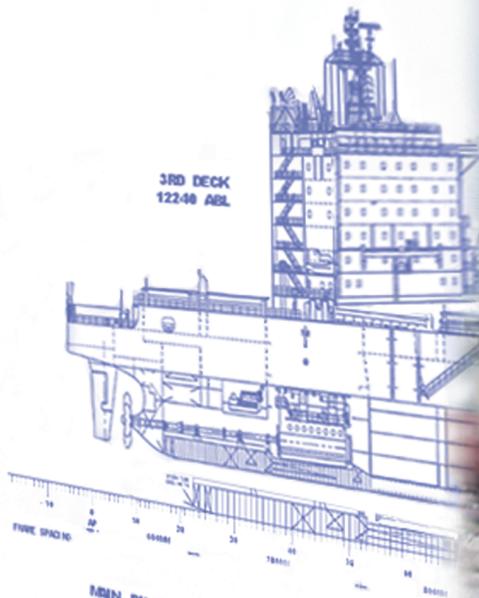


RESOLUTIONS



PLATFORM & INTERMEDIATE DECKS
7200/ 8350/ 10-030 ABL



MIN DIMENSIONS	
LENGTH OVERALL	217.00 m
LENGTH BETWEEN PERP.	200.24 m
BEAM MOLDED	32.20 m
DEPTH TO MAIN DECK	19.40 m
DESIGN DRAFT	11.00 m
SCANTLING DRAFT	12.50 m
AIR DRAFT, DVL	42.85 m



BLUEPRINTS *to Blue Seas*

Maritime Trades Department, AFL-CIO • 2005 Quadrennial Convention
CHICAGO, ILLINOIS • JULY 21-22, 2005

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*(The above resolutions were presented to, reviewed by
& approved by the delegates to the
2005 Maritime Trades Department, AFL-CIO Quadrennial Convention)*

Apollo Project

Four decades ago, then President Kennedy captured the imagination of the American public by launching the Apollo Project to deal with a perceived national security threat involving space exploration. It was, in hindsight, one of the most successful efforts of its kind, leading to the 1969 moon landing.

Today, Americans are facing a more serious threat to our national security—the widening industrial and technology gap between the United States and our competitors as well as the vulnerability of our increasing dependence on foreign oil. Moreover, more than 2.7 million high-skill and high-wage manufacturing jobs have been lost since 2001. Very little is being done to confront these disturbing trends. Yet, a significant public investment in energy innovation and increased efficiency could dramatically reduce dependence on foreign oil, improve the stability of the energy sector, contribute to a cleaner environment and create hundreds of thousands of new jobs.

Recognizing that something needs to be done in these areas, the AFL-CIO has come up with a 10-point plan for the 21st century. Entitled “Apollo Project for Good Jobs and Energy Independence,” the plan would stimulate job creation in a wide variety of sectors, including energy, construction, manufacturing, transportation, government and service. While some of it involves investing more federal monies (i.e.—upgrading infrastructure in the maritime industry and in surface transportation), other suggestions merely entail adopting new or stricter standards.

For example, buildings consume more than a third of U.S. energy; the average home produces more pollution than the average car. K-12 schools spend over \$6 billion on energy each year. New investments and tax incentives in these areas could have a tremendous impact on easing America’s energy dependence and in creating tens of thousands of new construction jobs. Just consider that for every \$1 billion invested into public transportation, more than 45,000 jobs are supported.

Among other things, the AFL-CIO is supporting regional grass roots efforts to advance the following 10 principles:

- Promote Advanced Technology and Hybrid Cars.
- Invest In More Efficient Factories.
- Encourage High Performance Buildings.
- Increase Use of Energy-Efficient Appliances.
- Modernize Electrical Infrastructure (i.e.—by investing in a “smart” electrical grid to meet 21st century energy needs).

- Expand Renewable Energy Development (solar, biomass and wind).
- Improve Transportation Options (i.e.—by investing in effective multimodal networks, including maritime).
- Reinvest in Smart Urban Growth.
- Plan for a Hydrogen Future.
- Strengthen Regulatory Protections.

NOW, THEREFORE, BE IT RESOLVED that the Maritime Trades Department, AFL-CIO, its affiliates and its Port Maritime Councils recognize the serious problems that are being caused by the nation's growing dependence on foreign oil; and

BE IT FURTHER RESOLVED that the MTD, its affiliates and its Port Maritime Councils believe that significant public benefits would accrue if the federal government would begin investing in energy innovation and increased efficiency; and

BE IT FURTHER RESOLVED that the MTD, its affiliates and its Port Maritime Councils believe that certain regulatory changes and tax incentives could help generate hundreds of thousands of good-paying, highly skilled jobs for American workers; and.

BE IT FURTHER RESOLVED that the MTD, its affiliates and its Port Maritime Councils will give their full support to organized labor's efforts to promote the new Apollo Project for Good Jobs and Energy Independence, both on the federal and grass roots levels.

Davis-Bacon

(Submitted by the International Union of Operating Engineers)

The race to the bottom is not just limited to flag-of-convenience shipping or Wal-Mart department stores.

The idea that we can get more for less has injected itself into the battle for construction jobs across the country.

Since 1931, the United States government has issued contracts under the scope of the Davis-Bacon Act. In addition, approximately 70 federal statutes contain Davis-Bacon prevailing wage requirements for federally assisted construction programs. This measure insures a level playing field for all seeking the job because it states that contractors must pay the prevailing wage rate for that particular community.

The Davis-Bacon Act applies equally to union and non-union contractors. It helps insure that jobs are awarded to the most productive, best equipped and best managed workforce, rather than using lowest cost as the sole determining factor.

Those who oppose paying a prevailing wage rate claim they want to save taxpayers some money. Yet, study after study has shown this is not the case.

Davis-Bacon provides a living wage for the men and women who are working to build this country's infrastructure. Thanks to these higher wages, workers have a few extra dollars to spend in local shops and restaurants, thus providing additional tax dollars for their communities. The law also allows for a better-trained workforce, which results in safer working conditions, which means reduced outlays for workers compensation.

