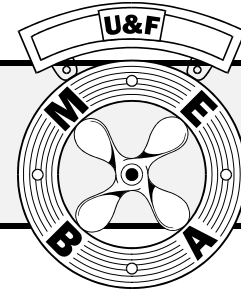


LEGISLATIVE UPDATE



MARCH 2008

February was a busy month for MEBA, maritime, and Congress. Congressman Tom Lantos (D-CA) was a longtime supporter of cargo preference who passed away from cancer. Congressman Steve LaTourette (R-OH) and Congressman Jerry Nadler (D-NY) made separate visits to MEBA Headquarters to meet with the maritime industry. And the funding battles over MSP and other vital programs for 2008 began.

President Bush's Budget Fully Funds MSP, Other Programs Face Potential Cuts

President Bush released the last budget request of his Administration this week. It presents a mixed bag for maritime, with good news for the Maritime Security Program but bad news for the Great Lakes and Army Corps of Engineers. The release of the President's budget is the first step in the budget process for Fiscal Year 2009.

Included in the President's budget is a request for \$174 million for the Maritime Security Program. This represents an increase of \$18 million over last years' funding level. The 2009 FY is the first in a series of two authorized funding increases for MSP that were built in to the MSP reauthorization passed in 2003. The next one will come during FY 2012. This was a big win for the maritime industry. The President' budget request last year included a 1% cut to MSP, which was successfully replaced thanks to the lobbying efforts of maritime labor. In recognition of the possibility of another cut, maritime labor and the rest of the industry swung into high gear last year to make the case for full MSP funding in the President's budget this year.

The Maritime Administration saw a small cut in its operations funding, although funding for King's Point increased slightly. As is the annual routine, Pres. Bush zero-funded the Title XI Loan Guarantee shipbuilding program save for operating expenses for the existing projects - adding up to \$3.5 million. \$18 million was slotted for ship disposal which will allow the agency to rid the Ghost Fleet of at least 14 vessels. That money will also help continue the ongoing preservation work on the Nuclear Ship SAVANNAH. M.E.B.A. has been participating in that work. \$277 million was proposed for MarAd's management of the Ready Reserve Force Fleet.

The President's request also includes a proposed 16% cut in spending for water quality programs on the Great Lakes. Overall, \$297 million for Lakes programs was requested, representing a drop from the \$353 million that was appropriated for the current year.

Dredging programs on the Lakes also took a hit under the Bush plan. Under the proposal, the Army Corps of Engineers budget for Great Lakes dredging was reduced by 35% - \$89 million proposed compared with \$140 million this year. The President's budget request marks the first milestone in a months-long process of passing a budget for the Federal Government. Congress now takes the lead, reviewing the President's request and beginning to develop their annual appropriations bills. Congress does not have to follow the President's budget request, but generally the request has significant

influence on the Congressional appropriations project, especially for non-controversial items like MSP. Members of Congress are expected to begin their work on their funding bills soon.

Tauscher Bill Would Require Additional Navigation Devices for Some Pilots

In response to the recent oil spill in San Francisco Bay Rep. Ellen Tauscher (D-CA) put forward legislation to provide an extra level of safety over ship navigation systems. The Vessel Navigation and Safety Improvement Act would instruct the Coast Guard to issue regulations that require pilots to carry their own electronic chart devices, known as Portable Pilot Units. The COSCO BUSAN struck a bridge piling on November 7th spilling more than 58,000 gallons of bunker fuel into San Francisco Bay.

Rep. Tauscher said, "Putting these devices in the hands of pilots, who provide an important service to our port, will improve navigation and protect our environment. The legislation also provides flexibility to respect the professional decisions of the pilots. It permits the bar pilot to choose the device best suited for his/her purpose and when to use it. In addition, it allows the Coast Guard to exempt pilots, who operate in locations where the device is not necessary for safe navigation. Examples of currently-used Portable Pilot Units include laptop computers, Global Positioning Systems (GPS), and Personal Digital Assistants (PDA).Mandatory carriage of Portable Pilot Units is an easy and practical way to improve safety. This requirement will protect our environment against the disastrous effects of ship groundings and oil spills."

MEBA's Own Elected to Florida State Legislature

International Transportation Workers Federation (ITF) Inspector Anthony Sasso was elected to the Florida House of Representatives on Tuesday February 26, 2008. Sasso ran as a Democrat in a special election to fill the term of a Republican state representative who stepped down in 2007. Sasso's win was a big pickup for Florida Democrats in a year that will see Florida as a center of attention in the US Presidential Election. Sasso will represent the 32nd House District covering portions of Bevard and Orange Counties.