

METALETTER

Metal Trades Department • AFL-CIO

ISSN #00476870

Metaletter • Published by the Metal Trades Department (AFL-CIO) • Number 3—2006

Labor Commits \$1 Billion to Rebuild Gulf

In early June, AFL-CIO President John Sweeney joined New Orleans Mayor Ray Nagin, Building and Construction Trades Department President Edward C. Sullivan, Steve Coyle, Chief Executive Officer of the AFL-CIO Housing Investment Trust and a broad contingency of New Orleans labor, civic, religious, financial, and academic leaders, to announce a seven-year, \$1 billion housing and economic development initiative they are calling the “AFL-CIO Gulf Coast Revitalization Program.”

The Metal Trades is working with employers in the region to develop a component of this program—a factory to turn out manufactured homes engineered to withstand catastrophic storms.

Following Sweeney’s announcement, New Orleans Mayor Ray Nagin said, “Having affordable housing in this community is going to mean working class people can thrive and survive.”

“Labor is in solidarity with the citizens of New Orleans,” said Sweeney. “We are here to do our part to rebuild and reunite this great city.”



Entire neighborhoods such as this one near New Orleans remain untouched and waiting for redevelopment. The Investment Trust Corporation will focus some \$1 billion in union pension funds and other sources to jump start recovery in the Gulf region.

The billion dollar investment initiative, which will be carried out by three labor-backed investment and financial service organizations—the AFL-CIO Housing Investment Trust (HIT), the AFL-CIO Building Investment Trust (BIT) and the AFL-CIO Investment Trust Corporation

(ITC)—is to provide affordable housing, promote homeownership, and create good jobs with good wages in construction and other industries for New Orleans and other coastal communities ravaged by Hurricane Katrina last year.

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NSPS Defunded in U.S. House, Rebuked in Courts, But Rumsfeld Won’t Let It Die

The Bush Administration has suffered a string of embarrassing rebukes – even from powerful Republican loyalists, no less – setting back White House plans to gut the legal rights of one million civilian employees at the Departments of Defense, (DoD) and Homeland Security, (DHS).

The most recent rebuke of the Administration’s anti-worker personnel policies came June 27 from the typically conservative U.S. District Court for the

District of Columbia. A three-judge panel (made up of a Reagan appointee, a George W. Bush appointee and a Carter appointee) ruled key DHS regulations are an illegal attempt to “unilaterally abrogate lawfully negotiated and executed agreements” covering some 175,000 union-represented employees.

The unanimous ruling upheld an injunction issued in August 2005 by another George W. Bush appointee, U.S. District Court Judge Rosemary Collyer.

Judge Collyer (appointed to the federal bench by Bush in 2003) blocked rules virtually identical to the Pentagon’s NSPS that would have allowed Department of Homeland Security officials to override collective bargaining agreements, set sharp new limits on the scope of negotiations and interfere with the independence of the Federal Labor Relations Authority.

Only a week before the three-judge

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Labor Day and the Legacy of Catastrophe

By Ronald Ault
President, Metal Trades Department
(AFL-CIO)



The shadows of 9-11 and Katrina will darken the mood of Labor Day 2006 and for many Labor Days that follow. Clearly working men and women have paid the heaviest price in

the two worst American catastrophes of this 21st Century. In 9-11, fatalities were heaviest among working people—those just beginning their workday in the World Trade Center and the Pentagon; the flight crews on the four hijacked planes; the courageous police officers and firefighters who responded knowing full-well the risks they would encounter and the selfless volunteer workers—thousands from craft unions—who showed up within hours to begin clearing the rubble and seeking survivors.

Four years later, as Katrina's foul winds scoured the Gulf Coast, it was working people who suffered the deepest losses again and made the greatest sacrifices to protect their communities—showing up within hours after the storm subsided to bring aid and comfort to victims.

We can recite abundant examples describing the contempt, callousness, corruption and disregard that the Bush-Cheney administration and their allies in Congress have shown during this dark era, but no testimony is more eloquent or damning than the horrible images brought to our television screens showing thousands of American citizens left without food, water or medical care by their government for days after Katrina struck. The White House response wreaked of incompetence, but more significantly, the pictures that we saw mocked the administration's claims that our safety was their highest priority. After diverting billions of dollars and hundreds of thousands of workers into a vaunted Department of Homeland Security, Katrina stripped us bare of any illusions of security.

