ILWU Local 142 Statewide Political Action Committee voted unanimously at its December 17, 2009, meeting to support State Senator Colleen Hanabusa for the First Congressional District to fill the vacancy caused by the resignation of Congress member Neil Abercrombie.

“Colleen Hanabusa is undoubtedly the best person to represent the people of Hawaii in the US Congress. She has deep roots in Hawaii and shares the political and social views that have made

Hawaii a progressive and forward looking state. She will work well with our present Congressional delegation—Daniel Inouye, Danny Akaka, and Mazie Hirono. Her commitment to Hawaii, hard work and dedication, and effective leadership have been proven throughout her 10 years of service in the State Legislature,” explained President Fred Galdones.

“The ILWU will work hard to educate and mobilize our members to support Hanabusa in the

upcoming elections,” President-elect Isaac Fiesta, Jr. promised.

The International ILWU had already acted to endorse Hanabusa and contributed \$5,000 to her campaign.

Early endorsements

The Local Political Action Committee also gave early endorsements to Senator Daniel Inouye and House of Representative Mazie Hirono.

The Committee plans to meet with the two leading candidates for governor, Neil Abercrombie and Mufi Hannemann, before making any endorsement for the governor’s race.

Register to Vote NOW!

Visit: <http://hawaii.gov/elections/voters/registration.htm>

to download a Wikiwiki registration form; fill it out and mail it in to the appropriate City/County Clerk (addresses are listed on the form).

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ILWU pension clubs on all islands work hard to support the union’s political action program. In the photos above, Oahu retirees volunteer their time to help prepare “door hangers” for one of the candidates endorsed by the ILWU. Above left (l-r): Esther Scharsch, George Dantsuka, and Haruye Ichiki. Above right (l-r): Mel Yamamoto, Rose Mattos, and Val Elizar. Also present were Mabel Mirikitani, Misao Muranaka, Dorothy Yokomichi, and Agnes Ching.

The next Local 142 Executive Board (LEB) meeting is scheduled for March 19, 2010, in Honolulu at the ILWU building at 451 Atkinson Drive, Honolulu, Hawaii. The meeting begins at 9:00 a.m. ILWU members are welcome to attend as observers.

Hawaii Longshore Division

Hawaii Longshore Division election results

The newly formed Hawaii Longshore Division elected their statewide officers in balloting at all longshore units on all islands from December 1 to December 11, 2009.

The results were announced on December 14, 2009. Nathan "Nate" Lum was elected division director, William "Baba" Haole and Henry Kreutz were elected as vice division directors, and Charles Kimo Brown was elected secretary-treasurer.

Two full-time committeemen/business agents were elected—Dennis Morton and Tyrone Tahara.

One of the candidates for vice division director requested a recount of the ballots for that race. As required by the ILWU Local 142 Constitution, the Judicial Panel reviewed the request and ordered a recount of the ballots for vice division director.

The recount was announced on December 29, 2009, and did not change the results of the election. William "Baba" Haole and Henry Kreutz were still elected as vice division directors.

The Hawaii Longshore Division will operate out of the ILWU Hall on 451 Atkinson Drive in Honolulu.

Their executive secretary is Lynette Mau. They can be reached by phone through the same number of the Atkinson ILWU office at (808) 949-4161. Their fax number is (808) 941-9298.

E-mail to the Hawaii Longshore Division or their officers may be sent to lynette.mau@ilwu.org.

LONGSHORE DIVISION OFFICERS

* Elected

Division Director	Hawaii	Maui	Kauai	Oahu	Total
*Lum, Nathan "Nate"	45	29	27	486	587
Vice Division Director**	Hawaii	Maui	Kauai	Oahu	Total
Dawson, Dustin	29	13	22	243	307
*Haole, William "Baba"	45	30	26	422	523
*Kreutz, Henry	18	25	4	271	314
<i>** (results of recount on December 29, 2009)</i>					
Secretary-Treasurer	Hawaii	Maui	Kauai	Oahu	Total
*Brown, Charles Kimo	46	25	21	398	490
Committeeman/Bus. Agent	Hawaii	Maui	Kauai	Oahu	Total
Asuncion, Alvin "Pretty"	10	13	0	106	129
Mariani, Ward	12	11	4	201	228
*Morton, Dennis	25	13	21	191	250
*Tahara, Tyrone	45	31	26	460	562



Hawaii Longshore Division balloting committee members Brian Indreginal and Alike Somera tabulate the ballots on Dec. 14, 2009. Kammy Kalili and Chad Rees also tabulated ballots. Election Committee Chair Dennis Kanaha and assistant Allen Rabut oversaw the Hawaii Longshore Division election.

Hawaii longshore sets up division structure

The newly formed Hawaii Longshore Division will create a fifth Division within the ILWU and will operate much like the existing Divisions of Local 142—Hawaii, Maui, Kauai, and Oahu.

The Hawaii Longshore Division Director will have a seat on the Local Executive Committee and the Local Political Action Committee.

Longshore Division will have three full-time employees—the two Business Agents and the executive secretary.

The Hawaii Longshore Division held its first Division Executive Board meeting on December 21-22, 2009. Members of the board include the four division titled officers and the chairs from all longshore units.

The Board elected three members to serve as Division Trustees: Dennis Inouye from Oahu Maintenance; Nelson Rita from Kauai Longshore; and Shawna Raposa from Oahu Young Brothers.

The Board also named a State-wide Jurisdiction Committee composed of the following: Nelson Rita for Longshore; Henry Kreutz for Wharf Clerks; Leith Suganuma for Maintenance; Ron Honda for

the Container Yard/Container Freight Station; and Mike Victorino for Young Brothers.