In areas where local prevailing wage laws have been repealed, analyses have shown that workers are less inclined to stay in the industry, apprenticeship programs have been cut back or eliminated, and on-the-job injuries and deaths have increased. In some cases, the "completed" job had to be repeated by another contractor to make sure it was performed correctly. Obviously, such operations do not save taxpayers money and may actually increase the overall cost.

Because the Davis-Bacon Act has been a success at the federal level, many state and local jurisdictions have enacted similar measures for their public construction projects. These laws also have benefited their communities.

In this age of more for less, prevailing wage laws clearly have shown federal, state and local governments get what they pay for.

NOW, THEREFORE, BE IT RESOLVED that the Maritime Trades Department, AFL-CIO, its affiliates and its Port Maritime Councils continue to work with our brothers

and sisters to maintain the Davis-Bacon Act at the federal level and similar prevailing wage laws at the state and local levels; and

BE IT FURTHER RESOLVED that the MTD, its affiliates and its Port Maritime Councils work to enact such laws within those communities that do not have them.

Dock Worker Safety

(Submitted by the ILA)

A major calling for all unions is to make sure their members have a safe environment in which to work.

That concern stretches from a secretary sitting in front of computer, to a chief cook fixing dinner over a hot stove, to a truck driver hauling a container cross-country. The emphasis on safety is no less strong for the men and women working on North America's docks.

Earlier this year, the International Longshoremen's Association launched a major safety initiative after members in two different ports lost their lives while performing their jobs.

"One accident is one too many and fatal accidents are a horrible tragedy," noted ILA President John Bowers.

The effort to improve safety at docks across the United States and Canada includes ILA members, port management and government officials from the local, state and federal levels. It will be an ongoing endeavor with committees established to look into accidents and to develop standard operating procedures aimed at reducing mishaps.

NOW, THEREFORE, BE IT RESOLVED that the Maritime Trades Department, AFL-CIO, its affiliates and its Port Maritime Councils continue to do whatever is necessary to make all workplaces safer so members will feel assured that they will return home after putting in a hard day's work; and

BE IT FURTHER RESOLVED that the MTD will work with the ILA in its specific drive to make the dock safer.

Dredging

(Submitted by the International Union of Operating Engineers)

Since its inception, the Maritime Trades Department, AFL-CIO has highlighted the contributions that unionized dredgers make to the economic life of this nation. U.S. ports generate more than a million jobs; they provide American businesses with competitive access to suppliers and markets in an increasingly competitive global economy. Moreover, they enhance U.S. strategic interests by facilitating the transport of troops and supplies overseas.

Like any important asset, U.S. ports must be maintained. In this day and age, that means dredging their channels to ensure that they can accommodate the large, modern vessels that are transforming the face of the international maritime industry. The Department continues to push for a new funding mechanism to replace the Harbor Maintenance Tax that was declared unconstitutional more than a decade ago. And although MTD port maritime councils in places like New York, Los Angeles and Boston have had success in promoting a number of key port modernization projects, many important ones remain blocked.

One case in point involves a proposed deepening and widening of the Delaware River. While some monies already have been allocated, most are being held up. The MTD, its port councils and their affiliates urge the state government of New Jersey, the principal impediment in this matter, to proceed in a timely manner.

Few realize it, but the U.S. dredging industry also plays an important role in the \$26 billion U.S. beach tourism industry. Beaches are in a constant state of flux. Erosion caused by hurricanes, winter storms and other natural processes has brought about vast economic and human tragedy. Periodic nourishment and beach replacement has proven to be the most effective remedy for this.

The four hurricanes that hit Florida and Alabama in 2004 caused a terrible loss of life and severe property damage. Less obviously, they also caused severe, long-term environmental consequences. The MTD would like to see more federal and state monies set aside for individual cases like that and also for preventative long-term replenishment projects. The monies set aside for that in the FY 2006 budget have been cut by more than 15 percent.

The MTD and its port maritime council in New York have been monitoring one PCB reclamation project on the Hudson River near Albany, New York. GE, which, dumped 2.65 million cubic yards of sediment into the river over a three-decade period starting right after World War II, has been fined \$500 million. Even though then EPA Director Christie Todd Whitman approved the start of remedial dredging, the company has been able to hold up the reclamation project through expensive legal and advertising efforts. The communities along the Hudson River deserve better than what they have been getting. It is long past time to begin to clean up this mess.

NOW, THEREFORE, BE IT SO RESOLVED, that the Maritime Trades Department, AFL-CIO, its affiliates and its Port Maritime Councils recognize the irreplaceable contributions that unionized dredgers make to the United States. We urge Congress and the administration to come up with a long-term funding mechanism to replace the Harbor Maintenance Tax and set aside adequate monies in the FY 2006 budget for individual dredging projects; and

BE IT FURTHER RESOLVED, that the MTD, its affiliates and its Port Maritime Councils urge the state government of New Jersey to move forward in a timely manner with a proposed deepening and widening of the Delaware River; and

BE IT FURTHER RESOLVED that the MTD, its affiliates and its Port Maritime Councils also urge that a PCB reclamation project on the Hudson River near Albany, New York not be blocked.

Employee Free Choice Act

The length of time it takes workers struggling to gain a union at the workplace, then fighting to negotiate and ratify their first contract after gaining recognition should not be longer than the average professional football or baseball-player career.

Something is radically wrong when threats, intimidation and stall tactics are used regularly to thwart the will of workers who simply are seeking a better way of life.

In fact, recent polls have shown as many as 42 million workers would be willing to join a union. Most believe the laws and situations are stacked against them to form a union at their workplace.

That is why union members and others across the country are working with Democratic and Republican members of Congress to pass the Employee Free Choice Act.

First offered last year in the 108th Congress, the legislation garnered support from more than 200 members of the House of Representatives and 35 Senators. In a major grass roots effort, Port Maritime Councils around the country urged their elected officials to become sponsors of the legislation.

