



# VOICE OF THE ILWU

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ADDRESS LABEL



Photo by Russell Ho

Civil rights and labor rights go hand-in-hand. Senator Colleen Hanabusa joined ILWU Oahu Division members as they marched in the Martin Luther King Jr. parade on January 17, 2011.

## Labor, civil rights heroes honored

Hawaii celebrated the Martin Luther King Day holiday with a parade through Waikiki and a rally at Kapiolani Park in Honolulu. The holiday honors Martin Luther King, Jr., a Baptist minister from Montgomery, Alabama, who was one of the leaders of the civil rights movement to end discrimination against Black Americans, and who spoke eloquently against poverty and the US war in Vietnam. King was assassinated on April 4, 1968, in Memphis, Tennessee, where we were supporting the city's sanitation worker's union for a

fair contract.

King was a strong supporter of unions and their goal of creating a better life for working people. In a speech before the AFL-CIO Convention in December 1961, King said the needs of Black Americans and labor were identical:

*"Negroes are almost entirely a working people. There are pitifully few Negro millionaires, and few Negro employers. Our needs are identical with labor's needs—decent wages, fair working conditions,*

*livable housing, old age security, health and welfare measures, conditions in which families can grow, have education for their children and respect in the community. That is why Negroes support labor's demands and fight laws which curb labor. That is why the labor-hater and labor-baiter is virtually always a twin-headed creature spewing anti-Negro epithets from one mouth and anti-labor propaganda from the other mouth."*

On April 3, 1968, the day before

he was assassinated, King spoke at a rally of Memphis sanitation workers who collected the city's rubbish:

You are demanding that this city will respect the dignity of labor. So often we overlook the work and the significance of those who are not in professional jobs, of those who are not in the so-called big jobs. But let me say to you tonight that whenever you are engaged in work that serves humanity and is for the building of humanity, it has dignity and it has worth.

## 2011 ILWU Legislative priorities

Eight high priority issues will guide the work of the ILWU during the 2011 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, 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 lose.



Kauai representatives visit lawmakers on the opening day of the State Legislature, January 19, 2011. (L-r) Kauai Division Director Michael Machado, retired Division Director Alfred Castillo, newly elected House District 16 Representative Dee Morikawa, and retired Business Agent Jesus Guirao.

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 set up panels of providers where the injured

worker and the insurance company can mutually select a physician to perform an Independent Medical Examination of the injured worker.

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 programs.

5. Oppose the State from taking the county share of the Transient Accommodations Tax (TAT).

6. Oppose the State from taking the rail tax of 0.5% added to the general excise tax for the City and County of Honolulu.

7. Amend the Dislocated Workers Act to apply to all employers and require the Department of Labor and Industrial Relations to enforce the law and assess penalties against employers for violations.

8. Require labeling of frozen and previously frozen bread produced outside of Hawaii to inform consumers and to promote fresh-baked Hawaii products.



## LABOR MOVEMENT NEWS

**ILWU miners win contract, end 107-day lockout**

ILWU Local 30 members took the opportunity this holiday season to thank the supporters and unions which enabled the union to win a hard-fought victory for a fair union contract with Rio Tinto, the owners of the Borax Company.

In 1925, borate deposits were discovered near the town of Boron, California. Pure borate deposits are extremely rare and the Boron mine produces nearly half of the world's supply of borate. Borate is an essential ingredient used to make household and commercial products such as soap, detergents, paint, glass, ceramics, and fertilizers.

In 1967, Rio Tinto, a British-Australian multinational company, acquired the Borax Company. The 20-Mule Team logo on Boraxo soap products is well-known in the United States.

Local 30 has over 500 members who work for the Borax Company in Boron, California. Most of the Borax workers live a few miles away in the town of Boron, California, which is located on the western edge of the Mojave Desert and about 100 miles east of Los Angeles. The town has a population of about 2,000 and most

of the families have worked for the mine for generations. They depend on the mine or mine employees for their livelihood.

During negotiations for a new contract, Rio Tinto demanded deep cuts and major changes in the way work was done at the mine. The company wanted to do away with seniority, cut pensions, and outsource jobs at any time. The changes would destroy the union, and workers refused to agree to the company's demands.

On January 31, 2010, Rio Tinto management told the unionized workers to go home and brought in replacement workers to operate the mine. The workers could return to work if they accepted management's changes to the union contract. This is called a "lockout" and is the opposite of a "strike." In a strike, workers stop work to put pressure on management. In a lockout, management closes the plant or operates without the regular employees to put pressure on workers to accept management's terms.

Local 30 members held strong for three and one-half months or a total of 107 days. The entire ILWU and the labor movement rallied in

support of the Borax workers. The community of Boron also united behind the workers, despite efforts by Rio Tinto to blame the lockout on the workers and their union.

ILWU members in Los Angeles drove the 100 miles to join demonstrations at the mine. Teamsters delivered \$50,000 worth of groceries donated by the Los Angeles County Federation of Labor. The ILWU set up free health clinics with volunteer doctors. Unions around the world pledged their support and demonstrators showed up at meetings of Rio Tinto executives in Boston, Lon-

don, and Australia. Union political pressure stopped a federal handout of tribal lands in Arizona to Rio Tinto for copper mining.

After 107 days, Rio Tinto decided to come to terms with the ILWU members of Local 30. The company dropped their demands to eliminate seniority or union security and agreed to a six year contract with 2.5 percent annual raises. Union members agreed to cuts in their pension plan and new hires will get a 401(k) plan instead of coverage in the pension plan.

**National Day of Action targets Rite Aid stores**

Five hundred Rite Aid workers at the company's distribution center in Lancaster, California, voted to unionize under the ILWU four years ago and have been struggling for the last two years to negotiate a first union contract with the company. Management has resisted the union and wants to increase the workers' share of health care costs.

Rite Aid Corporation operates about 4,800 drugstores in the United States and about 26 percent of their workers are unionized. The company has been losing money and is seeking deep cuts from its unionized employees. In New York, Rite Aid laid off 400 Teamsters union members when it closed their Rome, New York, distribution center and moved to a non-union facility near Syracuse, New York. or closing and moving stores.

To show their support of the Rite Aid workers, the ILWU joined a nationwide network of union and community support groups for a "National Day of Action" on Wednesday, December 15, 2010, at dozens of Rite Aid stores across the country.

