

# Coalition Chronicle

Report to the National Industrial Base Workforce Coalition

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*Executive Director Michael Balzano briefs U. S. Defense Secretary James Mattis on the Workforce Coalition*

## Coalition Honors Lives of Service

In June 2018, The **Honorable James Mattis** delivered the commencement address at the **U.S. Merchant Marine Academy**.

It was a privilege for the *National Industrial Base Workforce Coalition* to have been invited to participate in this special occasion and an honor to be included as a sponsor. Immediately prior to the graduation ceremony, NIBWC Executive Director **Michael Balzano** had an opportunity to share with the Secretary the support of the Coalition for a wide range of defense

programs over a period of 25 years. Learning that the *Coalition* is made up of union leaders from a variety of industries across the country, the Secretary asked whether maritime unions are members of the *Coalition*. He then revealed the fact that his father, **John West Mattis**, was a union seaman who served on a transport in the **U.S. Merchant Marine** during World War II, a fact he expanded upon during his formal remarks.

This was a first -- a Secretary of Defense speaking with pride about his union heritage.

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During the commencement address, aiming to inspire the young graduates embarking on careers serving their country, Secretary Mattis reflected on his father's heroic service in the Merchant Marines during World War II.

"My father was a mariner from 1935 to 1949," he said, "so it was in my blood to go wander the world..." In this revelation the Secretary projected his pride in the fact that his father was a union member who served on cargo ships during World War II. Elaborating upon his father's service to the country, Secretary Mattis described those as "turbulent times in the air, on land and sea and under the sea." Below are excerpted portions of his remarks about his father:

*During the Great Depression, he enrolled in the Pennsylvania Nautical School and he did his sea year aboard the USS Annapolis which was a Navy steam-sailed gunboat from the Spanish-American War.*

*It was sound training for what lay ahead and those seamanship fundamentals served him well when the great auditor, that in the Armed Services we call 'war,' was going to test all of the mariners that we had and then some. He put the C on convoys from the Murmansk Run to the United Kingdom, where the wolfpacks hunted under the stormy North Atlantic Sea.*

*He took part in the great effort when your predecessors kept a starving Britain and a defeat-ravaged Russia alive long enough to ensure Hitler's*

*defeat. His voyages took him to the seven seas and you will go there as well...*

*Your service has ever embraced these lessons so much so that during WWII, the **Kings Point newspaper, Polaris**, published some rather grim advice for those of you who were sitting where you are sitting today. It said, 'Sleep with your cabin door open because a torpedo strike can jam your doors shut. Never sleep on the hatch covers, you risk getting blown overboard. Wear clothing at all times in dangerous waters. Have a lifebelt and a flashlight handy. Know where your boots are.' ...[A]ll graduates must be ready to do as your forbearers did to always know where your boots are, to always be ready when trouble looms because both war and the sea are unforgiving environments and so the lessons learned here will apply wherever you go in the future."*

He concluded by paying tribute to the graduates by acknowledging the importance of their having chosen to serve their country. "The only way this country, this experiment in democracy will continue to exist," he stated, "is if we raise young men and women like this who are willing to commit themselves to serve others, to serve their country."

The *Coalition* pays tribute to all who serve and who have served, many of whom go on to exemplary service in their communities as union members and leaders. ♦

***This is the next generation who will sail America's Merchant Ships, in peace and war.***

***Secretary Mattis took a photo with every member of the graduating class.***



## WORKFORCE COALITION MEETS WITH DoD POLICYMAKERS

At the Merchant Marine Academy graduation ceremony **Secretary Mattis** offered to set up a meeting for Coalition members with key Defense Department policymakers. The meeting, held on September 25, 2018 in the Secretary's conference room, included the following union delegation:

**James Hart**, President of the AFL-CIO Metal Trades Division with the other members representing the various crafts of the industrial base.

**Charles Spivey**, President of United Steelworkers local 8888 (USW), the largest contingent of steelworkers in the nation.

**James Price**, personal representative of **President Bob Martinez** of the International Association of Machinists and Aerospace Workers (IAMAW).

