

**MASTER CONTRACT**

**BETWEEN**

**UNITED STATES MARITIME ALLIANCE, LTD.  
(FOR AND ON BEHALF OF MANAGEMENT)**

**AND**

**INTERNATIONAL LONGSHOREMEN'S ASSOCIATION, AFL-CIO  
(FOR AND ON BEHALF OF ITSELF AND EACH OF ITS AFFILIATED DISTRICTS AND LOCALS  
REPRESENTING LONGSHOREMEN, CLERKS, CHECKERS AND MAINTENANCE  
EMPLOYEES WORKING ON SHIPS AND TERMINALS  
IN PORTS ON THE EAST AND GULF COASTS OF THE UNITED STATES)**

**EFFECTIVE OCTOBER 1, 2004 FOR THE SIX-YEAR TERM  
EXPIRING ON SEPTEMBER 30, 2010**

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## PREAMBLE

THIS COLLECTIVE BARGAINING AGREEMENT made and entered into on the 28<sup>th</sup> day of June, 2004, by and between UNITED STATES MARITIME ALLIANCE, LTD. ("USMX") for and on behalf of its members and any stevedores, marine terminal operators and carriers which may hereafter become members of USMX or which may hereafter subscribe to this Agreement (hereinafter sometimes collectively referred to as "Management") and the INTERNATIONAL LONGSHOREMEN'S ASSOCIATION, AFL-CIO ("ILA") for and on behalf of itself and each of its affiliated districts and locals representing longshoremen, clerks, checkers, and maintenance employees working on ships and terminals in ports on the East and Gulf Coasts of the United States constitutes the Master Contract establishing the terms and conditions of employment for longshoremen, clerks, checkers, and maintenance employees employed in container and roll-on/roll-off ("ro-ro") operations at ports on the East and Gulf Coasts of the United States.

## ARTICLE I

### SCOPE OF AGREEMENT

#### Section 1. Management.

The multiemployer Management group bound to the Master Contract consists of the carriers, stevedores, marine terminal operators, and port associations that are members of USMX; the carriers, stevedores, and marine terminal operators that are members of the port associations that are members of USMX; and the carriers, stevedores, and marine terminal operators that hereafter become members of USMX or hereafter subscribe to this Master Contract as well as those carriers and other employers bound hereto by operation of law.

## **Section 2. Recognition.**

Management recognizes the ILA as the exclusive bargaining representative of longshoremen, clerks, checkers, and maintenance employees who are employed on ships and terminals in all ports on the East and Gulf Coasts of the United States, inclusive from Maine to Texas, and the ILA recognizes USMX as the exclusive employer representative in such ports on Master Contract issues.

## **Section 3. Complete Labor Agreement.**

This Master Contract is a full and complete agreement on all Master Contract issues relating to the employment of longshore employees on container and ro-ro vessels and container and ro-ro terminals in all ports from Maine to Texas at which ships of USMX carriers and carriers that are subscribers to this Master Contract may call. This Master Contract as supplemented by local bargaining constitutes a complete and operative labor agreement.

## **Section 4. Local Bargaining.**

The port associations which are bound by this Master Contract will engage in local negotiations on those bargaining subjects left open to local negotiations by USMX and ILA. Local agreements must be consistent with and will supplement the terms and conditions of the Master Contract in the local ports covered by this Master Contract.

## **ARTICLE II**

### **WAGES**

#### **Section 1. Wage Increases - Current Employees.**

(a) Employees whose straight-time basic wage rate in effect on September 30, 2004, is more than \$21.00 per hour shall receive the following increases in their straight-time basic wage rate:

Effective Date	Increase
October 1, 2004	\$1.00 per hour
October 1, 2006	\$1.00 per hour
October 1, 2008	\$1.00 per hour
October 1, 2009	\$1.00 per hour

(b) Employees whose straight-time basic wage rate in effect on September 30, 2004, is \$21.00 per hour or less shall receive the following increases in their straight-time basic wage rate:

Effective Date	Increase
October 1, 2004	\$2.00 per hour
October 1, 2006	\$2.00 per hour
October 1, 2008	\$1.50 per hour
October 1, 2009	\$1.50 per hour

#### Section 2. New Employees.

The starting straight-time basic wage rate for new employees who enter the industry on or after October 1, 2004, shall be \$16.00 an hour. This starting wage rate shall be adjusted during the term of this Master Contract to take into account the increases set forth in Article II, Section 1(b) of this Master Contract. New employees shall include any former employee who did not work at least one hour under the prior Master Contract during the period from October 1, 2000, through and including September 30, 2004.

### ARTICLE III

#### HOURS OF WORK

##### Section 1. Working Days.

The regular or normal working day shall consist of eight (8) hours from 8:00 A.M. to 12:00 Noon and from 1:00 P.M. to 5:00 P.M., and the regular or normal working week shall consist of

forty (40) hours made up of five (5) regular or normal working days from Monday to Friday, inclusive.

**Section 2. Nights, Weekends, and Holidays.**

Employees covered by this Master Contract when required by Management shall work Saturdays, Sundays, and legal holidays and any night during the entire seven day week.

**Section 3. Meal Hours.**

Meal hours shall be from 6:00 A.M. to 7:00 A.M., from 12:00 Noon to 1:00 P.M., from 6:00 P.M. to 7:00 P.M., and from 12:00 Midnight to 1:00 A.M. Work shall be performed during meal hours on arrival or sailing days to complete discharging or loading a hatch, or by mutual agreement of the local ILA and port association in the ports or districts covered by this Master Contract.

**ARTICLE IV**

**LOCAL FRINGE BENEFIT CONTRIBUTIONS**

**Section 1. Contributions.**

Contributions for local pension, welfare, and other employee fringe benefits shall be increased as follows:

<b>Effective Date</b>	<b>Increase</b>
October 1, 2004	\$1.00 per hour, raising the total rate from \$11.00 to \$12.00 per hour, of which \$5.00 per hour shall be paid to the Management-ILA Managed Health Care Trust Fund (hereinafter "MILA")
October 1, 2006	\$0.50 per hour, raising the total rate from \$12.00 to \$12.50 per hour, of which \$5.00 per hour shall be paid to MILA.
October 1, 2008	\$0.50 per hour raising the total rate from \$12.50 to \$13.00 per hour, of which \$5.00 per hour shall be paid to MILA.

**Section 2. Guarantee of Contributions.**

Management guarantees that during the term of this Master Contract the additional contributions made pursuant to Article IV, Section 1 of this Master Contract shall be not less than \$124.4 million.

**Section 3. Allocation of Contributions.**

The contributions set forth in Article IV, Section 1 of this Master Contract may be allocated to fund not only pension and welfare benefits but also any other fringe benefits as agreed to by the local ILA and port association in each of the ports or districts covered by this Master Contract, except that \$5.00 per hour worked in each port or district shall be paid to MILA.

**Section 4. Limitation On Contributions.**

No man-hour contributions other than those set forth in Article IV, Section 1 of this Master Contract shall be imposed in any port or district except existing contributions in effect on September 30, 2004, which may not be increased during the term of this Master Contract. No tonnage assessment (not in effect on the effective date of this Master Contract) shall be imposed on Containerization or Ro-Ro operations by any local ILA or port association in any port or district covered by this Master Contract during the life of this Master Contract.

## ARTICLE V

### UTILIZATION OF WORK FORCE

#### Section 1. New Employees.

(a) New employees shall be required to pass a mandatory physical examination and a drug test as established by Management and the ILA after they are offered employment and before they engage in any services.

(b) New employees shall also be required to pass ability and proficiency tests approved by Management and the ILA and shall also be required to be recertified every two years in the case of equipment operators, clerical employees, and maintenance employees.

#### Section 2. Training.

Employees who operate or otherwise handle, or are selected to operate or otherwise handle, wheeled equipment, cranes or other moving equipment or who perform maintenance or clerical work shall receive such training as may be required from time-to-time by Management and shall be subject to such recertification requirements as shall be established by Management and the ILA, including a physical examination designed by Management and the ILA to demonstrate the employee's ability to perform the essential functions of the employee's job.

#### Section 3. Flex-Time.

(a) **Terminals.** Each local port or district must institute a flex-time system at waterfront terminals for the receiving and delivery of containers and chassis and for work associated with these functions with the details of flex-time to be worked out on a local basis in accordance with the following basic principles:

- (i) For all hours worked before 8:00 A.M. and after 5:00 P.M., the wage rate shall be 1 and 1/4 times the straight-time basic hourly rate except on Saturdays, Sundays and holidays, when the wage rate of 1 and 1/2 times the straight-time basic hourly rate shall apply.
- (ii) The minimum hourly guarantees shall begin at the time the employees begin work.
- (iii) After eight (8) hours worked in any day, the overtime rate of 1 and 1/2 times the straight-time basic hourly rate shall apply.
- (iv) Starting times and meal hours are local issues.

(b) **Ship Operations.** Any port or district may implement a ship or barge operation flex-time system which shall provide for flexible starting times and shift operations. The minimum hourly guarantees shall begin at the time the employees begin work. Starting times and meal hours are local issues.

#### **Section 4. Gang Size.**

(a) **Longshore Gang.** A two-employee reduction in the total operation of the longshore gang for container and Ro-Ro ships went into effect on October 1, 1996, and an additional one-employee reduction went into effect on October 1, 1998. These reductions had to be made from other than drivers and/or crane operators. These reductions shall remain in effect during the term of this Master Contract.

(b) **Feeder Barge Gang.** The same reductions in the minimum gang size set forth in Article V, Section 4 (a) of this Master Contract went into effect for a feeder barge gang under the Feeder Barge Agreement, which is limited to barges with a capacity of up to 350 containers. These reductions shall remain in effect during the term of this Master Contract.

(c) **Small Boat Gang.** The same reductions in the gang size set forth in Article V, Section 4 (a) of this Master Contract went into effect under the Small Boat Agreement, which is limited to ships with a capacity of up to 500 TEUs. These reductions shall remain in effect during the term of this Master Contract.

**Section 5. Staffing.**

(a) **Checker.** One checker shall be assigned to a longshore gang.

(b) **LTL Staffing.** The minimum stuffing and stripping gang for loading and unloading containers shall consist of one (1) longshoreman and one (1) checker, who shall work as directed on one or more containers or trucks simultaneously.

**Section 6. Local Bargaining.**

Subject to the provisions of Article V of this Master Contract, manning, staffing, and the number and use of employees in all crafts shall be the subjects of local bargaining for the purposes of improving port productivity.

**ARTICLE VI**

**DRUG AND ALCOHOL PROGRAMS**

**Section 1. Local Plans.**

The drug and alcohol program now in effect in each port and district should include the following provisions:

- (a) Every test shall allow for the splitting of the sample. In a positive test the employee would have the right to request a retest done at another approved laboratory.
- (b) The cost of performing drug and alcohol tests will be paid by the employer or the local employer port association.

- (c) Every plan may have mandatory random testing of all crafts. The terms and conditions of such random testing will be determined by the local parties.

## Section 2. Reinstatement.

The drug and alcohol program now in effect in each port and district shall continue in effect during the term of this Master Contract. The parties recognize that each port has a drug and alcohol policy which provides that an employee who is found in possession of, use of, or other dealings in narcotics, alcohol or other prohibited substances (other than drugs which have been prescribed by a licensed physician, and only while working under the conditions permitted by the employer) while in the course of his employment under the terms of any Collective Bargaining Agreement between the ILA and Management shall be immediately suspended from employment for a period of sixty (60) days and, furthermore, that any second offense, shall result in termination from employment subject to the following rules. In those circumstances where an employee has been terminated from the industry in accordance with any such program and has remained drug-free for one (1) year, such individual will be eligible for a third and final chance for reinstatement in the industry subject to the following terms and conditions which must be determined locally:

- (a) The former employee must provide proof of successful completion of a rehabilitation program resulting in the individual being drug-free for the last twelve (12) months prior to application for reinstatement.
- (b) Reasonable criteria in each port or district shall be established under which the individual shall prove the individual's drug-free status, including periodic testing.
- (c) Application for reinstatement after the second offense must be made within sixty (60) days from the date of termination.
- (d) Once reinstated, the individual will be subject to random testing, and any further violation shall ban the employee for life.

## ARTICLE VII

### ILA JURISDICTION GENERALLY

#### Section 1. Containerization Agreement.

Management hereby reaffirms that employees covered by this Master Contract have jurisdiction over longshore, checker, maintenance, and other craft work conferred on such workers by the Containerization Agreement, a copy of which is appended to this Master Contract as Appendix A.

#### Section 2. Rules On Containers.

The Rules on Containers that were in effect on September 30, 2004, a copy of which is appended to this Master Contract as Appendix B, shall remain in effect during the term of this Master Contract.

#### Section 3. Maine to Texas.

The ILA's Master Contract jurisdiction continues on a multi-port bargaining unit basis covering all ports from Maine to Texas at which ships of USMX carriers and subscribers may call.

#### Section 4. Jurisdiction Committee.

(a) **Fact Finding.** The Jurisdiction Committee will visit every port that raises an issue concerning any violation of the Master Contract's jurisdiction provisions. The Jurisdiction Committee will render a report within 30 days of each visit. The Jurisdiction Committee can use an independent third party to perform fact-finding whenever the Committee agrees that such action is necessary.

(b). **Labor Adjustor System.** After October 1, 2004, Management and the ILA will set up a labor adjustor system to hear and resolve Master Contract jurisdictional disputes within 30 days.

of the dispute being presented. Part of this system will permit the labor adjustors, on an as-needed basis, to use an independent third party to perform fact-finding whenever the labor adjustors agree that such action is necessary.

#### **Section 5. Supervision and Management.**

The ILA work described in the jurisdiction provisions of this Master Contract is to be performed by ILA represented workers on the waterfront facility and not by supervision or other non-bargaining unit employees.

#### **Section 6. Reefer Containers.**

Except where other unions now have jurisdiction, the work of plugging and unplugging reefer containers aboard vessels is not to be performed by other outside persons, such as ship's crew, provided that agreement can be reached regarding minimal manning and agreed hours of the ILA labor.

#### **Section 7. Port Authorities.**

USMX and ILA agree to the creation of a joint committee for the purpose of meeting with representatives of Port Authorities on issues of jurisdiction in accordance with the letter dated August 29, 1996, from Management's Chairman to the ILA's President, a copy of which is appended to this Master Contract as Appendix C.

#### **Section 8. Marine Terminal Work.**

It is recognized that the marine terminal work of the ILA crafts has traditionally been performed on pier and waterfront facilities. When such marine terminal work is moved off the marine terminal by the terminal operator or by a signatory carrier to facilities in the port area, the ILA

shall retain its work jurisdiction where the work is the work that would have been performed in the marine terminal or port area.

#### **Section 9. Work Opportunities.**

The parties agree that any chance of reacquiring the work of stuffing and stripping containers requires a dedicated work force of trained, productive workers hired at compensation commensurate with the local competition and without any restrictive rules. The parties should examine into this subject and all of its conditions.

#### **Section 10. Space Charters.**

The ILA has the same jurisdiction over a signatory space chartered vessel as it has over any vessel operated by a USMX member or by a signatory to this Master Contract. Vessels and containers owned or leased by USMX members or by signatories to this Master Contract shall be subject to ILA jurisdiction in each and every port where their vessels may call from Maine to Texas not only on signatory ships but also on non-signatory ships on which their containers may be carried. Containers of non-signatory carriers carried on signatory ships also shall be subject to ILA jurisdiction.

### **ARTICLE VIII**

#### **ILA JURISDICTION OVER CLERICAL WORK**

##### **Section 1. Clerical Work.**

Clerks shall perform all clerical work on container waterfront facilities which traditionally and regularly has been performed by them, including but not limited to work related to the receipt and delivery of cargo, hatchchecking, prestow, (hatch sequence sheet) plan clerking, recording of receipt and delivery of containers received or delivered at waterfront facilities, timekeeping, location

and yard work, and demurrage recording, which work shall not be removed from the waterfront facility. The input and output of information by computers related to the foregoing work functions shall also be performed by Checkers and Clerks.

**Section 2. Guidelines.**

(a) **Framework.** The members of the Jurisdiction Committee, in order to provide a framework to resolve outstanding issues regarding the jurisdiction of the ILA Clerks and Checkers, have agreed upon the following definitions and the statement of principle that will be used to define and identify the specific functions that fall within the ILA's jurisdiction.

(b) **Statement of Principle.** In applying Article VIII, Section 1 of the Master Contract, members of the Jurisdiction Committee shall be bound by the following principle: Management and the ILA agree that the ILA Clerks and Checkers shall have jurisdiction over each and every function set forth in Article VIII, Section 1 of this Master Contract which is performed on container waterfront facilities on behalf of signatory employers in each and every port covered by the Master Contract, provided that such function was at any time in the past performed by the ILA Clerks and Checkers in that port. It is further understood that clerical work currently performed by state port authorities or government agencies, if discontinued, will fall under the ILA's jurisdiction.

(c) **No Waiver.** Unless there is agreement between the ILA in a local port and an employer in the local port, any deviation from the jurisdiction provisions of the Master Contract shall not constitute a waiver, amendment or rescission of the jurisdiction provisions of the Master Contract.

### Section 3. Glossary of Terms.

The following basic list of terms are intended to be descriptive and not all encompassing and are not intended to limit the jurisdiction or functions of the ILA Clerks and Checkers as they exist under local agreements in the various ports covered by the Master Contract:

- (i) **Receiving and Delivery** of cargo shall mean checking and/or clerking of all cargo received into and/or out of a container terminal operated and controlled by a USMX member company. The input and output of information related to change of status (*e.g.*, change of vessel, change of discharge port, etc.) once the container is received at the waterfront facility shall also be performed by the Checkers and Clerks. Management and the ILA agree that they will develop a methodology to confirm who is performing computer input work that falls within the ILA's jurisdiction. Both Management and the ILA agree that the methodology will vary from one terminal to another because of the different computer systems utilized in various ports and terminals.
- (ii) **Hatchchecking** shall mean the checking, tallying, verification and recording of all containers and/or cargo loaded, discharged or restowed to/from a vessel or barge at a container terminal operated and controlled by a USMX member company.
- (iii) **Pre-stow & Plan Clerking** shall mean the making of sequence sheets and/or the making of a pre-stow plan that would be used in loading and discharging vessels and barges in accordance with Management instructions. Such work shall include but not be limited to all work relating to the bay plan. The use of a computer in the performance of the above function falls within the ILA's jurisdiction.
- (iv) **Timekeeping** shall mean the timekeeper's duties and functions, which shall include, at the discretion of Management, but not be limited to, keeping longshore time and the preparation of time sheets and payroll information. If a computer is used to perform this function, this will fall under the ILA's jurisdiction.
- (v) **Location and Yard Work** shall mean the identification, location and control of all containers, chassis, and/or cargo to be loaded, discharged or restowed to or from the vessel or barge. Necessary paperwork and computer utilization required to perform these clerical

functions, as required by Management's direction and planning, shall fall within the ILA's jurisdiction.

- (vi) **Demurrage Recording** shall mean the preparation, computation, and checking of container demurrage receipts.

## ARTICLE IX

### ILA JURISDICTION OVER MAINTENANCE AND REPAIR WORK

#### Section 1. Maintenance and Repair Work.

It is agreed that the jurisdiction of the ILA shall cover the maintenance and repair of equipment (which term includes containers and chassis) and such equipment as its members have historically maintained and which is owned, controlled, operated, or interchanged by USMX members including, but not limited to (a) container cranes, (b) container handling equipment and (c) container cranes and container handling equipment which are acquired for new deep-sea terminal facilities. The ILA's jurisdiction remains in effect at waterfront container facilities and/or off-pier premises used for servicing and repair of equipment covered by this Master Contract in accordance with the Containerization Agreement. Further, all said equipment, be it owned, leased or controlled by USMX members and/or signatories to the Master Contract, etc., once it is presented at waterfront facilities, shall be covered by this Master Contract. Furthermore, it is recognized that the marine terminal work of all ILA crafts has been traditionally performed on piers and waterfront facilities. When such marine terminal work is moved off the marine terminal by the terminal operator or by a signatory carrier to facilities in the port area, the ILA shall retain its work jurisdiction, where the work is the work that would have been performed in the marine terminal or port area.

## **Section 2. Major Damaged Equipment.**

Major damaged equipment must be repaired in the port where the major damage is discovered provided, however, that where a carrier needs to reposition empties or where it is otherwise necessary to its operations, a carrier shall notify the ILA maintenance local of the repositioning and the equipment numbers of the major damage equipment. Thereafter, it shall also report the time, place and nature of the repairs performed by ILA labor in an ILA port on such damaged equipment. Such notification shall be subject to the audit procedure. In fulfilling the above objectives, it is agreed that:

- (a) No damaged equipment shall be loaded aboard ship for export except under the procedures provided below.
- (b) No employer or carrier shall permit damaged equipment to leave the compound except under the procedures provided herein.
- (c) The employers and carriers shall not enter into any leasing agreement that circumvents the work jurisdiction of the ILA covered under this Master Contract.

## **Section 3. Determination Procedure.**

(a) An ILA/Carrier Master Contract Committee has established amended criteria, which are appended to this Master Contract as Appendix D, for a container with major damage in accordance with uniform criteria which relate to safety, structural soundness, roadability and seaworthiness of the various types of containers. These criteria shall be distributed to the ILA maintenance employees in the inspection (or roadability) lanes at each container terminal.

(b) In accordance with the criteria established in subparagraph (a) of Article IX, Section 3 of this Master Contract, ILA employees may designate a container or chassis which they examine and find damaged (as defined in such subparagraph (a) criteria) as out of service on a T.I.R. form and

such container shall be placed in a deadline status in accordance with the procedures of the terminal involved.

