

BACKGROUND INFORMATION

ALCATRAZ FERRY CONTRACT

August 28, 2006

Timeline:

Sept. 27, 2005--National Parks Service (NPS) picked Hornblower Yachts, Inc. for a new 10-year contract to run Alcatraz Ferry Service.

November 15, 2005 – Blue and Gold (B&G) files bid protest in Court of claims, Washington, D.C.

December 2005 – San Francisco Board of Supervisors unanimously passes a resolution supporting the retention San Francisco maritime jobs aboard the Alcatraz Ferry Service. Board urges Port to consider economic and traffic impacts of relocating the from Fisherman's Wharf.

February 14, 2006 – Court of Claims in Washington, D.C. rejects B&G bid protest. B&G appealed the ruling and filed a separate action in the Court of Claims after a ruling by the Federal District Court in San Francisco (see May 1st below). Both the appeal and Court of Claims matter are pending.

March 1, 2006—NPS expected to send final contract to Capitol Hill for notification if contract negotiations with Hornblower are completed.

May 1, 2006 - San Francisco Board of Supervisors' President, Aaron Peskin holds committee hearing on impacts of relocation of Alcatraz Ferry Service to Pier 31 ½ . Local residents, merchants and union members testify. Supervisor Peskin writes San Francisco Congressional Delegation asking them not to award the contract until NPS addresses local issues.

May 1, 2006 – San Francisco District Federal grants unions request for injunction to stop NPS from awarding the contract for Alcatraz Ferry Service on grounds that it did not contain a long-standing labor protection, the "Service Contract Act" that requires a successor contractor to pay the same level of wages as the current contractor. Judge orders NPS to require new contractor to pay equal wages and benefits as the B&G contract.

May 9, 2006 - NPS signs a ten-year contract with Alcatraz Cruises, LLC (Hornblower affiliate) to start operating the service on September 25, 2006. NPS attaches to the contract a letter signed by Alcatraz Cruises agreeing to adhere to the Service Contract Act unless Department of Labor rules otherwise.

June 6, 2006 - NPS and Alcatraz Cruises makes first public presentation before the San Francisco Port Commission about their plans for operating the Alcatraz Ferry Service at Pier 31 ½ . NPS and Hornblower officials testified that they would not be making any temporary improvements on the pier before starting service.

July 24, 2006 – The Blue and Gold Fleet issued over 314 layoff notices to union crew members working the Alcatraz Ferry Service and other ferry routes operated by Blue and Gold (Vallejo Baylink, Tiburon and Alameda/Oakland Ferry services) which may be impacted by the company's loss of the Alcatraz Ferry Service.

July 31, 2006 - Citizens to Save the Waterfront files lawsuit in San Francisco Superior Court against Alcatraz Cruises and Hornblower Yachts to stop them from starting service from Pier 31 ½ without doing an environmental review study of the impact of 1.3 million passengers per year arriving and departing from the facility. Lawsuit also claims that Alcatraz Cruises needs to file a BCDC permit before starting service. Telegraph Hill Dwellers voted to join the lawsuit in early August.

July 2006 – IBU and MMP met with Alcatraz Cruises during several meetings facilitated by Rep. Pelosi and Mayor Newsom's office to reach an agreement that would result in Alcatraz Cruises: hiring a majority of the union workforce and voluntarily recognizing the IBU and MMP as collective bargaining agents of the workers. No agreement reached.

August 2, 2006 - IBU asks San Francisco Federal Court to enjoin Alcatraz Cruises and Hornblower from starting operations. Lawsuit claims that NPS violated the 1998 Concessions Management Act by making a material change to the bid solicitation when it required Alcatraz Cruises to adhere to the Service Contract Act in the contract document.

>>> August ? ,2006 >> Marina to verify date – California State Labor Federation approves San Francisco Labor Council's Executive Committee request to place Hornblower Dining Yachts and Alcatraz Cruises on the "Do Not Patronize" list.

Upcoming: September 6, 2006, 9:30 a.m. – San Francisco Superior Court Hearing on community groups injunction. **September 8, 2006** – Federal Court hearing on IBU injunction.

Cast of Characters:

The Blue & Gold Fleet — current contractor has operated this ferry service since 1973. and carries around 5,000 passengers on the Alcatraz Ferry each day with the help of 55 union workers. For more info on legal cases - contact Alicia Vargas at Blue & Gold: 415-705-5500.

The Unions - International Organization of Masters, Mates and Pilots (MMP) represents the captains, ticket agents, customer service representatives and maintenance staff. The Inlandboatmen's Union of the Pacific (marine division of the ILWU) represents the deckhands, The average Blue & Gold worker brings about 10 years' experience to the job. Union crews also transport water and fuel to Alcatraz for the generators and remove sewage off the island via the ferry boats.

Hornblower Cruises and Events — Company operates dining cruises in the San Francisco Bay (Pier 31 1/2), Marina Del Rey, Newport, Beach and San Diego. Employees at all of the company's operations are non-union