Actions organized by the ILWU took place in San Pedro and Wilmington in Southern California; in Oakland in Northern California; in Portland, Oregon; in Seattle, Washington; and in Bellingham, Washington.

The United Food and Commercial Workers held actions at Rite Aid stores in Ohio and Pennsylvania. Jobs with Justice, the United Students Against Sweatshops, and the

Teamsters also held actions at Rite Aid stores.

Largest drugstore chains

Rite Aid is the third largest pharmacy chain in the United States with 4,800 stores and 97,500 employees. In fiscal year ending Feb. 27, 2010, which includes 10 months of 2009, the company lost \$479.9 million on revenues of \$25.7 billion. It lost \$2.6 billion in 2009 from revenues of \$26.3 billion, which include 10 months of 2008.

While Rite Aid has been losing money, the largest and second largest drugstore chains, Walgreen and CVS, have been making profits of \$2-\$3 billion a year or an average of around 3.5 percent over the past five years.

Walgreen is the largest pharmacy chain in the US with over 8,000 facilities including 7,562 retail stores, 244,000 employees of whom 67,000 worked less than 30 hours a week. The company had revenues of \$67.4 billion 2010 and has been seeing net earnings of about \$2 billion for the last four years.

CVS Caremark Corporation is the second largest drugstore chain with 7,000 stores and over 211,000 employees, which includes 84,000 part-timers working less than 30 hours a week. In 2008, CVS acquired the California based Longs Drugs chain which operated 460 stores on the West Coast and 40 stores in Hawaii. CVS revenues in 2009 were \$98.7 billion with a profit of \$3.7 billion.

**ILWU members visit lawmakers in the Hawaii State Legislature**

Oahu Division visits Representative Jessica Wooley (Dist. 47) on the opening day of the State Legislature. (L-r) Sam Ramirez (4305 - Dole Plantation), Eddie Sekigawa (Unit 4409 - Island Movers), Wooley, and Wilfred Chang (Unit 4421 - Waialeale Country Club).

**East Coast dockers call for boycott of Del Monte Fresh**

Philadelphia members of Local 1291 of the International Longshoremen's Association are asking American consumers to boycott Del Monte Fresh Fruit products, such as pineapple and bananas.

For the past 22 years, Del Monte used longshore members of Local 1291 to unload tons of foreign grown banana and pineapple for sale in US supermarkets. When Del Monte told the union it needed to reduce costs, union members agreed to cut \$5 million in pay and benefits. Despite the reductions, Del Monte moved its operations to a nonunion pier run by Holt Logistics, which would cost the ILA 200-300 jobs.

The local has reached out around the globe to the International Dockworkers Council, the West Coast Longshore Workers (ILWU), and the International Transport Workers Federation. Members are demanding that Del Monte unload its ships using ILA labor that earns decent wages and benefits. ILWU President Robert McEllrath pledged the full support of the ILWU and the Longshore Division.

On Labor Day, September 6, 2010, several hundred union members and

supporters dumped pineapple into the Delaware River. Philadelphia Bay in a re-play of the Boston Tea Party of 1773 when colonial Americans dumped British tea into Boston Harbor to protest the tax on tea passed by the British Parliament. The colonists objected to the fact that they were being taxed by a government in which they had no elected representatives.

ILA Local president Boise Butler said the local will keep pushing, because the blow dealt by Del Monte's to union members would strike at all dockworkers, not just those in Philadelphia.

The present management of Del Monte Fresh has shown its disregard for local communities when it took Hawaiian pineapple technology to stock its plantations in Costa Rica, Brazil, and Africa, then closed its Hawaii operations and cut the jobs of over 550 ILWU members two years ahead of schedule in January 2007. Instead of harvesting the growing pineapple crop worth as much as \$23 million, the company destroyed the fruit by plowing the plants into the ground.

TOURISM AND THE ECONOMY

# Strong tourism recovery lifts Hawaii's economy

Data collected by the University of Hawaii Economic Research Organization (UHRO) shows a surprisingly strong recovery in tourism which is lifting other sectors of the Hawaii economy.

There were strong increases in arrivals and spending of both international and domestic visitors.

Oahu enjoyed the biggest increases, but Maui also saw significant growth in arrivals. This data does not include the 4th quarter of 2010.

State general revenue funds are expected to increase by 12 percent for fiscal year 2011-2012. Some of this is due to increased economic activity and some is due to higher tax rates to the transient accommodation tax and higher employer contributions to the unemployment fund.

While personal income increased by a slight 1.5 percent, it was offset by inflated costs of 2.5 percent, which meant real income based on buying power declined by 1 percent.

Real income is expected to climb back into positive growth of 2.3 percent and higher as the tourism sector continues to improve throughout 2011 and 2012.

The chart below shows UHRO forecasts to 2013. Data for the 4th quarter of 2010 and later years are estimated forecasts.

	2008	2009	2010	2011	2012	2013
<b>Visitor Arrivals</b>	<b>-10.5</b>	<b>-4.4</b>	<b>8.2</b>	<b>3.8</b>	<b>1.6</b>	<b>1.9</b>
U.S. Visitor Arrivals	-13.5	-3.9	6.4	3.7	1.2	1.6
Japan Visitor Arrivals	-9.4	-0.6	4.3	2.0	1.5	1.1
Other Visitor Arrivals	3.0	-10.5	20.6	6.1	3.3	4.0
<b>Payroll Jobs</b>	<b>-0.9</b>	<b>-4.4</b>	<b>-0.5</b>	<b>1.3</b>	<b>1.8</b>	<b>1.8</b>
Employment	-0.5	-4.1	-0.1	1.4	1.8	1.8
Unemployment Rate (%)	4.1	6.8	6.5	5.9	5.3	4.9
<b>Inflation Rate, Hon. MSA (%)</b>	<b>4.3</b>	<b>0.5</b>	<b>1.7</b>	<b>1.4</b>	<b>2.9</b>	<b>2.8</b>
Real Personal Income	-0.3	-0.7	0.3	2.3	2.4	2.6
Real GDP	-1.5	-0.1	1.1	2.7	3.4	3.8

Note: Source is UHRO. Figures for 2010-2013 are forecasts.