Because the bill was not passed, the effort has started anew in the 109th Congress.

On April 19, Senators Edward Kennedy (D-MA) and Arlen Specter (R-PA) and Representatives Peter King (R-NY) and George Miller (D-CA) reintroduced the measure for the 109th Congress. Already the number of legislators in both houses signed on to sponsor the act is approaching its 2004 level.

The Employee Free Choice Act has three major provisions:

First, it calls for certification of a union as the bargaining unit if the National Labor Relations Board (NLRB) finds that a majority of employees in an appropriate unit have signed authorizations designating the union to be their representative. Basically, the act would make card-check organizing campaigns the law of the land.

Second, it would put an end to delaying tactics to prevent negotiations for a first contract that have been used by many businesses to the detriment of workers. Instead, the measure would allow either party involved in the talks to reach out to the Federal Mediation and Conciliation Service (FMCS) after 90 days. If the FMCS cannot resolve the dispute within 30 days, it may be referred to arbitration whose results would be binding for two years.

Third, just as the NLRB must seek a federal court injunction against unions whenever there is a reasonable cause to believe that the unions have violated secondary boycott prohibitions, the legislation would call upon the NLRB to do the same if there is

reasonable cause against an employer who has discharged or discriminated against workers or engaged in action that interferes with employee rights to organize or negotiate a first contract. The act also provides for penalties.

NOW, THEREFORE, BE IT RESOLVED that the Maritime Trades Department, AFL-CIO, its affiliates and its Port Maritime Councils continue to call upon elected officials to support and sponsor the Employee Free Choice Act; and

BE IT FURTHER RESOLVED that the MTD join with the rest of the AFL-CIO to find ways of bringing the benefits of the trade union movement to all workers and their families who seek a better way of life.

Grass Roots Action

Open the dictionary to “grass roots” and you will find this definition: “The very foundation or source.”

Grass roots activity always has been the source of organized labor’s strength, the foundation upon which workers can improve their lives. Over the past four years, the Maritime Trades Department, AFL-CIO and its affiliates and Port Maritime Councils have given strong support for the federation’s nationwide grass roots initiatives, which have advocated everything from immigrant workers’ rights to changes in the nation’s labor laws.

In the upcoming months, our Port Maritime Councils and their affiliates will be working together at a local level on a wide variety of issues, including providing affiliates support for organizing drives and strikes, backing community development and taking positions on local initiatives (area living wage standards, port development and workers’ compensation).

The Port Maritime Councils also will continue their decades-long effort to educate the public about the important role that the U.S. and Canadian maritime industry plays in the defense and economic development of these nations, highlighting such issues in the U.S. as the Maritime Security Program, Title XI, the Jones Act, naval construction, port security and cargo preference. They will continue to coordinate their efforts with local chapters from other maritime organizations, including the Navy League of the United States and the Maritime Cabotage Task Force. Moreover, trade union activists associated with individual councils will continue to participate in the “flag-of-convenience” campaign being waged by the International Transport Workers’ Federation, a worldwide association of more than 600 transport unions.

The Department’s network of Port Maritime Councils provides our affiliated unions with an important mechanism to exchange information and pool their resources on a wide range of issues and projects. It also helps promote solidarity, which, along with grass roots action, is the “very foundation or source” of organized labor’s strength and an indispensable component of its revival.

NOW, THEREFORE, BE IT SO RESOLVED that the Maritime Trades Department, AFL-CIO, its affiliates and its Port Maritime Councils, recognizing the importance of grass roots involvement, are urged to coordinate their activities to demonstrate the strongest sign of solidarity in order to enhance organized labor’s success in securing maximum benefit for workers in Canada and the United States.

Health Care

OUCH!!!

What else can be said?!

More and more Americans are losing their health care coverage. The latest figures show nearly 47 million Americans do not have any type of health insurance. And, almost 12 million of those are children.

In addition are the tens of millions more who have become underinsured. Unions fought hard over the decades to provide members and their families a comfortable middle-class living that included quality health care. In today's pro-business society, unions are struggling to hold the line and maintain what they have. Because this is happening to workers covered by collective bargaining agreements, those who do not have union representation face deeper, more staggering cuts – if not complete elimination – in their benefits.

As *The New York Times* columnist Paul Krugman noted last month, businesses tend to follow the lead of the nation's largest employer. In the 1950s, 60s and 70s, General Motors was that lead employer. Through their contracts, GM's union workforce set the standard others followed. Hospitalization, prescription coverage and family leave are just some of the innovations unions fought for and gained to help their members climb to the middle class. Other businesses and workers followed.

However, as Krugman stated, Wal-Mart is the nation's largest employer and it is setting the standard others emulate. Whereas, the union workforce at GM led others up the hill to a better standard of living, anti-union Wal-Mart seems intent on racing back down that hill, discharging any and everything gained by workers in its effort to reach bottom.

Today, unions are finding new ways to combat this slide. In Maryland, the UFCW and SEIU fought for legislation that would require large employers in that state to set aside a certain percentage of their payroll to provide health care coverage. The measure overwhelmingly passed the Maryland Assembly, only to be vetoed by a governor who was welcoming a low-pay Wal-Mart distribution facility the same week a major unionized grocery chain was closing doors on some of its production centers and laying off workers. Other states are considering similar legislation.

Meanwhile, America's seniors are just discovering that the Medicare prescription drug reform passed by the last Congress actually is costing them more out of their pockets than they were led to believe. The measure actually blocked Medicare from using its size to negotiate a lower cost for medicine. It also prevented the agency from importing the same safe medication that American pharmaceutical companies have

exported and sold in Canada and the United Kingdom at a lower cost. Real reform is needed for those who are taking the medicines, not just those who are making them.

The health care crisis also can be seen in hospitals and emergency rooms all across the country. Facilities are understaffed. Doctors and nurses are overworked. This is affecting the quality of health for all involved – from the patient to the caregiver.