Long before 9-11 and Katrina, labor's leadership was sounding the alarm that

the Bush-Cheney Administration was bad news for working people. Unfortunately, few outside the labor movement paid much attention to the devastating impact of the Bush-Cheney war on workers. The administration came out swinging within days of taking office: with executive orders directed against project labor agreements and banning partnership agreements in the federal sector; scrapping ten years worth of research into ergonomic policies and describing that work as "junk science."

Virtually every day since their inauguration, this administration has brought new insults against workers and trade unionism—not just oppressive policies, but devastating effects of reduced real income while profits and productivity have soared; weakened pensions and rising retirement insecurity; continued erosion in health care coverage while health care costs zoom out of sight; Medicare changes that put drug and insurance companies in charge of the fates of millions of senior citizens.

The Bush-Cheney gang continues to heap tax breaks on their wealthy corporate cronies, while energy costs, heating oil and gasoline prices eat further into real income for working families. They have eroded overtime pay for millions of workers by regulatory decree. They tried to exploit the tragedy of Katrina by suspending prevailing wage rules (the Davis Bacon Act) for federally-funded recovery work. They have outsourced our manufacturing and high technology jobs to foreign nations.

Are these the actions of a "compassionate" government?

Within the immediate jurisdiction of the Metal Trades Department—the Bush-Cheney gang continues to press for a new personnel system that would undermine union representation, veterans rights and due process for three-quarters of a million federal workers in the Department of Defense and another nearly 200,000 in the Department of Homeland Security. Despite a series of court victories against these ill-advised plans, we see no indication that either Department intends to give up their crusade to choke off union representation in the federal government.

In the Department of Energy—thanks to the bipartisan efforts of our allies in Congress—DOE backed off of its harsh

stance proposing to derail health insurance coverage and pensions for as many as 40,000 retirees and current contract personnel working on DOE projects.

Contradicting their claims as super-patriots, the Bush-Cheney gang has colluded with big business to allow Communist China to pick over the bones of our manufacturing sector.

They've perverted the Labor Department to become just another agency advancing corporate interests, along with the Food and Drug Administration, the Environmental Protection Agency, the Department of Energy and, of course the Department of Commerce.

They've put in place a government for profit, by profit and of profit—the best government money can buy.

Even the normally respected U.S. Coast Guard (the only agency that really met the challenge of Katrina with hundreds of chopper crews evacuating thousands who had been trapped by the storm) is now doing the bidding of the Bush-Cheney gang. Earlier this year, the Coast Guard issued a misinterpretation of the Jones Act creating a gaping loophole in the 80-year-old Jones Act. That interpretation will enable two major U.S. shipbuilders—Aker of Philadelphia and NASCO in San Diego—to assemble ships—literally bolting them together—out of thousands of foreign parts in what we maintain is a perversion of the law that says simply, "ships must be built" in the United States in order to qualify for coastwise trade.

Where the law is absolutely black and white, this Coast Guard interpretation has introduced dark shades of gray that will have the effect of driving the last nails into the coffin of the U.S. shipbuilding industry.

Out of all this adversity, President Bush has inadvertently made good on at least one of his claims—that he is a "uniter." He has indeed re-united America's working families with many of our traditional allies: academics and students, religious leaders, civic activists and those who are concerned with civil rights. We have come together here in the shadows of Katrina and 9-11 to rediscover our soul, united behind a singular purpose to reclaim and to restore America's promise of democracy, equality, liberty and justice for all.

Judge Sullivan: NSPS 'the Antithesis of Fairness'

'NSPS,' from page 1

panel issued its ruling, the Republican-controlled U.S. House of Representatives dealt the Administration a stunning slap in the face by blocking funds for NSPS rules affecting some 750,000 civilian employees of the DOD. The House (dominated by Republicans, 231 seats to 201) passed an amendment July 27 prohibiting DOD officials from implementing regulations that would have scrapped impartial arbitration of labor-management disputes, circumvented collective bargaining and shredded protections for fair treatment and due process for Pentagon employees.

Not a single House member rose to defend the Administration's plans.

The House's action reinforced a ruling and injunction by *yet another Republican judicial appointee*, the Honorable Emmet G. Sullivan, who was named to the D.C. Superior Court in 1984 by President Reagan, then promoted to the U.S. District Court of Appeals by the first President Bush in 1991.