	Hotel Occupancy Rate				
	2006	2007	2008	2009	2010*
<b>Statewide</b>	<b>79.6</b>	<b>75.0</b>	<b>70.5</b>	<b>65.0</b>	<b>71.2</b>
Honolulu County	82.8	76.9	75.0	72.5	78.4
Hawaii County	71.1	67.5	59.9	53.6	56.5
Maui County	79.9	75.5	68.0	59.3	69.0
Kauai County	74.8	75.8	70.2	57.5	60.9
	Average Daily Room Rate				
	2006	2007	2008	2009	2010*
<b>Statewide</b>	<b>\$186</b>	<b>\$200</b>	<b>\$201</b>	<b>\$177</b>	<b>\$173</b>
Honolulu County	\$157	\$168	\$169	\$150	\$147
Hawaii County	\$191	\$202	\$201	\$185	\$181
Maui County	\$244	\$261	\$269	\$235	\$224
Kauai County	\$189	\$207	\$206	\$188	\$184
	Room Revenue Per Available Room				
	2006	2007	2008	2009	2010*
<b>Statewide</b>	<b>\$149</b>	<b>\$150</b>	<b>\$142</b>	<b>\$115</b>	<b>\$123</b>
Honolulu County	\$130	\$129	\$127	\$109	\$116
Hawaii County	\$136	\$137	\$122	\$99	\$103
Maui County	\$196	\$198	\$184	\$140	\$155
Kauai County	\$142	\$157	\$145	\$108	\$112

\*2010 is up to third quarter (January to September)

## Occupancy rates up

Maui was the biggest winner in the tourism recovery in 2010. Room rates were lower in every county, but the increase in occupancy made up for the lower rates.

Maui had the biggest jump in occupancy of 16.3 percent and the highest increase in revenues per available room of 10.5 percent. Honolulu had a 8.2 percent increase in occupancy and a 6.3 percent increase in revenues per available room. Hawaii and Kauai counties had similar increases in occupancy of around 5 percent and an increase in revenues per available room of a little over 3 percent.

Hotels are showing good forecasts for 2011, with many large groups scheduled to vacation in Hawaii.

## Workers, consumers win service charge lawsuits

In December 2010, State Circuit judge Gary Chang ordered the Kahala Hotel & Resort in Honolulu to pay over \$800,000 in punitive damages to tipped employees and customers over violations of a Hawaii state law requiring disclosure if management takes any portion of the service charge intended for tipping employees.

The hotel had argued it did not break the law because its managerial staff were also employees. This argument was rejected by the jury. The jury found that the hotel failed to pay \$269,114 in service fees to its employees in violation of the state law. The Hawaii law allows for triple damages which comes out to \$80,342. The Kahala Hotel is appealing the judgement.

Similar lawsuits have been filed against the Hilton Hawaiian Village Beach Resort & Spa, HTH Corporation which owns the Pacific Beach Hotel and owned the Pagoda Hotel & Restaurant, the Grand Wailea Resort on Maui, the Four Seasons Resort, and the Fairmont Orchid on the Big Island.

Restaurants are also being sued. An employee of the clubhouse at the

Kapolei Golf Course on Oahu has sued management for taking part of the 15 percent service charge of 1,600 to 2,200 banquets held at the golf course's clubhouse from March 2000 to December 2009.

Earlier in July 2010, the Turtle Bay Resort settled before their case went to trial. The hotel agreed to pay \$526,000 to 130 tipped employees who worked for the hotel from January 2005 to January 2009. The Resort will also pay all court and attorney fees of \$150,000. The payment to employees was based on the number of hours the employees worked during this period. The former owners of the Maui Prince Hotel have also agreed to pay a cash settlement to their employees.

Perkin and Faria is the lawfirm handling these lawsuits. The firm expects other hotels and restaurants will be sued as more employees become aware of the lawsuits.

A Hawaii law passed in 2000 (HRS §481B-14) requires any hotel or restaurant that applies a service charge for the sale of food or beverage services to distribute the service charge directly to its employees as tip income or clearly disclose to the

**This is an example of a proper disclosure now printed on restaurant menus.**

All Menu prices including Alcoholic Beverages are subject to a seventeen percent (17%) Service Charge & Applicable Taxes. The entire Service Charge is distributed to Hotel employees as follows: [1] Eighty-two percent (82%) of the Service Charge is distributed to service employees; and [2] Eighteen percent (18%) of the Service Charge is distributed to managerial employees involved in providing the banquet service.

purchaser of the services that the service charge is being used to pay for costs or expenses other than wages and tips of employees.

The Hawaii law sought to protect consumers by preventing deceptive practices and unfair competition. It common for many restaurants to automatically add a service charge of 15-18 percent to a group of 6 or more people. Hotels also add a service charge to food and beverage functions. Customers assume that all of this service charge is given to employees as tips. If management keeps some of the service charge, then the Hawaii law requires the hotel to inform their customers.

Hotels and restaurants can avoid getting into trouble by simply printing a notice on their menus that a portion of the service charge goes to management.

**What do you think housekeepers around the world earn?**

To find out, see page 7.



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## SUGAR INDUSTRY NEWS

## HC&S members beat production goals, earn bonus

In 2008, world refined sugar prices averaged slightly less than 16 cents a pound. In 2009, prices began a steady climb and ended at nearly 30 cents a pound in December 2009. In 2010, world refined sugar prices dipped to 21 cents but by the end of the year prices hit a thirty-year high of 34.78 cents a pound.

The last time sugar prices were this high was in 1980 when sugar hit 42.3 cents a pound and in 1974 when it hit 57 cents a pound. The high prices have been great news for Maui's Hawaiian Sugar & Commercial Company (HC&S) which will get top dollar for a harvest of close to 172,000 tons. This is 45,000 tons more sugar than the company produced in 2010, and almost 7 percent higher than the company's production target of 161,000 tons.

The 2010 financial figures have not yet been published, but by the third quarter of 2010, HC&S reported almost \$30 million more in

sugar revenues than the same period in 2009. HC&S will make a profit instead of losing over \$27 million and ILWU sugar workers will get a 6-month bonus of one percent and a wage increase for exceeding production goals by almost 7 percent.