The AFL-CIO has issued a set of principles to ensure improved access to affordable, quality health care. The five-point plan includes:

- All Americans deserve quality health care and meaningful access to insurance;
- State-based bulk drug purchasing plans can help lower costs and help the uninsured buy prescriptions;
- Quality measures and assurance controls can improve health care, save lives and lower costs;
- The federal government should develop new incentives and rules to require all employers to pay their fair share of health care coverage; and
- Congress should immediately pass a Patients' Bill of Rights.

NOW, THEREFORE, BE IT RESOLVED that the Maritime Trades Department, AFL-CIO, its affiliates and its Port Maritime Councils continue their long-standing fight to improve the lives of their members and families by working to improve the quality of health care in the United States.

In Memoriam

As we in the Maritime Trades Department, AFL-CIO plot a course for the future, it is important to remember those who helped make us what we are today. Any success that we in the North American maritime industry and labor movement have had in enhancing the rights and job security of workers is due to the contributions of those who came before us.

Over the past four years, we have lost many good friends and co-workers. Among those who we mourn are:

Steve Edney. Former executive board member of the Port Maritime Council of Southern California.

Andrew Gibson. Former U.S. Maritime Administrator who promoted the enactment of the historic Merchant Marine Act of 1970.

Joe Goren. First president of the former San Pedro Port Maritime Council.

Jim Malone. Secretary-treasurer of the Delaware Valley and Vicinity Port Maritime Council.

James Martin. Former president of the Port Maritime Council of Greater New Orleans and Vicinity.

George McCartney. Former secretary-treasurer of the San Francisco Bay and Vicinity Area Port Maritime Council, AFL-CIO.

Ed Pulver. Served on the legislative committee of the Greater New York and Vicinity Port Maritime Council.

Jack Sheinkman. Former president of the Amalgamated Clothing and Textile Workers. He was a recipient of the New York Port Maritime Council's prestigious "Paul Hall Labor Man of the Year" Award.

Manuel "Joe" Sigler. Former secretary-treasurer of the Greater St. Louis Area and Vicinity Port Council.

Waymon "Jack" Stewart. Former vice president of the Maritime Trades Department, AFL-CIO and business manager for Operating Engineers Local 25.

Keith Terpe. Former secretary-treasurer of the Puerto Rico Port Maritime Council.

Glenn Watts. Former President of the Communications Workers of America and MTD executive board member.

William Wynn. Former President of the United Food and Commercial Workers as well as its predecessor, the Retail Clerks International Association and MTD executive board member.

William F. Zenga. Former vice president of the AFL-CIO Maritime Trades Department, AFL-CIO and business manager for Operating Engineers Local 25.

Maritime Security Program

One of the true success stories to emerge from Congress during the last two decades has been the Maritime Security Program (MSP).

Envisioned after the first Persian Gulf War, the proposal enjoyed strong bipartisan support in the House and Senate as it was being crafted by the George H.W. Bush and Bill Clinton administrations.

Passed into law in 1996, the MSP was a 10-year program that provided funding for 47 militarily useful U.S.-flag commercial vessels. Companies taking part in the program agreed to make the selected ships as well as their intermodal facilities available to the U.S. armed forces in times of war or national emergencies.

The value of the MSP was seen in the wake of the September 11 tragedy. Unlike 10 years earlier, the United States did not have to call upon vintage decommissioned ships to supplement its fleet of vessels to deliver materiel to Afghanistan and the Middle East. Instead, a modern, active fleet with well-trained American mariners was ready, willing and available to answer the nation's call. In addition, the military had access to logistics management services, infrastructure, terminals and equipment, communications and cargo tracking networks.

All of this was not lost on the nation's military and political leaders.

"The MSP is a vital element of our military's strategic sealift and global response capability," noted General John W. Handy, commander in chief of the U.S. Transportation Command, in congressional testimony. "MSP is a cost-effective program that assures guaranteed access to required commercial U.S.-flag shipping and U.S. merchant mariners, when needed. The alternative to MSP is, ultimately, reliance on foreign-flag vessels manned by foreign crews during crisis."

In 2002-03, the elements that led to the original MSP legislative proposal – maritime labor, shipyards and operators – came together again to call on Congress to renew the legislation before it expired. The reasoning was U.S.-flag shipping companies could plan ahead and update their fleets with the knowledge that the program would be in place.

As seen before, the MSP had strong bipartisan support in the halls of Congress and the White House. By November of 2003, a 10-year extension of the program was the law of the land. On top of that, the program was expanded to include 60 ships.

So, instead of expiring at the end of September 2005, the MSP will grow and be even stronger. The fleet will include containerships, roll-on/roll-off vessels, lighter aboard ships (LASH), tankers and heavy lift vessels. And, it will run until 2015, thus allowing companies to start planning for their ships of the future.

The new legislation also increased the annual funding level for each vessel enrolled in the program. However, as before, Congress must approve MSP funding annually. As this resolution was being written, FY 2006 funding was making its way through the legislative process.

NOW, THEREFORE, BE IT RESOLVED that the Maritime Trades Department, AFL-CIO, its affiliates and its Port Maritime Councils salute the members of Congress, the Bush, Clinton and Bush administrations and the U.S. military for their solid support for the Maritime Security Program; and

BE IT FURTHER RESOLVED that the MTD, its affiliates and its Port Maritime Councils continue to do all that they can to keep the program the unqualified success that it has been.

Maritime Services

The U.S.-flag merchant marine is experiencing growth in both the domestic and international shipping trades. In April, Kvaerner ASA and Overseas Shipholding Group announced a \$1 billion agreement in which Kvaerner Philadelphia Shipyard, Inc. will construct 10 Jones Act product tankers, with an option for two additional vessels.

Kvaerner is currently constructing a containership for Matson Navigation that will enter the company's Hawaii, Guam and China service in 2006. This vessel will join three other Matson ships built by Kvaerner and placed into service since 2003.