In February, employing unusually harsh language, Judge Sullivan termed the NSPS "the antithesis of fairness" and

declared the policies proposed by the Administration illegally fail to "ensure even minimal collective bargaining rights" for workers at the DOD.

Judge Sullivan issued an injunction, barring the Pentagon from implementing four key provisions of the NSPS. Their decision to appeal sparked the recent House action to cut off funds for the four sections Judge Sullivan ruled to be violations of federal law.

Administration Arrogance Alienates Its Allies

Even ardent Administration supporters are clearly frustrated by the Bush Administration's stubborn refusal to respect worker rights, and House members seem to be feeling the heat of the upcoming elections, as well.

"We are here today to take a stand and rein in a personnel system that is opposed by each and every one of the 700,000 members of the DOD Federal civilian workforce," announced Republican Congressman Walter B. Jones (N.C.) urging support for the amendment to cut funds for the NSPS.

Another Republican Congressman, Jeb Bradley of New Hampshire, said members of both parties voted for the NSPS three years ago to promote government flexibility and efficiency.

However, he said, the Administration has implemented NSPS in ways that do "not live up to the spirit of cooperation and collaboration between the government and labor that was promised. "Indeed, Bradley pointed out, "a Federal court enjoined" the Administration from moving forward because many of their proposals were flat-out illegal.

"For the thousands of Federal workers at the Portsmouth Naval Shipyard, which is in my district, the NSPS regulations as proposed would have had a damaging impact," Bradley said, explaining his support for the cut-off of funds.

"They say, 'three strikes and you're out,' but the Bush Administration plays by its own rules," observed Metal Trades Department President Ronald Ault. "First, the federal courts, stacked with Republican judges, issue three rulings against Bush's NSPS. There's Strike One, Strike Two and Strike Three. Now the Republican-controlled House stands up to the White House and says, 'You are wrong!' So that would be Strike Four! But Bush and Rumsfeld keep pushing and pushing. They seem so intent on hurting the unions that they are willing to punish and damage their own Party."

HAMMER



Volpentest HAMMER Director Karen McGinnis demonstrates safety equipment for Metal Trades Department President Ron Ault. Ault also test-fired several state-of-the-art weapons used to train nuclear security personnel at the HAMMER facility in Hanford, Washington during a recent visit there.

Makin Island

MAKIN ISLAND (LHD 8) was recently launched by Northrop Grumman Ship Systems in Pascagoula, Mississippi. Built by Metal Trades workers, she is the final LHD -1 WASP Class ship, but is the first of the class to be built with gas turbine engines and electric drive. MAKIN ISLAND will be the first all-electric LHD. Steam will not be used onboard the ship for heating or water production as in previous LHD class ships. Other significant changes from previous LHD class ships include watermist fire suppression systems, a fiber-optic machinery control system which is integrated with the damage control systems, and the latest in radar technology.



A Preview of the Annual MTD Conference

Circle the dates! October 17 – 19, the Metal Trades Department holds its 2006 Annual Conference at the Las Vegas Paris Hotel, Las Vegas, Nevada.

The 2006 agenda is both timely and loaded with substance. Delegates will hear from and meet top leaders and policy makers representing major Metal Trades Councils, employers, military and government agencies.

A sampling of scheduled special guests includes:



Karen McGinnis

Karen McGinnis, Fluor Hanford. Ms. McGinnis directs the Volpentest HAMMER Training and Education Center at the Fluor Hanford nuclear site. Volpentest HAMMER,

named after Sam Volpentest, a celebrated community leader who helped develop the tri-cities region around Seattle, provides critical year-round training to hundreds of workers involved in decontamination and maintenance work, occupational health and safety, fire fighters, police and military security.

Philip Teel, President of Northrop Grumman Ship Systems. NGSS employs more than 18,000 people at its Ingalls Operations in Pascagoula, MS and its Avondale Operations in Gulfport, MS, and New Orleans and Tallulah, LA, making the shipbuilder one of the largest and most important private employers in the entire Gulf Coast region. The critical nature of its military and tanker production and the urgent, massive challenge of rebuilding the storm-ravaged area, make our work for and with NGSS more important than ever.