Hard work by a skilled workforce, good weather, and a return to proper cultivation methods helped the company produce more sugar from nearly every field. In contract negotiations ratified on March 12, 2010, HC&S members and the company agreed to a performance based wage increase which will give all union workers a one percent wage increase

and a retroactive bonus of one percent of their earnings from August 1, 2010 to January 31, 2011.

The 172,000 tons was more than 169,050 tons, or 5 percent over the target goal of 161,000 tons. Had sugar production hit 177,100 tons, or

10 percent over the target, the wage increase and bonus would have been two percent.

The ILWU and HC&S will be negotiating a new collective bargaining agreement which expires January 31, 2011.

Year	World Refined	U.S. Raw	World Raw
2000	9.97	19.09	8.51
2001	11.29	21.11	9.12
2002	10.35	20.87	7.88
2003	9.74	21.42	7.51
2004	10.87	20.46	8.61
2005	13.19	21.28	11.35
2006	19.01	22.14	15.50
2007	14.00	20.99	11.60
2008	15.96	21.30	13.84
2009	22.13	24.93	18.72
2010	27.78	35.97	27.03

## HC&S partners with feds to develop commercial biofuel

HC&S partners with feds to develop commercial biofuel. Hawaiian Commercial & Sugar Company (HC&S) will receive as much as \$4 million a year for the next five years under two federal grants aimed at perfecting the large-scale production of ethanol from plants. One of the grants is from the U.S. Department of Energy and the other grant is from the Office of Navy Research.

Most of the ethanol produced in the United States is now made by grinding corn kernels, cooking and fermenting the kernels to produce sugar, and then fermenting the sugar into ethanol. A similar process is used to produce ethanol from sugar cane. Corn-based ethanol produces

about 25 percent more energy than it takes to grow the corn.

The United States is the world's largest producer of corn-based ethanol, making about 40 percent of the world's supply of 18.9 billion gallons in 2010. However, some 5.1 billion bushels or 40 percent of the US corn crop is used to make this ethanol, which has pushed corn prices higher and in turn raised food prices, as many animals are fed on corn.

The Dept. of Energy is looking at finding a better plant source than corn and a better technology to produce ethanol. The research will be coordinated by the University of Hawaii College of Tropical Agriculture. Test plots on HC&S land are already planted with sweet sorghum, which is a close relative of sugar cane. Sorghum has the advantage of requiring less water, less nitrogen fertilizer than crops such as corn, and produces 20 to 50 tons of stems and leaves per acre. As much as

—continued on page 7



HC&S is planting sweet sorghum to find the ideal source of plant material to make ethanol to mix with gasoline. (L-r) Edison Bacay, Artemeio Bacay, and Teodoro Bonilla flush out drip tubing in test sorghum field. Insert is a close-up of a sorghum plant.

Photo by Michael Ross

## Global conditions lead to record high sugar prices

In September 2008, Kauai's Gay & Robinson (G&R) Sugar Company announced it would leave the sugar business when the planted crop matures and is harvested. The company stopped planting fields and laid off the planting gangs. As the maturing sugar fields are harvested, more workers would be laid. The final harvest was expected to take place in 2010, but the company decided to harvest all its cane in October 2009 to take advantage of the high sugar prices of 23 cents a pound.

In 2008, US sugar growers were

getting 18 cents a pound for raw sugar under the US Department of Agriculture price support program. World raw sugar prices were around 12 cents a pound, but the US kept its sugar prices above 18 cents by limiting imports. At 18 cents a pound, G&R was losing money after paying increased costs for fuel and fertilizer.

In 2009, sugar prices were expected to remain low. After January 1, 2008, the full implementation of the free trade agreement with Mexico eliminated all duty on Mexican sugar. Mexico was expected to

sell most of its home grown sugar in the US at the 18 cent price support rate while importing cheaper sugar from the world market for internal consumption in Mexico. This didn't happen.

Instead, world raw sugar prices began a steady increase throughout 2009 until it hit 24.90 cents in December. Mexico cut back its exports to the US—it was cheaper for Mexico to consume their own sugar instead of selling it to the US.

World prices continued to increase in 2010 and hit 31.09 cents in De-

cember. This pushed the average US raw sugar price in 2010 to 36 cents a pound.

### Prices will go up

It appears that sugar prices will continue to climb throughout 2011 and 2012, as bad weather reduces the exports of the largest sugar producers and increased wealth leads to more sugar consumed by people in China, India and other developing countries.

—continued on page 7



## SHIPPING INDUSTRY NEWS

# A&B see huge growth in China trade

**Alexander & Baldwin (CIK: 000003453) is the parent company of Matson Navigation and Hawaiian Commercial & Sugar Company (HC&S). The company's 2010 Third Quarter Report to the US Security and Exchange Commission showed a slight decline in container volume to Hawaii but a huge increase in shipping to China.**

Transportation profits for Matson jumped from \$24.2 million to \$40.4 million from January through September 2010 when compared to the same period in 2009. This jump

with 33,100 containers for the same three quarters in 2009. Matson operates two routes to and from China with five leased foreign-flagged ships of 3500 TEU.

of \$16.2 million in profit was mainly due to a 33.5 percent increase in containers moved between Long Beach, California and the Chinese ports of Hong Kong, Shenzhen, and Shanghai. Matson's China trade grew to 44,200 containers for the three quarters of 2010 compared

Container volume to and from Hawaii was down by 2,300 containers, or a drop of 2.3 percent, and automobiles delivered declined by 800 vehicles, or 1.3 percent. Shipments to Guam increased by 800 containers or 6.7 percent, due to military shipments.



Hundreds of ships line up in the waters of the Singapore Straits waiting for its turn in the Port of Singapore. The Port handles an average of 348 vessels a day. In 2010, the Port handled a total of 127,299 vessels of various types. This was a decline of 3.4 percent from the peak of 131,695 vessels handled in 2008.

## Ranking the wealth of nations

A 2010 report by the International Monetary Fund ranks countries by wealth based on calculating the money it would take to have a similar standard of living. The dollar amount shown below is the country's Gross Domestic Product per person based on the purchasing power parity of their currency.

This shows the total wealth produced by the country and is not the

same as personal income. In most of these countries, this wealth is held by a small group of very rich people, while the average worker earns a small fraction of this wealth.

The United States is shown as the 6th wealthiest country. Within the U.S. there's a wide range of wealth—Hawaii ranks #11 and Kentucky, South Carolina, Idaho, Utah and Mississippi rank among the lowest.