(c) The carrier shall be notified of such designation as soon as possible and shall have the right to determine that such container or chassis shall either be repaired (in an ILA port of its choosing) or if it disagrees with the ILA determination that such container was damaged within the subparagraph (a) criteria, the container in question shall be placed back into service or repositioned as an empty.

#### **Section 4. Grievance and Audit.**

The ILA shall have the right to be informed of the action so taken and to grieve the matter, if it so desires, under the terms and conditions of the grievance procedures agreed to by the parties in this Master Contract. If it is determined under such grievance procedure that the container in question should have been repaired, the carrier shall pay liquidated damages of \$1,000 per container (\$2,000 per container for willful violations), as ruled in such determination. Fact-finding and audit under the grievance procedure shall be provided by an independent auditor selected by the parties who shall have the right to audit all applicable documentation of a carrier to determine compliance with this Master Contract. Such audit shall be available to the grievance procedure and may be used to establish compliance or the lack thereof.

### **ARTICLE X**

#### **NEW TECHNOLOGY**

##### **Section 1. Impact on Employees.**

Where new devices and new methods are utilized, it is recognized that these make the ILA more competitive and their employers more able to provide continued employment. Management

also agrees that the impact on employees of any new technology shall be the basis for prior discussions with the ILA. It is agreed that all affected employees who held the positions which have become impacted and discontinued by technology will be afforded the opportunity for retraining at Management's expense to acquire the necessary skills for employment in this industry. Employment positions within the ILA work jurisdiction resulting from technological changes will be offered to ILA employees affected by such changes to the extent that they are able to perform such work with reasonable training. Persons trained under such a program must accept jobs so offered.

### **Section 2. Notification.**

Management shall discuss the impact of the new technology on the workforce with ILA representatives. An employer shall be required to notify in writing the ILA International President and representatives in the local port area of the employer's intended introduction of new technology no later than one hundred eighty (180) days prior to the scheduled date of the employer's implementation of the new technology.

### **Section 3. Grievance.**

On failure to reach agreement, the new technology shall not be placed in effect but held in abeyance for a maximum period of 60 days after either side has filed a grievance provided the grievance is filed no later than the sixtieth (60<sup>th</sup>) day after the issuance by the employer of the notice to ILA representatives in the local port area. The grievance shall be heard and resolved by a three-person panel. The panel shall consist of one person selected by the ILA, one person selected by Management, and an arbitrator selected pursuant to the procedures set forth in Article XIII, Section 6 of this Master Contract. A grievance may be filed only as to the impact of new technology on the workforce including any workers who may be displaced.

#### **Section 4. Time Limits.**

The following time limits shall be applicable:

- Filing of the grievance, and discussion thereafter for a maximum of 20 days.
- On failure to agree, an expedited arbitration will be held and a determination to be issued by the panel on or before the 60<sup>th</sup> day after the filing of the grievance.
- The panel shall issue its decision within such 60-day period and the new technology may not be placed in effect by Management until after the panel's decision which shall have only prospective effect.

### **ARTICLE XI**

#### **CONTAINER ROYALTIES**

##### **Section 1. First and Third Container Royalties.**

The First and Third Container Royalties (effective in 1960 and 1977) each in the amount of \$1.00 per weight ton of containerized cargo not stuffed or stripped by ILA-represented labor (with lesser amounts for containerized cargo carried on vessels that are not full container vessels as determined in the Stein Award, a copy of which is appended to this Master Contract as Appendix E) shall continue to be paid to the various local port and district container royalty funds until the Container Royalty Cap is reached as provided in Section 2 of this Article XI. The First and Third Container Royalties, which are subject to the provisions of the Stein Award and any accommodation approved pursuant to Article XIV of this Master Contract, shall be used by the various local port and district container royalty funds to provide supplemental wage benefits to eligible employees covered by this Master Contract.

## **Section 2. Second Container Royalty.**

The Second Container Royalty (effective in 1971) in the amount of \$1.00 per weight ton of containerized cargo not stuffed or stripped by ILA-represented labor (with lesser amounts for containerized cargo carried on vessels that are not full container vessels as determined in the Stein Award, which is attached to this Master Contract as Appendix E) shall continue to be paid during the term of this Master Contract to MILA to be used exclusively for the purpose of funding the managed healthcare program administered by MILA in accordance with the provisions of Article XII of this Master Contract. The Second Container Royalty is subject to the provisions of the Stein Award but not to the provisions of any accommodation approved pursuant to Article XIV of this Master Contract.

## **Section 3. Limitation on Supplemental Wage Benefit.**

The supplemental wage container royalty benefit paid to eligible employees shall not exceed a maximum payout of \$16,500 per eligible employee per year. Employees who enter the industry on or after October 1, 1996, will not be entitled to receive supplemental wage container royalty benefits until they have at least three qualifying years and shall not receive more than \$7,500 in any year in which they receive a benefit, as such benefits are determined to be payable by the local container royalty fund trustees. Any excess remaining in a local container royalty fund each year after application of the \$16,500 and \$7,500 limitations to the payment of benefits shall be distributed to employees other than those who have been paid the maximum benefits as determined by the local port or district container royalty fund's trustees, who shall adopt appropriate trust amendments as may be required.

**Section 4. Container Royalty Cap.**

(a) **Cap Levels.** The maximum contributions of the First and Third Container Royalties in any contract year shall not exceed the Container Royalty Cap level. During the term of this Master Contract the Container Royalty Cap shall be at the following levels:

Effective Date		Cap Level
October 1, 2004	—	58 million tons
October 1, 2006	—	63 million tons
October 1, 2008	—	68 million tons
October 1, 2009	—	73 million tons

The Container Royalty Cap levels exclude containerized tons in the Port of Miami/Port Everglades upon which First and Third Container Royalties are each paid at the rate of 55 cents per weight ton.

(b) **Port Benchmarks.** The port benchmarks shall be determined as follows:

- (i) During the term of this Master Contract for each Contract Year in which the Cap Level changes the port benchmarks for the ports of New York/New Jersey, Hampton Roads, Charleston, Savannah, Miami/Port Everglades, and the West Gulf will be recalculated using the tons reported to the local container royalty funds in the "Base Contract Year." The "Base Contract Year" is the year which commences two years prior to the contract year in which the Cap changes (e.g., the port benchmarks for the contract year commencing October 1, 2004, will be calculated based on the container royalty tons reported in the Base Contract Year beginning October 1, 2002 and ending September 30, 2003). Individual port benchmarks for the ports of New York/New Jersey, Hampton Roads, Charleston, Savannah, Miami/Port Everglades, and the West Gulf will be calculated using the following formula:

$$\frac{\text{Base Year Local CR Tons}}{\text{Base Year Coastwide CR Tons In All Master Contract Ports}} \times \text{Applicable CR Cap Level}$$

- (ii) During the term of this Master Contract with respect to the Ports of Boston, Philadelphia, Baltimore, Wilmington, NC, Jacksonville and New Orleans, the port benchmark for each of these ports shall be the lesser of (a) the port's

benchmark as of September 30, 2004 or (b) the tons reported in the port for container royalty purposes in the contract year ending September 30, 2003.

(c) **Distribution of Cap Excess.** The payment of First and Third Container Royalty assessments shall cease in every port when the number of tons reported to the local container royalty fund in the port exceeds the benchmark determined using the formula set forth in Section 4(b)(i) of this Article XI as if that formula were applicable to all Master Contract ports, and First and Third Container Royalty assessments in excess of such benchmarks shall be paid to CCC Service Corporation for distribution as follows:

- Forty (40%) percent shall be refunded to the Carriers;
- Twenty (20%) percent shall be paid to MILA; and
- Forty (40%) percent shall be paid to an escrow fund established by a single local port or by a group of ports ("Local Escrow Fund") to pay local benefits.

(d) **Benchmark Payments In Excess of Cap Level.** In the event the application of the provision in Section 4(b)(ii) of this Article XI results in an obligation to pay Container Royalty Dollars Nos. 1 and 3 on tons in excess of the agreed upon Cap Level set forth in Section 4(a) of this Article XI, such obligation shall be satisfied solely from that portion of the container royalties in excess of the benchmarks collected and set aside for distribution to the Local Escrow Funds pursuant to Section 4(c) of this Article XI without any allocation of the amount of that obligation to any particular port.

(e) **Adjustment of Benchmarks.** During the term of this Master Contract, a port's existing benchmark may be reviewed and adjusted prospectively at the beginning of a contract year by the parties to this Master Contract if such port experiences a dramatic annual decrease in the tons reported for container royalty purposes.

(f) **Limitation On Use of Cap Refund to Local Escrow Fund.** The portion of the Cap refund paid to a Local Escrow Fund pursuant to Section 4(c) of this Article XI shall not be used for supplemental cash benefits (except as provided in Section 4(d) of this Article XI), nor shall the use of this portion of the Cap refund result in any carrier being considered an employer in relation to any local port employee pension benefit plan within the meaning of the Employee Retirement Income Security Act ("ERISA") except in any port where the carrier already is an employer under ERISA.

(g) **Interest Charges.** Any carrier failing to pay to CCC Service Corporation container royalty assessments in excess of the benchmark in any port as required by Section 4(c) of this Article XI shall become liable to pay interest thereon at an annualized rate of eighteen (18%) percent for each month or part thereof for which payment is not received by CCC Service Corporation. With respect to carriers continuing to pay to any local port or container royalty fund assessments in excess of the benchmark in that port, any such local port container royalty fund shall pay such excess to CCC Service Corporation. Any port or district container royalty fund failing to pay such excess to CCC Service Corporation shall pay interest thereon at an annualized rate of eighteen (18%) percent for each month or part thereof for which payment is not received by CCC Service Corporation. If all payments due in a contract year from any local port container royalty fund for container royalty assessments in excess of the benchmark in that port are not received by CCC Service Corporation by the succeeding March 1, then all carriers that are members of USMX or signatories to this Master Contract can cease to make further First and Third Container Royalty contributions to that port container royalty fund until the full amount due and owing from the Fund has been paid to CCC Service Corporation with interest. Thereafter, all payments of container royalties, including monies withheld, shall be resumed. Each port and district container royalty fund shall be obligated to

forward to CCC Service Corporation the fund's tonnages, payments, and all other information required by CCC Service Corporation for each fund's plan year not later than sixty (60) days following the close of the plan year.

#### **Section 5. Container Freight Station Fund.**

The Carrier-ILA Container Freight Station Trust Fund ("CFS Fund") shall continue in effect during the term of this Master Contract. The contribution to the CFS Fund shall be 30 cents per weight ton during the term of this Master Contract. The periodic distribution of the amounts to be paid from the CFS Fund and the purposes thereof shall be determined solely by the trustees of the CFS Fund. The CFS Fund shall continue to provide funding for training purposes to the extent that any funds remain after payment for the support of container freight stations. Training programs in each port or district shall be operated under guidelines approved by the trustees of the CFS Fund and shall be funded primarily by funds generated in each local port or district before application is made to the trustees of the CFS Fund.

#### **Section 6. Carrier-ILA Container Royalty Fund.**

The 75 cents per weight ton Container Royalty No. 4 was eliminated, effective October 1, 1996, and shall not be resumed during the term of this Master Contract. USMX and ILA shall amend the Agreement and Declaration of Trust of the Carrier-ILA Container Royalty Fund ("CR-4 Fund") to provide that the sole and exclusive purpose of the CR-4 Fund shall be to provide funding for MILA. Each port or district container royalty fund shall be required to report to the trustees of the CR-4 Fund on a basis of not less than once each quarter the total income from each port or district's collection of First and Third Container Royalty assessments on a tonnage and dollar basis. Such information shall be supplied on uniform forms made available by the trustees of the CR-4

Fund to each local port or district container royalty fund. The required reports shall be supported by annual certified public accountant reports in the form now issued by such local fund's certified public accountant.

## ARTICLE XII

### MILA

#### Section 1. Managed Health Care Trust Fund.

The Management-ILA Managed Health Care Trust Fund ("MILA") is a joint labor-management, Taft-Hartley trust fund managed by an equal number of Management and Union Trustees to administer an employee welfare benefit healthcare plan covering active and retired dockworkers covered by this Master Contract and their dependents in all ports except the Port of Miami/Port Everglades.

#### Section 2. Funding.

MILA is a defined contribution welfare plan that is funded by the following contributions:

(a) **CR-4 Tonnage Contributions.** During the term of this Master Contract tonnage contributions to the CR-4 Fund for the funding of MILA shall be increased as follows:

Effective Date	Increase
October 1, 2004	\$0.25 per ton, raising the contribution rate from \$0.20 to \$0.45 per ton.
October 1, 2005	\$0.75 per ton, raising the contribution rate from \$0.45 to \$1.20 per ton.
October 1, 2009	\$0.25 per ton, raising the contribution rate from \$1.20 to \$1.45 per ton.

(b) **Second Container Royalty Contributions.** During the term of this Master Contract, the Second Container Royalty assessment in the amount of \$1.00 per weight ton of containerized

cargo not stuffed or stripped by ILA-represented labor (or such lesser amount as may be required under the Stein Award, which is attached to this Master Contract as Appendix E, for containerized cargo carried on vessels that are not full container vessels) shall be paid to MILA to be used exclusively to fund the managed healthcare program administered by MILA. The Container Royalty Cap provisions set forth in Article XI, Section 4 of this Master Contract shall not apply to the Second Container Royalty contributions to MILA.

(c) **Hourly Contributions.** During the term of this Master Contract, \$5.00 of the hourly contributions for local pension, welfare, and other employee fringe benefits set forth in Article IV, Section 1 of this Master Contract shall be paid to MILA.

**Section 3. Second Container Royalty Contributions.**

The Second Container Royalty contributions shall be used exclusively for the funding of MILA healthcare benefits in all ports and districts covered by this Master Contract that participate in the MILA healthcare plan. If the South Atlantic or the West Gulf continue to use the Second Container Royalty contributions for other purposes, then, either or both such areas must pay to the trustees of MILA the equivalent of said Second Container Royalty contributions in total dollars out of the 1993 dollar contributions, if they are being used for welfare purposes, as well as out of other fringe benefit contributions, such as the local fringe benefit contributions set forth in Article IV, Section 1 of this Master Contract and the portion of the container royalties in excess of the benchmarks distributed to the Local Escrow Fund in accordance with Article XI, Section 4(c) of this Master Contract. The trustees in these areas shall remit monthly payments so that MILA has received the same amount that it would have received had the Second Container Royalty contributions been made to the MILA plan.

#### Section 4. Eligibility of Active Employees.

The MILA plan in effect on September 30, 2004, shall be amended to incorporate the following eligibility provisions for active employees:

- (a) To be eligible to be a participant entitled to coverage under MILA's Premier Plan for the calendar year commencing January 1, 2006, and for each of the succeeding calendar years during the term of this Master Contract, an employee must work or be credited with at least 1,300 hours of service in the immediately preceding contract year.
- (b) To be eligible to be a participant entitled to coverage under MILA's Basic Plan, for the calendar year commencing January 1, 2006, and for each of the succeeding calendar years during the term of this Master Contract, an employee must work or be credited with at least 1,000 hours of service in the immediately preceding contract year.
- (c) To be eligible to be a participant entitled to coverage under MILA's Starter Plan for the calendar year commencing January 1, 2006, and for each of the succeeding calendar years during the term of this Master Contract, an employee must work or be credited with at least 700 hours of service in the immediately preceding contract year.

#### Section 5. Eligibility of Retirees.

The MILA plan in effect on September 30, 2004, shall be amended to incorporate the following eligibility provisions for retirees:

- (a) During the term of this Master Contract any retiree who is covered under MILA's Premier Plan as a non-Medicare eligible retiree on September 30, 2004, shall continue to be covered under MILA's Premier Plan, as may be modified, until the retiree becomes eligible for Medicare at which time the retiree's MILA benefits will be limited to Medicare wraparound benefits.
- (b) Any active employee who during a six-month window period, commencing October 1, 2004, and ending on March 31, 2005, elects early retirement under the terms of the local pension plan in effect as of September 30, 2004, and actually retires on or before March 31, 2005, shall be eligible during the term of this Master Contract to be covered by MILA's Premier Plan, as may be modified, until the

retiree becomes eligible for Medicare at which time the retiree's MILA benefits will be limited to Medicare wraparound benefits.

- (c) After the window closes on March 31, 2005, until the expiration of the term of this Master Contract, to be eligible for MILA benefits as a non-Medicare eligible retiree, a retiree must be 58 years of age with 25 or more years of service, as defined by the local pension plan, and such retiree will qualify for coverage under MILA's Basic Plan, as may be modified, until such retiree becomes 62 years of age, when the retiree will become eligible to be covered under MILA's Premier Plan, as may be modified, until such retiree becomes eligible for Medicare, at which time such retiree's MILA benefits will be limited to Medicare wraparound benefits.
- (d) Any former employee who no later than September 30, 2004 is no longer in the industry but has sufficient service to qualify for a vested pension benefit upon the attainment of the age of 65 and who is also entitled to receive MILA benefits as of September 30, 2004, shall be eligible to receive MILA Medicare wraparound benefits when he attains the age of 65. Any individual employee who leaves the industry after September 30, 2004 without retiring and who is eligible for a vested pension benefit when he leaves the industry shall not be eligible to receive any MILA benefits when he retires.

#### **Section 6. Plan Amendments.**

The MILA plan in effect on September 30, 2004, shall be amended to adopt the following plan provisions:

- (a) The co-pay shall be \$15.00 per visit to a primary care physician ("PCP") and \$30.00 per visit to a specialist in the Premier Plan and \$25.00 per visit to a PCP and \$40.00 per visit to a specialist in the Basic Plan, but there shall be no co-pay for an annual physical.
- (b) The payment rate for out-of-network services shall be sixty (60%) percent of reasonable and customary eligible charges, and the out-of-pocket annual benefit limits that apply to out-of-network charges shall be \$6,500 per individual and \$13,000 per family.
- (c) There shall be a \$500 annual pharmacy family deductible for all active employees and all retirees (including Medicare-eligible retirees) for brand-name drugs only except for those brand-name

drugs for which there is no comparable generic substitute as determined by the MILA Trustees. This deductible replaces the \$500 pharmacy deductible that is currently in place in the MILA Plan.

**Section 7. Creation of Starter Plan.**

The MILA trustees shall place in effect by January 1, 2006, MILA's Starter Plan, which shall provide lesser benefits than those provided by MILA's Basic Plan.

**ARTICLE XIII**

**GRIEVANCE PROCEDURE**

**Section 1. Local Level.**

All disputes under this Master Contract involving Containerization and Ro-Ro, including interpretations of this Master Contract, shall be heard initially by the Local Industry Grievance Committee ("LIGC"), which shall consist of the following: three (3) Management representatives (a representative of USMX; a representative of the local port association where the dispute arose; and a local stevedore/or terminal operator) and three (3) representatives appointed by the ILA. Requests for interpretations may be brought at any time. The LIGC shall reach a decision within ten days after either a charge has been filed of an alleged violation or a request filed seeking an interpretation.

**Section 2. Appellate Level.**

Where there is a failure to render a decision on the local level or where a party desires to appeal any decision rendered on the local level, such cases may be referred to the Industry Appellate Committee ("IAC").

### **Section 3. Appeals From a Decision of the LIGC.**

Appeals from a decision of the LIGC must be taken within twenty (20) days after a decision has been reached and the parties notified or within twenty (20) days from the deadline referred to in Section 1 of this Article XII for the LIGC to reach a decision.

### **Section 4. Appeals Form.**

All appeals must be taken on an appellate form prepared by USMX and the ILA.

### **Section 5. Industry Appellate Committee ("IAC").**

(a) **Number of IAC Members.** The IAC shall be comprised of sixteen (16) representatives of Management and sixteen (16) representatives of the ILA.

(b) **Co-Chairmen.** The President of the ILA shall be Co-Chairman of the Union members of the IAC and the Chairman/CEO of USMX shall be the Co-Chairman of the Management members of the IAC.

(c) **Telephonic Notice.** Either Co-Chairman may call the IAC into session on short notice by telephone with fax confirmation to the other Co-Chairman and Executive Secretary.

(d) **Quorum.** The Co-Chairmen may agree between themselves in special cases to call into session an IAC meeting with less than sixteen (16) members on each side provided that not less than six (6) such members on each side including the Co-Chairmen are convened to hear and determine a dispute. The IAC may hear and determine a dispute by telephone or video-telephone conference on the request of either Co-Chairman.

(e) **Majority Vote.** Decisions by the LIGC and the IAC shall be rendered by a majority vote thereof. Decisions by the IAC shall be final and binding and shall constitute an enforceable award.

(f) **Multi-Port Charges.** Charges of alleged violations of this Master Contract involving more than one port shall be referred directly to the IAC for a final determination.

(g) **Failure To Appear.** If after due and timely notice, either party fails to appear at a meeting of the LIGC or IAC, then the other party may proceed and hear the matter and issue a decision unilaterally.

#### **Section 6. Arbitration.**

(a) **Panel of Arbitrators.** The Co-Chairmen shall provide for a panel of at least five (5) and no more than ten (10) named arbitrators who shall serve as the permanent arbitrators of the IAC during the term of this Master Contract. The Labor Arbitration Rules of the American Arbitration Association then in effect shall be utilized in such selection process.

(b) **Selection of Arbitrator.** If the IAC shall be unable to resolve matters referred to it, the Co-Chairmen shall seek to select an arbitrator immediately after the IAC deadlocks. If no such selection is made immediately (on the same day as the deadlock), within a ten (10) day period either party may refer the matter to the arbitrator next in line who is available in accordance with the selection system.