Nate Lum stepped down as the chair of Unit 4201. He appointed Baba Haole as the chair of Unit 4201 and Dustin Dawson as the vice chair of Unit 4201 overall.

This was done to prevent a possible conflict of interest and allows the Longshore Division Director to focus on directing the business of the division. This action was ratified by the membership.

In other business the Longshore Executive Board read into the record the Division's Constitution, Bylaws and finance policy. A budget was also adopted as amended.

International President McEllrath swore in the titled officers: Nate Lum as Division Director, William Baba Haole as Vice Division Director, and Charles Kimo Brown as Secretary-Treasurer.



Hawaii Longshore Division officers are sworn in by ILWU International President Robert McEllrath at their first Division Executive Board meeting. (L-r) McEllrath, William "Baba" Haole, Tyrone Tahara, Nate Lum, Charles "Kimo" Brown, Dennis Morton. (Below) Division Executive Board members are sworn in.



Community and Political Action

Martin Luther King holiday—a day of service



On Martin Luther King Day, January 18, 2010, Americans are urged to spend the holiday in a day of service to their community. On Oahu, the ILWU marched in a parade through Waikiki with a message of peace and justice.



Business Agent Karl Lindo and office worker Jenn Alviar pass out lollipops with a message in English and Japanese to Boycott the Pacific Beach Hotel. The trolley on the right is filled with retirees waving ILWU signs.

Senator Akaka meets with Local Executive Committee

U.S. Senator Daniel Akaka met with the ILWU's Local Executive Committee on January 11, 2010, to brief them on some of the major developments in Washington D.C.

Akaka told the Committee that President Obama has brought a new style of leadership to the White House that reflects Obama's roots in Hawaii. "You know he's from Hawaii." Akaka explained how Obama has appointed a very ethnically diverse group of people to leadership positions. Obama is also more informal, putting together teams instead of forming commissions. The teams get the job done faster, because Obama sets time frames for

the completion of their work.

"We're very busy in the Senate, working on a number of important programs." Akaka mentioned national health care reform and the funding for Honolulu's rail transit as some of the important issues.

The Local Executive Committee meets monthly and is made up of the union's top officers—President Isaac Fiesta, Jr, Vice-President Donna Domingo, Secretary-Treasurer Guy Fujimura, and the five Division Directors—Richard Baker, Jr, William Kennison, Michael Machado, Dave Mori, and Nate Lum.



2010 ILWU legislative priorities

Six high priority issues will guide the work of the ILWU during the 2010 Legislative Session.

1. Worker Retention. The union will continue to work for legislation to protect jobs and employment when companies are purchased, ownership or management changes, a lease is transferred, or assets are sold or transferred and the business operation continues in a similar manner as under the previous owner or management.

2. Workers Compensation. The ILWU will work to maintain the existing "presumption clause" in the Workers' Compensation law which "presumes" an injury is work related unless the employer can prove the injury or illness is not because of their work.

The union will continue to support improvements in the law requiring

timely payments of benefits when a claim is made, prevent benefits from being cut while a claim is being investigated or under appeal, and require insurance companies to pay the cost of an appeal when they deny a worker's claim and the worker later wins the claim in the appeal.

The ILWU will work to address the problem of physicians declining to treat workers compensation cases because of cost or paperwork. The union will also work to create a panel of medical providers from which the injured worker and insurer can select a physician when insurers want an Independent Medical Examination of the injured worker. Presently, insurance companies tend to select from a group of physicians

who appear to favor the insurers and underestimate a worker's disabilities. Creating a panel of physicians would help eliminate this unfair practice.

3. Strong support for harbor development throughout the State of Hawaii, based on the priorities established by the Hawaii Harbor Users Group. Waterfront development must prioritize the need to provide for growing manifested cargo operations and not compromise safe working conditions for the employees.

4. Strong support for senior citizens' programs. Maintain existing programs and oppose the state cutting funds to senior programs in efforts to balance the state's budget.

5. Oppose the State "taking" the county share of the Transient Accommodations Tax (TAT). Presently, the counties get a share of the tax which they use to maintain county facilities and programs.

Taking the counties share of the tax to balance the state's budget would create hardship for the counties and could hurt the tourism industry on the Neighbor Islands.

6. Oppose the State "taking" the rail tax of 0.5% added to the general excise tax for the City and County of Honolulu. The rail tax was adopted to fund the rail system and the state should not attempt to balance its budget by taking the tax.



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Last sugar harvest for Kauai's Gay & Robinson

After 120 years of growing sugar on Kauai, the Gay & Robinson Company hauled its last load of sugar cane from the fields to the mill on October 30, 2009. The cane haul trucks paraded from the Makaweli Post Office through the town of Waimea, followed by trucks and cars of employees.

About 130 ILWU members remained on the payroll until November 25, 2009.

A handful of ILWU members will continue to work for Gay & Robinson, producing electricity at the company's hydroelectric plant.

ILWU members and retirees living in plantation housing operated by Gay & Robinson are not immediately affected by the shutdown of sugar operations. The housing and rental rates are set by collective bargaining between the union and company.

Twenty years ago, there were four sugar companies on Kauai which employed over 1200 workers--Gay and Robinson, Kekaha Sugar, Olokele Sugar, and Lihue Sugar.

HC&S on Maui, which employs about 750 ILWU members, is the last remaining sugar company in Hawaii. HC&S is also fighting for its survival as a bad decision by the State Water Commission could cut off its supply of water.

