



FOCUSED ON SHIPS AND JOBS

One of our achievements over the past four and a half years has been the tremendous working relationships that MEBA has developed with our contracted employers. My belief has always been that the membership will prosper when the companies that we work for prosper—and the companies can only excel through the dedication and expertise of its skilled MEBA workforce. In order for labor and management to both flourish, each side has to understand each others' goals and challenges.

Our goal is simple: acquire more jobs with good contracts for MEBA members by bringing in more vessels to the MEBA fleet. The challenges are clear—an aging U.S.-flag fleet, the lack of a coherent national maritime policy and the ongoing challenges of solidifying relationships with our current employers and landing contracts with new employers. Under my administration we have found ways to meet those challenges and we will continue to build upon that success.

We now have a solid foundation for rebuilding MEBA and the US Merchant Marine. The Maritime Security Program fleet has been expanded by 13 vessels to a fleet of 60 ships. MEBA has landed an historic contract with Norwegian Cruise Lines-America, reviving an all but extinct U.S.-flag passenger ship trade. Our traditional Jones Act carriers are building and purchasing new ships. Our cargo preference companies have brought in new tonnage and MEBA has been at the forefront on several pieces of legislation that have provided a benefit to the entire industry. These monumental achievements have reversed MEBA's 20 year decline of jobs. We are back on the map—both within the industry and in Washington D.C.—and we intend to keep moving full ahead.

Two years ago we landed a contract with NCL after a year of hard work convincing them to use MEBA Officers. The NCL fleet is now three vessels strong and each ship has at least 30 officers working aboard everyday. Recently, I had the opportunity to visit the newest member of that fleet, the PRIDE OF HAWAII. I talked with most of our members on the vessel. They are doing a fantastic job, and I am highly confident that the officers of the PRIDE OF ALOHA, PRIDE OF AMERICA, and PRIDE OF HAWAII will exemplify the pride of MEBA to millions of Americans who cruise with them in the years ahead.

MEBA will be crewing at least three tankers that will be added to the Chevron Fleet. The vessels will be acquired from Seabulk International (formerly Hvide Marine). The ships, SEABULK MARINER, SEABULK COURAGE (BRENTON REEF) and SEABULK ENERGY are the Double Eagle class double hull tankers that were built in Newport News during the late 1990's. Chevron can exercise an option on a fourth vessel later this year.

Horizon Lines, one of our largest Jones Act carriers, is adding five newbuilds to the U.S.-flag over a six-month period from the end of 2006. The ships will be deployed in the company's weekly service linking the U.S. West Coast with Guam and Asia. The introduction of this new tonnage allows the carrier's Jones Act vessels to be redeployed to the Hawaii and Puerto Rico trade and use the others as reserve capacity to meet seasonal and dry-dock needs, as well as to respond to potential new opportunities such as coastwise container services. These also represent new jobs on new vessels for MEBA.

Later this summer, Matson Navigation will launch its fourth new containership from Aker Philadelphia Shipyard. Matson is also proceeding with the conversion of one of its C-9 containerships, M/V MOKIHANA, to a combination roll-on/roll-off and container vessel to further strengthen its Hawaii service capabilities.

OSG recently laid the second keel in a series of newbuild Jones Act tankers at Aker Philadelphia. The first new tanker is scheduled for delivery by the end of this year.

On the legislative front, MEBA has been actively pursuing opportunities for expansion of the US Merchant Marine and our Union and has met with significant success.

MEBA successfully advocated for a variety of measures that are included in the current Coast Guard Authorization bill that will promote American officers onboard LNG tankers. We have also reached out to a variety of energy companies seeking to build new LNG import terminals in the U.S. and are actively working with them to help overcome the many obstacles in their way. MEBA also worked hard to ensure a sensible policy on riding gangs.

The Union is currently working with Congress, MARAD and the Department of Defense over the future of the Ready Reserve Force and the funding required.

MEBA recently advocated for a provision within the just-signed tax bill that extended the expiring shipping tonnage tax that was initially enacted in October 2004. The tonnage tax provision adjusts the way that U.S. ships engaging in international trade are taxed, allowing U.S.-flagged vessels to better compete in the international market. This helps our companies put more money into recapitalization of their fleets.

Through our hard work and dedication, we have demonstrated to all of maritime and our friends in Washington that MEBA is committed to actively pursuing any new opportunities available that will grow our Union and our industry. Now is the time for us to focus our full energies on moving forward. I am confident that with the talent and dedication of the members of this Union our best days lay ahead. ■

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Ron Davis

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