In addition to these orders, NASSCO recently delivered the second of four Alaska-class double-hull tankers for BP and in 2003; NASSCO delivered two containerships for TOTE. Jones Act vessel construction was further evidenced by Northrop Grumman's delivery of a fourth double-hulled tanker to Polar Tankers. This activity represents major capital investment in the U.S.-flag fleet and rejuvenation of the domestic shipbuilding industry.

Most likely, much of this activity would not have occurred if foreign maritime interests were successful in including maritime matters in international trade agreements more than a decade ago, including gaining the ability to enter into the U.S. domestic shipping industry.

If maritime matters were included in the Uruguay Round of international trade negotiations in the early 1990s, there is a good possibility that the United States would have been prevented from implementing the Maritime Security Program (MSP) in 1996 and the expansion of the MSP fleet beginning this October. Many of these MSP vessels are currently being deployed to sustain U.S. troops in Afghanistan and Iraq, a sealift capability that would have been lost if foreign shipping interests had had their way.

For more than 20 years the Maritime Trades Department, AFL-CIO has joined with other American maritime interests to consistently oppose the inclusion of maritime matters under a multilateral or bilateral trade agreement. With the Doha Round of international trade discussions currently underway under the auspices of the World Trade Organization, some of our trading partners are undaunted by their past failure and once again are proposing maritime services as a topic for negotiation.

U.S. maritime trades are the most open in the world. Foreign-flag shipping lines transport more than 97 percent of the U.S. international trade. Shoreside activities such as terminal operations, trucking and warehousing are all open, with many being foreign owned. In contrast to many of our trading partners who have more restrictive shipping regimes, the United States has led efforts to open international ocean commerce to all, as well as to open port and auxiliary markets. In an effort to gain even greater access to the U.S. maritime trades, a number of foreign nations have already signaled their intent to include maritime transportation services in a revised WTO agreement.

NOW THEREFORE BE IT RESOLVED that the Maritime Trades Department, AFL-CIO will continue to fight the inclusion of maritime matters this year and throughout 2006 as international trade ministers aim for a successful conclusion of the trade pact by the end of next year; and

BE IT FURTHER RESOLVED that the MTD and its affiliates will continue to work closely with other U.S. maritime interests to educate the Administration and the Congress to the importance of the U.S. maritime industry to the nation's economy and security; and,

BE IT FURTHER RESOLVED that the MTD urge the Administration, through the United States Trade Representative, to ensure that the future viability of the U.S.-flag merchant marine to fulfill its economic and national security roles is not jeopardized by the inclusion of maritime matters in an overreaching international trade agreement.

Maritime Transportation Security

In the aftermath of the terrorist attacks on September 11, 2001, there remains heightened concern that terrorists may try to smuggle weapons of mass destruction (WMD) into the United States and Canada, specifically by using one of the millions of cargo containers that arrive at North American seaports each year. If terrorists detonated such a weapon at a seaport, the incident could cause widespread death and damage, shut down seaports, cost the U.S. and Canadian economies billions of dollars, and seriously hamper international trade. Extensive study has been conducted on this issue with reports concluding that while the likelihood of such use of containers is considered low, the movement of oceangoing containerized cargo is indeed vulnerable to some form of terrorist action.

In 2003 about 90 percent of the world's cargo moved by container. In the United States, almost half of all incoming trade (by value) arrived via containers on board ships. Additionally, containers move on truck and rail. Certainly, disruptions to the supply chain could have immediate and significant economic impacts. In fact, both admitting dangerous cargo into the country and delaying the movement of cargo containers through ports of entry could negatively affect the national economy. The Maritime Trades Department, AFL-CIO believes that it is vital to strike a balance between government anti-terrorism efforts and the flow of legitimate international trade and travel.

The Department of Homeland Security and its Customs and Border Protection (CBP) office are responsible for addressing the threat posed by terrorists smuggling weapons into the United States. To carry out this responsibility, CBP has several programs in place including the Container Security Initiative (CSI). Under this program that specifically addresses the security of oceangoing cargo containers, Customs places staff at foreign seaports to work with their foreign counterparts to use risk assessment information to select, or target, those containers at risk of containing WMD and other tools of terrorism and inspect them before they are shipped to the United States.

To implement the CSI program, Customs negotiates bilateral arrangements with foreign governments, specifying the placement of Customs officials at foreign ports and the intergovernmental exchange of information. Customs first solicited the participation of the 20 foreign ports that shipped the highest volume of ocean containers to the United States. These top 20 ports are located in 14 countries that shipped a total of 66 percent of all containers that arrived in U.S. ports in 2001. Customs has expanded CSI to additional strategic ports, which may ship lesser amounts of cargo to the United States but may also have terrorism or geopolitical concerns. As of February 2005, CSI was operational at 34 ports, located in 17 countries.

A recent report by the General Accountability Office (GAO) with regard to the CSI program noted improved information sharing between U.S. and foreign customs operations and a heightened level of cooperation regarding securing the whole global shipping system. However, the report noted several negative factors that limit Customs'

ability to successfully target containers to determine if they are high-risk. One such factor is staffing imbalances, which impede the agency from targeting all containers shipped from CSI ports before they leave for the United States. As a result of staff limitations, 35 percent of U.S. bound shipments from CSI ports were not targeted and were therefore not subject to inspection overseas – the key goal of the CSI program. The report also concluded that Customs’s reliance on placing staff at overseas ports without considering whether some targeting functions could be performed domestically limits the program’s operational efficiency and effectiveness. Moreover, considering that the non-intrusive inspection equipment used at CSI ports varies in detection capability and that there are no minimum technical requirements for equipment used as part of CSI, the report adds that Customs has limited assurance that inspections conducted under the CSI program are effective at detecting and identifying terrorist WMD in containers.