(c) **Selection System.** An arbitrator shall be selected by the Executive Secretary pulling the name of the arbitrator by lottery. This first available arbitrator shall hear and determine the first dispute. After the first selection and thereafter, the lottery shall only include the names of the remaining arbitrators until all arbitrators have been selected in order of their being drawn. For each selection, arbitrators shall be listed in the order of drawing so that the arbitrator first indicating his availability shall be given the assignment. The Co-Chairmen are hereby authorized to oversee such selection and to exercise their discretion in such selection process.

(d) **Expedited Arbitration.** Any party to this Master Contract may, with respect to any grievance, dispute, complaint or claim arising out of or relating to the Master Contract at any point waive any and all preliminary steps of the grievance machinery and submit the matter to arbitration ("expedited arbitration") at any time after a matter has been considered by the Co-Chairmen. Such requests shall be made in writing by the President of the ILA or the Chairman/CEO of USMX, as the case may be, or their designees. Such writing may be by telegram or a letter hand delivered to the office of the other party. Telephonic or telegraphic notice shall be given at the same time to a member of the arbitration panel who shall immediately thereafter (and not later than 24 hours after receipt of such notice) convene an arbitration hearing at such place as the arbitrator shall determine, including the work place where the dispute arose.

(e) **Failure to Appear.** In the event any party fails to appear at any arbitration, including an expedited arbitration hearing, the party failing to appear shall be deemed to have waived its right to contest its non-participation, and the arbitrator shall proceed forthwith to determine the issue.

(f) **Award.** In an expedited arbitration the arbitrator shall issue a short form award at the end of the hearing unless the time to render an award is extended by mutual consent. The arbitrator shall have the right to issue a more detailed decision within 30 days after the rendition of such short form award setting forth the reasons for his award. As to all other arbitrations, the arbitrator shall issue his award as expeditiously as possible. If an award is not rendered within 30 days (unless both parties agree to extend such time period) either party shall have the right to terminate the services of that arbitrator who shall be replaced in accordance with the procedures set forth in Section 6(c) of this Article XIII. If the arbitrator is disabled and is thereby prevented from rendering a decision within 30 days, or if the arbitrator fails to render a decision within 30 days, the

parties shall refer the record and briefs to the next arbitrator for decision unless either party objects to such procedure, in which event a new and expedited hearing shall be held.

(g) **Right to Strike.** The ILA shall have the right to refuse to render service to any carrier or direct employer who fails or refuses to abide by the final decisions of the LIGC (if not appealed) or IAC after having been found to have violated any provisions of the Master Contract until said carrier or direct employer comes into full compliance with said decision. The provisions of any "no-strike" clause shall not be applicable in any such situation.

**Section 7. Regular IAC Meetings.**

The IAC shall meet regularly at least three times per year to review the implementation of the Master Contract and the objectives of both parties to develop a dynamic, growth-oriented industry that addresses job opportunities for the work force through competitive and efficient utilization of manpower to meet the needs of the industry. The Co-Chairmen shall fix the date, place, and time of such regular meetings.

**Section 8. Industry Resource Committee.**

The Management-ILA Industry Resource Committee consisting of the Co-Chairmen and seven (7) representatives on each side appointed by each Co-Chairman shall continue in effect for the purpose of considering major industry problems which require consideration for the benefit of Management, the ILA and the employees and which shall serve as a Master Contract planning committee to consider such agendas as may be brought before them by agreement of the Co-Chairmen.

### **Section 9. Disputes Among Fund Trustees.**

Any dispute arising among the trustees of the CFS Fund, the CR-4 Fund, MILA, or any other fund whose trustees are appointed pursuant to any of the trusts created under this Master Contract shall be referred and determined in accordance with the arbitration procedures created under the terms of the applicable trust agreement. The trustees of these Master Contract funds shall also enforce the collection of any and all assessments provided under this Master Contract, and all carriers, employers, ILA locals and officials, port associations, local fund trustees, beneficiaries, and other persons claiming any rights or benefits under the Master Contract funds shall be bound by the terms of any directives or awards issued by the trustees of these Master Contract funds, which shall have the full force and effect of arbitration awards and shall be enforceable in the same manner as arbitration awards.

## **ARTICLE XIV**

### **ACCOMMODATIONS**

#### **Section 1. Existing Accommodations.**

Every accommodation in effect on September 30, 2004, shall continue in effect during the term of this Master Contract. The accommodations in effect as of October 1, 1996, are found in the Appendix attached to the Agreement on Master Contract Issues that was executed by the parties on November 21, 1996, and became effective as of October 1, 1996. The accommodations that went into effect after October 1, 1996 and remained in effect as of September 30, 2004 are found in the March 22, 2002 Memorandum To All USMX Members from James A. Capo, Chairman/CEO of USMX Re: Master Contract Amendments and Accommodations. An additional accommodation pertaining to the Puerto Rican trade dated December 23, 2003 is attached hereto as Appendix F.

## Section 2. Future Accommodations.

On and after the effective date of this Master Contract any further accommodation relating to containerization and ro-ro shall be placed in effect only if it is agreed to by the Co-Chairmen of the IAC and such action has been ratified by a meeting of the IAC first held immediately following the agreement between the Co-Chairmen. Each new accommodation must meet the following principles:

- (a) The accommodation must be one which is absolutely essential to the preservation of the existence of the ILA workforce in the port or district involved.
- (b) The accommodation does not impact any of the benefit funds unless the parties at the same time agree to a reduction of benefits. In no event may such regional accommodation prevent the port or MILA from making required contributions to MILA.
- (c) Such regional accommodation may be adopted by the port or district immediately adjacent to the port or district in which the accommodation has been made only upon the approval of the Co-Chairmen and the IAC.
- (d) Such accommodations shall be available to employers and carriers in other ports similarly situated only with the approval of the Co-Chairmen and the IAC.
- (e) In the event any new accommodation is placed into effect without following the procedure set forth in this document, then and in that event, the guilty party or parties shall be subject to the payment of liquidated damages which shall be determined by the IAC, or on failure to agree by the IAC, by an arbitrator acting pursuant to the terms of this Master Contract.
- (f) Any accommodations given by the ILA to any employer or carrier may be placed in effect by any employer or carrier similarly situated.
- (g) The Co-Chairmen and the IAC shall have full power and jurisdiction to enforce and interpret the provisions of this Article XIV.

## ARTICLE XV

### NO-STRIKE CLAUSE

#### Section 1. No Strikes or Lockouts.

During the life of this Master Contract, Management agrees that there shall be no lockouts or work stoppages by the employers, but this shall not be construed to mean a lay-off of employees due to business conditions, and the ILA agrees that there shall be no strikes or work stoppages by the employees, except as permitted in the Containerization Agreement and in Article XIII, Section 6 (g) of this Master Contract.

#### Section 2. Bona Fide Picket Line.

The right of employees not to cross a bona fide picket line is recognized by Management.

## ARTICLE XVI

### TERM OF AGREEMENT

The term of this Master Contract shall be for six years, from October 1, 2004 through and including September 30, 2010.

## ARTICLE XVII

### SUBSCRIPTION AND SIGNATORIES

#### Section 1. Refusal to Work.

If any Carriers do not subscribe to this Master Contract, the ILA shall have the right not to work on the loading and discharging of their ships or any work ancillary thereto.

**Section 2. Non-Subscribers.**

If any employers of employees covered by this Master Contract do not so subscribe, the ILA shall have the right not to engage in any work for them at facilities operated by them. No persons or entities shall have any right to any part of any benefit flowing from this Master Contract unless they or any entities or local unions that represent them have subscribed to and agreed to be bound by this Master Contract. Such subscription shall be accomplished only with the joint consent of USMX and ILA as to persons who are not members of USMX or of any port association member of USMX.

**Section 3. Fringe Benefit Assessment.**

No assessment for fringe benefits or any other expense shall be imposed upon the carrier members of USMX or carrier signatories to this Master Contract, or any of them, by any entity, whether Management, Labor or Joint, which is not a named party to this Master Contract without the prior written authorization of USMX. No change in any fringe benefit assessment by any port or district shall be made without prior consultation with USMX and the ILA.

**ARTICLE XVIII**

**MISCELLANEOUS**

**Section 1. Headings.**

The article and section headings contained in this Master Contract are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Master Contract.

**Section 2. Severability.**

Should any provision of this Master Contract or any trust agreement created hereunder be voided or otherwise held to be unenforceable by any tribunal of any kind, then USMX and ILA shall immediately meet for the purpose of substituting provisions designed to accomplish the same purposes. Any disagreement under this provision shall be arbitrable in accordance with the provisions of Sections 6 and 7 of Article XIII of this Master Contract.

**Section 3. Ratification.**

This Master Contract settles all issues between the parties and has been ratified by the members of USMX and by the members of ILA.

**Section 4. Amendments.**

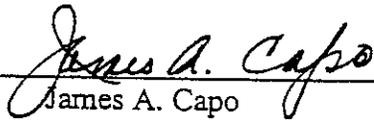
No amendment of any provision of this Master Contract shall be valid unless the same shall be in writing and signed by the parties.

IN WITNESS WHEREOF the parties hereto have executed this Master Contract as of the date first above written.

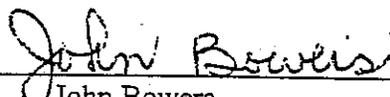
UNITED STATES MARITIME ALLIANCE,  
LTD.

INTERNATIONAL LONGSHOREMEN'S  
ASSOCIATION, AFL-CIO

By

  
James A. Capo  
Chairman/CEO

By

  
John Bowers,  
President

## APPENDIX A

### CONTAINERIZATION AGREEMENT

1. The Agreements of "Management" shall set forth the work jurisdiction of employees covered by the said Agreements in the following terms:

Management and the Carriers recognize the existing work jurisdiction of ILA employees covered by their agreements with the ILA over all container work which historically has been performed by longshoremen and all other ILA crafts at container waterfront facilities. Carriers, direct employers and their agents covered by such agreements agree to employ employees covered by their agreements to perform such work which includes, but which is not limited to:

- (a) the loading and discharging of containers on and off ships
- (b) the receipt of cargo
- (c) the delivery of cargo
- (d) the loading and discharging of cargo into and out of containers
- (e) the maintenance and repair of containers
- (f) the inspection of containers at waterfront facilities (TIR men).

As pertains to (e) above, the Carriers Container Council is and shall remain party to the Charleston Container Maintenance and Repair Contract, effective October 1, 1980 on behalf of all of its members and agrees that an identical contract binds its members as to container maintenance and repair in each South Atlantic port. It is further agreed that the Carriers shall only use vendors who have subscribed to such agreements. Fringe benefit coverage shall be under the South Atlantic Funds including GAI, Vacation, Holiday, Container Royalty and local deepsea Welfare and Pension Funds. It is further agreed that each Carrier shall subscribe to the foregoing.

2. Management, the Carriers, the direct employers and their agents shall not contract out any work covered by this agreement. Any violations of this provision shall be considered a breach of this agreement.

3. Management and the Carriers agree that the payment of container royalties, as [hereinafter] provided in their agreements, is of the essence to this agreement and, if for any reason during the term of this agreement such payments cannot be made in their present form, then

Management and the Carriers shall provide, by some other form of assessment, for the payment of equivalent amounts to be used for the same purposes as said container royalties are presently used.

(NOTE: Sections 4, 5, 6 and 7 have been deleted.)

8. **Termination of Agreement:** If any article, section, paragraph, clause or phrase of this Agreement shall, by any state, Federal or other law, or by any decision of any Court or Administrative Agency, be declared or held illegal, void or unenforceable, or be enjoined in any port where the Rules on Containers, hereinafter, are in effect the entire Agreement shall terminate upon sixty (60) days written notice to the other party hereto, in such event, the parties agree to enter into negotiations and either party shall have the right to renegotiate any and all terms of the Master Agreement. If no agreement is reached within the sixty (60) days notice period, the ILA shall have the right to strike and Management shall have the right to refuse to hire employees under this Agreement. The negotiations referred to above shall, under no condition, be subject to grievance or arbitration under this agreement or under any Local Agreement.

9. **Violations of Agreement:** This Agreement defines the work jurisdiction of employees and prohibits the subcontracting out of any of the work covered hereby. It is understood that the provisions of this Agreement are to be rigidly enforced in order to protect against the further reduction of the work force. Management believes that there may have been violation of work jurisdiction, of subcontracting clauses, and of this Agreement, by steamship carriers and direct employers. The parties agree that the enforcement of these provisions is especially important and that any violation of such other provisions is of the essence of the Agreement. The Union shall have the right to insist that any such violations be remedied by money damages to compensate employees who have lost their work. Because of the difficulty of proving specific damages in such cases, it is agreed that, in place of any other damages, liquidated damages of \$1,000.00 for each violation shall be paid to the appropriate Welfare and Pension Funds. Liquidated damages shall be imposed by the Emergency Hearing Panel described below.

## APPENDIX B

### MANAGEMENT-ILA RULES ON CONTAINERS (As amended by Agreement of May 27, 1980)

#### PREAMBLE

This Agreement made and entered into by and between the carrier and direct employer members of the Management Port Associations (hereinafter referred to collectively as "Management") and the International Longshoremen's Association, AFL-CIO ("ILA"), its Atlantic Coast District ("ACD"), its South Atlantic and Gulf Coast District ("SAGO") and its affiliated local unions in each Management port ("locals") covers all container work at a waterfront facility which includes but is not limited to the receiving and delivery of cargo, the loading and discharging of said cargo into and out of containers, the maintenance of containers, and the loading and discharging of containers on and off ships.

Management agrees that it will not directly perform work done on a container waterfront facility (as hereinafter defined) or contract out such work which historically and regularly has been and currently is performed by employees covered by Management-ILA Agreements, including Management-ILA craft agreements, unless such work on such container waterfront facility is performed by employees covered by Management-ILA Agreements.

#### RULES

The following provisions are intended to protect and preserve the work jurisdiction of longshoremen and all other ILA crafts which was performed at deepsea waterfront facilities. These rules do not have any effect on work which historically was not performed at a waterfront facility by deepsea ILA labor. To assure compliance with the collective bargaining provisions, the following rules and regulations shall be applied uniformly in all Management Ports to all import or export cargo in containers:

#### DEFINITIONS

- (a) **LOADING A CONTAINER** – means the act of placing cargo into a container.
- (b) **DISCHARGING A CONTAINER** – means the act of removing cargo from a container.
- (c) **LOADING CONTAINERS ON A VESSEL** – means the act of placing containers aboard a vessel.
- (d) **DISCHARGING CONTAINERS FROM A VESSEL** – means the act of removing containers from a vessel.

(e) **WATERFRONT FACILITY** – means a pier or dock where vessels are normally worked including a container compound operated by a carrier or direct employer.

(f) **QUALIFIED SHIPPER** – means the manufacturer or seller having a proprietary financial interest (other than in the transportation or physical consolidation or deconsolidation) in the export cargo being transported and who is named in the dock/cargo receipt.

(g) **QUALIFIED CONSIGNEE** – means the purchaser or one who otherwise has a proprietary financial interest (other than in the transportation or physical consolidation or deconsolidation) in the import cargo being transported and who is named in the delivery order.

(h) **CONSOLIDATED CONTAINER LOAD** – means a container load of cargo where such cargo belongs to more than one shipper on export cargo or one consignee on import cargo.

### **RULE 3 – BATCHING**

When an employer-member or carrier uses a trucker to remove or deliver containers in batches, or in substantial number, from or to a terminal to another place of rest (outside of its terminal) where containers are stored pending their delivery to a consignee (or after being received from a shipper and while waiting the arrival of a ship), for the purpose of reducing the work jurisdiction of the ILA or any of its crafts, such use is deemed to be batching and an evasion of these Rules in violation of the Management-ILA contracts.

### **RULE 4 – HEADLOAD**

Where a single qualified shipper sends an export container which contains all of his own cargo to a waterfront facility and such container is not full, the carrier or direct employer may load this container with additional cargo at the waterfront facility. On import cargo, the carrier or direct employer may discharge any such additional cargo and send the remaining cargo in the container to the qualified consignee. The loading or discharging of cargo at ILA ports shall be performed at a waterfront facility by deepsea ILA labor.

### **RULE 7 – NO AVOIDANCE OR EVASION**

The above rules are intended to be fairly and reasonably applied by the parties. To obtain non-discriminatory and fair implementation of the above, the following principles shall apply:

- (b) *Containers Owned, Leased or Used* – Containers owned, leased or used by companies which are affiliated either directly or through a holding company with a carrier or a direct employer shall be deemed to be containers owned, leased or used by a carrier or direct employer. Affiliations shall include subsidiaries and/or affiliates which are effectively controlled by the carrier or direct employer, its parent, or stockholders of either of them.

- (c) *Liquidated Damages* – Failure to load or discharge a container as required under these rules will be considered a violation of the contract between the parties. Use of improper, fictitious or incorrect documentation to evade the provisions of Rule 1 and Rule 2 shall also be considered a violation of the contract. If for any reason a container is not longer at the waterfront facility at which it should have been loaded or discharged under the Rules, then the carrier or its agent or direct employer shall pay, to the joint Container Royalty Fund, liquidated damages of \$1,000 per container which should have been loaded or discharged. If any carrier does not pay liquidated damages within 30 days after exhausting its right to appeal the imposition of liquidated damages to the Committee provided in Rule 9(1) below, the ILA shall have the right to stop working such carrier's containers until such damages are paid.

#### **RULE 10 – CONTAINER ROYALTY PAYMENTS**

The two Container Royalty payments, effective in 1960 and 1977 respectively, shall be continued and shall be used exclusively for supplemental cash payments to employees covered by the Management agreements, and for no other purpose. The remaining royalty payment effective in 1971, also shall be continued and shall be used for fringe benefit purposes only, other than supplemental cash benefits, which purposes are to be determined locally on a port-by-port basis. The Container Royalty payments shall be payable only once in the continental United States. They shall be paid in that ILA port where the container is first handled by ILA longshore labor, at longshore rates. Containers originating at a foreign port which are transshipped at a United States port for ultimate destination to another foreign port ("foreign-sea-to-foreign-sea containers") are exempt from the payment of container royalties. Container Royalty payments shall be asserted against all containers moving across the continental United States by rail or truck in the foreign-to-foreign "LANDBRIDGE" system.

Management and the Carriers agree that the payment of Container Royalties as provided in their agreements is of the essence to this agreement and, if for any reason during the term of this agreement such payments cannot be made in their present form, then Management and the Carriers shall provide by some other form of assessment for the payment of equivalent amounts to be used for the same purposes as said Container Royalties are presently used.

APPENDIX C

[Carriers Container Council, Inc. Letterhead]

August 29, 1996

John Bowers, President  
International Longshoremen's Association, AFL-CIO  
17 Battery Place  
New York, New York 10004

Re: ILA Jurisdiction

Dear Mr. Bowers:

During the negotiation of the Master Contract, the parties have met and resolved all of the issues with respect to jurisdiction. Recognition was given to the fact that in certain ports the ILA's jurisdiction has not extended to all work on ships and terminals.

The parties have agreed to the creation of a joint committee for the purpose of meeting with representatives of port authorities on issues of jurisdiction.

You and I have agreed that during the course of these meetings we will seek to have the port authorities recognize ILA jurisdiction as set forth in paragraphs, 11 and 12, of the new Master Agreement covering the jurisdiction of ILA checkers and clerks, longshoremen and maintenance men. In these meetings we will emphasize the following tasks to be performed by ILA employees:

- a) All work on cargo received into the terminal, placed on the ships, loaded and unloaded from vessels and delivered at other immediate pier area, shed, warehouse and terminal by any means of transportation.
- b) The preparation of vessel loading and discharge sequence lists.
- c) Cargo stowage in the vessel and reporting of such stowage including preparation of sequence sheets and prestow plans for the use of supervisors, foreman,

clerks and checkers in loading and discharging the vessel in accordance with the employer's instructions.

- d) All location work performed by longshoremen, checkers and clerks involving locating of all containers, chassis and/or cargo to be loaded, discharged or restowed to or from the vessel.
- e) Physically handling cargo involved in the receipt and delivery of containers, chassis, equipment and cargo received and delivered by all ILA labor on the pier, shed, warehouse or terminal.
- f) Where directed by Management, the weighing of containers and cargo.
- g) Verification and recording of the loading of containers, chassis and/or cargo to and from vessels, barges or terminal.

The above is not intended to be a full and total description of the work of the ILA personnel in port areas where the ILA may have traditionally and regularly performed such work and is not intended to impinge on the work jurisdiction of other personnel or labor organizations whose employees now perform such work and services.

Sincerely,

S / David J. Tolan  
David J. Tolan, Chairman

## APPENDIX D

### MAJOR DAMAGE CRITERIA FOR CONTAINERS

As provided in paragraph 13 of the Master Agreement, the following is a definition of the criteria adopted by the ILA/Carrier Master Contract Committee for a container with major Damage. Nothing herein contained shall be deemed to limit the work jurisdiction of the ILA in accordance with the Containerization Agreement.

The definition of a container having major damage shall be any container or container component which causes the loss of structural integrity to a point in which it creates an unsafe condition.

Major damage to the following critical component connections shall constitute loss of Structural integrity and shall be considered an unsafe condition:

- 1) Bottom rail to corner post severed
- 2) Top rail to corner post severed
- 3) Top corner fitting to corner post severed
- 4) Bottom corner fitting to corner post severed

The above discernible major damage is supplemented by the following, any of which is considered major damage.