Sugar Was Big

When the ILWU first unionized sugar workers from 1944 to 1945, there were 33 plantations, with 25,000 workers. Most of the workers were in the fields, cutting cane by hand. Mechanization greatly increased productivity, and by 1970, less than 10,000 workers were producing more sugar than the 25,000 workers in the 1940s.

Through collective bargaining, ILWU sugar workers earned higher wages and better benefits than any agricultural worker in the US or world, but Hawaii sugar companies could still compete with sugar coming from countries where workers were

paid less than one dollar a day.

Hawaii had the advantage of the most advanced sugar technology in the world. Years of research by the Hawaii Sugar Planters Association, some funded by public money, produced high yield cane varieties, efficient cultivation methods such as drip irrigation, and specialized machinery for planting and harvesting.

Hawaii sugar plantations routinely produced double the average yield of sugar companies in Texas, Louisiana, or Florida and many times higher than foreign sugar companies.

In the 1970s, the five corporations which owned Hawaii's sugar industry were flush with cash. They developed resorts and commercial properties, bought companies on the mainland, or expanded their sugar and pineapple operations to other countries.

Decline of Sugar

C. Brewer/International Utilities, actively sold its sugar technology and service as a sugar consultant to foreign countries. Castle and Cooke (Dole Foods) expanded to the Philippines and Thailand.

Hawaii began losing its technological advantage as foreign sugar companies began using the same cane varieties, cultivation techniques, and machinery, while paying their workers a fraction of the wages paid in Hawaii.

In 1994, the passage of the so-called free trade agreements with Canada and Mexico, began to open the US market to foreign produced sugar. Between 1994 and 2000, eleven Hawaii sugar companies decided it was time to quit the business and over



The last harvest ended with a parade of cane trucks and workers that began in Pakala and traveled through Waimea, Kaumakani and Hanapepe before returning to the mill in Kaumakani (left.) Pick-up trucks bore the names of plantation departments and shops and the words "Sweet Memories." Workers and family members watch the last cane being unloaded at the mill (below).



Photos by Mona Dotario

2,500 ILWU members lost their jobs. The companies are: Hilo Coast Processing Company (1994 - 300 union jobs); Mauna Kea Agribusiness (1994 - 100 jobs); Hamakua Sugar (1994 - 530 jobs); Oahu Sugar (1995 - 275 jobs); Wailuku Ag (1995 - 70 jobs); Ka'u Sugar (1996 - 250 jobs); Waialua Sugar (1996 - 300 jobs); McBryde (1996 - 100 jobs); Pioneer Mill (1999 - 150 jobs); C&H Refinery (50 jobs); and Amfac Kauai (2000 - 400 jobs).

Only the most efficient, well financed, and best managed sugar companies could compete and survive in these conditions. It would also take luck as bad weather could also take down a plantation.

Gay & Robinson held on until the end of 2009, a victim of high gas prices in 2008, the financial and credit crisis of 2009, and the uncertain economics of ethanol production.

Sugar Prices Hit High

In January 2010, the price of raw sugar jumped to 29 cents a pound, the highest since 1981 (29 years ago). Bad weather in Brazil and India, the two largest producers of sugar, resulted in poor crops. This means less sugar is available while consumption of sugar increases in India and China.

Some sugar analysts predict raw sugar could reach 40 cents a pound.

Rudias to replace Raposas on International Executive Board

Kelly Rudias, an ILWU member from HC&S Maui, will replace Aurora Raposas as the sugar grouping representative on the ILWU International Executive Board.

Raposas, from Gay & Robinson on Kauai, was originally elected and confirmed at the first International Executive Board meeting on October 15-16, 2009. Since then, Gay & Robinson terminated its sugar operations, Raposas was laid off, and Kauai no longer has a sugar grouping. The remaining ILWU members at Gay & Robinson will form a new unit under General Trades.

Local 142 sugar delegates who attended the International Convention in June 2009 knew Gay & Robinson would shut down and selected Rudias as an alternate. The Local 142 Executive Board approved this replacement on December 18, 2009.

Esther Bugtong, the unit chair of HC&S, will replace Rudias as the



Kelly Rudias from HC&S Maui.

sugar grouping representative on the Local Executive Board. The appointment was made by the Titled Officers and confirmed by the Maui Division Executive Board. Rudias, as a member of the International Executive Board, will continue to attend meetings of the Local Executive Board as an observer.

Sugar transformed Hawaii

Early polynesian settlers brought "ko" (sugar cane) to Hawaii and used the juice to sweeten herbal medicines and to treat cuts.

A Chinese sugar miller is credited with producing the first crystallized sugar in 1802 on Lanai. He brought his milling stones and boilers with him and produced a small amount of refined sugar and molasses. He returned to China, but this process of crystalizing sugar continued to be used to make small batches of the sweetener.

Ladd and Company established the first commercial plantation at Koloa, Kauai in 1835 and produced enough sugar to export 8,000 pounds to the U.S. in 1836. There was a strong and growing demand for sugar from the U.S.

After 1850, the Great Mahele turned land into private property which was divided among the Hawaiian people, with most of the land going to the royal families. Foreign residents were allowed to buy land and missionary descendants and

American businessmen quickly capitalized on the opportunity. They bought land from the Hawaiians and started sugar plantations on every island, but they couldn't get enough workers from the local population of Hawaiians.

The sugar growers organized the Hawaii Sugar Planters Association to recruit temporary contract workers from around the world.