**Augustin Tellez**, Executive Vice President of the Seafarers International Union (SIU).

**Paul O'Connor** representing **Lonnie Stephenson**, President of the International Brotherhood of Electrical Workers (IBEW).

**Betty LaPointe**, former Vice President IBEW Local 1505 and member of 44 years, also regional representative for the NIBWC in the Northeast.

**Dennis Wilderson**, President of the Salaried Employees Association (SEA), whose history covers Westinghouse defense electronics manufacturer and Northrop Grumman.

**David Goodreau**, President of the Small Manufacturers Association (SMA), and national supply chain expert for the *Coalition*.

After expressing gratitude for the service of John West Mattis and his membership in a trade union, Coalition members exchanged ideas with DoD senior staff. The meeting concluded with an expression of labor support for DoD and its programs. ♦

## Unions Nationwide Recognize Mike Petters as CEO of the Future

**Mike Petters**, the CEO of **Huntington Ingalls Industries**, the nation's premier builder of aircraft carriers, submarines and other warships, is fast becoming recognized as a leader not only among the local unions in his company but also by union leaders across America's industrial base as well. On more than one occasion he said that as a CEO he could be replaced in week but it would take five years to produce a nuclear welder in his shipyard. When asked by colleagues about the higher cost of a unionized workforce Petters responds that while the cost may be a little higher, the quality and commitment of his workforce produces a collective excellence that goes into his warships.

Early in 2018, **Jimmy Hart**, the new president of the **AFL-CIO Metal Trades Division**, invited Petters to speak at a Metal Trades conference of union presidents representing craftsmen in other companies.

Following Mike's acceptance, President Hart invited **Bob Martinez**, President of the **International Association of Machinists and Aerospace Workers**. Already on another trip, Martinez altered his travel plans to attend the Metal Trades conference. Together, these two union presidents represent members who build America's warships, fighter planes, refuelers and transport aircraft as well. (When Martinez altered his plans to attend the meeting, he also brought with him **Jim Price**, Executive Assistant and a union leader who has decades of history as a union representative and has been part of the *Workforce Coalition*.)



*HII CEO addresses the conference*

In a meeting prior to the conference, Petters spoke about his commitment to the healthcare of his workforce. He noted that HII moved the medical facility for both workers and family right into the shipyard. He said, "If I can get one worker a week to stop smoking or to lose weight and avoid becoming a diabetic later in life, it will be worth it." He repeated those comments during his formal remarks. Additionally, during his address to the presidents of some 60 locals in the room, Petters spoke of his commitment to providing his workforce all the training they need.

He recalled watching his daughter write a term paper without using note cards, remarking that the efficiencies that have occurred since he was in school demonstrated to him the necessity of changing our thinking about the time it takes to get the same job done as we progress in the future. When the Ford Class Carrier, just completed, is retired in 2068, the education of the workforce will be so different that we cannot even conceive of it today.



*From left to right, Bob Martinez is joined by Jim Price following Petters' address*

He noted that his primary concern is the future and posed the question what kind of training will we need for the jobs that are 50 years out? The president of one local, **Jan Noster**, noting Petters' unusual connection with his workforce, asked the question, "Why don't we have more CEO's like you?"

In the session following his address, there were more comments concerning the style and commitment that Petters' has not only to his workforce but to issues that affect the entire industrial base. ♦

## First Lady Melania Trump Flies on the V-22 Osprey

The Workforce Coalition has had a long history with the **V-22 Osprey**. This incredible aircraft was designed and built at the Bell-Boeing facility in Ridley, Pennsylvania. The leadership of **Local 1069 of the UAW** have been most active in the *Workforce Coalition* activities since the early 1990's. Beginning with President **Joe Wood, Al Gavetti** and continuing with **Mike Tolassi**, the current president, Local 1069 has held a prominent place among the dozens of unions that were involved in saving aerospace programs that were threatened with cancellation.