	Per cap+	Pop*		Per cap	Pop*
1. Qatar	\$88,232	1.7	20. UK	\$35,053	62.0
2. Luxembourg	\$80,304	0.5	23. France	\$34,092	65.8
3. Singapore	\$57,238	5.0	24. Japan	\$33,828	127.4
4. Norway	\$52,238	4.9	25. South Korea	\$29,791	48.9
5. Brunei	\$47,200	0.4	51. Russia	\$15,807	141.9
6. United States	\$47,123	308.7	58. Malayasia	\$14,603	28.2
- Hong Kong	\$45,277	7.0	61. Mexico	\$14,266	112.3
7. Switzerland	\$41,765	7.8	89. Thailand	\$8,643	63.5
8. Netherlands	\$40,777	16.6	93. China	\$7,518	1,338.6
9. Australia	\$39,692	22.5	124. Philippines	\$3,725	91.9
10. Austria	\$39,454	8.4	127. India	\$3,290	1,191.4
11. Canada	\$39,033	34.7	128. Vietnam	\$3,123	89.6
19. Germany	\$35,930	81.8			

+ Per capita Gross Domestic Product by parity buying power

\* Population



Shanghai, China, is the world's busiest port, handling 29.05 million 20-foot equivalent (TEU) containers. The Yangshan Deep-Water Port in Shanghai (above) was built in 2005. It can handle container ships of up to 8,500 TEU. Photo by Reb42 under a free public license from Creative Commons.



The Port of Singapore is the second busiest container port in the world, handling 28.4 million TEU containers in 2010.



The Skypark of the Marina Bay Sands Hotel in Singapore is shaped like a ship and sits on top of three 57-story towers. At a construction cost of \$5.5 billion, the Marina Bay Sands complex is the world's second most expensive hotel. It includes a 2,560 room hotel, a shopping mall, restaurants, museums, theaters, exhibition halls, and a casino. The complex was built by U.S. gaming giant Las Vegas Sands.

Photo by Mel Chang

Photo by Mel Chang

Photo by Mel Chang



# NEGOTIATING TO SAVE ENERGY

## Using energy wiser saves money and jobs

**During tough economic times, management too often looks only at cutting labor costs to save money. Benefits such as holidays are cut. Wage increases are canceled. Hours are cut or workers are laid off. The savings are small and result in lower morale and lower productivity, as workers are forced to work harder for the same or lower wages.**

Where workers are unionized, a good alternative to cutting labor is to reduce energy costs. The union can and should negotiate how the company can save money and jobs by using energy more efficiently. Many energy saving practices also require the cooperation and support of employees, which is best accomplished through collective bargaining instead of management making rules and changing policies.

The cost savings from using energy wiser and smarter can be considerable.

The United Parcel Service (UPS) saved millions of dollars by using mapping software to design routes for their drivers. The software minimizes the number of left turns, because left turns require drivers to wait until traffic is clear, wasting time and gas. Left turns are also more likely to result in an accident involving another vehicle or pedestrians, according to studies of accident statistics by cities and the American Automobile Association (AAA). In 2006, after two years of starting the program, UPS saved 3 million gallons of gas and shaved 30 million miles off routes, saving time and money.

### Energy Star

The U.S. Environmental Protection Agency and U.S. Department of Energy run a website called Energy Star with information and plans for

reducing energy costs. See [http://www.energystar.gov/index.cfm?c=about.ab\\_index](http://www.energystar.gov/index.cfm?c=about.ab_index).

The Energy Star website provides examples of the money that can be saved by different types of businesses by reducing their energy costs.

Energy Star estimates the hospitality industry spends about \$7.5 billion a year on energy. Reducing energy costs by 10 percent can save \$745 million. A hotel that reduces energy costs by 10 percent is equal to increasing RevPAR by \$2.00 for full-service hotels and \$0.60 for limited service hotels. These are national averages and the savings for Hawaii would be as much as \$8.00 per room sold because of our high electricity costs and higher RevPAR.

Retail companies spend nearly \$20 billion on energy each year. A 10 percent decrease in energy costs has an equivalent impact on operating

income as a 1.26% increase in sales for the average retail store.

Healthcare organizations spend nearly \$8.8 billion on energy each year to meet patient needs. Every dollar a nonprofit healthcare organization saves on energy has the equivalent impact on the operating margin as increasing revenues by \$20 for hospitals or \$10 for medical offices.

### Real examples

The Energy Star website has examples of how companies saved money by reducing energy costs. HEI Hotels and Resorts saved 23.7 million kWh over a three year period from 2005 to 2008. Based on Hawaii's \$0.40 per kilowatt, this is savings of \$3.17 million a year. Their biggest savings came from replacing 100,000 fixtures with high efficiency T-8 fluorescent lamps and CFLs (\$1 million a year) and installing heating and air-conditioning controls in each guest room (\$800,000 a year). The cost of these systems were recovered within 3 years, after which the savings goes straight to the bottom line in lower operating costs.

One HEI property, the Crowne Plaza Riverwalk in San Antonio, Texas, highlights the significant financial and environmental benefits that can be achieved through smart energy

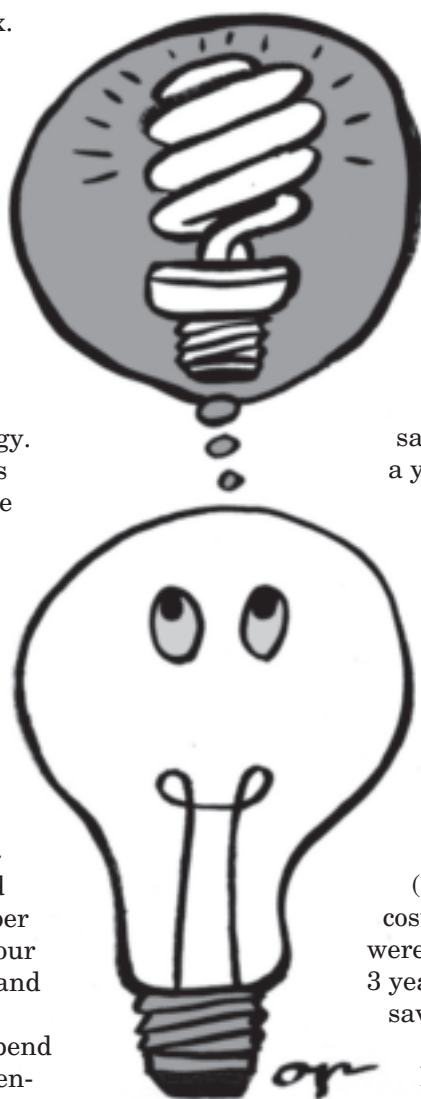
changes. With 21 floors, 410 guest rooms, and extensive meeting space, this four-diamond full-service hotel started an energy saving program in 2006. They started with the easiest and least expensive steps—they cleaned heating and air-conditioning coils, installed high efficiency lighting and programmable thermostats in guest rooms, and used variable frequency drives on large motors.