NOW, THEREFORE, BE IT RESOLVED that the Maritime Trades Department, AFL-CIO, its affiliates and its Port Maritime Councils support the recommendation of the GAO report that Customs revise its staffing model to consider what (1) functions should be performed at CSI ports and what can be performed domestically, (2) the optimum levels of staff needed at CSI ports to maximize the benefits of targeting and inspection activities in conjunction with host nation customs officials, and (3) the cost of locating targeters overseas at CSI ports instead of the United States; and

BE IT FURTHER RESOLVED that the MTD agrees with GAO’s proposal of the need for minimum technical requirements for non-intrusive inspection equipment at CSI ports, to include imaging and radiation detection devices that help ensure that all equipment used can detect WMD; and

BE IT FURTHER RESOLVED that the MTD endorses the recommendation that Customs develop performance guidelines that include outcome-based measures and performance targets to track the program’s progress in meeting its objectives.

Retirement Instability

How can daily news and business shows continue to spout reports that the economy is growing stronger when more and more working people are seeing less and less in their savings and retirement plans?

Unless you are in the upper percentiles of salary (not wage) earners, the prospects of having a comfortable nest egg for the later years in life appear bleak.

Television commercials for financial institutions blare out the need to plan ahead by investing money for a secure retirement. Well, to a former Enron or WorldCom employee, to a retired Mine Worker or Steelworker, to a United Flight Attendant or Machinist, those ads look more like a lottery pipe dream. That is because all of them planned ahead, invested and have witnessed their futures being snatched away piece by piece.

The American Dream of working hard, saving and enjoying retirement is turning into the American Nightmare.

The Enron scandal of four years ago still serves as the primary example. More than 6,000 employees lost their jobs, lost their health care, and lost their 401(k) retirement funds when the company declared bankruptcy. Many other pension and retirement programs lost billions of dollars when Enron stock – once as high as \$90 a share – became worthless. Hundreds of thousands have been affected in some way by the collapse of one company.

The latest example of the retirement system being broken came when a federal bankruptcy court allowed United Air Lines to turn over its pension liabilities to the Pension Benefit Guaranty Corporation (PBGC). This was permitted in order to bring financial stability to the company. But it cost the workers anywhere between 30 to 50 percent of the pensions they had negotiated and worked for. Where is the financial stability for these people?!

People sought jobs with a pension (also known as a defined-benefit) plan because it meant retirement security. In 1979, nearly 40 percent of private-sector workers had a pension. Today, that number has shrunk to nearly 20 percent and continues to decrease. 401(k) plans have made up for some of the difference, but even those programs are being withdrawn.

Even the last vestige for retirement stability is under attack as Social Security, perhaps the single most successful federal program, is in the sights of some Wall Street investors pushing for private accounts.

No wonder workers are on edge and worried about getting older.

In the wake of all this, Congress has started to hold hearings on how to bring stability back to the nation's retirement system. Many ideas and concerns are being expressed, including those presented by the AFL-CIO and its affiliates.

NOW, THEREFORE, BE IT RESOLVED that the Maritime Trades Department, AFL-CIO, its affiliates and its Port Maritime Councils continue their fight for all working families to insure a secure retirement; and

BE IT FURTHER RESOLVED that the MTD, its affiliates and its Port Maritime Councils contact their members of Congress to educate them on the importance of enacting new legislation that will secure those retirement benefits already in place as well as providing a livable retirement standard for those who are working or will enter the workforce, and

BE IT FURTHER RESOLVED that MTD, its affiliates and its Port Maritime Councils continue to fight to maintain and strengthen the Social Security system for generations to come.

Shipbuilding Industry

The U.S. shipbuilding industry has wracked up a number of impressive achievements over the past four years.

To give one example: Kvaerner Philadelphia Shipyard, Inc. recently announced that it intends to build 10 new tankers for the U.S. fleet. This comes on top of the three containerships that unionized shipyard workers at the historic Pennsylvania facility have built since the MTD's last convention (a fourth is under construction).

Because of these developments, more than 800 shipbuilding jobs have been preserved; thousands more are being generated in related industries. Pennsylvania Governor Ed Rendell put these accomplishments into perspective earlier this year when he said that what is happening at Kvaerner should be viewed as a model for the rest of the country; by working together, labor unions, U.S. shipyards and federal and local governments can make a real difference.

Despite this good news, there are dark clouds on the horizon. For the third time in 25 years, the American shipbuilding industry stands at a crossroads.

In the early 1980s, the commercial sector of the shipbuilding industry collapsed after the federal government discontinued funding for the Construction Differential Subsidy. Instead of following suit, foreign governments increased their support for their own domestic industries.

As a result, hundreds of thousands of workers in the shipbuilding industry and its related trades lost their jobs; roughly one-third of existing shipyards and repair facilities were forced to close.

The U.S. shipbuilding industry was able to remain viable during the 1980s because of the Reagan administration's decision to shoot for a 600-vessel Navy. In addition to enhancing important strategic interests, the buildup preserved tens of thousands of skilled jobs for U.S. workers and generated badly needed revenues for state and local governments.

However, by the early 1990s, the situation had changed. The annual Naval build rate, which had reached a high of 19 during the 1980s, had fallen to six, a level that was inadequate to preserve even a 375-vessel fleet, which many defense experts believe to be the minimum needed to protect important strategic U.S. interests.

Recognizing the importance of preserving a domestic industrial shipbuilding base, the Clinton administration and bipartisan majorities in both houses of Congress approved the Defense Reconversion Act of 1993. Among other things, the bill restored funding for the Title XI shipbuilding loan guarantee program and put incentives in place for research and development.

The Title XI program is not a direct subsidy. It merely makes affordable capital available to companies that choose to build in U.S. shipyards. On average, every dollar appropriated generates \$20 in economic activity. Since 1993, Title XI has provided loan guarantees for nearly \$5 billion in ship construction and shipyard modernization projects. Because of this, the commercial sector of the industry, which had been in dire straits, is starting to make a comeback.

Since it was revived, Title XI has served this nation well. Moreover, the Maritime Administration has revised the application and review process to make the program even more efficient. Even so, the last Congress failed to set aside any monies for it other than administrative expenses. Moreover, the administration did not earmark any new monies for the Title XI program in the FY 2006 budget.