Tens of thousands of Chinese were brought to Hawaii. Then Japanese, Portuguese, Koreans, and Filipinos were recruited to work on the plantations. Most returned to their home countries, but many stayed and intermarried, creating the "melting pot" of ethnic groups unique to Hawaii.

Five companies gained control of nearly all the sugar plantations which generated tremendous wealth for their owners, which led to political power, and the motivation to overthrow the Hawaiian Kingdom, and annexation to the United States in 1898.

News Around the Union

New company continues pineapple production on Maui

A new company, the Haliimaile Pineapple Co., will continue to grow pineapple to supply the fresh, whole-fruit market and supply juice used by Tedeschi Vineyards to make its pineapple wine.

The new company has purchased some of Maui Pine's equipment, leased 1,000 acres of land, and bought the rights to use the *Maui Gold* brand.

The company was formed by former Maui Pineapple Company executives, Ulupalakua Ranch owner Pardee Erdman, and other shareholders.

The company started operating on January 2, 2010, with 65 former Maui Pine workers. The company also negotiated a collective bargaining agreement with the ILWU.

Haliimaile Pineapple is already receiving orders for fresh pineapple from Maui hotels, Oahu, and the Mainland. If demand for their pineapple increases, the company may hire more workers.

The company plans to consolidate its operations in Haliimaile where it will pack, store and ship its pineapple.

Maui Pine Closure

After 97 years, the last harvest for Maui Pine, a subsidiary of Maui Land & Pineapple Co., was Dec. 23, 2009.

The company shocked its workers and the local community when it suddenly announced on November 3, 2009, that it would close all pineapple operations by the end of the year. There would be no attempt to harvest the ripening crop already planted on 3,000 acres. The company said it lost \$115 million from its pineapple operations since 2002.

The company would focus on its Kapalua Resort and real estate business which it operates as the Kapalua Land Company. Developments in the resort include: The Ritz-Carlton, Kapalua; The Ritz-Carlton Club and Residence; the Kapalua Spa; Kapalua Villas; The Plantation and The Bay Golf Courses; and the Honolulu Store.

It has been a rough eight years for Maui Pine workers who are all ILWU members. They had to endure layoffs, relocations, job changes, and management decisions which sometimes made no sense.

It started with management plans to close the Kahului Cannery and move to a new packing plant at Haliimaile. Then the company decided to close Haliimaile plantation and move everything to Honolulu. When that didn't work out, the company decided to close Honolulu and move back to Haliimaile.

Through it all, the workers did their best to keep the company going. Earlier this year, Maui Pine members agreed to a 10 percent wage cut to show their commitment to the survival of the company.

Pineapple war

Maui Pine's sudden decision to quit pineapple may have been influenced by a September 30, 2009, federal court dismissal of an anti-trust lawsuit against Fresh Del Monte on September 30, 2009. The lawsuit filed in 2004, charged Fresh Del Monte with unfair trade practices in its sale of Del Monte Gold Extra Sweet pineapple.

Fresh Del Monte was flooding the U.S. market with the extra sweet

pineapple grown in Costa Rica by workers earning \$1 an hour. It was the same pineapple as Maui Gold and Dole's Hawaii Gold.

The lawsuit claimed Fresh Del Monte claimed exclusive rights to the pineapple and threatened legal action against distributors and stores that sold Maui or Hawaii Gold pineapple. The judge dismissed the case saying there was insufficient evidence.

Joint MD-2 research ends in litigation

The new pineapple variety was a hybrid named MD-2 created after years of research by the Hawaii Pineapple Institute, which was jointly funded by Maui Pine, Dole, and Del Monte. The Institute shut down in 1986 and the assets were divided among the three companies.

Since 2000, the three companies have sued each other over the use of the MD-2 pineapple, trademark and patent infringement. All of these cases were dropped, dismissed, or settled out of court.

As a result, none of the companies have the exclusive right to MD-2, there is no patent on MD-2, and farmers all over the world are growing MD-2 pineapple.

Worldwide pineapple technology came from Hawaii

In 1996, Del Monte sold its fresh fruit division to a corporation controlled by the Abu-Ghazaleh family from Jordan. Del Monte was an American company with roots in California.

Mohammed Abu-Ghazaleh, chairman and CEO, incorporated Fresh Del Monte under the laws of the Cayman Islands, which makes it a foreign company.

Fresh Del Monte began selling the gold pineapple in 1996 which became an instant success with U.S. and European consumers.

At the time, Fresh Del Monte grew most of its gold pineapple in Hawaii and some on a plantation it owned in Costa Rica. Ghazaleh, with no allegiance to Hawaii or the U.S., chose to transfer all production of the gold pineapple to its plantations in Costa Rica, Africa, and South America. This was strictly a business decision to grow the pineapple closer to the markets in countries with lower labor costs.

Pineapple is grown by taking plant material from the crown, slips, or suckers of one crop to produce the next crop. From 1997 to 2001, Fresh Del Monte took almost half the plant material grown on its Oahu plantation to "seed" 22,000 acres in Costa Rica, 12,600 acres in Kenya, and

7,000 acres in Brazil. Oahu pineapple land was not replanted and the Del Monte plantation in Hawaii shrank from 9,600 acres in 1996 to 5,800 acres in 2001.

Del Monte members remember acres of seed being prepared to air ship to Costa Rica. Del Monte members were also flown to Costa Rica to

Ghazaleh, with no allegiance to Hawaii or the U.S., chose to transfer all production of the gold pineapple to its plantations in Costa Rica, Africa, and South America.

repair and setup equipment and Costa Rican managers worked in Hawaii to learn the cultivation techniques.