All programs, in their development phase, require time to address the problems that inevitably arise during the early stages of their construction. Unfortunately, that is the very time that Congressional critics begin to call for cancellation of such programs. Such calls for cancellation were encountered by the C-17, the Space Station, and the V-22.



Unlike any other aircraft the V-22 engines lift the aircraft in a vertical position as do helicopters.

Then, once airborne, the engines shift into a horizontal position, like a regular fixed wing aircraft. This feature allows the Osprey to take off and land in very confined spaces but also travel greater distances, faster than a normal helicopter.



There was a somewhat extended period where accidents took the lives of V-22 pilots and crews. During its 20-year development phase, the V-22 had a total of 42 fatalities that occurred in a variety of accidents. Each time the engineers and touch labor workforce pleaded for more time to work out the problems. Then there was a major crash in 1997 in a test flight that took the lives of the entire crew along with the servicemen aboard the aircraft. To widen the scope of inquiry, the **George H W Bush** administration established a presidential commission to examine the feasibility of building such an aircraft. Experts in aviation testified both pro and con about the challenges. The utility of such an aircraft was championed by those who saw its potential for amphibious warfare because of the V-22's capability to fly from confined spaces into a combat zone with troops and return to that limited landing space.

Then came the unexpected witnesses. During the hearing, the wives of V-22 pilots who lost their lives in the accidents testified before the presidential commission. These widows urged the commission to go forward with the program. They told the commission that their husbands shared with them their excitement about the technical capabilities of this new aircraft to provide war fighters with a tactical advantage. All of these pilots were committed to develop the aircraft. These women urged the commission not to cancel the program but to continue it as a tribute to their husbands, allowing more time to work out the problems.

The commission agreed to allow the development phase to continue. Today the V-22 plays a major role in combat strategy that involves amphibious assignments. Since those early days, the Osprey has distinguished itself in the war in Afghanistan in 2010 and during the 800-mile rescue mission, and daring rescue of US personnel in Libya.

Apparently, the aircraft is now deemed so safe that the First Lady of the United States can fly on the Osprey without fear. This is certainly a tribute to all of those whose lives were lost developing the aircraft and those who refused to cancel the program. ♦

## The Council of Engineers and Scientists Organizations Reunites with the Workforce Coalition

In the late 1980s, a group of engineering unions in the defense sector united with engineers representing public employee unions: **The Council of Engineers and Scientists Organizations**. As with the genesis of most employee associations there were key actors who saw the need for broadening the influence of engineers in the public policy debate. Chief among them was **Leonard Ricks**, of the Southern California Professional Engineering Association (**SCPEA**), the engineering union representing **MacDonnell Douglas** at Long Beach, California.

Ricks enlisted the Seattle Professional Engineering Association (**SPEEA**), the Boeing engineering union in **Seattle**, Washington as well as engineers at the Boeing group in **Wichita**, Kansas.

The group was joined by Lockheed Martin in New Jersey when **Harold Ammond** brought **ASPEP**, the Association of Scientists & Professional Engineering Personnel into CESO. About the same time a host of other aerospace unions in the private sector also joined CESO. These included **Andy Marco**, from the **Engineers and Scientists Guild**, engineers from **The Aerospace Corporation**, and engineers in Palmdale, CA, represented by **Dale Herron**.

Large public employee unions were also well represented in CESO. These included the Engineers and Architects Association who managed

the entire electrical power grid for the city of Los Angeles. In the south, **Donna Wilson Renner** represented nuclear engineers and scientists at the Tennessee Valley Authority (**TVA**) who also came into CESO. CESO also represented a large health policy association represented by **Dave Novogrodsky** and **Ben Hudnall**.

Despite the large number of private sector defense organizations, the group agreed that CESO should be chaired by a public sector union. The group unanimously agreed on **Phil Thompson** the Executive Director of the Michigan State Employees Association. For more than two decades, CESO was a partner with unions in the private sector and enjoyed the support of the larger private sector defense unions. Then following the retirement of **Cynthia Cole**, Boeing unions and most of the other west coast aerospace unions dropped out of CESO.