The implications of this are enormous. Inadequate funding for Title XI puts at risk the hopeful revival that has occurred in the commercial shipbuilding industry; indeed, many operators have stressed that the Title XI program was an important factor in their decision to go ahead with building programs. And unlike the crises of 1980 and 1993, this crisis is coming at a time when there are no mitigating factors.

In the 1980s, the domestic shipbuilding industry was able to survive because of a massive increase in U.S. Naval construction. In the 1990s and the first few years of the 21st century, Title XI monies for commercial vessels were instrumental in preserving jobs that would have been lost as a result in cutbacks in the defense budget.

The decision not to fund the Title XI program is coming at a time when U.S. Naval construction has reached perilously low levels—just four replacement vessels a year. If nothing is done, there will be serious consequences for America’s domestic shipbuilding base.

America always has relied on a strong U.S. Navy and shipbuilding base to protect its strategic interests. Indeed, U.S. Naval ships are even more important than ever before, as events in Afghanistan and Iraq clearly have shown.

After the United States was denied the use of land bases in the Middle East, the U.S. Navy provided an essential safety net. Without Navy ships to provide mobile bases, the U.S. government would have been hard pressed to have waged war in either Afghanistan or Iraq.

There are some who say that the U.S. can afford to “shrink” its Navy because it does not have any real competition in this area. This is not true. While overall, the Russian Navy has declined, its submarine fleet remains at Cold War levels. And the buildup of the Chinese Navy is occurring at such a rapid rate that many analysts believe that it will reach parity with the U.S. fleet in 10-15 years.

As the Navy League of the United States, the nation's largest grass roots organization advocating support of all segments of the sea services, has noted, "The United States can neither protect its shores nor project its power overseas without a powerful Navy; but it cannot build and sustain a powerful Navy unless the country also possesses a robust maritime industrial structure."

Moreover, at a time when America's manufacturing base is in deep trouble, the shipbuilding industry continues to generate irreplaceable economic benefits. It is a valuable source of work for the steel, computer and electronics sectors of the economy.

In 2003, the House Armed Services Committee became so alarmed about the long-term consequences of cutbacks in conventional defense spending, including shipbuilding, that it noted, "The U.S. industrial base is becoming more dependent on foreign sourcesThe U.S. needs to maintain sovereign capabilities ... to support war time requirements."

Bipartisan coalitions in both the Senate and House have been calling upon the federal government to recognize that something needs to be done to ensure the long-term viability of the U.S. shipbuilding industry. The federal government has dealt with the issue twice in the last 25 years—first, by increasing the Naval construction rate in the 1980s and then by reviving funding for the Title XI program in the 1990s. A blueprint for revival is there; all the government has to do is to follow it.

Key legislators are calling for adoption of a "sense of Congress" resolution recognizing the need for a 375-vessel Navy. Others are calling for reinstatement of Title XI funding and increasing the build rate for the U.S. Navy. The Maritime Trades Department, AFL-CIO and its affiliates and Port Maritime Councils strongly support their efforts.

NOW, THEREFORE, BE IT RESOLVED that the Maritime Trades Department, AFL-CIO, its affiliates and its Port Maritime Councils recognize the immense economic and strategic benefits that U.S. shipyards generate; and

BE IT FURTHER RESOLVED that important American interests are being compromised by cutbacks in Title XI funding and in inadequate funding for U.S. Naval construction; and

BE IT FURTHER RESOLVED that the MTD, its affiliates and its Port Maritime Councils call upon Congress and the administration to fund the Title XI program at adequate levels and to increase the annual build rate for U.S. Naval construction.

Towing Vessel Inspections

Last year, the Congress enacted the Coast Guard and Maritime Transportation Act of 2004. Section 415 of the Act added towing vessels to the list of inspected vessels and allowed the Coast Guard to consider the establishment of a safety management system appropriate for towing vessels. The Maritime Trades Department, AFL-CIO welcomed this legislative mandate characterized as the most significant federal action affecting the towing industry since 1972, when towboat operators were required to be licensed. If implemented as intended by Congress, the MTD believes that the inspection of towing vessels will go a long way in improving overall safety on tugs and tows on the inland rivers and coastal waterways.

The MTD questions the interpretation of the law by many in the towing industry, and perhaps the Coast Guard itself, that the establishment of a safety management system will satisfy the requirement for towing vessel inspections. Although the MTD supports the establishment of safety management systems for the towing industry as a supplement to towing vessel inspections, concern exists that such a system in itself will not meet Congressional intent. In fact, it appears that the conference report accompanying the legislative requirement articulates Congressional intent that a safety management system is not intended as a substitute for actual inspections but rather a supplementary means to ensure that towing vessels are maintained in accordance with their certificate of inspection.

Representative James Oberstar (MN), ranking Democratic member on the House Committee on Transportation and Infrastructure, has expressed his belief that the inspection of towing vessels will have to meet the same legal standards that govern the inspections of other classes of vessels. He further stated that, in bringing towing vessels under an inspection regime, Congress made no changes to the scope or type of inspection required. And, according to Representative Oberstar, by law, either the Coast Guard or a competent classification society will have to inspect towing vessels to ensure compliance and issue a five-year certification of inspection. In between these inspections, the Coast Guard could oversee a safety management system to make certain repairs and maintenance work is conducted properly. The MTD concurs with this interpretation of the towing vessel inspection statute.