Connection	Description
Top rail to corner post	Bent, torn or cut so as not to fit into a container cell or so it cannot be lifted by a container spreader.
Bottom rail to corner post	Torn or cut or bent out of alignment to the extent that it cannot fit into a container cell.
Top corner fitting	Cracked weld, cracked fitting or bent to not fit into a container cell.
Bottom corner fitting	Cracked weld, cracked fitting or bent to not fit into a container cell.
Side post to top rail (aluminum)	3 or more adjacent posts cut or missing from bottom rail, provided that posts are clear cut.
Side post to bottom rail (aluminum)	3 or more adjacent posts cut or missing from bottom rail, provided that posts are clear cut.

Connection	Description
Sidewall to bottom rail (steel)	Horizontal cut more than 22" at one point or more than 15" at end frames.
Sidewall to top rail (steel)	Horizontal cut more than 22" at one point or more than 15" at end frames.
Sidewall to corner post	Cut more than 10" at any point, and out of alignment so as not to fit in a container cell.
Cross member to tee clip	4 or more adjacent severed at any point.
Tee clip to bottom rail	4 or more adjacent severed at any point.
Front wall to end frames	Cut more than 25" at any point.
Door lock rods	Bent rods only if door cannot close and stay closed properly.
Door hinges to end frames	Bent, loose, out of square, severely cracked or damaged preventing the door from closing properly.
Roof top to top rail	Cut or severed more than 48".
Roof to headers	Cut more than 12".
Roof bow to top rail	4 or more adjacent bows disconnected.
Corner posts	Dent at corner radius more than 2" deep by more than 10" long.
Top rails	Any vertical tears or cuts that are greater than 30% of the rails section.
Bottom rails	Any vertical tears or dents that are greater than 30% of the rails section.
Major structural damage	Container out of cube so as not to fit in slot or cannot be lifted by a container spreader.
J Bars	Bent, bow, dent so as to render the door not to be fully opened.

Normal wear and tear, holes and dents or compression lines do not cause a loss of structural integrity and, therefore, do not constitute major damage or an unsafe condition.

However, the above does not constitute the removal of roadability and FWHHA inspections presently performed by ILA maintenance men or otherwise limit the work jurisdiction of the ILA in accordance with the Containerization Agreement of the Master Agreement.

### MAJOR DAMAGE CRITERIA FOR CHASSIS

Component Part	Type of Damage
Brakes	Cracked or damaged air tanks and missing components including air lines and chambers, lining worn to 1/4" at centers and relay valves which are inoperative.
Broken wheel studs	More than one stud broken or missing.
Oil seals	Leaking and hub oil caps.
Seven way Plug	Receptacle missing, broken or inoperative.
Landing legs	Gear box and/or legs bent or bowed to the point of being inoperative.
Suspension	Cracked or components missing or damaged beyond useful function.
Axels	Loose radius rods and/or out of alignment as to cause unsafe tracking.
Twist locks	Bent so as to be inoperative or missing handles.
Front lock pins	Bent so as to be inoperative or missing pins or locking tab hold handle.
Bolsters/Goosenecks	Bent to the point of not accepting a container and allowing the container to be locked down.
Frame	Bent or cracked welds at critical points such as gooseneck to Frame rails, frame to bolsters, cross members, frame to leg mounting boxes, and frame to suspension points so as not to allow the container to be locked down.
ICC Bumper	Missing, if required by original equipment manufacturer, or so severely damaged or bent so as not to function as a bumper. To comply with Federal regulations.
Wheel hubs	Loose, or missing so as to make chassis inoperative.

**Component Part**

**Type of Damage**

5th Wheel

Cracked at gooseneck. Note: this type of damage can only be ascertained during a PM

All deadline chassis must have deadlining reason clearly stated on the TIR and the unit tagged before the carrier will accept it as a deadline.

When a refrigerated container cannot operate to carry refrigerated cargo due to a mechanical failure, the ILA shall retain its jurisdiction to repair such failures. However, it is understood that the Carriers retain their right to reposition refrigerated containers to accommodate cargo.

APPENDIX E

STEIN AWARD

*In the Matter of the Arbitration between*  
NEW YORK SHIPPING ASSOCIATION  
and  
INTERNATIONAL LONGSHOREMEN'S  
ASSOCIATION

AWARD

The Undersigned, constituting the Board of Arbitration created pursuant to Paragraph 13 of the Memorandum of Settlement entered into by the parties above-named on December 3, 1959, for the purpose of arbitrating disagreements between them as to Paragraph 8(b) of said Memorandum of Settlement, have heard the allegations and received the witnesses and proofs, and make the following Award:

1. The following is the action of a majority of the Board, Mr. Gleason dissenting: on containers which are loaded or unloaded away from the pier by non-ILA labor, the amounts set forth below shall be paid into a fund as provided by Paragraph 10 of said Memorandum of Settlement:

- a. On conventional ships, thirty-five (35) cents per gross ton.
- b. On partially-automated ships (conventional ships converted for handling vans and containers), where not more than two hatches have been converted for the handling of containers, seventy (70) cents per gross ton.
- c. On partially-automated ships (conventional ships converted for handling vans and containers), where not more than forty (40) percent of the ship's bale cube has been fitted for containers, seventy (70) cents per gross ton.
- d. On ships where more than two hatches have been converted or fitted for the handling of containers, or where more than forty (40) percent of the ship's bale cube has been fitted for containers, one dollar (\$1.00) per gross ton.

2. The following is the action of a majority of the Board, Mr. McCarthy dissenting: The payments set forth in Paragraph 1 above shall be retroactive to July 1, 1960.

3. The following is the unanimous action of the Board. The payments set forth in Paragraph 1 shall continue for the duration of the current collective bargaining agreement between

the parties. However, on or after October 1, 1961, the parties shall have the right to seek adjustments on the rates of payment upon the ground, in the case of the International Longshoremen's Association, that there has occurred a substantial increase in the impact of containers upon employment opportunities, or, in the case of the New York Shipping Association, upon the ground that there has been no or a substantially decreased impact of containers upon employment opportunities. In the event that the parties shall fail to agree upon a revision, if any, in the rates of payments, the matter shall be treated like a grievance arising under their collective bargaining agreement.

November 16, 1960  
EMANUEL STEIN, *Chairman*  
F. M. McCARTHY  
THOMAS W. GLEASON

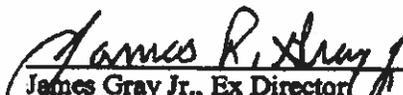
**JACKSONVILLE MARITIME ASSOCIATION  
ILA LONGSHOREMEN  
AND  
ILA CLERKS & CHECKERS  
MILITARY ARMY AGREEMENT**

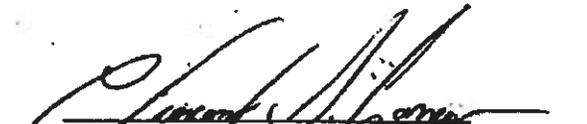
This Memorandum Agreement is made and entered into this 23<sup>rd</sup> day of December 2004, between the Jacksonville Maritime Association and the International Longshoreman's Association Locals 1408 & 1593

It is hereby agreed and understood that the following conditions apply to all Army operations handling cargo the following will apply:

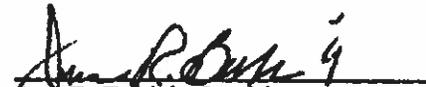
- Rate of pay is consistent with the current master contract that expires in 2010
- Eight (8) hour guarantee
- No regular overtime
- Working thru a meal period when requested by the Military will be worked at the double straight time rate of compensation
- The handling of Ammunition will be paid at double the straight time rate of compensation

It is expressly understood that items not covered in this agreement are covered under the South Atlantic District Collective Bargaining Agreement. It is understood, by all parties, that this agreement will run concurrent with the current South Atlantic District Bargaining Agreement.

  
James Gray Jr., Ex Director  
Jacksonville Maritime Association

  
Vincent S. Cameron, President  
ILA Local 1408

  
Ron Byrd, President  
Jacksonville Maritime Association

  
Jess R. Babich, President  
ILA Local 1593



Richard P. Hughes, Jr.  
President

October 19, 2009

**TO:** All ILA Members in Ports from Maine to Texas Covered by the Master Contract

**Re: Explanation of Extension Agreement**

Dear Sisters and Brothers:

I am setting forth below an explanation of the Memorandum of Settlement.

### **Elimination of Container Royalty Caps**

If the extension is not ratified, royalties available for distribution in 2010 would be capped at 73 million tons. If the contract is ratified, no caps will be in effect, thus producing in 2011 and 2012 additional royalties of more than \$50 million each year. Caps upon annual royalty checks have also been eliminated. This means that if the contract is ratified, your individual container royalty check will not be capped at \$16,500 or \$7,500, respectively.

In order to get USMX to agree to remove the caps for the entire 3-year contract term, the ILA agreed that for the first year only the carriers could suspend temporarily the payment of container royalties until they recoup \$42 million. Consequently, the increase in royalties for 2010 will be less than \$50 million.

### **Increased Wages**

- (a) Effective October 1, 2009, the highest wage will go to \$31.00 per hour.
- (b) Effective October 1, 2011, the highest wage will go to \$32.00 per hour.
- (c) Effective October 1, 2009, wage increases of \$1.50 and \$1.00 will go into effect to employees receiving less than the highest wage.
- (d) Effective October 1, 2009, the starting wage will be \$20.00 per hour.

## **Every Worker Able To Reach Top Tier**

Effective April 1, 2012, and on every October 1 thereafter, longshore workers receiving less than the highest wage rate will receive increases based on their years of service as of the prior September 30 in accordance with the following formula:

- 3 Years of Service – a raise of 25% of the difference between the rate they are receiving and the highest wage rate.
- 5 Years of Service – a raise of 50% of the difference between the rate they are receiving and the highest wage rate.
- 7 Years of Service – a raise of 75% of the difference between the rate they are receiving and the highest wage rate.
- 9 Years of Service – a raise of 100% of the difference between the rate they are receiving and the highest wage rate.

If you vote “YES,” every worker will receive the highest wage rate after nine years of service. Service prior to October 1, 2009 is based on just 1 hour in a contract year. After October 1, 2009, a year of service requires 700 hours. Since most of the workers currently in the lower tiers have substantial years of service already as a result of the 1-hour rule, more than 85% of the current work force will reach the top wage level in 2012. I am attaching a chart that will allow each of you to determine what your rate of pay will be at the end of the extension agreement on September 30, 2012.

If the contract is not approved, the tiered wage structure will remain unchanged, lower tiered workers will not receive wage increases of from \$6.00 to \$11.50 per hour by 2012, your container royalty checks will not grow, and the starting wage rate will continue at \$16 per hour.

## **Increased Protection for Local Benefits**

The ILA has negotiated the creation of a new fund to protect your local benefits. The source of revenue for the new fund is a combination of existing contributions and new money. The existing contributions are used for MILA and the CFS Fund, both of which have more than enough money to provide benefits for the term of the extension. Each year the new fund will pay each port automatically the amount of the cap-refund money it received for the contract year ending September 30, 2009. In addition, each port can file an application for additional assistance should the need arise.

## **Jurisdiction Protection**

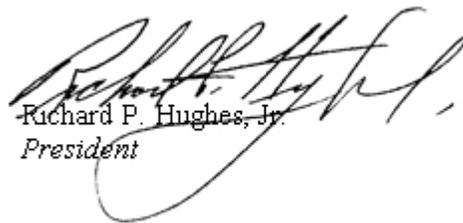
The Jurisdiction Committee's decisions are made final and binding and enforceable in court.

## **New Technology**

A standing committee of management and union members is established to facilitate appropriate economic analyses to assist the parties in resolving issues that may arise from the development of new technology. The committee will analyze possible reassignment, retraining, severance and/or assignment to the ILA of all employment positions resulting from technological changes.

As you can see, the ILA has been able to negotiate an agreement on the major bargaining issues that provides enhanced compensation to each of you at a time when most unions are agreeing to givebacks. This extension agreement assures stability in the industry during troubled economic times, thus assuring the continued flow of cargo to our ports. Addressing these major issues at this time will permit us to negotiate a stronger and more comprehensive agreement in 2012, when economic conditions should have improved.

Fraternally yours,



Richard P. Hughes, Jr.  
*President*

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cc: Mr. Harold J. Daggett, Exec. Vice-Pres., ILA, AFL-CIO  
Mr. Robert E. Gleason, Sec.-Treas., ILA, AFL-CIO  
Mr. Benny Holland, Jr., Gen. Vice-Pres., ILA, AFL-CIO  
Mr. Gerald Owens, Gen. Org., ILA, AFL-CIO  
Mr. John D. Baker, Asst. Gen. Org., ILA, AFL-CIO  
Mr. John Bowers, Pres. Emeritus, ILA, AFL-CIO  
Hon. Milton Mollen, Ethical Practices Counsel  
Marrinan & Mazzola Mardon, P.C.

**CLERKS AND CHECKERS AGREEMENT  
BETWEEN THE  
SOUTH ATLANTIC EMPLOYER'S NEGOTIATING COMMITTEE  
AND THE  
SOUTH ATLANTIC & GULF COAST DISTRICT  
OF THE  
INTERNATIONAL LONGSHOREMEN'S ASSOCIATION**

**1.** This Agreement was made and entered into on the 11th day of May, 2004, between the South Atlantic Employers Negotiating Committee representing its direct employer members, hereinafter known as the party of the first part and the South Atlantic & Gulf Coast District of the International Longshoremen's Association representing its subordinate Locals, hereinafter known as the party of the second part.

Wages to become effective October 1, 2004.

**2.** This Agreement and all Memorandums of Understanding shall be in effect until midnight September 30, 2010, and covers all work as designated herein at the ports of Morehead City, Wilmington, Sunny Point, Georgetown, Charleston, Port Royal, Savannah, Brunswick, St. Marys, Fernandina Beach, Jacksonville, Tampa and Port Manatee.

**2.(A)** The Union agrees that there shall be no strikes, slow downs or work stoppages of any kind whatsoever with respect to handling perishable fruit cargoes on or off vessels, or in and out of marine terminals. This agreement includes the handling of empty pallets, containers, reefer trailers, or other devices used in transport of perishable fruit cargoes. This Perishable Fruit Agreement shall remain in full force and effect until midnight, September 30, 2010, or until one day beyond the date that the contract between the employers and the South Atlantic and Gulf Coast District of the International Longshoremen's Association, covering container and general cargo longshore work is ratified, whichever is later, and may not be reopened for any reason prior to that time. Any increase in wages or benefits in subsequent contracts to be retro-active to effective date of said contract. All Port Associations have the consent to negotiate with the local unions of the ILA serving each port for an agreement applicable to the port for perishable commodities.

**3.(A)** Wages per hour, according to job classifications, shall be in accordance with the provisions of Clause A-1, B-1 and C-1 (with the provision that the contract will be reopened after the third year for wages only on general cargo, breakbulk and bulk cargo):

**3.(B)(1)(A)** The Employers agree to contribute into the fund for Welfare and Pension benefits for all hours for which employees receive pay the following amounts per hour effective as indicated:

Effective 10/01/04	\$12.15 Container Hours \$ 9.20 Car Carrier Hours \$ 9.20 All Other Hours
Effective 10/01/05	\$12.15 Container Hours \$10.20 Car Carrier Hours \$ 9.20 All Other Hours
Effective 10/01/06	\$12.65 Container Hours \$10.20 Car Carrier Hours \$ 9.20 All Other Hours
Effective 10/01/08	\$13.15 Container Hours \$10.20 Car Carrier Hours \$ 9.20 All Other Hours

The amounts above may be allocated, not only to pension and welfare, but also to any other fringe benefits, as agreed to by the local ILA and port associations in each of the ports or districts covered by this agreement, except that beginning October 1, 1999, \$4.00 per hour worked in each port or district shall be allocated to the Managed Health Care Plan or Plans.

The MILA man hour contribution shall be \$5.00 effective October 1, 2004.

No other man-hour contributions shall be increased by any port or district other than the above except for (i) vacation or holiday contributions and (ii) the one dollar per hour benefit increase of October 1, 1993 (subject to paragraphs 14 and 20 of the Master Contract). No tonnage assessment (not in effect on the effective date of this Agreement) shall be imposed on Containerization or Ro-Ro operations by any parties to this Agreement during the life of this Agreement.

These funds shall continue to be administered on a local basis by a Board of Six (6) Trustees.

It is agreed that either party of the funds established under this agreement may increase the number of Trustees by mutual consent of the Trustees of the Board involved. It is further agreed that regardless of the number of Trustees on either side being unequal, the voting rights of each side shall remain equal.

**3.(B)(1)(B) Container Royalty.** The Employers also agree to pay into a fund for supplemental cash benefits the amounts set forth below as a royalty when loading or discharging containers which are twenty (20) feet or more in length and which have not been stuffed or will not be stripped by personnel employed under this agreement.

- (a) On conventional ships, thirty-five cents (35¢) per gross ton;
- (b) On partially automated ships (conventional ships converted for handling vans and containers) where not more than two hatches have been converted for the handling of container, seventy cents (70¢) per gross ton;
- (c) On partially automated ships (conventional ships converted for handling vans and containers) where not more than forty percent (40%) of the ship's bale cube has been fitted for container, seventy cents (70¢) per gross ton;
- (d) On ships where more than two hatches have been converted or fitted for the handling of containers, or where more than forty percent (40%) of the ships bale cube has been fitted for containers, one dollar (\$1.00) per gross ton;

The above fund shall continue to be administered on a local basis by a Board of Six (6) Trustees.

It is agreed that either party of the funds established under this agreement may increase the number of Trustees by mutual consent of the Trustees of the Board involved. It is further agreed that regardless of the number of Trustees on either side being unequal, the voting rights of each side shall remain equal.

All three (3) dollars per ton container royalties paid pursuant to the terms of this Agreement shall continue to be paid to the various local port and district container royalty funds for the first (3) years of the 1996 Agreement. Effective on October 1, 1999, the second Container Royalty dollar shall be paid to the Managed Health Care Trust Fund created by paragraph 20 hereof to be used exclusively for the purpose of funding the uniform managed health care program therein described.

The Container Royalty Cap shall be raised to the following levels:

<u>EFFECTIVE DATE</u>		<u>CAP LEVEL</u>
October 1, 2004	-	58 million tons
October 1, 2006	-	63 million tons
October 1, 2008	-	68 million tons
October 1, 2009	-	73 million tons

During the term of this Agreement for each contract year in which the CAP level changes the port benchmarks for the ports of New York/New Jersey, Hampton roads, Charleston, Savannah, Miami/Port Everglades and the West Gulf will be recalculated using the tons reported to the local container royalty funds in the "Base Contract Year." The "Base Contract Year" is the

year which commences two prior to the contract year in which the CAP changes (eg., the port benchmarks for the contract year commencing October 1, 2004, will be calculated based on the container royalty tons reported in the Base Contract Year beginning October 1, 2002 and ending September 30, 2003). Individual port benchmarks for the ports of New York/New Jersey, Hampton Roads, Charleston, Savannah, Miami/Port Everglades and the West Gulf will be calculated using the following formula:

$$\frac{\text{Base Year Local CR Tons}}{\text{Base Year Coastwide CR Tons In All Master Contract Ports}} \times \text{Applicable CR CAP Level}$$

During the term of the Agreement with respect to the Ports of Boston, Philadelphia, Baltimore, Wilmington, NC, Jacksonville and New Orleans, the benchmark for each of these ports shall be the lesser of (a) the port's benchmark as of September 30, 2004 or (b) the tons reported in the port for container royalty purposes in the Contract Year ending September 30, 2003.

The payment of container royalty assessments shall cease in every port when the number of tons reported to the local Container Royalty Fund in the port exceed the benchmark determined using the formula set forth in paragraph 9(a) of the Master Agreement, as if that formula were applicable to all Master Contract ports, and container royalty assessments in excess of such benchmarks shall be paid to CCC Service Corporation for distribution as follows:

Forty (40%) percent shall be refunded to the Carriers;  
Twenty (20%) percent shall be paid to MILA; and  
Forty (40%) percent shall be paid to an escrow fund established by a single local port or by a group of ports ("Local Escrow Fund") to pay local benefits.

In the event the application of the provision in Paragraph 9 (b) of the Master Contract results in an obligation to pay Container Royalty Dollars Nos. 1 and 3 on tons in excess of the agreed upon CAP Level set forth in Paragraph 8 of the Master Contract, such obligation shall be satisfied solely from that portion of the container royalties in excess of the benchmarks collected and set aside for distribution to the Local Escrow Funds pursuant to Paragraph 10 of the Master Contract without any allocation of the amount of that obligation to any particular port.

During the term of this Agreement, a port's existing benchmark may be reviewed and adjusted prospectively at the beginning of a contract year by the parties to this agreement if such port experiences a dramatic annual decrease in the tons reported for container royalty purposes.

The portion of the CAP refund paid to a Local Escrow Fund pursuant to Paragraph 10 of the Master Contract shall not be used for supplemental cash benefits (except as provided in Paragraph 11 of the Master Agreement, nor shall the use of this portion of the CAP refund result in any carrier being considered an employer in relation to any local port employee pension benefit plan within the meaning of the Employee Retirement Income Security Act ("ERISA"), except in any port where the carrier already is an employer under ERISA.

Effective October 1, 1999 the use of the Second Container Royalty dollar which shall be continued in the South Atlantic and in the West Gulf for the first three (3) years of the 1996 contract shall be discontinued for such purposes as of October 1, 1999. The 1993 dollar, which is now being used for welfare purposes, as well as other fringe benefit amounts, shall be transferred for use as a substitute for the Second Container Royalty dollar in such port areas. The effect thereof shall be that on and after October 1, 1999, the Second Container Royalty dollar shall be used exclusively for health care purposes in all ports and districts covered by this Agreement. Either the South Atlantic or the West Gulf may determine to continue to use the Second Container Royalty dollar for present purposes. In the event that either or both such areas make such a determination, each must pay the equivalent of said second Container Royalty amount, in total dollars, out of its hourly assessments to the Trustees of the Managed Health Care Plan. In the event that there is a deficit in any such plan created by unforeseen events, application may be made to the Trustees of Container Royalty Fund #4 to make up any such deficit from funds collected from cargo that had moved in the affected ports or districts. The Trustees of such fund shall act only if there is a need for such funding.