Perhaps the greatest champion of CESO over the decades has been **Joe Grabowski** of ASPEP. Last year Joe invited me to attend a CESO meeting in Washington DC. I gave CESO's executive committee an overview of the activities that the *Workforce Coalition* pursued over the years. The group expressed a desire to reunite CESO with the larger *Workforce Coalition*. Hence the *Workforce Coalition* now includes CESO in all of our national efforts as a partner and will invite CESO members to all of the activities in which we engage. ♦



*From left to right: Mark Klipstein, Dana Wheeler, Blake Nelson, Tonya Shuler, Roger Logan, Mike Balzano, Anil Desai, Lee Fleisher, Joe Grabowski, Curt Howe, and John Bernstein.*

## US Military Needs Rare Earth Elements for Future Wars

By Dean Popp—Former US Army Acquisition Executive

Our national security relies on our industrial, economic, and agricultural strength to win wars. By the end of WWII, the US was producing a bomber an hour, a ship a day, and was feeding half the world. Combined with our unparalleled American warrior ethos, we unconditionally prevailed in a global struggle involving two massive theatres of operation.

When the first atomic bomb was dropped, leading to an almost immediate surrender, our enemies took notice that the US had a weapon that was unimaginable until that moment. Six decades later, when precision munitions and stealth warplanes were unveiled, the world again took notice that the US position is one of striving to have a secret, overwhelming, strategic and tactical advantage in weapons that creates a powerful deterrent.

Over a decade ago, Pentagon planners began to envision the next round of surprise super weapons, which eventually became known as the “Third Offset” policy. Amid fiscal constraints and our 15th year in The Long War, any endeavors for the next round of offset must

thread the needle of technological superiority and self-reliance. After 25 years of misguided US globalization policies, our Achilles heel will be our failure to domestically source **Rare Earth Elements** (REE) for which we are wholly reliant on one of our primary adversaries: China.



Every one of the current and next round of super and unimaginable US weapons relies on REEs, an exotic assortment of 17 metals and elements, that are neither mined nor processed into ores in the US. We remain completely at the mercy of foreign governments and markets for these vital supplies, which are the building blocks for every major piece of military equipment or weapons system.

From the Joint Strike Fighter to the next generation B-21 deep strike bomber, from avionics to computers, REEs are irreplaceably pivotal to America’s military superiority. Their unique properties, such as strong magnetic qualities at high temperatures, help precision-guided munitions pinpoint targets, facilitate GPS navigation, and allow fighter pilots to eject safely. Given REEs undeniable military and commercial value, it is difficult to overstate their importance to our national security.

The last American rare earth mine closed in 2015, leaving the U.S. government without a single domestic supplier of the rare earths and specialty metals it requires. Currently and purposefully, there is only one player in this space: China. China not only controls our nation’s access to REEs, it is one of two competitor nations explicitly mentioned in the Pentagon’s Third Offset strategy as presenting an incredibly dangerous situation for America’s most critical national security programs.

China has already set a precedent for using REEs as geopolitical leverage. Following a dispute with

Japan in 2010, the country curtailed its REE exports, spiking prices as much as 600%. To believe China would keep supplying us with the materials needed to defeat them is both irresponsible and naive.

Nevertheless, for nearly two decades defense policy makers have insisted on ignoring this threat in favor of misplaced ideas about globalization. Consequently, our defense industrial base is growing “increasingly brittle” with long-term consequences for military readiness, General Joseph Dunford, Chairman of the Joint Chiefs of Staff, said in recent testimony. Despite the criticality of REEs to our nation’s ability to fight and win wars, action on the issue remains stagnant. A 2016 GAO report stated that the Pentagon could not identify the REEs it needs. After three separate Pentagon offices researched the issue, there is no consensus, let alone a clear path to a stable US supply. Meanwhile, the last producing rare earths mine was sold to a Chinese mining firm for \$20 million in June.