Garry Flowers, Fluor Daniels. Mr. Flowers directs the Fluor Corp.'s global efforts in the areas of Industrial Relations, Security and Health, Safety and the Environment. Hundreds of MTD members perform highly sensitive and hazardous work at the Fluor Hanford nuclear facility along the Columbia River in Washington State. Created as part of the WWII Manhattan Project, the 560 square-mile Hanford site produced Plutonium for U.S.

weapons systems from 1947 – 1983. The Hanford MTC represents hundreds of workers engaged in remediating the site.

Cynthia “Cindy” Brown, President of the American Shipbuilding Association. Ms. Brown leads the national trade association representing America’s premier shipbuilders – the designers and producers of the safest and most technologically advanced ships in the world. ASA members include six shipyards (Avondale Operations, Ingalls Operations, Electric Boat, National Steel & Shipbuilding Co., Bath Iron Works and Newport News) and 76 “partner companies” in 27 states based in all regions of the country.



Cindy Brown

Mary Lacey, Program Executive Officer, National Security Personnel System (NSPS), U.S. Department of Defense. Ms. Lacey directs NSPS—a program that has (and will continue to have) a profound effect on the lives of hundreds of thousands of MTD members, inside and outside the DOD (see article page 1). Before assuming command of the NSPS, Ms. Lacey served as Technical Director of the Naval Surface Warfare Center in Washington, DC, work that involved some \$4.6 billion in programs and 16,000 employees.

Dennis Spurgeon, Assistant Secretary for Nuclear Energy, Department of Energy. Mr. Spurgeon was nominated to his current post on Feb. 13, 2006 and confirmed by the U.S. Senate on March 27. He is responsible for nuclear technology research and development; education; management of the DOE’s nuclear technology infrastructure and global promotion of the peaceful use of safe, proliferation-resistant sources of

nuclear energy. A former Naval officer and nuclear energy policy advisor to the Ford Administration, Mr. Spurgeon was Executive Vice President and Chief Operating Officer for USEC, Inc. (an international supplier of enriched uranium for power plants); Chairman and CEO of Swift Group, LLC (a global commercial and military shipbuilder) and Chief Operating Officer at the former United Nuclear Corp., (a supplier of reactor cores to the Navy) with duties that included operational oversight of the N-reactor at Hanford, WA.

Angie Howard, Executive Vice President, Nuclear Energy Institute

Angie Howard is executive vice president of Policy, Planning and External Affairs for the Nuclear Energy Institute. Ms. Howard, who joined NEI in 1996, has also been responsible for the organization’s Industry Communications activities.

Before joining NEI, Ms. Howard was vice president and director of industry relations and information services for the Atlanta-based Institute of Nuclear Power Operations. She also was involved in the formation of the World Association of Nuclear Operators and the development of communications activities for the WANO-Atlanta Center, which is co-located with INPO. Before joining INPO in 1980, Ms. Howard was employed by Duke Power Company from 1969 to 1980.

Ms. Howard received a bachelor’s degree from Clemson University, and is a graduate of the Advanced Management Program at the Harvard University Graduate School of Business. She has completed the Reactor Technology Program for Utility Executives sponsored by the Massachusetts Institute of Technology and the National Academy for Nuclear Training. Ms. Howard is an accredited member of the Public Relations Society of America and is a member of the American Nuclear Society. She also is a member of the Clemson University Research Foundation Board.

Metal Trades Councils planning to send delegates to the Department’s Conference should contact the Department at (202) 974-8030 to make arrangements. Or, write: Metal Trades Department (AFL-CIO), 815 16th St, NW, Washington, DC 20005.

Dire Circumstances for U.S. Shipbuilding

Facts from the 2005 Shipbuilding Report prepared by the Industrial College of the Armed Forces National Defense University.

- The U.S. shipbuilding industry accounts for less than 1 percent of the world market.
- 95 percent of all raw and finished materials entering the U.S. come by sea.
- 95 percent of all raw and finished goods exported from the U.S. move by sea.
- The domestic naval shipbuilding and repair industry—four Navy shipyards and six private shipyards, and the chain of domestic suppliers—designs, builds and maintains the most technically advanced and capable naval vessels in the world today.
- The U.S. is the current world leader in naval construction, but U.S. output is insignificant in the global commercial market—a situation that puts great stress on the U.S. shipbuilding industry.
- In order to maintain a proficient shipyard workforce—and to recruit the next generation of shipyard workers, the U.S. industry must produce a much larger volume of product than it currently does.
- The government can and should consider incentives to increase commercial ship construction: to increase volume, protect and train the workforce and spread overhead allocations.
- The Asian countries—China, Japan and Korea, have achieved a virtual monopoly in the construction of large commercial ships—oil tankers, bulk carriers, container ships and roll-on/roll-off vessels. This monopoly is supported by a considerable supply of trained, experienced labor and the regional availability of steel, engines and other ship components. The volume of ship construction in these yards promotes investment in automation and labor, and results in decreasing ship costs.
- Europe, including Italy, Spain and Finland, has maintained its control