The Crowne Plaza Riverwalk successfully reduced its electricity consumption by 26 percent within a two-year period, and reduced natural gas consumption by 13 percent within four years. This translates into over 2.5 million kWh or \$500,000 a year. Workers were trained to create a culture of energy awareness and monthly prizes were given to employees who submitted the best energy saving idea. [see [http://www.energystar.gov/index.cfm?c=hospitality.bus\\_hospitality](http://www.energystar.gov/index.cfm?c=hospitality.bus_hospitality)]

### Family savings

Your family can also save money by using energy more efficiently and wisely. The Energy Star website has a section on how you can make simple changes in your home to save money by reducing your electric bills. The Hawaii State Department of Business, Economic Development and Tourism has some guides on saving money on cooling your home. See their brochure on Comfortable Homes in Hawaii and Hawaii's Homeowner's Guide to Energy, Comfort and Value at <http://hawaii.gov/dbedt/info/energy/efficiency>.

The Hawaiian Electric Company estimates the typical utility bill in Honolulu is about \$90 per month and higher on the Neighbor Islands. The cost jumps up to more than \$200 per month for air conditioned homes. Insulating the roof, venting hot air from the attic, and using ceiling fans are alternatives to air-conditioning which can save \$30 to \$50 per month.



## Hope for Kauai ethanol

Pacific West Energy is moving forward with its plans to build a biofuel ethanol plant on Kauai. The company purchased the former Kekaha Mill and has begun removing asbestos and cleaning up the site. Pacific West hopes to complete a 20-megawatt biofuel plant in 2012 and sell electricity to Kauai Island Utility Cooperative.

Pacific West and Gay & Robinson (G&R) were going to form a partnership to produce energy, but this fell through when G&R phased out of sugar in 2009 and leased its lands to Dow Agrosiences and Pioneer Hi-Bred to grow seed corn.

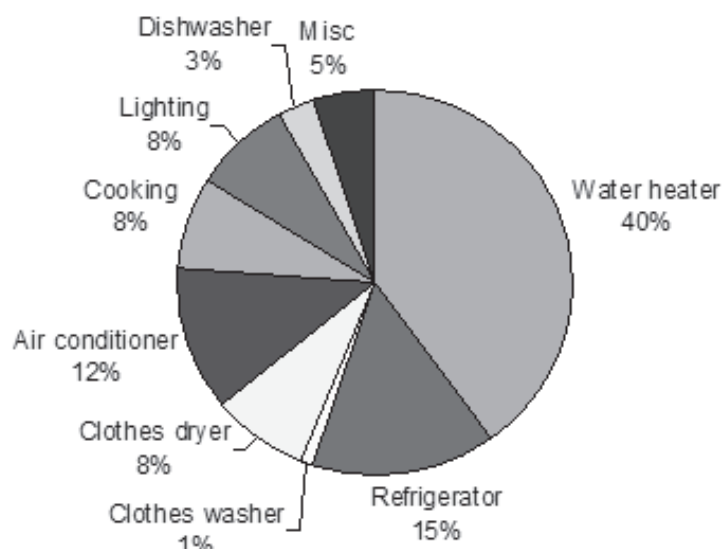
In 2006, Hawaii required gasoline sold in the state to be a blend of at least 10 percent ethanol and offered tax incentives for the construction of ethanol plants. The state must import over 500 million gallons of gasoline a year and the 10 percent

ethanol would be about 50 million gallons. The idea was to encourage local companies to use sugar cane or other plant material to produce ethanol. This is a common practice in Brazil where sugar mills can produce sugar or ethanol as needed.

Hawaii was paying a wholesale price of \$2.00 - \$3.00 a gallon for gasoline and if 50 million gallons of ethanol could be produced locally, it would keep \$100 million in the Hawaii economy and create hundreds of jobs.

A number of companies began exploring ethanol production, but after ethanol hit a record high of \$4.23 a gallon in June 2006, prices fell to a low of \$1.40 a gallon in 2008. Ethanol producers need a price of about \$2.00 a gallon to make money. In 2010, ethanol prices are now running about \$2.20 a gallon.

The pie chart below shows typical electrical energy use of a family of four.





## DICTIONARY of alternate energy words

**GREENHOUSE GASES** such as carbon dioxide increase global warming by trapping heat in the atmosphere. Global warming is dangerous because it is changing the world's climate, weather patterns, and rises the level of the sea. This can lead to crop failures, collapse of fisheries, and flooding of coastal cities where most of the world's people now live. If the earth becomes too warm, the process can not be stopped which could threaten all life on earth. This has led the United Nations to seek agreements among the world's nations to limit carbon emissions.

**FOSSIL FUELS** such as oil and coal are produced after millions of years of decomposing plant or animal materials. Burning fossil fuels to produce electricity or to power automobiles and trucks is a major source of carbon dioxide, the most serious greenhouse gas. The supply of fossil fuels is limited and now require more expensive and risky methods to retrieve. Oil companies are drilling more deep water wells which can result in environmental disasters such as the massive British Petroleum (BP) oil spill in the Gulf of Mexico.

**RENEWABLE ENERGY** comes from sources that are unlimited such as sunlight, wind, water, ocean tides, and geothermal heat. Solar water heating, solar electricity, wind turbines, hydroelectric dams, and geothermal now generate enough power to meet about 20 percent of the world's energy needs. These are clean energy sources because they produce no carbon dioxide and have almost no negative impact on the environment. Hawaii has the potential to generate most of our energy needs from renewable sources.