It takes 18 months from seed to mature fruit so it would take 3-5 years before Costa Rica and Brazil reached full production of the new pineapple.

In February 2006, Fresh Del Monte announced it would close its Oahu plantation immediately, two years ahead of schedule. Over 700 ILWU Del Monte members lost their jobs.

Decline of Pineapple

At its peak in 1992, Maui Pine consisted of five ILWU units with 1,233 members: Honolulu Plantation with 161 workers, the Container Operations with 54 members, the Cannery with 203 members, Haliimaile Plantation with 262 members, and 552 Intermittents, who were covered seasonals.

The company had high hopes for its Maui Gold pineapple, but Fresh Del Monte would shatter this dream.

Fresh Del Monte bought their own container ships to deliver the pineapple from Costa Rica to Del Monte owned distribution centers in the United States and Europe. Costa Rican agricultural workers are paid a fraction of the wages earned by Hawaii pineapple workers. This gives the company a huge cost advantage over Maui Pine and Dole, and Fresh Del Monte can price their pineapple lower and still make a good profit.

By 2007, the membership of Maui

Costa Rican agricultural workers are paid a fraction of the wages earned by Hawaii pineapple workers.

Pine had dropped to one-half its former size with 568 members. 100 at Honolulu, 20 in the Container, 97 in the Cannery, 223 at Haliimaile, and 128 Intermittents.

Today, in 2010, the ILWU's Pineapple Grouping is down to 280 members--65 on Maui and 215 on Oahu. In 1980, there were close to 4,000 members in the Pineapple Grouping.

Cabading remains on International Executive Board



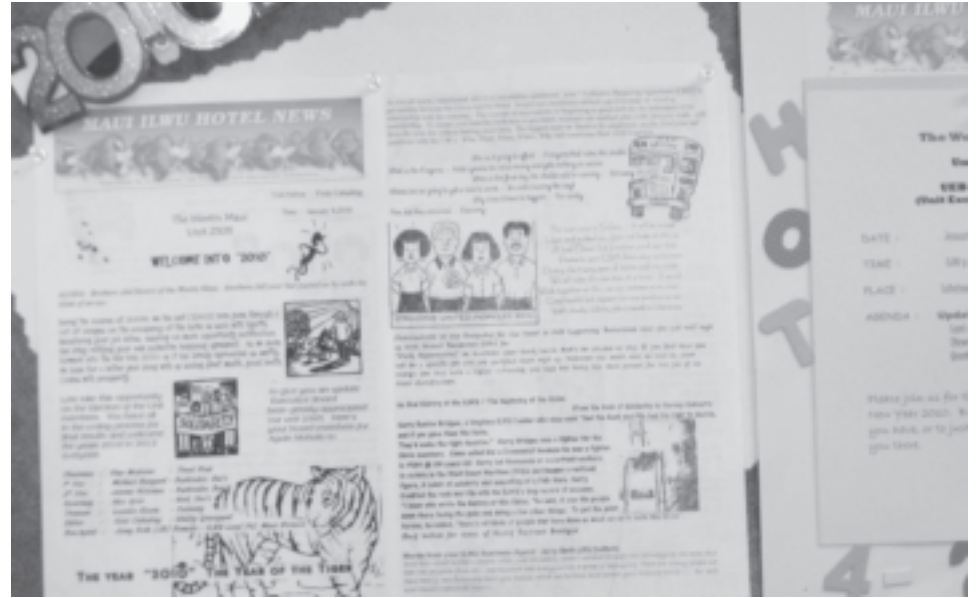
Douglas Cabading was hired by Haliimaile Pineapple Company and will continue to represent the Pineapple Grouping on the ILWU International Executive Board.

Negotiation Briefs

The Westin Maui workers win good settlement



Westin Maui Hotel member Vicky Maliikapu-Cabading prints a bulletin for union members and maintains an outstanding union bulletin board which educates and informs members about the union. Star Medeiros is the Chair of the unit, which has a strong unit structure with active officers and union stewards, including 1st Vice Chair Michael Bunyard, 2nd Vice Chair Jerome



Neizman, Secretary Alex Ajolo, and Treasurer Lourdes Rivera. Because of their strength and solidarity, The Westin Maui members were able to negotiate a new contract with hotel management that increases wages by 13.75% for non-tipped workers and \$.60 an hour for tipped workers by the end of the five year contract. Other improvements were made and benefits were maintained.

Competitive Hotel pricing in uncertain times

Hotels that kept their room rates high made more money than competing hotels that cut room rates to boost occupancy. This was the surprising results of a seven-year study by the Cornell University School of Hotel Administration.

The study, conducted by Cathy Enz, Ph.D, Linda Canina, Ph.D., and Mark Lomanno, appears in the June 2009 Cornell Hospitality Report.

Their research analyzed room rates and occupancy levels of over 67,000 hotels in all market segments, from luxury to economy, and during a bad economy from 2001 to 2003 and a good economy between 2004 and 2007.

Many hotel operators believe that lowering room rates during tough economic times will improve their occupancy and revenues by taking customers away from their competitors or by attracting new customers.

Competing hotels are pressured to match or lower their room rates, fearing a loss of business.

The Cornell study focuses on whether this discounting of room rates is a good or bad business strategy and looked at competing

hotels in the same area and same market segment—luxury, upscale, midscale, economy, and full service or limited service.

Discounting is bad

Surprisingly, the Cornell study found that hotels that kept their room rates higher did better in revenues per room than their competitors who cut room rates.