of high tech civil and commercial construction, including ferries, research vessels, cruise liners and medium sized naval vessels. Europe maintains its own stable of first and second-tier suppliers, including a unique sector of craftsmen to support the outfitting of luxury cruise ships. Europe also seems to have significant export sales of medium size, medium complexity naval vessels, which provides additional workload to allocate overhead, protect the workforce and promote investment.

- The U.S. has a limited share of the market: specializing in highly capable, highly complex naval vessels. At the same time the U.S. builds a small number of commercial vessels required for the Jones Act trade. There is no significant export market for U.S. naval or commercial ships. The U.S. maintains a healthy ability in secondary shipyards to build small to medium sized, special purpose ships.
- Where a total of almost 100 ships were built annually in the early 1980s, now less than seven vessels are built per year. There are nine active shipbuilding yards capable of constructing ships of more than 400 feet in length. An additional 80 yards exist to construct smaller ships, or to provide maintenance, upgrade or repair services. These yards employ

66 percent of the total U.S. industry workforce and provide only 1 percent of the global delivery of new ships.

Conclusion: The U.S. must maintain its lead in naval power by protecting its domestic shipbuilding industry.

First Tier Private Shipyards

- National Steel and Shipbuilding (NASCO)— San Diego
- Northrop Grumman— Pascagoula, Mississippi
- Northrop Grumman Avondale—New Orleans
- Northrop Grumman Newport News Shipbuilding, Newport News, VA
- Aker Philadelphia Shipyards Inc.—Philadelphia
- General Dynamics, Electric Boat, Groton, CT
- General Dynamics, Bath Iron Workers—Bath, ME

Navy Shipyards

- Portsmouth Naval Shipyard, Portsmouth NH
- Pearl Harbor, Hawaii
- Puget Sound, Bremerton, Washington
- Norfolk Naval Shipyard— Norfolk, VA

MTD & Affiliates Provide Training for Local Organizers



The Metal Trades Department and several affiliated unions, including the IBEW, the Machinists, Boilermakers and Sheet Metal Workers, have been conducting a series of training programs to support local organizing initiatives. The photo, some of the participants in a recent organizer training program held in Mobile earlier this year.

Will Kit Ships Filled With Foreign Parts Destroy U.S. Shipbuilding?

By Ronald Ault, President
Metal Trades Department, AFL-CIO

The AFL-CIO Metal Trades Department is pressing Congress and the U.S. Coast Guard to enforce the letter and the spirit of the Jones Act before an armada of “kit ships” constructed with millions of dollars worth of foreign parts and equipment sinks the U.S. shipbuilding industry.

Aker, Philadelphia Shipyards Inc. (APSI), in partnership with Hyundai Mipo Shipyards (HMD) in South Korea, is assembling the first of 10 planned MT-46 Veteran Class double hull tankers which it will lease back to its own transportation company for use in shipping goods between U.S. coastal ports. The vessels will consist of thousands foreign-built parts from propellers, stern tubes, bulbous bows, deck winches, completely

assembled cargo cranes, assemblies and miles of piping right down to anchor winches, crew ladders and crew quarters. Everything you can think of that makes up a ship is being supplied by HMD. More recently, San Diego-based NASCO has announced a similar plan in partnership with Daewoo Shipbuilding, also of Korea.

When Congress passed the Jones Act in 1920, they were very clear. They said ships must be **built** in the U.S. to qualify for coastal trade. The “paint by numbers” assembly process developed by Aker/HMD, and now, by NASCO, simply cannot meet that definition.