The Pentagon is foolish to advertise a grand strategy of technological prowess when it doesn’t even have a secure supply of the strategic materials it needs to innovate. President Trump’s recently announced Industrial

Base Review could be an opportunity to fix this problem by insisting that the Pentagon support domestic supply lines. Both the House and Senate Armed Services Committee authorization bills included additional funds for development of domestic rare earth capability, though the all-powerful Appropriations Committees have not matched this investment to date. We need to put some money toward fixing this critical supply chain issue before we get caught short and embarrassed when it’s a matter of life and death in defense of the nation.

Though seemingly unimportant things like a \$2 rare earth element magnet steering a billion-dollar weapons platform may sound inconsequential, when our adversaries cut off our supply leveraging our greatest weakness against us, we won’t have anywhere to turn. With unpredictable international relations, we can no longer ignore our greatest strategic liability. We must act now to establish a coherent rare earth policy and end our dependence on China. When it comes to keeping America safe, we can’t take any chances.

*Dean G. Popp was the US Army's Service Acquisition Executive (SAE) and Assistant Secretary for Acquisition Logistics and*

*Technology in both the Bush and Obama administrations. Currently, he is Senior Counsel to FH+H law firm in McLean, Virginia and serves on various corporate and advisory boards. ♦*

**The Workforce Coalition extends its gratitude to Dean Popp for allowing us to bring his article on this important topic to our membership.**

### *Coalition Chronicle*

*National Industrial Base  
Workforce Coalition*

Representing American scientists, engineers, technical, professional, service & production workers in maritime, aerospace, defense, electronics, energy, tele-comm., transportation, pharmaceutical and base industries in both the public and private sectors.

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# JESSE CALHOON: LABOR CAPITALIST

## *Visionary Union Leader not forgotten*

As stated in the 2016-2017 *Coalition Chronicle*, from 2008 to 2016, there were no meetings between the *Workforce Coalition*, the Obama Administration or officials at DOD. Over those eight years some of the *Workforce Coalition's* greatest members passed away. Since they are union leaders never to be forgotten, we will honor their contribution to the American workforce in this and future issues. In our last *Chronicle*, we noted the passing of **Chico Magill**; in this issue we honor one of America's greatest union leaders,

**Jesse Calhoon**, president of the Marine Engineers Beneficial Association (**MEBA**), who passed away in 2013 at 90 years old.

I had heard about Jesse during the Nixon years but really got to know him during the

Reagan campaign.

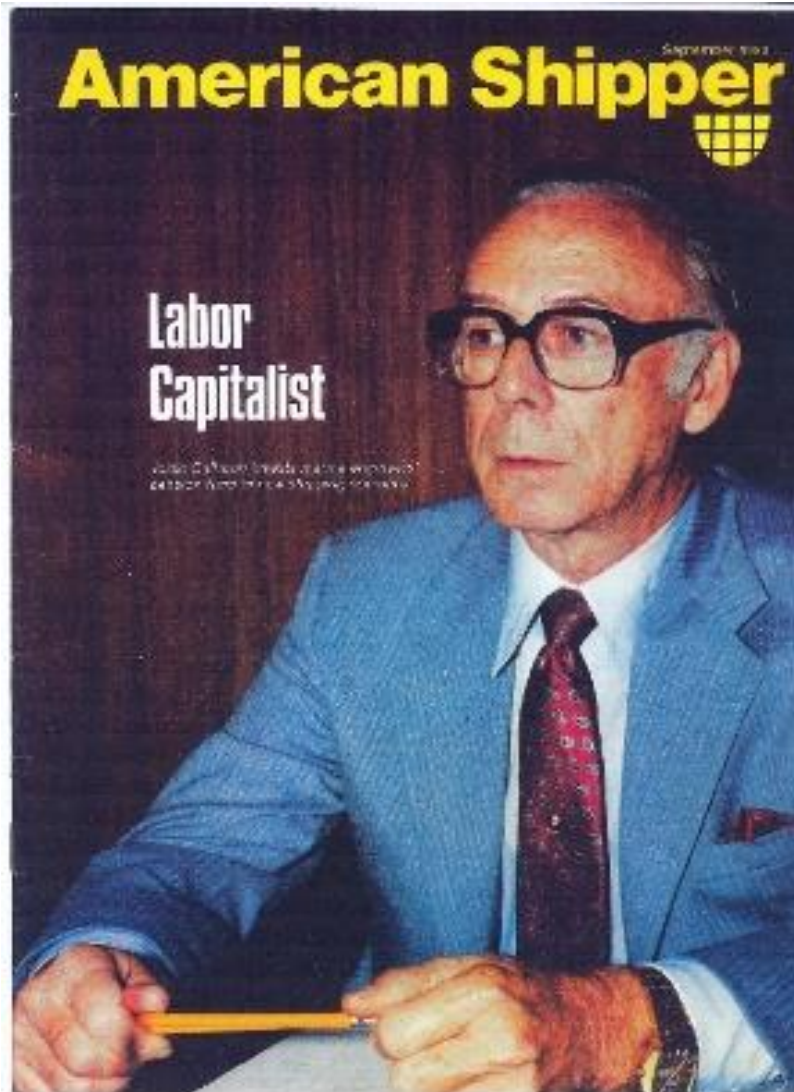
Following Reagan's victory in 1980 I became the Director of Government Affairs for the **Joint**