The total royalty contributions to be made to the fund provided shall be \$1.00 per weight ton of containerized cargo (with lesser amounts from cargo described in the Stein Award as not being fully containerized) plus the hourly contribution which shall be used for the purposes of the managed health care systems and \$2.00 per weight ton to be used for supplementary cash payments to employees (all of which is subject to the provisions of the Stein Award and to accommodations elsewhere provided herein.)

The benefits provided by the above funds shall be limited to persons and entities who have subscribed to and agree to be bound by this agreement with the joint consent of Management and the ILA. No container benefit shall be paid to an employee during any year which shall exceed a maximum payout of \$16,500 per employee per year. Employees who enter the industry after October 1, 1996, may be entitled to container royalty benefits if they have at least three qualifying years. Such employees shall not receive more than \$7,500 in any year in which they receive a benefit, as such benefits are determined to be payable by the local parties. Any excess over the \$16,500 or \$7,500 generated in each year shall be paid as determined by local container fund Trustees with appropriate trust amendments as may be required, to employees other than those who have been paid the maximum benefits.

The third container royalty, equal to the first container royalty listed above shall be paid into the same fund as the first container royalty, and administered by the same Board of six Trustees as previously detailed. These two container royalties must be used only and exclusively for cash disbursements to the men. Terms and conditions of the disbursement to be determined by the Trustees.

The first and third container royalty dollar shall be paid to the local container royalty fund in each port. Normal and reasonable expenses will be determined by each port for administrative expenses and container inspectors and will be paid from the container royalty fund.

Each party shall appoint three of the Trustees to administer the local funds described

hereinbefore in Paragraph 3(B)(1)(A) and the first and third container royalty funds established in this Paragraph 3(B)(1)(B), to serve until they resign or are replaced by the party they represent. The local port employer and I.L.A. representatives and the Trustees of each local container fund shall be bound by this agreement and shall have no authority to provide otherwise except that the parties agree that each port shall have the right to administer and establish by rule and regulations each container royalty fund.

Members of U.S.M.X. and carriers bound to the Master Contract are responsible for paying Container Royalty as per the Master Contract.

For Non U.S.M.X. members, the Contracting Stevedore is obligated to obtain a signed agreement from the party ordering the work to be bound by this contract. Should the Contracting Stevedore fail to obtain the signed agreement, then the Contracting Stevedore shall be held responsible for the Container Royalty and District Escrow Fund assessments.

Should the party ordering the Contracting Stevedore to perform the work fail to pay the established assessments, and notwithstanding the provisions of Clause 15(A)(1), the employees shall not be required to work for the defaulting party ordering work by any Contracting Stevedore until the debt is paid in full. Should the Contracting Stevedore fail to obtain the signed agreement, then the Contracting Stevedore shall be held responsible for the assessments.

**3.(B)(2)(A)** A District Escrow Fund is established for the purpose of collecting and supplying funds for the District Vacation and Holiday Fund. The District Escrow Fund and District Vacation and Holiday Fund shall be administered by a board of 12 Trustees. Six Trustees shall be appointed by the Unions who are party to this Agreement, one of whom shall represent the Clerks and Checkers. Six Trustees shall be appointed by Management, who are party to this Agreement.

It is agreed that either party of the funds established under this agreement may increase the number of Trustees by mutual consent of the Trustees of the Board involved. It is further agreed that regardless of the number of Trustees on either side being unequal, the voting rights of each side shall remain equal.

The Trustees of the District Escrow Fund shall also be the Trustees of the Vacation and Holiday Fund.

**3.(B)(2)(A)(1)** Funding of the District Escrow Fund shall be accomplished as follows:

(a) All employers of I.L.A. personnel working under the terms and conditions of the Deep-Sea Longshore Agreement or the Deep-Sea Clerks and Checkers Agreement, or those personnel shown in Paragraph 3(B)(4), shall pay an assessment of 61½ cents per man hour to the District Escrow Fund.

(b) Beginning October 1, 1997, the Employers shall pay the tonnage and man hour assessments presently in effect for non United States Maritime Alliance members.

\$ .25 per long ton on breakbulk and Rule 1 containerized cargo

\$ .60 per long ton on Rule 2 containerized cargo

\$ .0025 per long ton on bulk cargo

\$ .40 per unit on passenger autos and light trucks under 4000 pounds

(c) During the life of this contract, the Employers shall not be obligated to pay any additional tonnage, man hour or other assessments to the District Escrow Fund.

(d) The collection of the assessments shall be the responsibility of the Trustees and Administrator of the District Escrow Fund and the provisions of Clause 15(A)(2) shall be followed in the collection of delinquent assessments.

(e) For Non U.S.M.X. members, the Contracting Stevedore is obligated to obtain a signed agreement from the party ordering the work to be bound by this contract. Should the Contracting Stevedore fail to obtain the signed agreement, then the Contracting Stevedore shall be held responsible for the Container Royalty and District Escrow Fund assessments.

Should the party ordering the Contracting Stevedore to perform the work fail to pay the established assessments, and notwithstanding the provisions of Clause 15(A)(1), the employees shall not be required to work for the defaulting party ordering work by any Contracting Stevedore until the debt is paid in full. Should the Contracting Stevedore fail to obtain the signed agreement, then the Contracting Stevedore shall be held responsible for the assessments.

**3.(B)(2)(A)(2)** A District Trust Fund to administer the Vacation and Holiday Fund disbursements shall also be established. It shall receive its funding from the District Escrow Fund.

(a) 16 paid holidays to clerks and checkers or those personnel shown in Paragraph 3(B)(4), only who have worked 700 hours or more in the current contract year.

(For the purpose of paying the 16 holidays provided for in this paragraph, the holidays will be those as shown in Paragraph A-3, B-3 and C-3 and February 12, Abraham Lincoln's Birthday; 3rd Monday in February, George Washington's Birthday; March 17, Thomas Gleason's Birthday; 2nd Monday in October, Columbus Day; November 11, Armistice Day; National Election Day, one annually.)

(b) Vacations of from 1 week to 6 weeks based on the following criteria: All longshoremen and clerks and checkers who have worked:

700 hours or more in the current  
contract year .....1 week vacation

700 hours or more in the 2 consecutive previous  
contract years .....2 weeks vacation

700 hours or more in the 6 consecutive previous  
contract years ..... 3 weeks vacation

700 hours or more in the 12 consecutive previous  
contract years ..... 4 weeks vacation

700 hours or more in the 15 consecutive previous  
contract years ..... 5 weeks vacation

700 hours or more in the 20 consecutive previous  
contract years ..... 6 weeks vacation

(c) Trustees are authorized to set such requirements as are needed to be furnished validated records from each local Pension and Welfare office within the District.

(d) The vacation and holiday benefits (which cannot exceed \$21 per hour) shall be funded as follows:

- a. All funds presently used for vacation and holiday benefits, including the tonnage assessment, man hour assessment, and all of the 1993 Dollars paid in the Ports of Wilmington, NC, Charleston, Savannah, Jacksonville and Tampa shall continue to be paid to the South Atlantic District Escrow Fund (“SADEF”) to fund vacation and holiday benefits.
- b. In addition to the funding described in subparagraph a. above, an amount equal to one-half (1/2) of the forty (40%) percent of the Container Royalties in excess of the benchmarks designated for local fund use for the Ports of Wilmington, NC, Charleston, Savannah, Jacksonville, and Tampa, as defined in paragraph 10 of the Master Contract Memorandum of Settlement, dated June 28, 2004 (Section E: Container Royalty Cap) will be used to pay vacation and holiday benefits.
- c. After making all of the payments described in subparagraphs a. and b. above, the balance required to fund the vacation and holiday benefits (which cannot exceed \$21 per hour) shall be paid by the carriers who are signatories to the Master Contract and operate in the ports described in subparagraphs above, in whatever fashion they deem appropriate.

(e) Any deficit caused by a work interruption or work stoppage engaged in by the ILA shall not be made up by the carriers described in subparagraph c. above.

(f) The SADEF shall keep an annual reserve of no more than \$500,000, which shall be used to pay the SADEF's annual operating expenses.

**3.(B)(3)** In the event the I.L.A. shall consider supplying labor to an Employer not a party to this Agreement at conditions which would depart from the provisions of this contract, the I.L.A. shall first give advance notice of such intent to the Employers parties to this Agreement. Further, that such conditions for the particular work to be performed for an Employer not bound by the provisions of this Agreement shall also be made applicable to the employers parties to this Agreement for the same type of work. The employer likewise agrees to give the I.L.A. advance notice of any potential new business proposed to them which would or could result in a departure from this Agreement. In the event the employers should enter into an agreement with any other local of the I.L.A. containing terms more favorable than those set forth herein for the performance of work covered by this contract, such terms shall automatically apply to employees covered under this Agreement.

No employer shall engage in a double breasted operation.

Management personnel, or other non-bargaining unit personnel of an employer shall not be permitted to perform any of the work traditionally performed by employees covered by this agreement.

All Port Associations and the local unions of the ILA operating in the South Atlantic District may negotiate among themselves for an agreement, on a case by case basis, to compete with non-union companies on cargoes and for any new cargoes or service which is not in competition with any other South Atlantic port. (This paragraph to be re-written as agreed to by ILA and Management.) Each port in the South Atlantic District will be notified.

**3.(B)(4)** Personnel working under I.L.A. Contracts other than the I.L.A./SAENC Deep-Sea Longshore and the Deep-Sea Clerks and Checkers Agreements and who are presently participating in the Pension and Welfare Funds, the Container Royalty Funds and Vacation and Holiday Funds of the District Escrow Fund, as well as new personnel in the same job classifications as those presently participating who may subsequently be working under an I.L.A. Contract may participate in such funds, provided the Employers of such personnel have signed Agreements with the Trustees of such funds agreeing to make the contributions specified in the I.L.A./SAENC Agreements and abide by the terms and conditions of the Trust Agreements covering such Funds. No Employees shall receive benefits from the Funds that exceed the benefits set forth in the I.L.A./SAENC Deep-Sea Longshore and Deep-Sea Clerks and Checkers Agreements.

**4.(A)** The work week will begin at 7:00 A.M. on Monday and will end at 7:00 A.M. on the following Monday. A day is defined as the 24-hour period commencing at 12:01 A.M. and ending at 12:00 midnight.

**5.(A)** Differentials in accordance with Clauses 5(A)(1)(2)(3) of Longshore Agreement and the same rates shall be paid weighers, samplers, tallymen and checkers covered by this Agreement.

**5.(B)(1)** A differential of 25 cents per hour in straight time and 37½ cents per hour in overtime will be added to the rates specified in Clauses A-1, B-1 or C-1 (whichever is applicable) for work performed in refrigerator compartments, refrigerator holds, refrigerator containers, refrigerator trucks or refrigerator cars whenever cargo is being handled that has been or will be carried at temperatures below 32 degrees Fahrenheit. When handling refrigerated cargo in conjunction with ice, the same differential will apply while handling such cargo and while handling the ice. These differentials will be paid to employees assigned to checking the hatch involved.

**5.(B)(2)** Personnel ordered for work on refrigerated cargo will be notified in advance in order that they may secure sufficient clothing. In the event employees are not so notified prior to reporting for work that they will be handling cargo that has been or will be carried below 32 degrees Fahrenheit, they shall not be required to handle such cargo.

**5.(C)(1)** All personnel assigned to ships loading or discharging explosives or radioactive material of a type requiring a U.S. Coast Guard Permit handled over or at explosive facilities, including linehandlers when they are required to stand by, will be paid double the straight time or overtime rate (whichever is applicable) as specified in Clauses A-1, B-1 or C-1 (whichever is applicable). Small arms ammunition and firecrackers shall not be construed as explosives.

**5.(C)(2)** When personnel at other than explosive facilities such as Sunny Point or St. Mary's are working a vessel which contains explosives, other than commodities such as small arms ammunition or firecrackers, all employees, including dockmen, and linehandlers working the vessel will be paid at double the straight time or overtime rate (whichever is applicable) as specified in Clauses A-1, B-1 or C-1 (whichever is applicable).

Explosive pay only applies to personnel working the vessel which contains explosives in all ports other than Sunny Point and St. Marys. All other port practices remain the same.

**5.(D)** A differential of 50 cents per hour in straight time and 75 cents per hour in overtime will be added to the rates specified in Clauses A-1, B-1 or C-1 (whichever is applicable) for personnel actually working in the holds where equipment powered with internal combustion engines is in use. The provisions of this clause are waived when adequate blowers are in use.

Adequate blowers shall meet the requirements of Paragraph 1504.93 of the Federal Safety and Health Regulations for Longshoring.

**5.(E)** None of the differentials provided above shall be paid unless the personnel are so employed for fifteen minutes or more of continuous work.

**6.** Personnel assigned to hatches handling cargo damaged by fire, water or oil, where such damage causes unusual distress or obnoxious conditions, or where such damage results in cargo being in unnatural form to the extent of causing unusual distress or obnoxious conditions, shall be paid double the straight time or overtime rate specified in Clauses A-1, B-1 or C-1 (whichever is applicable).

Personnel assigned to hatches handling cargo where obnoxious odors are present and these obnoxious odors are not inherent in the type of cargo shall be paid double the straight time or overtime rates specified in Clauses A-1, B-1 or C-1 (whichever is applicable). Damaged cargo rates shall not be paid when sound cargo is handled from such compartments where the obnoxious conditions no longer prevail. Damaged cargo rates shall not be paid for wet cargo if the cargo has dried out sufficiently so that no unusual distress is caused and no obnoxious conditions prevail.

**7.(A)** When vessels are worked because of fire or where property is in danger on any of the four "no work" holidays, double the straight time rates as specified in Clauses A-1, B-1 or C-1 (whichever is applicable) will be paid. Where such work is under the conditions specified in Clause 6, double the overtime rates as specified in Clauses A-1, B-1 or C-1 (whichever is applicable) will be paid.

**7.(B)** On Election Day when employees go to work at 7:00 A.M. or 8:00 A.M. starts, they must be relieved by 5:00 P.M. to have time to vote. Employees reporting for work on 1:00 P.M. starts will vote prior to reporting for work. Employees may be let off or staggered to accommodate the ability for all personnel to have time to vote. Employees will return to work at 7:00 P.M. with the continuation of the original order if so required.

**8.(A)** The phrase "personnel ordered" as used herein is understood to apply only to new orders. It is not considered a new order when employment is interrupted solely due to meal period or when employees are shifted between job classification or job locations by an Employer. In the event employees are not kept on the payroll but are released by an Employer and ordered back for a subsequent starting time, it is considered a new order. For starts at 7:00 P.M. for which employers order new gangs of longshoremen, or for which replacement gangs are ordered, they shall also order the required clerks and checkers as a new order and guarantee.

**8.(B)** Any work remaining to be done at 7:00 A.M. after men have worked through the night from 7:00 P.M. the previous evening shall normally be done by fresh employees called out to start work at 7:00 A.M. as replacements for the night personnel. However, the night personnel shall continue to work beyond 7:00 A.M. whenever:

(a) Qualified fresh personnel are not available, or

(b) The work remaining to be done at 7:00 A.M. is not more than four hours (personnel working beyond the four hours shall be paid at an applicable guarantee - on container ships, a person working past 11:00 A.M. will get 8 hours guarantee from 8:00 A.M. that morning; on break bulk and bulk ships, a man working through the night and past 11:00 A.M. will be guaranteed four hours from 11:00 A.M., or

(c) In the event rain or mechanical failure during the night prevents a vessel that would have completed with the night gangs from finishing the Union agrees to furnish emergency personnel if the Employer places the order at or before 7:00 A.M.

**9.** Port Limits (Local Issue)

**10.** Personnel shall be paid on a 30 minute basis and when they work five minutes or more of any 30 minute period they shall be paid for the full 30 minutes.

**11.(A)** The following meal hours are to be observed:

Breakfast.....6:00 A.M. to 7:00 A.M.  
Mid-Day Dinner.....12:00 Noon to 1:00 P.M.  
Supper.....6:00 P.M. to 7:00 P.M.  
Midnight Lunch.....12:00 Midnight to 1:00 A.M.

**11.(B)** Employers will make arrangements to furnish drinking water in a sanitary manner to the employees on the ship and on the dock. Ice water and sanitary cups will be supplied by the Employers.

**12.(A)** A weekly payroll shall apply in all South Atlantic ports.

**12.(B)(1)** Subject to the limitations of applicable State and Federal laws, the Employer agrees to deduct from the wages of the Employees working under this Agreement National, District and Local Union Fees and contributions to the I.L.A./AFL-CIO Committee on Political Education, provided, however, that there first be presented to the Employer, a signed, dated and witnessed authorization of the Employee authorizing such deductions from his/her wages and authorizing

payment of the same directly to the appropriate entity. Such authorization shall contain such Employees' Social Security Number.

**12.(B)(2)** The Employer agrees to make remittances on a weekly basis seven days following the payroll of the amounts deducted from employee's wages. An Administrative fee of 2% of the check-off will be deducted by the Employer. The National and District Union Fees to be sent to I.L.A. headquarters in New York, New York; Committee on Political Education Union Fees to be sent to I.L.A. headquarters in New York and the balance of the union fees sent to the office of Local I.L.A. Should an Employee revoke the authorization, the Employer further agrees to immediately notify the Local I.L.A. office.

**12.(B)(3)** The South Atlantic & Gulf Coast District of the I.L.A. agrees to defend, indemnify and save the Employers harmless against and from all claims, demands, suits or other forms of liability that arise out of or by reason of action taken or not taken by the Employer in reliance upon or compliance with any provision of this Clause 12.

**13.(A)** Each Employer reserves the right to choose his Employees from among the personnel available and qualified. Without in any way restricting this right, this will be done in accordance with Section 14 of this Agreement.

The Employer also reserves the right to hire and discharge. It is recognized that the Employer has the right to utilize personnel in the combination of job classifications for which they are qualified, providing that they receive the pay rate of the highest job classification in which they are employed during their work shift.

**13.(B)** Neither party shall uphold incompetency, shirking of work, insubordination or the use of abusive language and personnel guilty of these offenses shall be dealt with as circumstances require.

Persons guilty of misconduct offenses shall be dealt with as follows:

#### **1. PILFERAGE**

The I.L.A. Locals parties hereto agree to make every effort to prevent pilferage or broaching of cargo, and any person found guilty of such broaching, or pilfering, or knowingly having broached or pilfered cargo in his/her possession, will be disciplined as follows:

#### **PENALTIES:**

**First Offense** - Sixty (60) days suspension from work through any and all I.L.A. Hiring Halls covered under this Agreement.

**Second Offense** - Ninety (90) days suspension from work through any and all I.L.A. Hiring Halls covered under this Agreement.

**Third Offense** - Permanent suspension from work through any and all I.L.A. Hiring Halls covered under this Agreement.

## **2. VIOLENCE**

### **(A) Display or Possession of Weapons**

When anyone employed under the terms of this Agreement, or in the exercise of any official capacity under the terms of this Agreement, is found guilty of displaying or knowingly possessing a dangerous weapon at any facility normally considered a work place under this Agreement, the following penalties shall apply:

**First Offense** - Sixty (60) days suspension from employment through any and all I.L.A. Hiring Halls and from acting in such official capacity under the terms of this Agreement.

**Second Offense** - Ninety (90) days suspension from employment through any and all I.L.A. Hiring Halls and from acting in such official capacity under the terms of this Agreement.

**Third Offense** - Permanent suspension from employment through any and all I.L.A. Hiring Halls and from acting in such official capacity under the terms of this Agreement.

### **(B) Physical Assault With a Dangerous Weapon**

Anyone employed under the terms of this Agreement, or in the exercise of any official capacity under the terms of this Agreement found guilty of deliberately physically assaulting another individual with a dangerous weapon at any facility normally considered a work place under this Agreement, shall be immediately and permanently suspended from employment through any and all I.L.A. Hiring Halls and such official capacity covered under the terms of this Agreement.

### **(C) Battery**

"Battery" - When anyone employed under the terms of this Agreement or in the exercise of any official capacity under the terms of this Agreement is found guilty of beating or using physical violence on a person, without that person's consent, the following penalties shall apply:

**First Offense** - Sixty (60) days suspension from employment through any and all I.L.A.

Hiring Halls and from acting in such official capacity under the terms of this Agreement.

**Second Offense** - Ninety (90) days suspension from employment through any and all I.L.A. Hiring Halls and from acting in such official capacity under the terms and conditions of this Agreement.

**Third Offense** - Permanent suspension from employment through any and all I.L.A. Hiring Halls and from acting in such official capacity under the terms of this Agreement.

Offenses which occurred more than three (3) years prior to the date of an offense, shall not be considered in determining the appropriate misconduct penalty for the latest offense.

### 3. INTOXICATION

When anyone employed under the terms of this Agreement or in the exercise of any official capacity under the terms of this Agreement is found guilty of being intoxicated at any facility normally considered a work place or bringing intoxicants on the premises at any facility normally considered a work place under this Agreement, the following penalties shall apply:

**First Offense** - Sixty (60) days suspension from employment through any and all I.L.A. Hiring Halls and from acting in such official capacity under the terms of this Agreement.

**Second Offense** - Ninety (90) days suspension from employment through any and all I.L.A. Hiring Halls and from acting in such official capacity under the terms of this Agreement.