**BIOFUEL** is the use of plants to supply energy, primarily by converting plant sugars or fibers into ethanol to mix with gasoline or by converting plant oil or waste cooking oil into diesel fuel. The corn-to-ethanol methods used in the United States produces a very small energy benefit—it takes almost as much energy to cultivate and convert the corn into ethanol as the energy content of the ethanol itself. Some of the better plants for biofuel include sweet sorghum and jatropha seeds to produce oil which can be used as diesel fuel.

# Housekeeper wages around the world

## Have you ever wondered about the wages earned by hotel workers in other countries?

A website at <http://www.worldsalaries.org/> shows you the salaries earned by different occupations in countries around the world.

The comparisons are based on the money it would take to have a similar standard of living. This is called purchasing power parity. There are also comparisons for teachers, doctors, and other occupations.

The data at right is from 2004 or 2005 and are the average hourly wage after deducting taxes and social security. Canadian and Australian housekeepers earn the highest wages. The United States ranks around #6 as these are average wages and most U.S. hotels are not unionized. Unionized housekeepers would earn much more. The lower paid are a few selected countries and show some of the rankings between 11 and 28.

### Housekeeper Wages (2004-2005)

Highest paid	Net hourly wage
1. Canada.....	\$10.37
2. Australia.....	\$10.01
3. Norway .....	\$8.79
4. Finland.....	\$7.90
5. Hong Kong.....	\$7.75
6. United States .....	\$7.60
7. United Kingdom .....	\$7.47

Lower paid	Net hourly wage
11. Taiwan .....	\$5.37
12. Korea.....	\$5.23
14. Philippines .....	\$3.42
21. Russia.....	\$2.34
24. Mexico .....	\$1.88
25. Thailand.....	\$1.77
28. Kuwait.....	\$1.43



## New Oahu Business Agent

Dillon Hullinger, Chairperson of Unit 4405 - Foodland Super Market Ltd. on Oahu and Local Executive Board member, was appointed to temporarily fill the vacancy created when Larry Ruiz resigned as an Oahu Business Agent as of December 31, 2010. Dillon was been an ILWU Local 142 member for over 20 years.

**The next ILWU Local 142 Executive Board (LEB) meeting is scheduled for Friday, March 25, 2011, in Honolulu at the ILWU Union Hall at 451 Atkinson Drive. The meeting starts at 9:00 a.m. ILWU members are welcome to attend as observers.**

## HC&S biofuel partnership—continued from page 4

2,000 gallons of ethanol can be made from one acre of sorghum.

One promising technology is producing ethanol from the cellulose which makes up most of any plants. Cellulosic ethanol is produced by using enzymes and other methods to convert the entire plant into sugar and then fermenting the sugar into ethanol. Cellulosic ethanol can use any fast growing plant, such as sorghum or prairie grass, and has the potential of producing ethanol far cheaper than using corn. Studies indicate that many cellulose plants

could be grown on marginal land, require less water and fertilizer, and could produce as much as five times more energy as ethanol than it takes to grow and process the plants.

The money from the Navy grant will focus on making cellulosic ethanol production more efficient and cost-competitive with corn-based ethanol and to build large-scale capacity which can produce millions of gallons of ethanol. The Navy hopes to reduce its reliance on petroleum-based fossil fuels, much of which is imported, by using locally produced

biofuel (fuel produced from plants) for half of its shore-side energy needs by 2020.

HC&S is an ideal place to test plants for their potential as biofuel, as the warm climate in Hawaii allows two or more crops to be grown in one year, there is plenty of land, there is a mill that can process the ethanol, and there is already a skilled workforce to cultivate the plants. HC&S workers also have the experience and know-how in trimming costs and squeezing the highest efficiency out of their sugar making.

## Record high sugar prices—continued from page 4

The world's largest sugar exporter is Brazil. Heavy rains are expected to reduce the 2011 Brazilian crop, and the country uses more than half of their sugar to produce ethanol to fuel their automobiles which can burn either blended gasoline or pure ethanol. When oil prices are high, more Brazilian sugar goes to produce ethanol and less sugar is sold on the world market.

India is the second largest exporter of sugar but is also a large consumer

of sugar. Several years of poor harvests have forced the country to limit exports, and the country's sugar stockpiles are four million tons short of its preferred reserve of ten million tons.

The third largest exporter of sugar, Australia, is expected to lose over 20 percent and more of its sugar production in 2011 because it's sugar crop was badly damaged by heavy rain and floods in December and January.

Damage to the cane plants and fields of the main sugar producing area in Queensland may reduce Australian sugar exports for the next two to three years.

The world demand for sugar is growing faster than the supply of sugar, which is driving the price of sugar to historic highs. Had G&R waited until 2010 to bring in their last harvest, they might still be in the sugar business.

**Health & Welfare - HMA Office 866-377-3977 • Akamai Line 866-331-5913  
Catalyst RX 888-869-4600 • Kaiser 800-966-5955**

## NLRB requires posting notice to inform workers of their rights

**On January 30, 2009, just nine days after his inauguration, President Barack Obama issued Executive Order 13496 which requires companies with federal contracts to inform employees of their right to organize and join unions. It also revoked Executive Order 13201 made by George W. Bush, which required federal contractors to inform unionized workers of their right to object to paying full union dues.**

On February 17, 2001, four weeks after taking office as President, George W. Bush issued four anti-union executive orders. One of those orders, Executive Order number 13201, required government contractors to post a notice which highlighted only one provision of the National Labor Relations Act—that provision known as “Beck,” which dealt with how workers covered by a union contract may object to paying full union dues by becoming a nonmember. As a nonmember, those workers could only be required to pay that portion of union dues related to collective bargaining, contract administration, or grievance handling. The Bush Administration order affected a very small number of workers, and there was no requirement to inform the much larger number of unorganized workers of their rights to organize and join unions.

Obama’s Executive Order only applied to employers with federal contracts. However, in December 2010, the National Labor Relations

Board (NLRB) proposed extending this requirement to post a notice of workers right to all employers. The notice would include information on how to contract the National Labor Relations Act to allow employees to learn more about their rights and how to enforce these rights. The notice would be posted or emailed to employees. Where a significant number of employees are not proficient in English, the employer must provide the notice in the language the employees speak.