This was true for all classes of hotels and in both good and bad economic times.

The results were so consistent that the authors of the study suggest the best strategy to make money is to maintain your room prices up to 10 percent higher than your competitors.

Cutting room rates does increase occupancy, but the increase in occupancy is never high enough to offset the loss of total revenues per

room. For example, a hotel that cuts rates by 10 percent would have to see an increase in occupancy of more than 10 percent to make more money. In reality, the increase in occupancy is around 2-4 percent, so the price cutting hotel loses 6-8 percent in revenues.

The competing hotel that kept room prices the same would lose 2-4 percent in occupancy and revenues, but this is much less than the 6-8 percent loss of the price-cutting hotel.

Luxury hotels

In the luxury and upscale market, there was little change in occupancy for hotels that priced their rooms up to 10 percent above their competitors. Occupancy would begin to drop slightly when luxury hotels priced their rooms 10 to 15 percent higher, but the higher room rates more than made up for lower room sales.

The researchers found that luxury hotels that priced their rooms 20-30 percent above their competitors still enjoyed about 13 percent higher total revenues per room than their competitors. The clientele of luxury and upscale hotels are more concerned about guest service than price.

Economy hotels

People who stay in midscale and economy hotels are more sensitive about price. Even in the low end markets, the hotels that kept their room rates 5 percent higher than their competitors still did better in total revenues per room.

Two hotel operators commented that the study matched their experience. In a tough year, one hotel kept their rates the same while their competitors cut room prices. The competitors suffered revenue losses of 13 percent and 33 percent, while the steady hotel lost less than 4 percent.

Another hotel tried reducing rates on Sunday's which tend to be slow. It made no difference in occupancy, so rather than lose money when the room is sold, the hotel went back to the full Sunday rate.

Download full report

You can find a summary of the report at the following website: <http://www.hotelschool.cornell.edu/research/chr/pubs/reports/abstract-15087.html>

You can download the full report but you will need to register as a user—its free.

Pacific Beach Hotel management appeals, International boycott continues, U.S. labor board vows to pursue justice for workers

HTH Corporation, owners of the Pacific Beach Hotel and Pagoda Restaurant and Hotel, has refused to abide by the remedies ordered by NLRB Judge James. M. Kennedy in a ruling issued on September 30, 2009.

Judge Kennedy found the hotel had seriously violated 15 counts of federal labor law and ordered the hotel to resume negotiations with the ILWU, rehire and pay back wages to

seven fired workers, restore all agreements made with the ILWU, pay the union the costs of negotiations, and make a series of other changes.

Hotel appeals decision

Complaining that the NLRB judge and the Hawaii NLRB office were biased against management, HTH Vice-President Robert Minicola appealed the decision to Washington

D.C. on October 28, 2009.

The appeal will be heard by the five-member National Labor Relations Board. Currently there are only two members—chairperson Wilma Leibman and Peter Schaumber. President Obama has named Craig Becker, Mark Pearce, and Brian Hayes to the three vacant positions, but the U.S. Senate has not yet confirmed the appointments. Three of the appointees are pro-labor

Democrats and two are Republicans.

A senate subcommittee approved the nominees in October 2009, but the full Senate must confirm the appointments.

NLRB seeks court injunction

Tom Cestare, officer in charge of the Hawaii NLRB, estimates it may take six or more months for the Board to act on the appeal. To seek

—continued on page 7

Labor Struggles Continue



On January 19, 2010, the ILWU and other unions joined a picket and rally supporting UNITE-HERE workers at Kaiser Permanente. The rally at the Honolulu Kaiser Clinic was attended by over 500 union members, mostly members from UNITE-HERE hotels. The massive rally was an impressive demonstration of support and solidarity. The ILWU represents imaging tech-

nicians at Kaiser and UNITE-HERE represents pharmacy and other workers. Kaiser is planning to move its mail-order prescription work to Colorado which will cut jobs in Hawaii. Pictured on the left are Dave Mori, Brian Tanaka, and Larry Ruiz. ILWU Vice President Donna Domingo is pictured above. President Isaac Fiesta Jr. was also at the rally.

Catholic church calls for people-centered economy Workers need unions—love of profits can be evil

“Profit is useful if it serves as a means toward an end,” wrote Pope Benedict XVI. “Once profit becomes the exclusive goal, if it is produced by improper means and without the common good as its ultimate end, it risks destroying wealth and creating poverty. The economic development that Paul VI hoped to see was meant to produce real growth, of benefit to everyone and genuinely sustainable.”

“The economy needs ethics in order to function correctly—not any ethics whatsoever, but an ethics which is people-centered.”

The Head of the Catholic Church denounced the drive to outsource work to the cheapest bidder had

endangered the rights of workers, and demanded that workers be allowed to organize in unions to protect their rights and guarantee steady, decent employment.

Pope Benedict XVI signed his third encyclical at the Vatican, Monday, July 6, 2009. Benedict XVI criticized the profit-at-all-cost mentality of the globalized economy and lamented that greed has brought about the worst economic downturn since the Great Depression.

Workers need unions

The Pope’s encyclical encouraged and supported the importance of labor unions for working people.

“The repeated calls issued within the Church’s social doctrine, beginning with Rerum Novarum [60], for the promotion of workers’ associations that can defend their rights must therefore be honoured today even more than in the past, as a prompt and far-sighted response to the urgent need for new forms of cooperation at the international level, as well as the local level.”

“Today the subject of development is also closely related to the duties arising from our relationship to the natural environment. The environment is God’s gift to everyone, and in our use of it we have a responsibility towards the poor,

towards future generations and towards humanity as a whole.”