**Third Offense** - Permanent suspension from employment through any and all I.L.A. Hiring Halls and from acting in such official capacity under the terms of this Agreement.

Offenses which occurred more than three (3) years prior to the date of an offense, shall not be considered in determining the appropriate misconduct penalty for the latest offense.

### 4. POLICY ON DRUGS

#### **PURPOSE:**

The South Atlantic Employer's Negotiating Committee and the South Atlantic and Gulf Coast District, International Longshoremen's Association, and its affiliated locals from Wilmington, Sunny Point, Morehead City, Charleston, Georgetown, Savannah, Brunswick, Jacksonville, Tampa and Port Manatee recognize that the state of an employee's health effects his/her job performance, the kind of work he/she can perform, as well as an individual's opportunity for continued employment. The Parties also recognize that drug abuse ranks as one of the major health problems in the world. It is the intent of this policy to provide guidelines for consistent handling of drug situations throughout the South Atlantic.

### **POLICY:**

The Parties are concerned with those situations where use of drugs interferes with an employee's health and job performance, adversely affects the job performance of others, or is considered to be detrimental to the marine cargo handling business. There is no intent to intrude upon the private lives of employees.

Early recognition and treatment of chemical dependency problems is important for successful rehabilitation; economic return to the industry, and reduced job disruption. The Parties support sound drug abuse treatment and rehabilitation efforts, and it is agreed that constructive disciplinary measures may be utilized to provide motivation to seek assistance. Normal industry benefits, such as the group medical plan, in many cases are available to give help in the rehabilitation process.

### **EARLY RECOGNITION**

For the purpose of interpretation it is agreed by all parties that for any employee to be eligible for treatment and rehabilitation under the "Policy on Drugs" he must first be eligible for the benefits. Employees not covered for benefits must pay all expenses for rehabilitation.

### **LEGAL DRUGS:**

The use of any legally obtained drug to the point where such use adversely affects the employee's job performance, is prohibited. This prohibition covers arriving on the work premises with detectable levels of any drug which adversely affects the employee's job performance, including the use of prescribed drugs under medical direction. Where the physician-directed use of drugs adversely affects job performance, it is the best general interest of the employee, co-workers, and the industry that employees stay home.

It is hereby specifically understood that violations involving alcohol shall continue to be handled in accordance with Paragraph 13(B) of the Collective Bargaining Agreement.

It is also agreed that under clause 13(B) of the present Collective Bargaining Agreement the blood alcohol level to be used in determining if an employee is intoxicated shall be that level established by law in the state involved.

When an individual is tested for alcohol and their alcohol level is .04 or above, up to the state limit, that person will be knocked off for the remainder of the day. No charges will be filed for intoxication.

### **ILLEGAL DRUGS:**

Illegal drugs, for the purpose of this policy, include (a) drugs which are not legally obtainable and (b) drugs which are legally obtainable but have been obtained illegally.

The sale, purchase, transfer, use or possession of illegal drugs, as defined above, by employees on the work premises or while on employer business is prohibited. Arriving on the work premises with detectable levels of any illegal or illegally obtained drugs is prohibited. This prohibition applies to any and all forms of narcotics, depressants, stimulants, or hallucinogens whose sale, purchase, transfer, use, or possession is prohibited or restricted by law.

**POLICY ENFORCEMENT:**

A drug test may be required upon reasonable notice made through the Maritime Association whenever work place factors give good faith reason to question the ability of an employee to properly and safely perform his job and whether drugs may be a factor. These factors may include physical appearance, behavior, or other job-related circumstances. Tests shall also be required for new employees (e.g., Stabilization and Decasualization Criteria), employees with safety sensitive jobs (e.g., Manpower Development), after on the job accidents and after evaluation or treatment for substance abuse.

**PENALTIES FOR VIOLATING POLICY:**

Any person found in violation of this policy regarding illegal drugs or who refuses to submit to a drug test, refuses to sign the required consent form or post treatment agreement shall be removed from the job and be suspended from employment for a period of ninety (90) days. A second offense shall result in permanent suspension from employment.

When it is determined that an employee is suffering from a drug abuse problem, efforts will be made to assist the employee in seeking proper treatment and rehabilitation using available resources.

Anyone found guilty of possession, use of, or other dealings in narcotics or other illegal substances (other than drugs which have been prescribed by a licensed physician) while employed under the terms of any Collective Bargaining Agreement between the Parties or any Memorandum of Understanding, or any other employment for a period of ninety(90) days. A second offense shall result in permanent suspension from employment.

Anyone found guilty of providing a urine specimen to another person who is being drug tested or interfering in the testing process will be penalized as follows:

- First Offense.....7 days suspension from work
- Second Offense.....14 days suspension from work
- Third Offense.....30 days suspension from work

Under the provisions of the "Policy On Drugs" any person found in violation for the first time of the "Policy" who seeks and receives treatment through a recognized and accredited rehabilitation center will be allowed to return to work when in the opinion of the personnel at the treatment center involved that individual is ready to return to work. But under

no circumstances will the individual be allowed to return before thirty (30) days.

A written statement from the treatment center involved stating that the individual has satisfactorily completed treatment will be required before returning to work.

Any individual who does not complete the required treatment program will not be allowed to return to work until the required ninety (90) day suspension has been completed.

Individuals who do not obtain treatment as described above will be suspended for ninety (90) days. A second offense shall result in permanent suspension from employment.

A refusal to be tested shall be grounds for immediate discharge and immediate suspension from employment for a period of ninety (90) days. A second violation or offense shall result in permanent suspension from employment.

It is understood and agreed that all of those actively working under the terms of any Collective Bargaining Agreement between the Parties or any Memorandum of Understanding or any other Agreement between the Parties shall have the right to request referral to an approved program for treatment or to be tested and any employee whose test results thereof are positive shall be required to immediately report to an approved program for treatment. If such employee participates in and successfully completes the required approved rehabilitation program, that employee may be reinstated. Any additional positive test shall be grounds for immediate and permanent discharge and permanent suspension from employment.

Any individuals who seek reinstatement shall be required to sign a written agreement that for a period of three (3) years from the date of reinstatement that they will agree to take random drug screen tests upon reasonable notice made through the Local Welfare Fund office.

### **Third Chance:**

In those circumstances where an employee has been terminated from the industry in accordance with any such plan during the life of the current contract and has remained drug-free for one (1) year, such individual will be eligible for a third and final chance for reinstatement in the industry subject to the following terms and conditions which must be determined locally.

1. The former employee must provide proof of successful completion of a rehabilitation program resulting in the individual being drug-free for the last twelve (12) months prior to application for reinstatement.
2. Reasonable criteria in each port or district shall be established under which the individual shall prove their drug-free status, including periodic testing.
3. Application for reinstatement after the second offense must be made within sixty(60) days from the date of termination.

4. Once reinstated, the individual will be subject to random testing, and any further violation shall ban the employee for life.

The programs now in effect should include the following provisions:

1. Any test shall allow for the splitting of the sample. In a positive test the employee would have the right to request a retest done at another approved laboratory.
2. The costs of performing drug and alcohol tests will be paid by the employer or the employer association.
3. It is further agreed that each plan may have mandatory random testing for all crafts. The terms and conditions of such random testing will be determined by the local parties.

#### **DRUG POLICY CRITERIA FOR REINSTATEMENT (Amended March 12, 2002)**

1. When an employee has been terminated from the industry in accordance with the Drug Policy and remains drug-free for one (1) year, such individual will be eligible for a third and final chance for reinstatement in the industry subject to the following terms and conditions.
2. Application for reinstatement after the second offense must be made within sixty (60) days from the date of termination. The one year monitoring period will begin on the date application is made for reinstatement. The testing and grievance procedure governing the drug policy will be in effect during this one-year period.
3. The following will be required for a former employee to prove they have remained drug free for the last twelve (12) months prior to reinstatement in the industry.
  - a. The employers will have the right to have up to 24 Random tests during the twelve month period.
  - b. Successful completion of a rehabilitation program and at least weekly attendance.
  - c. If an employee tests positive during the suspension, fails to take a random test or does not attend a weekly rehabilitation program he/she would be banned from the industry for life.
4. Once reinstated, the individual will be subject to random testing, and any further violation shall ban the employee for life.

A Random Drug Testing Program will be administered as per the **Random Drug and Alcohol Testing Policy dated August 23, 2004** below:

1. This policy shall apply to all ILA crafts covered by the deep-sea South Atlantic contract as well as related supervisory and management personnel. All such personnel shall be subject to random testing pursuant to this policy.
2. The term “random test” shall mean drug and alcohol tests administered to personnel who are selected by a random process where by each of the employees subject to such testing has an equal chance of being selected each time selections are made.
3. The selection of employees for random testing shall be made by a computer based random number generator that is matched with the individual’s social security number, payroll identification number or other comparable identifying number (a port security number) or the last six digits of the employee’s social security number will be used to determine who will be tested. The testers will roll a six-sided die to identify the position within the social security number. A ten-sided die will be rolled to identify the designated number that will be matched to each person’s social security number. All personnel with social security numbers containing the selected number in the position will be tested. There will be only one designated number chosen at each operation. However, there shall be no set number of employees to be tested. The system selected must be completely random. The bargaining parties will ensure absolute objectivity by generating statistically valid, randomly selected lists of employees.
4. The employers will be responsible for notifying the drug testing facility when and where operations are working. The drug-testing provider will determine the date, operation and shift for personnel to be random tested..
5. A full list (timesheets) of personnel who are working, including their social security numbers, will be obtained from the stevedore/header/timekeeper. Social security numbers of company personnel assigned to the operation will be provided to the testers by the employer.
6. The testing will consist of an instant test administered on-site. Positive on-site tests will be sent to a laboratory for confirmation. A Breathalyzer test for alcohol will be administered also.
7. The cost of the selection system and resulting tests shall be borne exclusively by the employer.
8. There will not be less than four (4), nor more than twenty-four (24), dates each contract year per port on which random testing may be conducted.
9. On a date on which random testing is to be conducted, a group of employees shall be randomly selected for testing from the entire pool of employees working on that day by the independent testing agency selected, and in accordance with the procedures mutually agreed upon, by the local bargaining parties. (See #1, #3 and #5)
10. Testing shall be conducted consistent with the procedures of such examinations set forth on “Policy on Drugs” in the collective bargaining agreement between the South Atlantic Employer’s

Negotiating Committee and the South Atlantic & Gulf Coast District of the International Longshoremen's Association. (South Atlantic Agreement).

11. All rules, enforcement provisions and penalties governing the "Policy on Drugs" set forth in the South Atlantic Agreement. Paragraph 13(B)(4) shall apply to all personnel covered by the South Atlantic Agreement. Company personnel tested pursuant to this agreement shall be subject to the employer's policies.

12. Once the drug-testing provider arrives at the job site, personnel shown on the time sheets who leave without proper permission or personnel selected for testing who are notified of such selection and then subsequently leave the job site without submitting to the test shall be deemed a positive test in accordance with the existing Drug Policy. Anyone who leaves with proper permission must be tested within twenty-four (24) hours. Testing will be in accordance with the procedures mutually agreed upon by the local bargaining parties.

13. Upon notification of selection, a person shall be allowed one hour to provide a urine sample. Only if a urine sample cannot be provided, an alternative method agreed to by the local parties will be taken. Refusal to submit shall be deemed a positive test in accordance with the existing Drug Policy.

The alternative method will be hair or saliva.

14. Disputes arising from the administration of this program shall be subject to the grievance procedure.

15. The District bargaining parties shall review the implementation of this agreement on a quarterly basis and make adjustments as necessary.

16. Should the local bargaining parties of any port be unable to reach agreement on the selection of an independent testing company and /or the terms of implementation, the unresolved issues shall be referred to the District negotiators at the August 2004 District meeting.

17. Nothing in this agreement shall diminish the rights and responsibilities of the parties as set forth in the South Atlantic Agreement.

18. A representative from the union or their designee shall be present for the testing process.

**GRIEVANCE PROCEDURE:**

It is understood and agreed that any and all disputes involving this Policy and/or Program, including interpretation or application, shall be resolved solely under the Grievance Procedure and Arbitration clauses in the various Collective Bargaining Agreements. Resolutions reached on any and all disputes under the Grievance Procedure and Arbitration clauses in the various Collective Bargaining Agreements shall be binding on all parties.

**PROCEDURE OF EXAMINATION:**

The drug test urine specimen will be tested for the following classes of drugs, among

others:

Amphetamines	Ethanol	Barbiturates	Methadone
Benzodiazepines	Methaqualone	Cocaine	Opiates
Cannabinoids	Phencyclidine	Propoxyphene	

Scientifically recognized chemically distinct analytical methods will be used by qualified laboratories for specimen testing.

Employees will sign a written consent to the drug test and release of information form. Urine samples will be taken in view of collection personnel and the employee and collection personnel will sign the "Chain of Custody" form. The results of drug tests will remain confidential and discussed only on a "need to know" basis. Persons testing positive shall agree to be periodically tested to insure compliance with the above policy. Results of drug tests, positive or negative, will be kept in a file separate from personnel files at the office of the Employer involved for three (3) years and will then be destroyed.

## **5. ENFORCEMENT**

An individual shall be subject to the penalties provided herein when found guilty of any misconduct charges listed above when his guilt is established by a forum properly constituted under Union By-Laws and/or Hiring Hall procedures, by a committee or arbitrator as provided under the grievance and arbitration procedures of this Agreement, or by a court of law or a governmental agency of competent jurisdiction.

Personnel suspended as a result of misconduct shall lose seniority for the period of the suspension. Should any of the misconduct offenses occur in the Hiring Hall areas, it shall carry the same penalty as occurring at the work sites, and a committee of duly appointed or elected persons who work under the terms and conditions of this Collective Bargaining Agreement shall judge the guilt or innocence of persons charged with misconduct in the Hiring Hall area.

**13.(C)** The Management of the Employer's business and the direction of the work forces in the operation of its business are exclusively vested in the Employer as functions of Management.

Except as specifically provided in this Agreement, all of the rights, powers and authority Employer had prior to signing of this Agreement are retained by Employer.

**14.** Seniority rules shall be decided and enforced on a local basis.

**15.(A)(1)** During the term of this Agreement, the Employer agrees that there shall be no lockouts of the members of the Union, and Union agrees that there shall not be any strike of any kind or degree whatsoever, walkout, suspension of work, curtailment or limitation of production, slowdown, or any other interruption or stoppage, total or partial, of the Employer's operation for

any cause whatsoever; such causes including but not limited to unfair labor practices by the Employer or violations of this Agreement. The right of Employees not to cross a bona fide picket line is recognized by the Employer. The Union shall not be financially responsible for strikes or walkouts not authorized or assented to by the Union.

**15.(A)(2)** If the Administrator of any fund established under the terms of this Agreement determines that an Employer is delinquent in paying the requisite assessments, contributions, royalties or other required payments to the fund when due, he shall immediately notify the Union party hereto with copy to the delinquent Employer. If within 7 days the Employer does not either convince the Administrator he is in fact not delinquent or pay the delinquent account, the Union will be released from its obligations under Clause 15(A)(1) to continue to work for that Employer and shall not dispatch personnel to that Employer until the delinquency is ended. The Employer shall be liable not only for the amount of the delinquency, but for attorney fees, auditing fees, court costs and all other related collection expenses. In the event of disagreement as to the applications of the above, the dispute shall be settled as a grievance under the procedure of Clause 15(B), but omitting the Port Grievance Committee and being referred directly to the District Grievance Committee.

**15.(B)** Matters under dispute which cannot be promptly settled between the Local and an individual Employer shall, no later than forty-eight hours after such discussion, be referred in writing covering the entire grievance to a Port Grievance Committee composed of one member from a company not involved in the dispute, The Port Employer member of the Joint Negotiating Committee, the Port Union member of the Joint Negotiating Committee and a Union member not involved in the previous attempts to settle the dispute. In the event this Port Grievance Committee cannot reach agreement within five (5) days after receipt of the complaint, the written record of dispute shall be referred to the Joint Negotiating Committee, which will function as a District Grievance Committee on the following basis:

There must be present at the Grievance Committee meeting at least three regular Employer members and three regular Union members, in addition to the members from the Port originating the dispute as these latter members may participate in the discussion but may not vote. Each side shall have four votes, and if the fifth member of either side is absent he shall authorize his vote to be cast by one of the voting members in attendance. This Grievance Committee shall meet at least quarterly, and in the case of urgent matters it shall make every effort to meet as soon as possible.

A majority decision of this Committee shall be final and binding on both parties and on all Employers signing this Agreement. In the event the Committee is unable to reach a majority decision within seventy-two (72) hours after meeting to discuss the case, it shall employ a professional arbitrator whose expenses and fees, as well as those of any expert witnesses required by the arbitrator are to be borne jointly by the Management and the Union of the Port concerned. Should the Committee be unable to agree on selection of an arbitrator, they shall request the assistance of the Federal Mediation and Conciliation Service in designating a suitable arbitrator. Expenses of the Employer members of the District Grievance Committee are to be

borne by the Port Employers, and the Union members of the District Grievance Committee by the I.L.A.

In the selection of an arbitrator, thought will be given to a person who is knowledgeable and familiar with the problems of the longshore industry.

Any decision in favor of an Employee involving monetary aspects or discharge shall require the Employer involved to make financial restitution from the time of the complaint concerned, whereas decisions involving working methods or interpretations shall take effect seventy-two (72) hours after being rendered.

**15.(C)** The above mentioned Joint Negotiating Committee shall consist of any Employer's side of five members, one each from Wilmington, North Carolina; Charleston, South Carolina; Savannah, Georgia; Jacksonville, Florida and Tampa, Florida; and a Union side of one I.L.A. representative from each of these ports.

Each Employer vacancy shall be filled by the Port with the vacancy, and each Union vacancy shall be filled by the port with the vacancy.

**15.(D)** The Joint Negotiating Committee, upon written request of any Employer signatory to this Agreement, or any Local covered by this Agreement shall determine whether new commodities or new types of packing present hazards or discomforts in handling which make it necessary to add such items to now existing penalty classifications. Such decisions shall be final and binding on all signatories to this Agreement, but where no majority decision is reached by the Committee, this shall constitute a denial of such addition.

**15.(E)** It is understood and agreed that there will be no changes made in the Agreement except by mutual consent in writing and with the full knowledge of all members of the Joint Negotiating Committee. All interpretations of this Agreement will be made in accordance with the provisions of Clause 15.

**15.(F)** The Union agrees that this Agreement is intended to cover all matters affecting wages, hours, and other terms and conditions of employment and that during the term of this Agreement, the Employers will not be required to negotiate on any further matters affecting these or other subjects not specifically set forth in this Agreement. Anything not contained in this Agreement shall not be construed as being part of this Agreement.

**16.** Both parties agree to cooperate with all efforts to provide safe working conditions including such efforts of the United States Department of Labor and of all Portwide Longshore Safety Councils and company safety programs. Where neither such Councils nor such company programs now exist, the parties shall cooperate in establishing one or the other, with meetings to take place at least quarterly.

The requirements of the Occupational Safety and Health Administration shall be binding on both Parties. All personnel reporting for work must be dressed so that no additional hazard is created and must wear safety shoes and hard hats.

It shall be mandatory that each port have a viable, actively working safety program. These programs will be administered by a Joint Committee of Management and Labor in each port and shall utilize the following general work rules; and also encompass safety and health matters arising under various statutes, including the Occupational Safety and Health Act.

**17.** It is the intention and purpose of all parties hereto that no provision or part of this Agreement shall be violative of any Federal or State law.

It is also the intention and purpose of all parties hereto that all provisions or parts of this Agreement relating to containerization and fringe benefits shall be in accordance with the Master Contract.