In making this rule, the NLRB reasoned that most workers do not exercise their rights because they do not know they have these rights. The NLRB pointed to an article by Peter D. DeChiara:

“American workers are largely ignorant of their rights under the NLRA, and this ignorance stands as an obstacle to the effective exercise of such rights. For example, during union organizing campaigns, employees’ ignorance of the law hinders their ability to assess employer anti-union propaganda, thus

diluting their right to organize. In the non-union setting, employees’ ignorance leads to the underutilization of legitimate workplace protests, of the voicing of group grievances, and of requests for outside help from government agencies or other third parties. In sum, lack of notice of their rights disempowers employees.” [Source: Peter D. DeChiara, “The Right to Know: An Argument for Informing Employees of Their Rights under the National Labor Relations Act,” 32 Harv. J. on Legis. 431, 433-434 (1995).]

The NLRB suggested four reasons why workers lack knowledge of their rights: 1) Over 90 percent of private sector employees are not represented by unions, and thus lack an important source of information about labor rights; 2) Immigrants, who comprise an increasing proportion of the nation’s work force, are unlikely to be familiar with their workplace rights; 3) high school students about to enter the labor force are not taught labor law and are uninformed about their rights; and 4) no one is required to inform them of those rights.

Many federal and state laws require employers to post notices informing workers of their rights. There are posters about the minimum wage, workers compensation, illegal discrimination, safety and health, and other laws. Yet there are no requirements to post information about the right to organize unions

under the National Labor Relations Act.

### Content of notice

The notice contains: 1) detailed description of employee rights based on court descriptions implementing those rights; 2) examples of conduct that violates the law; 3) a clear statement that unlawful conduct will not be permitted; and 4) information about how to contact the NLRB and that the NLRB will prosecute violators of the law.

Following is the language contained in the NLRB notice about enforcing the law:

“Illegal conduct will not be permitted. If you believe your rights or the rights of others have been violated, you should contact the NLRB promptly to protect your rights, generally within six months of the unlawful activity. You may inquire about possible violations without your employer or anyone else being informed of the inquiry. Charges may be filed by any person and need not be filed by the employee directly affected by the violation. The NLRB may order an employer to rehire a worker fired in violation of the law and to pay lost wages and benefits, and may order an employer or union to cease violating the law. Employees should seek assistance from the nearest regional NLRB office, which can be found on the Agency’s website: [www.nlr.gov](http://www.nlr.gov). You can also contact the NLRB by calling toll-free: 1-866-667-6572.”

## Jack Hall: His life and times

When Jack Hall won election as one of two vice presidents of the International Longshore & Warehouse Union (ILWU) in mid-1969, he left Hawaii after 25 years of regional directorship of the Hawaii ILWU Locals, beginning with his first appointment in 1944.

Hall left a legacy that changed Hawaii from a semi-feudal agricultural economy to a sometimes vibrant, sometimes non-vibrant economy of tourism and diversified agriculture. Faced with the challenges of a changing economy and politics brought by statehood, Hawaii was now a multi-cultural ethnic society which had evolved from the early days of the Masters & Servants Act in the mid-19th century.

Hall’s legacy was galvanized and built from his experiences in organizing two plantations (one sugar, one pineapple) on Kauai; the formation of the Kauai Progressive League, involving working people in political activities; his association with the Voice of Labor, a newspaper directed to the interests of working people; knowledge of labor laws gained in his stint in the Territory’s Labor Department; recognition of the deprivations of workers by longshoremen and independent organizers under the burden of martial law imposed on Hawaii during World War II; the recognition that Hawaii’s residents needed to repeal or to enact legislation that affected their lives; the imperative of workers to participate in cultural activities, such as supporting the Honolulu Symphony Orchestra; the protection of the environment, through

“Rice and Roses” was a television series produced by the University of Hawaii’s Center for Labor Education and Research (CLEAR). In 2008, “Rice and Roses” produced a 60 minute documentary video on Jack Hall and the role he played in organizing the ILWU and the early labor movement in Hawaii. You can borrow or buy the video from the Center (CLEAR), which is now part of the University of Hawaii - West Oahu Campus. Visit their website at <http://clear.uhwo.hawaii.edu/riceroses.html> or call (808) 454-4774.

You can also read the book by Sanford Zalburg, *A Spark is Struck! Jack Hall & The ILWU in Hawaii* which is available for sale from the ILWU at 451 Atkinson Drive, Honolulu, Hawaii 96814 or call (808) 949-4161. The following was written by the late Ah Quon McElrath as the Forward to the book which was reprinted in 2007.

supporting the elimination of billboards; the education of children and members alike through government - and union -sponsored programs; and his identification with the international labor movement.

Hall’s legacy was threefold:

1) The right of workers to belong freely to unions of their own choosing;  
2) The right of workers to engage in political action, including running for elected office and appointment to boards and commissions, as well as the democratic right to register and vote and to participate in activities that affected their economic, political and social lives;

3) The right of workers to control their lives and shape the conditions under which they worked and lived.

Jack Hall left this legacy because

he was brilliant and analytical, and because he read everything with this driving force in his analysis: How can working people take advantage of their strength as members of a group and not as individuals to insure access to equality and justice? As a University of Hawaii sociologist put it, “Hall had the capacity to become a university professor because he had the ability to analyze and appraise facts that affected the direction in which society was moving.”

Jack Hall played a part in the elimination of the death penalty, aided in the restoring of abortion rights to women, instituted the concept of group practice with capitation in health care and prepaid dental care through legislation, provided the impetus for the union to build housing for displaced



workers and the union’s growing retired community, and worked with the legislature for laws which made Hawaii one of the most progressive states in the Union.

Unfortunately, Hall’s lingering illness and subsequent death in January 1971 prevented him from working on the current Hawaiian situation, including the demise of sugar and pineapple, the decreasing numbers in the ILWU, and the question of how the union could continue the role it once played despite the changes in the political economy.

Perhaps a re-reading of *A Spark is Struck! Jack Hall & The ILWU in Hawaii*, originally published in 1979, can provide some of the answers as to where the labor movement will go in the future and how union ideology, policies and structure can direct labor in a changing worldwide economy. This book is a powerful reminder that the legacy of Jack Hall continues to guide today’s labor movement.