NOW, THEREFORE, BE IT RESOLVED that the Maritime Trades Department, AFL-CIO, its affiliates and its Port Maritime Councils recommend that towing vessels be inspected in the traditional ship-based inspection system – as are all other inspected vessels; and

BE IT FURTHER RESOLVED that the MTD calls on the Coast Guard to address the differences in interpretation and enunciate its understanding of the agency's responsibilities in the implementation of the towing vessel inspection mandate, since there appears to be a meaningful disparity in the interpretation of the towing vessel inspection requirement; and

BE IT FURTHER RESOLVED that the MTD recommends that the Coast Guard establish a set of comprehensive regulations governing the inspection of towing vessels; and

BE IT FURTHER RESOLVED that the MTD recommends that all towing vessels be required to implement such a system, since the use of a safety management system will improve towing vessel safety; and

BE IT FURTHER RESOLVED that the MTD and its affiliates continue a dialogue with the Coast Guard and the towing vessel industry to develop meaningful, safety-oriented towing vessel inspection regulations that will meet congressional intent, the needs of the industry and enhance the health and workplace safety of American merchant mariners.

Trade

When the North American Free Trade Agreement was being sold to the American public more than 15 years ago, its supporters claimed the treaty would benefit all the people within the countries involved. NAFTA, as it came to be known, was a wonderful economic package where all would prosper. It took several years of selling, but NAFTA finally passed with bipartisan support – albeit narrowly, and over the Labor movement’s strong objections.

Since then, nearly 3 million Americans realized directly they had been left holding a bag of empty promises as their manufacturing jobs went overseas. Many, many more continue to feel the effect indirectly with weaker job protections and benefits.

That’s just the personal side to this story. In raw economic terms, the trade deficit is costing the United States approximately \$1.1 million a minute. In the first quarter of 2005, the U.S. brought in more than \$170 billion in goods and services than it sent to other countries. In fact, economists have calculated that the United States trade deficit since 1990 is well over \$3 trillion.

When NAFTA became law, American workers saw their plants close and move to the *maquiladora* region of Mexico. Paid a fraction of what Americans made, Mexican workers flocked to the region for these jobs. Ten years later, many of these facilities are padlocked as companies moved to Asia to take advantage of more lax trade laws allowing them to exploit even cheaper labor.

Finally, trade union activists in Canada say that a decade of heightened competition with the United States is eroding social investment in public spending on education, health care, unemployment compensation and a wide range of other public services.

NAFTA became the model that other trade agreements have followed. All have promised economic resurgence. All have delivered ever-increasing trade deficits between the United States and the other signatories.

If NAFTA were not bad enough, the House of Representatives is now considering the Dominican Republic-Central America Free Trade Agreement (CAFTA), which would lower tariffs and other trade barriers between the United States and Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and the Dominican Republic. (The Senate recently approved the treaty by a vote of 54-45.) Labor rights protections contained in CAFTA are even more lax than those in NAFTA, which is unfortunate, because labor abuses in the region are rampant. Moreover, with the exception of Costa Rica, average annual wage rates are half of what prevails in Mexico.

Generally speaking, Central American labor laws lack explicit or meaningful provisions prohibiting employers from obstructing union activities. Even when there are laws on the books, implementation often is inadequate.

Supporters of CAFTA are trying to portray those opposed to the treaty as being “anti-trade.” Yet, as the AFL-CIO recently noted, “The debate over CAFTA ... is not about whether or not to trade with Central America; it is a debate (on) how to trade.”

As the Human Rights Watch stated recently, CAFTA could help workers in the region, but only if it includes “meaningful consequences, such as fines or sanctions, for failing to uphold labor rights.” In its present form, the treaty falls far short of that ideal.

Once again, transnational corporations and free trade ideologues are painting an overly optimistic portrait of what trade can do. When tied to meaningful labor and environmental standards, as in the case of the European Union, free trade can have a positive effect. Just look at the rapid democratization and growth in places like Portugal, Spain and Greece. Absent those standards, however, the international trading system becomes a “race to the bottom.”

The opposite happened with China’s entry into the World Trade Organization (WTO). Congress was told that it would inevitably lead to democratization and fewer human rights abuses. Not only have those abuses not abated since China’s entry into the WTO, they have become more acute.

Moreover, China’s manipulation of its currency and its use of other unfair trading practices has resulted in an unhealthy massive trade imbalance with the United States. Last year, it accounted for \$162 billion of an overall \$666 billion trade deficit.

Last year’s overall trade imbalance was the largest in the nation’s history, and China’s figure was the largest bilateral trade deficit in world history. Let’s face it: human rights abuses aren’t merely amoral, they also are a restraint on free trade.

The AFL-CIO and others support efforts of U.S. politicians like Senators Charles Schumer (D-NY) and Lindsay Graham (R-SC), who are asking that a 27 percent penalty be placed on Chinese imports if that country fails to do something to alleviate its currency manipulation. The federation also is against an international textile treaty that went into effect this year. Once again, China stands to be a big winner in this regard. Tens of thousands of U.S. jobs could be exported overseas, and the economies of Third World nations in Asia, Africa and the Caribbean that rely on textile manufacturing to generate local jobs stand to be adversely affected.

Absent action from the federal government, trade union activists and ordinary people are educating the public about inadequacies in the nation’s trade policies. Recently, a coalition of trade union activists (including a CWA local) and other community organizations won a big victory when the New Jersey state assembly approved legislation banning the overseas export of state jobs.

Moreover, unions and their corporate allies are fighting relentless grass roots battles industry by industry. Perhaps the best example of this is the Steelworkers' union efforts to get the federal government to take action against nations like South Korea that dump their products onto the U.S. market at reduced prices.

NOW, THEREFORE, BE IT RESOLVED that the Maritime Trades Department, AFL-CIO, its affiliates and its Port Maritime Councils strongly oppose the adoption of any international trade agreement that does not contain adequate labor standards; and

BE IT FURTHER RESOLVED that the MTD, its affiliates and its Port Maritime Councils believe that the export of manufacturing, service and high-tech jobs has been accelerated by the federal government's multi-decade trade policies; and

BE IT FURTHER RESOLVED that the MTD, its affiliates and its Port Maritime Councils urge Congress to reject the ill-conceived Dominican Republic-Central America Free Trade Agreement; and

BE IT FURTHER RESOLVED that the MTD supports the grass roots efforts of unions like the CWA and Steelworkers in publicizing the effects that inadequate trade policies are having in workers in such diverse sectors as steel and high technology.