The U.S. Coast Guard gave a green light to Aker on May 24, 2006, to load up on foreign-parts. The formal determination letter issued by the Coast Guard deliberately confused the issue

by using terms such as “fabrication” “pre-fabrication” and “built” almost interchangeably. Aker has off-loaded more than 300 container-loads of foreign parts and completed sub assemblies for its first ship.

The Metal Trades Department has challenged the Coast Guard’s position. If the Coast Guard refuses to reverse its initial determination, the Department has announced it will take the issue to federal court.

Aker Violates Terms of Its Subsidy Agreement

Beyond the constraints of the Jones Act, Aker is also violating the terms of its formal agreement with an alliance of business, government and labor organizations that conveyed more than \$500 million in subsidies to bring the shipbuilder into the old Philadelphia Naval Shipyard in 2001. The subsidies, which included tax dollars from the federal government, the city of Philadelphia, from the states of Pennsylvania and New Jersey and the Delaware River Development Authority, were given on the condition of a corporate pledge to create a minimum of 600 full-time shipyard jobs and another 300 contractor jobs, and to establish a formal training program to bring new shipbuilding skills to the regional workforce. Even today, Aker’s website includes optimistic projections of as many as 6,000 new jobs in the region supposedly growing out of the subsidy deal for Aker.

Aker—as the successor to Kvaerner—is still bound by the terms of that agreement, although no one in authority in the area seems to be interested in pressing the issue.



Aker, Philadelphia Shipyards Inc., in partnership with Hyundai Mipo Shipyards in South Korea is assembling the first of 10 planned MT-46 Veteran Class double hull tankers. The hull sections (pictured above) and the drive assembly (picture right) are among the parts Aker has acquired from foreign suppliers.



Metal Trades Mulls Creation of Non-Profit Health Agency

The Metal Trades Department is considering the establishment of a national Metal Trades health agency to provide a broad spectrum of health services, education and research programs for members and their families. The organization would be funded as a non-profit organization through grants from various non-governmental organizations, such as the United Way, or federal state and local government funds.

Workers in various metal trades operations encounter a multitude of health threats through exposure to various substances on the job, ranging from nuclear work to petrochemical production.

Workers represented by Metal Trades Councils throughout the U.S. handle the cleanup of nuclear sites and the decommissioning of nuclear weapons. In hundreds of different worksites, MTD represented workers are exposed to known disease causing elements including asbestos and various chemicals.

Over the years, the Department has facilitated the setup of health screening programs and emergency responses to outbreaks of work-related health problems. A free-standing Metal Trades health agency would serve as an asset to local councils encountering new health

problems, and as a clearing house for collecting and analyzing data on workers in shipbuilding, mining, manufacturing and other specialized industrial work unique to the Metal Trades.

The agency would be a link to the resources and data collected over the past several decades through the Metal Trades-Industrial Union Department Workplace Health Fund. That organization has amassed a considerable library of information related to beryllium, medical surveillance and monitoring of genetic and other workplace health related information now housed in the Ramazzini Institute.

MTD Blasts Hawaiian Senate Candidate For Wrong Turn on Jones Act

The Metal Trades Department recently weighed in on a dispute over USA-made ships in a Democratic primary race for one of Hawaii's two Senate seats.

This fall, Hawaiian voters must choose between incumbent Senator Dan Akaka and his challenger, U.S. Rep. Ed Case. Case hopes to make a race of it, even though he lags Akaka 11 points in the polls and has only a 75% lifetime pro-labor voting record, compared to Akaka's 95% lifetime record of pro-labor votes.

Case may have driven a rivet in his own coffin by taking the wrong side on USA-made shipping (a big issue in the island state of Hawaii), prompting the letter shown at right in the *Honolulu Advertiser* from MTD President Ron Ault:

Metal Trades On the Move

The Metal Trades Department's offices are moving, effective October 1, 2006 to the main AFL-CIO headquarters building. Our new address will be: 815 16th St. NW, Washington, DC 20006. Our new phone number is 202-508-3705 and the new fax number is 202-508-3706. Please check for more information on our Department website: www.metaltrades.org

Dear Editor,

Ed Case's position against the Jones Act provides working Hawaiians with their best rationale yet for voting to re-elect Dan Akaka to the U.S. Senate. Case apparently subscribes to the free-trade concepts of the "New Democrats" that paved the way for NAFTA and its offspring, while ravaging U.S. jobs.