**Maritime Congress**, the trade association Jesse formed between MEBA and American liner companies.

From 1980-85, I was at Jesse's side for the major battles MEBA fought to preserve the **Alaskan oil**, the **Jones Act** and in his dealings with

Reagan's economic and trade policy council. I

learned more about economics and US trade policy than I ever learned studying for my PhD.



*Jesse's photo on the cover of **American Shipper** in 1980 is characteristic of this union master of finance, well deserved of the name "Labor Capitalist" with that ever-present pencil he held during the numerous meetings he attended in Washington.*

*Photo reprinted with permission of **American Shipper Magazine**.*

Born the son of a North Carolina fisherman, on April 4, 1923, Jesse became a coal passer on a steam ship at 16. He sailed a variety of transport ships during World War II and cheated death when his ship was torpedoed in the Gulf of Mexico. Later, he graduated from the **US Merchant Marine Officer Candidate School**, worked his way up as business manager in a Norfolk local of MEBA and became president of that union in 1965. During the Vietnam war, Jesse started the MEBA school of Marine Engineering and established a state-of-the-art facility on the Eastern Shore that bears his name.

Calhoon was fascinated with economics. He told me that he read the financial pages of the Wall Street Journal when aboard ship and mastered the art of investing that transformed a small union pension into an almost \$2 billion investment fund. The fund built the Hall of States office building across from Union Station in Washington, DC, and built two bulk carrier and container ships. With his knowledge of industry, commodities, finance and the market Jesse became known as the “Labor Capitalist.”

Known to **President John F Kennedy** and **Lyndon Johnson**, he raised MEBA to national prominence during the **Nixon administration**

with the passage of the Merchant Marine Act of 1970 that created a 100-ship tanker fleet to carry Alaskan crude to refineries in the lower 48 states.

Calhoon met with **Ronald Reagan** during the 1980 campaign and received a promise from the candidate that Reagan would follow Nixon’s lead to preserve the Jones Act and the Alaskan oil trade for American crews. When the Congress would not support Reagan’s agenda, Calhoon created the largest industrial campaign in Washington’s history, convincing both parties to preserve the Jones Act and the American fleet. Jesse made it clear that America’s national and economic security rested on its ability to move goods and services over the high seas in peace and war. Jesse was a visionary,



*Jesse Calhoon meets with President Nixon*

he realized that American sea power rested on a strong US merchant fleet that was, unfortunately, undermined by US trade policy. That policy allowed foreign carriers the right to deliver cargo to America on their ships arguing for cargo reservation, but would not allow US carriers the same right, calling it US cargo preference—a violation of free trade.

Thanks to US trade policy, today the American merchant fleet is almost gone. The Jones Act is under attack now, more than any time in American history. With Jesse gone, the US maritime industry is without a champion and I believe faces extinction.