**18.** All past port practices being observed may be reduced to writing in each port.

**A-1.** Wages for container and Ro-Ro vessels are listed as follows:

**CONTAINER WAGES:**

	<u>Effective:</u> <u>10/01/04</u>		<u>Effective:</u> <u>10/01/06</u>		<u>Effective:</u> <u>10/01/08</u>		<u>Effective:</u> <u>10/01/09</u>	
	<u>S/T</u>	<u>O/T</u>	<u>S/T</u>	<u>O/T</u>	<u>S/T</u>	<u>O/T</u>	<u>S/T</u>	<u>O/T</u>
(a) Chief Shiplside Clerks: (Head Checker)	\$29.60	\$44.40	\$30.60	\$45.90	\$31.60	\$47.40	\$32.60	\$48.90
Personnel entering the industry October 1, 1996 to September 30, 2001:	\$20.60	\$30.90	\$22.60	\$33.90	\$24.10	\$36.15	\$25.60	\$38.40
Personnel entering the industry October 1, 2001 to September 30, 2004:	\$19.60	\$29.40	\$21.60	\$32.40	\$23.10	\$34.65	\$24.60	\$36.90
New personnel entering the industry October 1, 2004 to September 30, 2006:	\$17.60	\$26.40	\$19.60	\$29.40	\$21.10	\$31.65	\$22.60	\$33.90
New personnel entering the industry October 1, 2006 to September 30, 2008:			\$17.60	\$26.40	\$19.10	\$21.35	\$20.60	\$23.60
New personnel entering the industry October 1, 2008 to September 30, 2009:					\$17.60	\$26.40	\$19.10	\$21.35
New personnel entering the industry October 1, 2009 and after:							\$17.60	\$26.40
(b) Timekeepers, Plan Clerks:	\$29.35	\$44.025	\$30.35	\$45.525	\$31.35	\$47.025	\$32.35	\$48.525

Personnel entering the industry October 1, 1996 to September 30, 2001:	\$20.35	\$30.525	\$22.35	\$33.525	\$23.85	\$35.775	\$25.35	\$38.025
Personnel entering the industry October 1, 2001 to September 30, 2004:	\$19.35	\$29.025	\$21.35	\$32.025	\$22.85	\$34.275	\$24.35	\$36.525
New personnel entering the industry October 1, 2004 to September 30, 2006:	\$17.35	\$26.025	\$19.35	\$29.025	\$20.85	\$31.275	\$22.35	\$33.525
New personnel entering the industry October 1, 2006 to September 30, 2008:		\$17.35	\$26.025		\$18.85	\$28.275	\$20.35	\$30.625
New personnel entering the industry October 1, 2008 to September 30, 2009		:			\$17.35	\$26.025	\$18.85	\$28.275
New personnel entering the industry October 1, 2009 and after:							\$17.35	\$26.025

(c) T.I.R. Clerks, Bookmen, Cargo Spotters - Sunnypoint only:

Personnel entering the industry October 1, 1996 to September 30, 2001:	\$29.10	\$43.65	\$30.10	\$45.15	\$31.10	\$46.65	\$32.10	\$48.15
Personnel entering the industry October 1, 2001 to September 30, 2004:	\$20.10	\$30.15	\$22.10	\$33.15	\$23.60	\$35.40	\$25.10	\$37.65
New Personnel entering the industry October 1, 2004 to September 30, 2006:	\$19.10	\$28.65	\$21.10	\$31.65	\$22.60	\$33.90	\$24.10	\$36.15
New personnel entering the industry October 1, 2006 to September 30, 2008:		\$17.10	\$25.65		\$19.10	\$28.65	\$20.60	\$30.90
New personnel entering the industry October 1, 2008 to September 30, 2009:		\$17.10	\$25.65		\$18.60	\$27.90	\$20.10	\$30.15
New personnel entering the industry October 1, 2009 and after:					\$17.10	\$25.65	\$18.60	\$27.90
							\$17.10	\$25.65

(d) Receiving and Delivery Clerks:

Personnel entering the industry October 1, 1996 to September 30, 2001:	\$28.30	\$42.45	\$29.30	\$43.95	\$30.30	\$45.45	\$31.30	\$46.95
Personnel entering the industry October 1, 2001 to September 30, 2004:	\$19.30	\$28.95	\$21.30	\$31.95	\$22.80	\$34.20	\$24.30	\$36.45
New personnel entering the industry October 1, 2004 to September 30, 2006:	\$18.30	\$27.45	\$20.30	\$30.45	\$21.80	\$32.70	\$23.30	\$34.95
New personnel entering the industry October 1, 2006 to September 30, 2008:		\$16.30	\$24.45		\$18.30	\$27.45	\$19.80	\$29.70
New personnel entering the industry October 1, 2008 to September 30, 2009:		\$16.30	\$24.45		\$17.80	\$26.50	\$19.30	\$28.75
New personnel entering the industry October 1, 2009 and after:					\$16.30	\$24.45	\$17.80	\$26.50
							\$16.30	\$24.25

(e) Weighers, Tallymen, Checkers and Samplers:

	\$28.10	\$42.15	\$29.10	\$43.65	\$30.10	\$45.15	\$31.10	\$46.65
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Personnel entering the industry October 1, 1996 to September 30, 2001:	\$19.10	\$28.65	\$21.10	\$31.65	\$22.60	\$33.90	\$24.10	\$36.15
Personnel entering the industry October 1, 2001 to September 30, 2004:	\$18.10	\$27.15	\$20.10	\$27.15	\$21.60	\$32.40	\$23.10	\$34.65
New personnel entering the industry October 1, 2004 to September 30, 2006:	\$16.10	\$24.15	\$18.10	\$27.15	\$19.60	\$29.40	\$21.10	\$31.65
New personnel entering the industry October 1, 2006 to September 30, 2008:		\$16.10	\$24.15	\$17.60	\$26.40	\$9.10	\$28.65	
New personnel entering the industry October 1, 2008 to September 30, 2009:			\$16.10	\$24.15	\$17.60	\$26.40		
New personnel entering the industry October 1, 2009 and after:							\$16.10	\$24.15

**A-2.** On container and Ro-Ro vessels the basic working day shall consist of 8 hours and the basic working week shall consist of 40 hours. Personnel shall work any night in the week, or on Saturdays, Sundays, or holidays when required (except as provided in Clause A-3, for work on New Year's Day, Independence Day, Labor Day and Christmas Day). Except for holidays specified in Clause A-3, straight time rate shall be paid for any work performed from 8:00 A.M. to 12:00 Noon and from 1:00 P.M. to 5:00 P.M. Monday through Friday, inclusive. Work at all other times, including specified holidays will be paid for at overtime rates, except as provided in Clause A-3 for work on New Year's Day, Independence Day, Labor Day and Christmas Day and as provided in Clause A-5(A) for work during meal hours.

**A-3.** The following holidays will be observed on container and Ro-Ro vessels:

January 1.....	New Year's Day
January, 3rd Monday.....	Martin Luther King's Birthday
February, 3rd Monday....	Washington's Birthday
Good Friday.....	Good Friday
May, Last Monday.....	National Memorial Day
July 4.....	Independence Day
September, 1st Monday...	Labor Day
November 11.....	Armistice Day
November, 4th Thursday..	Thanksgiving Day
December 24.....	Christmas Eve
December 25.....	Christmas Day
December 31.....	New Year's Eve

When any of these holidays fall on Sunday, the following Monday shall be observed to the extent of paying overtime rates and applying the 8-hour minimum period. No work will be performed on New Year's Day, Independence Day, Labor Day and Christmas Day, nor before 7:00 A.M. on the days following these holidays, nor after 3:00 P.M. on Christmas Eve or New Year's Eve, except on ships which can be finished by 5:00 P.M. and except in case of fire or where property is in danger. On Christmas Eve or New Year's Eve personnel working will be guaranteed eight hours overtime pay.

**A-4.(A)** On container and Ro-Ro vessels regular starting times shall be 7:00 A.M., 8:00 A.M., 1:00 P.M. and 7:00 P.M.

**A-4.(B)** Flex-time may be negotiated on a local port basis, but shall be in accordance with the Master Contract.

In an effort to better utilize facilities and improve service to the shipping public a flex-time may be instituted using the following guidelines. The normal work day shall consist of eight (8) hours from 8:00 A.M. - 5:00 P.M.

Longshore employees, who are employed in support of the expanded hours of gate operations provided for in the Flex-time Agreement in the Master Contract, shall be employed as follows:

- (a) Eight (8) hours of work starting at 6:00 A.M., 7:00 A.M., 8:00 A.M., 9:00 A.M., 10:00 A.M., and 1:00 P.M.
- (b) Meal periods shall be provided for in accordance with local regulations;
- (c) Hours worked prior to 0800 hours and after 1700 hours will be paid at 1.25 of the straight time rate;
- (d) All hours worked in excess of eight (8) consecutive hours within any 24 hour period, excluding meal hours, will be paid at 1.5 of the straight time rate;
- (e) Implementation of the above is subject to similar agreements of other crafts on a local basis.

**A-4.(C)** An additional starting time of 12:00 Midnight is established for "Fully Automated" vessel operations. Gang(s) and/or individual(s) ordered for the 12:00 Midnight starting time shall receive six (6) hours time at overtime rate plus two (2) hours at double overtime rate. Gang(s) and/or individual(s) ordered for 12:00 Midnight starts will not be worked past 7:00 A.M.

**A-4.(D)** All personnel for 7:00 A.M. through 1:00 P.M. starts must be ordered by 5:00 P.M. the previous day. All personnel for 7:00 P.M. and 12:00 Midnight starts must be ordered by 1:00 P.M. the same day. In the event weather or mechanical failure after 7:00 P.M. makes it impossible for night personnel to finish a ship scheduled to complete before 8:00 A.M., the night personnel may be released and ordered back from shipside for a subsequent daytime start for work on that ship only. Personnel ordered for 7:00 A.M. through 8:00 A.M. starts may be cancelled or modified by 5:00 P.M. the previous day.

On container and Ro-Ro vessels personnel ordered for 1:00 P.M. starts may be cancelled or modified no later than 7:00 A.M. Personnel ordered for 7:00 P.M. or 12:00 Midnight starts may be cancelled no later than 4:00 P.M. Personnel ordered to work for 7:00 A.M. or 8:00 A.M. starts may be cancelled or modified no later than one hour before the start when it appears there shall be weather conditions that will prevent commencement of work as planned. If employees are ordered for a new starting time for that day, such order shall be a firm and noncancelable order. In the event the employer cancels 7:00 A.M. or 8:00 A.M. calls one hour before the start due to weather conditions the employees are to receive 4 hours call time at the applicable rate.

**A-4.(E)** Personnel ordered to work shall be paid at straight time or overtime rates, whichever is applicable as specified in Paragraph A-1 provided they report and remain subject to the call of their Employer. Personnel ordered to work shall be paid the following applicable minimum:

Container Ships	- 8 hours
Container Vessels (with 80 moves or less)	- 4 hours
Stuffing/Stripping of containers	- 4 hours

In the event employees are ordered for 7:00 A.M. they shall be paid one hour overtime from 7:00 A.M. to 8:00 A.M. Guarantee begins at 8:00 A.M.

Personnel ordered back for work after a meal hour shall be paid the following applicable minimum with running time thereafter:

Container Ships	- 4 hours
Stuffing/Stripping of Containers	- 2 hours

On container and Ro-Ro vessels personnel who work on Saturdays, Sundays and holidays will be paid a minimum of eight (8) hours overtime.

**A-4.(F)** Personnel ordered for 7:00 A.M. starts on container and Ro-Ro vessels and car carriers shall be paid one hour overtime from 7:00 A.M. to 8:00 A.M. and the minimum shall be computed from 8:00 A.M. The minimum for an 8:00 A.M. start shall be computed from 8:00 A.M.; for 1:00 P.M. starts, 1:00 P.M.; for night starts, 7:00 P.M.

**A-4.(G)** Inasmuch as the work of chief clerks, timekeepers, plan clerks and R/D clerks is not necessarily completed at the time loading and/or discharging gangs are released, then such clerks shall remain until their work is completed.

**A-5.(A)** When working on container and Ro-Ro vessels all meal hours when worked shall be paid for at double the overtime rates specified in Clause A-1 except for the Mid-Day Dinner hours on Monday through Fridays, holidays excepted; and for such Mid-Day Dinner hours double the straight time rates specified in Clause A-1 shall be paid. Meal hour pay is to be

continued until employees are released or meal hour is given.

**A-5.(B)** On container and Ro-Ro vessels, when personnel ordered for 7:00 A.M. or 8:00 A.M. are to work after 7:00 P.M. they must be notified by 4:00 P.M. and such notification constitutes a firm order. In the event weather or mechanical failure occurs after 4:00 P.M. delaying the finish the employees will observe the normal supper hour if so ordered and return to complete the vessel.

If the employees do not wish to remain after 7:00 P.M. the Union must provide new men for a 7:00 P.M. start if notified prior to 6:00 P.M. to fulfill the guarantee of the original men. Men ordered for 1:00 P.M. starts need not be so notified.

**A-6.(A)** The work covered by this Agreement is understood to include the tallying, clerking, checking, weighing, booking (cargo spotting at Sunny Point only), sampling of cargo, assorting of cargo discharged from a vessel, stripping and stuffing of Containers, checking Containers and Barges when being loaded or discharged from the vessel; handled at the time of or in connection with performing Longshore work as defined in Clause 13 of the current Longshore Labor Agreement. It shall also include time keeping duties, directions of clerks and checkers by the Chief Clerk as directed by management, clerking on passenger ships, and field clerks on automated container vessels.

Checkers and clerks shall perform all clerical work on container waterfront facilities which traditionally and regularly has been performed by them including work related to the receipt and delivery of cargo, hatch checking, prestow, (hatch sequence sheet) plan clerking, recording and receipt and delivery of containers received or delivered at waterfront facilities, timekeeping, location and yard work, and demurrage recording, which work shall not be removed from the waterfront facility.

**A-6(B)** There shall be no interference with Employer's right to designate the number of employees, if any, to be employed, nor the Employer's right to shift personnel from hatch to hatch, ship to ship, dock to ship or ship to dock. A Chief Clerk must be employed whenever two or more Clerks or Checkers are working a ship. An hourly timekeeper must be employed under the terms and conditions of this Agreement and the pay scale designated in Clauses A-1, B-1 or C-1 (whichever is applicable) on fully automated container ships, and when using more than one gang on break bulk general cargo ships, lash ships and lash barges containing break bulk cargo, and one clerk shall be employed on passenger ships and utilized as needed, provided his/her pay is in accordance with paragraph A-1, B-1 or C-1 (whichever is applicable) and is based on the highest skill performed. A checker is to be assigned to each gang handling miscellaneous general cargo, woodpulp, discharging lumber or discharging automobiles from conventional vessels, and to each gang loading or unloading cargo to or from containers (stuffing or stripping) when required at container terminals. Two checkers are to be used when discharging autos from

Roll-on/Roll-off vessels. Stowage plans when required by the Employer are to be prepared by the Chief Clerks unless the Employer decides the work load is too great on the Chief Clerk. In that event a Plan Clerk will be hired for the purpose of preparing the stowage plan.

When loading and/or unloading a Ro-Ro vessel with a maximum stowage capacity of more than seventy-five (75) forty foot (40') units, or the equivalent thereof, and the cargo is being handled by means of the ramp, the manning will be the same as for automated container carriers regardless of the type of cargo.

When a Container Gang is ordered for a ship under the Containerization Agreement, the Clerks and Checkers manning scale shall be the same as for a fully automated container vessel. Minimum manning scale for a fully automated container vessel is five Employees for one gang: Chief Clerk, Timekeeper, Plan Clerk (Except discharge only vessels), two Clerks (one to be used as Field Clerk on container vessels) and for each additional gang add two Clerks.

**A-6.(C)** On barges loading or discharging containers, a minimum of two clerks (or checkers) consisting of one Chief Clerk and one Field Clerk will be used and they will do all the work required and they shall receive a guarantee of 8 hours; and when reporting back after a meal hour, they shall receive an additional 4 hour guarantee. There will be a two (2) hour guarantee when returning from the second meal hour.

**A-6.(D)      SMALL BOAT AGREEMENT**

(a) For breakbulk vessels having a capacity of 500 gross registered tons or less (as listed in Lloyd's Registry), or for container vessels with a capacity of 500 TEU or less, a minimum of two clerks (or checkers) consisting of one Chief Clerk and one Field Clerk will be used and they will do all the work required.

If the employees do not wish to remain after 7:00 P.M. the Union must provide new personnel for a 7:00 P.M. start if notified prior to 6:00 P.M. to fulfill the guarantee of the original personnel. Personnel ordered for 1:00 P.M. starts need not be so notified.

(b) For Ro-Ro vessels having a capacity of 500 TEU, or less, a minimum of two clerks (or checkers) consisting of one Chief Clerk and one Field Clerk will be used and they will do all the work required.

(c) Clerks ordered under this Small Boat Agreement shall receive a guarantee of 4 hours; and when reporting back after a meal hour shall receive an additional 2 hours guarantee.

**A-7.** The following general safety work rules shall be used as guidelines to set up each port safety program.

**CONTAINER OPERATIONS**

## **GENERAL SAFETY RULES**

1. Personnel working in the immediate area of container handling equipment or in traffic lanes shall wear high visibility equipment.
2. The employer shall direct employees to stay clear of the area beneath a suspended container.
3. No container shall be hoisted if it's actual gross weight exceeds the weight marked or if it exceeds the capacity of the crane.
4. Containers shall not be hoisted unless all engaged chassis twist locks are released.
5. Adequately illuminate all walking and working areas.
6. A safe distance will be maintained between the first two trucks in a container vessel lead or behind any vehicle which personnel are required to work.
7. Pre-plan and establish traffic patterns for working vessels.
8. Permit only those persons considered by the employer by reason of training or experience and who understand the signs, notices and operating instructions to operate any powered equipment.
9. No operator shall operate powered equipment while under the influence of drugs or alcohol, with uncorrected eyesight or hearing, or any medical ailment which may suddenly incapacitate him/her.
10. No haulage equipment will be allowed on the line that has defective brakes, no lights during night operations, no wipers in rain, fuel system leaks or defective exhaust or hydraulic systems. Operator seats will be maintained in safe condition. All other defects will be reported to Employer who will act promptly in obtaining repair.
11. Unauthorized radios and headsets will not be carried on a worksite.
12. Employer will immediately remove personnel from the site of a hazardous cargo leak and ascertain the specific hazard before allowing personnel to re-enter.
13. Tractors are not to be backed in a vessel lead until the area is clear.
14. Personnel are not to be hoisted on the blades of a forklift truck. Safety baskets attached to the forklift mast are to be used.
15. Employer will determine that portable ladders are of adequate strength, are maintained in safe condition, and are of sufficient length to extent 36" above the upper landing surface.

16. Provide a safe location for employees hoisted aloft with sufficient access, guardrails, and an enclosing device at the opening to prevent employees from falling.
17. Do not throw lashing equipment from aloft where a hazard of striking personnel exists.
18. Stow lashing materials and equipment to provide clear working areas and walkways.
19. When operating a tractor, make sure both air hoses are connected from cab to chassis, check to see that the tractor is positively locked to chassis and that the fifth wheel is raised high enough for the landing gear to clear any obstacles on the road. Operate at all times in a safe manner.
20. Employees are not to jump to adjacent container in stow where a hazard of falling exists.
21. No employee shall work on a deck load or lash containers directly adjacent to an open hatch.
22. Personnel shall not walk or work in the aisles adjacent to a container bay being loaded or discharged unless he/she remains a safe distance offshore of the container being worked by the crane.
23. Personnel working aloft should not work on the container immediately abreast of the container being worked. These employees should not sit or walk across edges unnecessarily and work on their knees when working with stacking cones.
24. Support and secure truck trailers and containers on chassis being stuffed or stripped to prevent landing gear collapse and vehicle movement.
25. Be aware of your fellow workers. You are responsible for their safety.
26. All personnel working on the dock should exercise extreme caution when handling automatic twist locks to avoid hand injuries.

**A-8.** The Agreements of “Management” shall set forth the work jurisdiction of employees covered by the said Agreement in the following terms:

Management and the Carriers recognize the existing work jurisdiction of ILA employees covered by their agreements with the ILA over all container work which historically has been

performed by longshoremen and all other ILA crafts at container waterfront facilities. Carriers, direct employees and their agents covered by such agreements agree to employ employees covered by their agreements to perform such work which includes but is not limited to

- (a) the loading and discharging of containers on and off ships:
- (b) the receipt of cargo:
- (c) the delivery of cargo:
- (d) the loading and discharging of cargo into and out of containers:
- (e) the maintenance and repair of containers:
- (f) the inspection of containers at waterfront facilities (TIR men).

2. Management, the Carriers, the direct employers and their agents shall not contract out any work covered by this agreement. Any violations of this provision shall be considered a breach of this agreement.

3. The minimum size of the container gang used in loading or unloading containers to or from container ships shall consist of 15.

4. The minimum number of deepsea longshoremen used in loading or unloading cargo to or from containers (stuffing or stripping) when required at container terminals shall be one deepsea longshoremen and a checker.

**B-1.** Wages on breakbulk vessels are listed as follows:

**GENERAL CARGO, BREAKBULK, AND BULK WAGES:**

**Effective 10/01/04:**

**S/T      O/T**

- (a) Chief Shiptside Clerks: (Head Checker)  
\$18.10 \$27.15

New persons entering the industry October 1, 1996 and after:  
\$15.60 \$23.55

- (b) Timekeepers, Plan Clerks:  
\$17.85 \$26.775

New persons entering the industry October 1, 1996 and after:  
\$15.35 \$23.025

(c) Receiving and Delivery Clerks:  
\$16.80 \$25.20

New persons entering the industry October 1, 1996 and after:  
\$14.30 \$21.45

(d) Weighers, Tallymen, Checkers and Samplers:  
\$16.60 \$24.90

New persons entering the industry October 1, 1996 and after:  
\$14.10 \$21.15

(e) New persons that work a combination of 700 hours in the various years beginning October 1, 1996 will be paid the base wage of \$16.60 per hour.

**B-2.** On general cargo, breakbulk and bulk vessels the basic working day shall consist of 10 hours and the basic working week shall consist of 40 hours. Men shall work any night in the week, or on Saturdays, Sundays, or holidays when required (except as provided in Clause B-3, for work on New Year's Day, Independence Day, Labor Day and Christmas Day). Except for holidays specified in Clause B-3, straight time rate shall be paid for any work performed from 7:00 A.M. to 12:00 Noon and from 1:00 P.M. to 6:00 P.M. Monday through Friday, inclusive. Work at all other times, including specified holidays will be paid for at overtime rates, except as provided in Clause B-3 for work on New Year's Day, Independence Day, Labor Day and Christmas Day and as provided in Clause B-9(B) for work during meal hours.

**B-3.** The following holidays will be observed on breakbulk vessels:

January 1.....	New Year's Day
January, 3rd Monday.....	Martin Luther King's Birthday
Good Friday.....	Good Friday
May, Last Monday.....	National Memorial Day
July 4.....	Independence Day
September, 1st Monday.....	Labor Day
November, 4th Thursday.....	Thanksgiving Day
December 24.....	Christmas Eve
December 25.....	Christmas Day
December 31.....	New Year's Eve

When any of these holidays fall on Sunday, the following Monday shall be observed to the extent of paying overtime rates and applying the 8-hour minimum period. No work will be performed on New Year's Day, Independence Day, Labor Day and Christmas Day, nor before 7:00 A.M. on the days following these holidays, nor after 3:00 P.M. on Christmas Eve or New Year's Eve, except on ships which can be finished by 5:00 P.M. and except in case of fire or where property is in danger. On Christmas Eve or New Year's Eve personnel working will be guaranteed eight hours overtime pay.