Today, the AFL-CIO Metal Trades Department is battling a serious threat to the Jones Act triggered by the Aker Shipyard in Philadelphia. At stake are some 1,000 direct and indirect jobs in that city, and ultimately the entire domestic shipbuilding industry. Aker decided it could build 10 new double-hulled tankers more cheaply by skirting the Jones Act. The tankers are being assembled in Philadelphia but they are crammed full of Korean parts and modules, from bow to stern. Despite the use of Korean-made bulbous bows, stern tubes and other stern sections, miles of pipe, pumps and propellers, the Coast Guard, over our objections, made an initial determination that the ships would be considered U.S.-made for the purposes of the Jones Act – a decision that contradicts the letter and spirit of the Act. We have appealed.

The rest of the American shipbuilding industry is watching these developments with keen interest. The expectation is that within the next decade most of America's aging tanker fleet must be replaced with the new double-hulled design, as mandated by Congress. That mandate was made with two high-minded goals in mind: to protect the environment against a repeat of the Exxon Valdez oil spill and to provide work for the U.S. shipbuilding industry. If Aker succeeds, every U.S. shipbuilder will be knocking on the doors of Korean, Chinese and Polish shipyards to get their hands on pre-fabricated ship sections.

Sen. Akaka understands the threat and is working closely with us to address it. We consider him not just a Hawaiian senator but a national treasure. We hope Hawaiians will understand and reward his performance by re-electing him.

Ronald E. Ault

President

AFL-CIO Metal Trades Department

Labor Makes Gulf Coast Revitalization Top Priority

'Gulf Coast,' from page 1

"This is a great program for this city, our communities and our workers," said Tiger Hammond, President of the New Orleans AFL-CIO. "What Katrina destroyed, we will help to rebuild. Our neighborhoods have been destroyed, our citizens scattered, but our spirit and resolve are strong."

AFL-CIO Secretary-Treasurer Rich Trumka of said, "We're hoping that our investment will show everybody else that New Orleans is a good place to invest, it's a good place to be, it's a good community and we're going to help rebuild it and it will attract other investment."

Key components of the AFL-CIO Gulf Coast Revitalization Program:

- **Multifamily Housing:** \$250 million in direct financing to be provided by the HIT for the production or rehabilitation of housing. This significant financial investment will seek to build or renovate 5,000 to 10,000 housing units, both in New Orleans and other Gulf Coast communities, and is expected to leverage an additional \$150 million from other public and private sources. Special emphasis will be given to affordable housing, and workforce and special needs housing, as well as worker training programs in the building and construction trades.
- **Commercial and Economic Development:** \$100 million in

direct investment by the BIT for commercial real estate development in New Orleans and other Gulf Coast cities. BIT investments will seek to focus on hotels and other economic development projects that create jobs in construction and services. These investments are expected to leverage an additional \$150 million. The ITC will also explore the feasibility of alternative housing solutions, such as manufactured and modular housing.

- **Health Care and Hospital Facilities:** In conjunction with other partners, the HIT will seek to invest \$100 million in health care facilities and hospital construction. These investments will help reduce the significant shortage of health care facilities in the region.
- **Homeownership:** \$250 million will be designated through the HIT's successful "HIT HOME" mortgage program to enable union members and public employees to purchase homes throughout the region. In addition, HIT will work with local Community Development Corporations on innovative homeownership programs for low-income families such as limited equity co-ops and the Section 8 program.
- **A Long-term Commitment:** The ITC, which has leased office space in downtown New Orleans, joined with Providence Community Partners—a group comprised of the Catholic Charities Archdiocese of

New Orleans, Christopher Homes, and three community development corporations—Reconcile New Orleans, Tulane/Canal Community Development Corporation and UJAMAA Community Development Corporation, to submit a proposal to the City of New Orleans for redevelopment of 196 abandoned adjudicated properties in Treme and Tulane/Gravier that are available for single and multifamily development.

METALETTER

Metal Trades Department • AFL-CIO

(ISSN 00476870)

Published Quarterly by the Metal Trades Department of the AFL-CIO, Ronald Ault, President

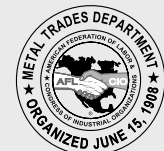
Publication Address:

815 16th St. NW,
Washington, DC 20005
Periodicals Postage Paid at
Washington, D.C.

Direct Change of Address or

Editorial Inquiries to:

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ISSN #00476870

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