“No consideration of the problems associated with development could fail to highlight the direct link between poverty and unemployment. In many cases, poverty results from a violation of the dignity of human work, either because work opportunities are limited (through unemployment or underemployment), or “because a low value is put on work and the rights that flow from it, especially the right to a just wage and to the personal security of the worker and his or her family” [143]. For this reason, on 1 May 2000 on the occasion of the Jubilee of Workers, my venerable predecessor Pope John Paul II issued an appeal for “a global coalition in favour of ‘decent work’ ” [144], supporting the strategy of the International Labour Organization. In this way, he gave a strong moral impetus to this objective, seeing it as an aspiration of families in every country of the world. What is meant by the word “decency” in regard to work? It means work that expresses the essential dignity of every man and woman in the context of their particular society: work that is freely chosen, effectively associating workers, both men and women, with the development of their community; work that enables the worker to be respected and free from any form of discrimination; work that makes it possible for families to meet their needs and provide schooling for their children, without the children themselves being forced into labour; work that permits the workers to organize themselves freely, and to make their voices heard; work that leaves enough room for rediscovering one’s roots at a personal, familial and spiritual level; work that guarantees those who have retired a decent standard of living.”

Pacific Beach Hotel boycott continues—from page 6

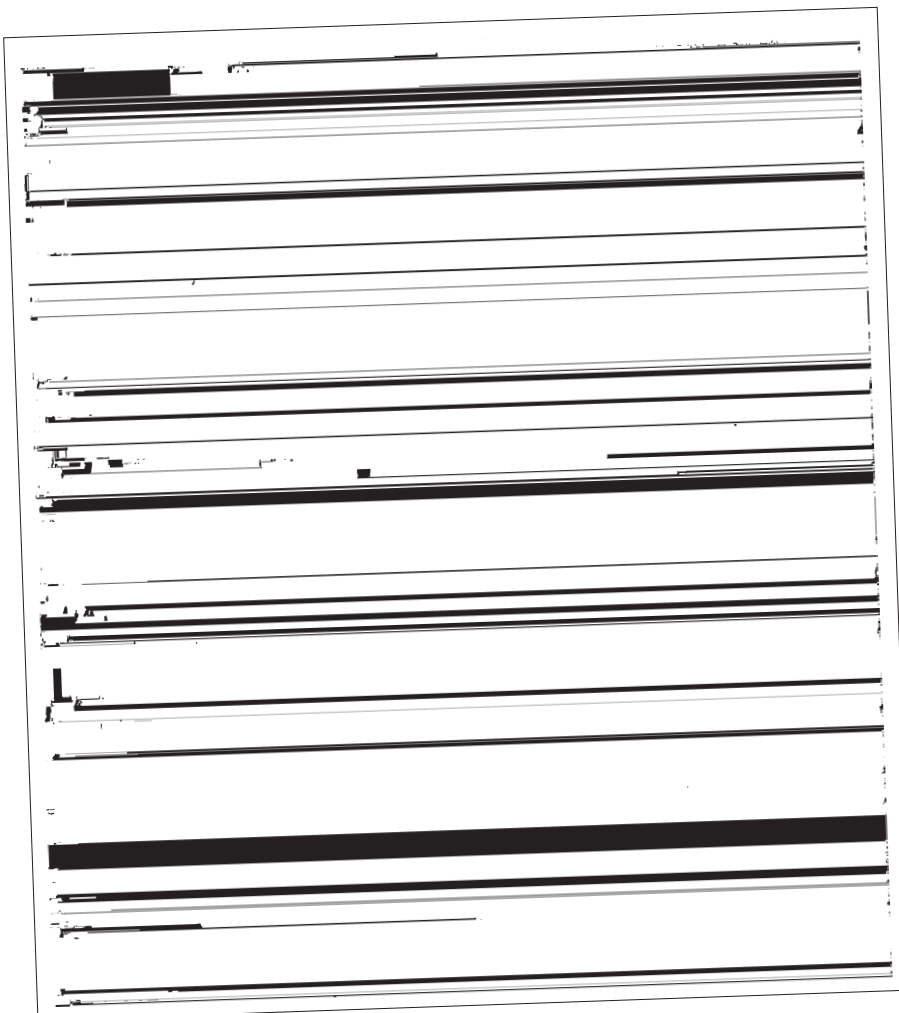
immediate relief for the workers, the NLRB went to the Federal District Court in Honolulu on January 7, 2010. They are asking the court to order HTH management to rehire the seven fired workers and resume bargaining with the ILWU.

Cestare told the ILWU the NLRB sees this as an important case and is committed to allocate the resources necessary to seek the court injunction and prepare for the appeal to Washington. At least five NLRB agents are involved in the case—two in Hawaii, two in San Francisco, and one in Washington D.C.

Japan steps up boycott

Japanese supporters of the ILWU workers at the hotel were elated by the NLRB decision and plan to intensify their boycott of the Pacific Beach Hotel. They met with top union leaders of the JTB Group workers union, the Tourism and Air Cargo Committee, and Service Rengo. The leaders agreed to have each travel agent workers union talk to their management about the NLRB decision. Meetings are also being arranged with the Hawaii branches of the major Japan travel agencies.

Local Filipino organizations have also stepped up their boycott of the hotel until HTH Corp. stops violating workers’ rights.



Membership Services



Happy retirement, Clayton Dela Cruz

Kauai Division held a surprise retirement party for former Division Director Clayton Dela Cruz on December 19, 2009. Pictured above is Clayton with members of his family (l-r): son Vaughn, granddaughter Shayla, son Matthew, grandson Jeremiah, granddaughter Kiani, Clayton, wife Tedi, granddaughter Ciera, and daughter Keiki. Over 100 ILWU members, family and staff attended the party, which was held after the December Division Executive Board meeting.

Family Medical Leave changes

On January 16, 2009, important new rules on the Family Medical Leave Act went into effect. Following are some of the changes:

- Employees will have to follow their employer's call-in policies when they are planning to miss work "absent unusual circumstances." Previously, employees had up to two business days after an absence to notify the company that their absence was due to family leave.

- One definition of a "serious health condition" involves more than three days of incapacity, and must include a visit to a health care provider within seven days of the start of the incapacity and a second visit within 30 days of the start of the incapacity.

- To have a "chronic condition" that qualifies for FMLA leave, employees will have to certify that they visited a doctor at least twice a year for the condition. Previously, the law did not specify a time period.

- To protect the employee's privacy, a new provision prohibits direct supervisors from getting an employee's medical information when an FMLA certification is needed.

- Employers may require "fitness-for-duty" tests for employees returning from intermittent FMLA leave if doing the job raises a significant risk of harm to themselves or others.

- When employers place injured or ill workers on light duty, the time on light duty doesn't count against the employee's FMLA leave entitlement.

- The regulations also contain more detailed guidance on the substitution of paid leave for FMLA leave and new notice requirements for employers.

Military Family Leave

Two new leave benefits apply to military families.

Military Caregiver Leave:

Under the first of these new military family leave entitlements, eligible employees who are family members of covered servicemembers will be able to take up to 26 workweeks of leave in a "single 12-month period" to care for a covered servicemember with a serious illness or injury incurred in the line of duty, while on active duty.

This 26 workweek entitlement is a special provision that extends FMLA job-protected leave beyond the normal 12 weeks of FMLA leave. This provision also extends FMLA protection to additional family members (i.e., next of kin) beyond those who may take FMLA leave for other qualifying reasons.

Qualifying Exigency Leave: The second new military leave entitlement helps families of members of the National Guard and Reserves manage their affairs while the member is on active duty in support of a contingency operation.

This provision makes the normal 12 workweeks of FMLA job-protected leave available to eligible employees with a covered military member serving in the National Guard or Reserves to use for "any qualifying exigency" arising out of the fact that a covered military member is on active duty or called to active duty status in support of a contingency operation.

The Department's final rule defines qualifying exigency by referring to a number of broad categories for which employees can use FMLA leave: (1) Short-notice deployment; (2) Military events and related activities; (3) Childcare and school activities; (4) Financial and legal arrangements; (5) Counseling; (6) Rest and recuperation; (7) Post-deployment activities; and (8) Additional activities not encompassed in the other categories, but agreed to by the employer and employee.

Colon cancer 3rd most common, but easily treated if detected early

Colorectal Cancer, is the third most common cancer in both men and women. Colorectal cancer is the second leading cause of cancer death in the United States. Approximately 90 percent of all colorectal cancer cases and deaths are thought to be preventable through appropriate screening.

Nationwide, an estimated 150,000 new cases of colorectal cancer are expected annually. Fortunately, the disease can be successfully treated when detected early.

Hawaii Colorectal Cancer Facts:

- In Hawaii there are about 653 newly diagnosed cases of colorectal cancer each year.
- 174 people in Hawaii die

annually from the disease.

- More than 80% of Hawaii residents who develop colorectal cancer are age 55 or older at the time of diagnosis.

- Japanese males have the highest incidence rates for colon cancer in Hawaii; however, Hawaiian males have the highest death rates.

- Survival from colorectal cancer is more than 90 percent when the cancer is diagnosed before it has extended beyond the intestinal wall. However, on average, only about 44% of the close to 3,900 cases of colorectal cancers diagnosed in Hawaii between 1995 and 2000 were diagnosed at an early stage.

So, if you're 50 years or older, talk to your doctor about colorectal cancer screening tests.

To: ILWU members with AIG auto insurance—AIG no-fault cards still valid

Many ILWU members may still have their AIG Hawaii auto insurance card. Some police officers have questioned drivers if these cards are valid, as the company was purchased and is now named Farmers Insurance Hawaii as of January 1, 2010.

The Hawaii Insurance Division and Farmers Insurance Hawaii have informed all county police departments that the AIG Hawaii auto insurance cards are still valid. New insurance cards under the Farmers Insurance Hawaii name will be issued when your policies are renewed.

It is possible that some police officers may not have received this information and may question you about the AIG Hawaii auto insurance card. Some service stations may also question the cards when you renew your safety check for your car. You should inform them the cards are still valid, and they can call Farmers Insurance Hawaii at 1-877-533-2444 or 533-2444 on Oahu.

Many ILWU units provide group life and 24 Hour Accidental Death and Dismemberment insurance for their members underwritten by AIG Life. These policies will continue to be issued under AIG Life when the policies are renewed.

The ILWU has a long history and good relations with the company going back over many years. In 1955, the ILWU partnered with friends of the union to form Hawaii Insurance Consultants and Union Insurance Service to provide members with lower cost insurance without the high pressure sales pitch to buy unnecessary insurance. These companies were later bought by AIG Hawaii, which continued to provide ILWU members with good service and affordable insurance. Now Farmers Insurance owns AIG Hawaii. All AIG employees have been retained by Farmers Insurance Hawaii. Their core values and focus on customer relations remain unchanged. **Only the name has changed.**