**B-4.** On general cargo, breakbulk and bulk vessels, regular starting times shall be 7:00 A.M., 8:00 A.M., 10:00 A.M., 1:00 P.M. 3:00 P.M. and 7:00 P.M. on Monday through Saturday. On Sundays and holidays the starting times shall be 7:00 A.M., 8:00 A.M., 1:00 P.M. and 7:00 P.M.

**B-5.(A)** All personnel for 7:00 A.M. through 3:00 P.M. starts must be ordered by 5:00 P.M. the previous day. All personnel for 7:00 P.M. starts must be ordered by 1:00 P.M. the same day. In the event weather or mechanical failure after 7:00 P.M. makes it impossible for night men to finish a ship scheduled to complete before 8:00 A.M., the night employees may be released and ordered back from shipside for a subsequent daytime start for work on that ship only.

Clerks ordered for 7:00 P.M. starts may be cancelled no later than 4:00 P.M., 5:00 P.M. for weather and non arrival as per Clause B-8, but no reduction in the number of employees so ordered for a particular ship may be made.

**B-5.(B)** On breakbulk vessels gangs ordered for 7 a.m. and 8 a.m. starts may be cancelled two hours prior to starting time. Personnel ordered for 10 a.m., 1 p.m. and 3 p.m. may be cancelled by 7 a.m. These cancellations refer to weather and non arrival of vessel. If gangs are ordered for a new starting time for that day, such order shall be a firm and noncancellable order.

**B-5.(C)** On vessels with Ro-Ro ramps that handle general cargo which is lifted on/off using ship's gear or shore cranes, the manning, wages and guarantees will be the same as general cargo. All cargo handled over the ramp will be based on automated manning, wages and guarantees.

**B-6.** Personnel ordered to work shall be paid at straight time or overtime rates, whichever is applicable as specified in Paragraph B-1 provided they report and remain subject to the call of their Employer. Personnel ordered to work shall be paid the following applicable minimum:

Break Bulk Ships - 4 hours  
Bulk Ships - 4 hours

Personnel ordered back for work after a meal hour shall be paid the following applicable minimum with running time thereafter:

Break Bulk Ships - 2 hours  
Bulk Ships - 2 hours

On general cargo, breakbulk and bulk vessels the following minimums shall apply:

Saturday .....4+2 at overtime rate.  
Sunday .....4+4 at overtime rate.  
Holidays .....8 hours at overtime rate.

**B-7.** Inasmuch as the work of chief clerks, timekeepers, plan clerks and R/D clerks is not necessarily completed at the time loading and/or discharging gangs are released, then such clerks shall remain until their work is completed.

**B-8.** On vessels working nothing but bulk cargo when night personnel are not to work beyond 7:00 A.M. or when day personnel are not to work beyond 7:00 P.M., the Breakfast or Supper hour will not apply.

**B-9.(A)** When working on general cargo, breakbulk and bulk vessels all meal hours shall be paid for at one and a half times the prevailing rates specified in Clause B-1. Meal hour pay is to be continued at one and a half times the prevailing rate until employees are released or meal hour is given.

The rate of pay for working the 6:00 p.m. - 7:00 p.m. meal period on breakbulk vessels Monday through Friday shall be at time and a half, then 2.25 thereafter until employees are released.

**B-9.(B)** On breakbulk vessels when men ordered for 7:00 A.M., 8:00 A.M. are to work after 7:00 P.M. they must be notified by 5:00 P.M. and such notification constitutes a firm order. In the event weather or mechanical failure occurs after 5:00 P.M. delaying the finish the employees will observe the normal Supper hour if so ordered and return to complete the vessel.

If the employees do not wish to remain after 7:00 P.M. the Union must provide new personnel for a 7:00 P.M. start if notified prior to 6:00 P.M. to fulfill the guarantee of the original employees. Personnel ordered for 1:00 P.M. starts need not be so notified.

**B-10.** The work covered by this Agreement is understood to include the tallying, clerking, checking, weighing, booking (cargo spotting at Sunny Point only), sampling of cargo, assorting of cargo discharged from a vessel, stripping and stuffing of Containers, checking Containers and Barges when being loaded or discharged from the vessel; handled at the time of or in connection with performing Longshore work as defined in Clause 13(A)(1) of the current Longshore Labor Agreement. It shall also include time keeping duties, directions of clerks and checkers by the Chief Clerk as directed by management, clerking on passenger ships, and field clerks on automated container vessels.

**B-10.(A)** There shall be no interference with Employer's right to designate the number of people, if any, to be employed, nor the Employer's right to shift employees from hatch to hatch,

ship to ship, dock to ship or ship to dock. A Chief Clerk must be employed whenever two or more Clerks or Checkers are working a ship. An hourly timekeeper must be employed under the terms and conditions of this Agreement and the pay scale designated in Clauses A-1, B-1 or C-1 (whichever is applicable) on fully automated container ships, and when using more than one gang on break bulk general cargo ships, lash ships and lash barges containing break bulk cargo, and one clerk shall be employed on passenger ships and utilized as needed, provided his/her pay is in accordance with paragraph A-1, B-1 or C-1 (whichever is applicable) and is based on the highest skill performed. A checker is to be assigned to each gang handling miscellaneous general cargo, woodpulp, discharging lumber or discharging automobiles from conventional vessels, and to each gang loading or unloading cargo to or from containers (stuffing or stripping) when required at container terminals. Two checkers are to be used when discharging autos from Roll-on/Roll-off vessels. Stowage plans when required by the Employer are to be prepared by the Chief Clerks unless the Employer decides the work load is too great on the Chief Clerk. In that event a Plan Clerk will be hired for the purpose of preparing the stowage plan.

When two or more gangs are working a vessel the manning will be one Chief Clerk, one timekeeper and one clerk per gang. It is understood and agreed that the timekeeper may assist other clerical personnel working the same vessel as long as he/she (the timekeeper) does not displace any clerical personnel.

On vessels other than “fully automated vessels” when loading and/or unloading containers, using ships gear or shore-side cranes, floating derricks, with sixty (60) containers or less per day, the four (4) hour guarantee will apply. A two (2) hour guarantee with running time when working containers after a meal hour for the duration of the vessel will apply. When over sixty (60) containers are worked in any one day period the eight (8) hour guarantee at the automated manning and wages will apply.

On other than miscellaneous general cargo, each Employer will continue to use the number of Checkers he formerly customarily used. A Timekeeper employed on a vessel with more than one gang, if vessel works on second day with only one gang, a timekeeper will not be required.

When circumstances are such that tallying is not required, management and the I.L.A. can agree to a reduction of manning.

**B-10.(B)** On barges loading or discharging containers, a minimum of two clerks (or checkers) consisting of one Chief Clerk and one Field Clerk will be used and they will do all the work required and they shall receive a guarantee of 8 hours; and when reporting back after a meal hour, they shall receive an additional 4 hour guarantee. There will be a two (2) hour guarantee when returning from the second meal hour.

**B-10.(C) SMALL BOAT AGREEMENT**

(a) For breakbulk vessels having a capacity of 500 gross registered tons or less (as listed in Lloyd's Registry), or for container vessels with a capacity of 500 TEU or less, a minimum of two clerks (or checkers) consisting of one Chief Clerk and one Field Clerk will be used and they will do all the work required.

(b) For Ro-Ro vessels having a capacity of 500 TEU, or less, a minimum of two clerks (or checkers) consisting of one Chief Clerk and one Field Clerk will be used and they will do all the work required.

(c) Clerks ordered under this Small Boat Agreement shall receive a guarantee of 4 hours; and when reporting back after a meal hour shall receive an additional 2 hours guarantee.

**B-11.** The following general safety work rules shall be used as guide lines to set up each port safety program.

### **GENERAL CARGO**

1. The Employer will at all times maintain his gear and equipment in good condition. Damaged or malfunctioning tools and equipment will be removed from service immediately. Gang foreman shall refuse to work with any defective gear.
2. Do not enter hold, decks, compartments or other spaces without adequate illumination.
3. Maintain good housekeeping in areas where personnel are to walk and work. Employees will keep the work area orderly and shall keep unnecessary material from underfoot at all times.
4. A First Aid Kit and one qualified First Aider is to be close at hand. A stokes basket (equipped with hoisting gear), life ring with 90 ft. of line, and a ladder capable of reaching the waterline will be kept nearby each vessel.
5. Gang foreman must enforce these rules, and any worker found guilty of violating these rules or persisting on working unsafely shall be summarily dismissed by gang foreman. They will be replaced by another worker who will respect said rules.
6. No worker shall be allowed to shape up or remain on the job if under the influence of drugs or alcohol or is not physically qualified to safely perform all work to which he is assigned.
7. A known epileptic will not be referred to work unless he/she obtains a physician's written certification on a periodic basis stating that he/she is receiving medication to control or stabilize his/her condition; that he/she has not had a seizure during the period the medication has been administered; that he/she will not, in all medical probability, be

susceptible to epileptic seizures while on medication; and that his/her epileptic condition will not otherwise impair his/her ability to perform the tasks required of him/her.

8. Smoking will be permitted on board ship and on piers in designated areas only. Smoking will not be allowed around hazardous cargo.

9. Gang foreman responsibilities: He/she shall be recognized as the key person around whom which the gang is formed. He/she is the one to direct the winch operator and through him/her proper stowing of cargo is assured. The safety of the gang as well as the cargo is up to him/her.

He/she must be a rigger and able to relieve at the winches. He/she shall be recognized as being in charge of the gang. He/she is required to give his/her personal attention to removal of hatch covers and beams. Hatch covers must be piled neatly against bulwark. Hatch covers and beams must be stacked clear of the derrick guy and safely to prevent shifting. When hatch beams cannot be removed when loading or discharging, they must be securely fastened at each end to prevent shifting.

10. Employers will examine the cargo gear register on all vessels to assure that the gear has been properly inspected and tested. The operator will also inspect the equipment that he/she is to use. If winches or any other mechanical equipment are not in good working order, he/she must report the same to foreman.

11. From a safety standpoint, a winch operator shall take orders or signals from one person.

12. If, while operating the winches, the winch operator detects any defect in operation or unsafe condition, he/she will immediately report same to foreman.

13. In rigging ship's standing gear, care must be taken to protect the position of the winch operator against swinging loads that could interfere with safe operation. Winch operators and hatchtenders are not to sit down unless a seat is provided. He/she must not put himself/herself in a position that he/she cannot perform safely, and to take proper signals.

14. When used, save-alls must be of proper length and properly secured.

15. Make sure connection hooks on large shackles are hardened.

16. No worker shall go up or go down hold's ladder while load is swinging in hatch way.

17. The Employer is to insure portable ladders are of adequate strength and in safe condition.

18. Building Loads: When building loads, make sure that no one piece is so placed

that it may fall and injure someone.

19. Slinging Up Loads: In slinging up a load, your hands should not be in a position to be caught by sling or bridles.

20. All loads are properly slung before being hoisted and no load to be lifted with a chain having a kink or twist. Personnel are not to stand in the loads line of travel, nor between the load and nearby fixed object, and shall always face the load.

21. Sling loads are hoisted and lowered only when there is no danger of striking a person on the deck or dock, or who is ascending or descending a ladder in their hatch, It is the duty of the foreman and each worker to give warning to those who might be endangered.

22. Stowing of cargo in 'tween deck hatches: When lower holds are empty always leave sufficient space for passage between cargo and open hatch.

23. Lashing gear, crowbars, hammers, etc. shall not be thrown from one level to another.

24. Cargo which is covered and used as a work surface or walking area by employees will be examined for holes.

25. No hatch to double unless the Employer determines there is sufficient space between whips to work safely.

26. Riding of the cargo hook, or any gear (excluding when specially designed for personnel or load attached thereto) is prohibited except in an emergency and under direct supervision of the foreman.

27. Sufficient slings shall be used when loading cotton and slings will be doubled to hook when hoisted from holds.

28. Dust masks should be worn when working any dusty cargo or in a dusty environment.

29. Bulk Cargo: Trimmers are to check in and out of the hold as a safety precaution.

30. Care should be exercised by employees in stacking all commodities regardless of location.

31. All wire preventors to be of sufficient length to run through eye and bit.

32. Stowing hatches and beams: 3 feet space around coaming and 15 feet from fall to fall.

33. There must be a 3 foot clearance around the hatch coaming in 'tween decks where cargo is worked below.
34. Proper ventilation should be provided to keep carbon monoxide concentrations below 50 parts per million (.005%) where internal combustion machines are being used.
35. When portable ladders are in use they shall be kept clear and secured.
36. Safety shoes are recommended, however, under no circumstances shall jogging shoes, tennis shoes or boat shoes be allowed. Proper clothing, covering arms and legs, affords protection against abrasion and laceration.
37. There shall be a telephone at each pier or wharf where vessels are being worked.
38. The safety practices agreed to herein shall be respected and enforced by both parties - premium or penalty pay for purposes of circumventing these practices shall not be paid.
39. When loading cargoes of loose pipe or similar commodities on deck which extend above the height of the hatch coaming or railing, stanchions of sufficient strength for securing the pipe shall be constructed prior to loading. In no case shall the pipe or similar commodity, be stowed above the height of the stanchions.
40. When loading grain, the employers agree to make every effort to secure certificates from the elevator prior to loading ensuring no insecticide residues of a harmful nature are present in the grain.
41. Prior to the start of cargo handling operations a responsible representative of the employer shall ascertain from labels on cargo, from the hazardous cargo manifest, or from other shipping documents, what hazardous cargoes, if any, are to be handled and the general nature of the hazard. He shall inform employees of the general nature of the hazard, the importance of preventing damage to the cargo and special precautions to be taken. Employees are to be told what to do in event of a leak or spill.
42. Make sure all personnel in holds of ships are out before leaving.
43. When employees are required to work on cargo over 8 feet high in vessel hold or deck, suitable fall protection, safety lines or nets are to be placed at exposed edges.

C-1. Wages on car carriers are listed as follows:

**CAR CARRIER WAGES:**

<u>Effective</u>		<u>Effective</u>		<u>Effective</u>	
<u>10/01/04</u>		<u>10/01/06</u>		<u>10/01/08</u>	
<u>S/T</u>	<u>O/T</u>	<u>S/T</u>	<u>O/T</u>	<u>S/T</u>	<u>O/T</u>

(a) Chief Shiplside Clerks: (Head Checker)  
\$27.60 \$41.40 \$28.60 \$42.90 \$29.60 \$44.40

New Personnel entering the industry October 1, 1996 and after:  
\$15.60 \$23.40

(b) Timekeepers, Plan Clerks:  
\$27.35 \$41.025 \$28.35 \$42.525 \$29.35 \$44.025

New Personnel entering the industry October 1, 1996 and after:  
\$15.35 \$23.025

(c) Receiving and Delivery Clerks:  
\$26.30 \$39.45 \$27.30 \$40.95 \$28.30 \$42.45

New Personnel entering the industry October 1, 1996 and after:  
\$14.30 \$21.45

(d) Weighers, Tallymen, Checkers and Samplers:  
\$26.10 \$39.15 \$27.10 \$40.65 \$28.10 \$42.15

New Personnel entering the industry October 1, 1996 and after:  
\$14.10 \$21.15

New personnel that work a combination of 700 hours in the various years beginning October 1, 1996 will be paid the prevailing rate on car carriers.

New personnel that work a combination of 700 hours in the various years beginning October 1, 1996 will continue receiving the full car carrier wages while working Ro-Ro cargo on car carrier vessels.

**C-2.** On car carrier vessels the basic working day shall consist of 8 hours and the basic working week shall consist of 40 hours. Personnel shall work any night in the week, or on Saturdays, Sundays, or holidays when required (except as provided in Clause C-3, for work on New Year's Day, Independence Day, Labor Day and Christmas Day). Except for holidays specified in Clause C-3, straight time rate shall be paid for any work performed from 8:00 A.M. to 12:00 Noon and from 1:00 P.M. to 5:00 P.M. Monday through Friday, inclusive. Work at all other times, including specified holidays will be paid for at overtime rates, except as provided in Clause C-3 for work on New Year's Day, Independence Day, Labor Day and Christmas Day and as provided in Clause C-9(A) for work during meal hours.

**C-3.** The following holidays will be observed on car carrier vessels:

January 1.....	New Year's Day
January, 3rd Monday.....	Martin Luther King's Birthday
Good Friday.....	Good Friday
May, Last Monday.....	National Memorial Day
July 4.....	Independence Day
September, 1st Monday.....	Labor Day
November, 4th Thursday.....	Thanksgiving Day
December 24.....	Christmas Eve
December 25.....	Christmas Day
December 31.....	New Year's Eve

When any of these holidays fall on Sunday, the following Monday shall be observed to the extent of paying overtime rates and applying the 8-hour minimum period. No work will be performed on New Year's Day, Independence Day, Labor Day and Christmas Day, nor before 7:00 A.M. on the days following these holidays, nor after 3:00 P.M. on Christmas Eve or New Year's Eve, except on ships which can be finished by 5:00 P.M. and except in case of fire or where property is in danger. On Christmas Eve or New Year's Eve personnel working will be guaranteed eight hours overtime pay.

**C-4.** On car carrier vessels starting times shall be 7:00 A.M., 8:00 A.M., 10:00 A.M., 1:00 P.M. and 7:00 P.M. on Sunday through Friday and holidays. On Saturday starting times shall be 7:00 A.M., 8:00 A.M., 1:00 P.M. and 7:00 P.M.

When there is a 10:00 a.m. start on Sundays and holidays on car carrier vessels personnel will be guaranteed four (4) hours after the supper meal period.

**C-5.(A)** All personnel for 7:00 A.M. through 3:00 P.M. starts must be ordered by 5:00 P.M. the previous day. All personnel for 7:00 P.M. starts must be ordered by 1:00 P.M. the same day. In the event weather or mechanical failure after 7:00 P.M. makes it impossible for night men to finish a ship scheduled to complete before 8:00 A.M., the night employees may be released and ordered back from shipside for a subsequent daytime start for work on that ship only.

Clerks ordered for 7:00 P.M. starts may be cancelled no later than 4:00 P.M., 5:00 P.M. for weather and non arrival, but no reduction in the number of employees so ordered for a particular ship may be made.

**C-5.(B)** On car carriers, personnel ordered for 7 a.m. and 8 a.m. starts may be cancelled two hours prior to start for weather and non arrival of vessel. Personnel ordered for 10 a.m. and 1 p.m. may be cancelled by 7 a.m. Personnel ordered for 7 p.m. starts may be cancelled by 4 p.m. If personnel are ordered for a new starting time for that day, such order shall be a firm and noncancellable order.

**C-5.(C)** On vessels with Ro-Ro ramps that handle general cargo which is lifted on/off using

ship's gear or shore cranes, the manning, wages and guarantees will be the same as general cargo. All cargo handled over the ramp will be based on automated manning, wages and guarantees.

**C-6.** Personnel ordered to work shall be paid at straight time or overtime rates, whichever is applicable as specified in Paragraph C-1 provided they report and remain subject to the call of their Employer. Personnel ordered to work on car carriers shall be paid a minimum of 4 hours.

Personnel ordered back for work after a meal hour shall be paid 2 hours minimum with running time thereafter:

On car carriers the following minimums shall apply:

Saturday .....4+4 at overtime rate.  
Sunday .....8 hours at overtime rate.  
Holidays .....8 hours at overtime rate.

**C-7.** Personnel ordered for 7:00 A.M. starts on car carrier vessels shall be paid one hour overtime from 7:00 A.M. to 8:00 A.M. and the minimum shall be computed from 8:00 A.M. The minimum for an 8:00 A.M. start shall be computed from 8:00 A.M.; for 1:00 P.M. starts, 1:00 P.M.; for night starts, 7:00 P.M.

**C-8.** Inasmuch as the work of chief clerks, timekeepers, plan clerks and R/D clerks is not necessarily completed at the time loading and/or discharging gangs are released, then such clerks shall remain until their work is completed.

**C-9.(A)** When working on car carriers all meal hours shall be paid for at one and a half times the prevailing rates specified in Clause C-1. Meal hour pay is to be continued at one and a half times the prevailing rate until employees are released or meal hour is given.

**C-9.(B)** On car carrier vessels when personnel ordered for 7:00 A.M., 8:00 A.M. are to work after 7:00 P.M. they must be notified by 5:00 P.M. and such notification constitutes a firm order. In the event weather or mechanical failure occurs after 5:00 P.M. delaying the finish the employees will observe the normal Supper hour if so ordered and return to complete the vessel.

If the employees do not wish to remain after 7:00 P.M. the Union must provide new personnel for a 7:00 P.M. start if notified prior to 6:00 P.M. to fulfill the guarantee of the original employees. Personnel ordered for 1:00 P.M. starts need not be so notified.

**C-10.** The work covered by this Agreement is understood to include the tallying, clerking,

checking, weighing, booking (cargo spotting at Sunny Point only), sampling of cargo, assorting of cargo discharged from a vessel, stripping and stuffing of Containers, checking Containers and Barges when being loaded or discharged from the vessel; handled at the time of or in connection with performing Longshore work as defined in Clause 13(A)(1) of the current Longshore Labor Agreement. It shall also include time keeping duties, directions of clerks and checkers by the Chief Clerk as directed by management, clerking on passenger ships, and field clerks on automated container vessels.

**C-10.(A)** There shall be no interference with Employer's right to designate the number of people, if any, to be employed, nor the Employer's right to shift employees from hatch to hatch, ship to ship, dock to ship or ship to dock. A Chief Clerk must be employed whenever two or more Clerks or Checkers are working a ship. An hourly timekeeper must be employed under the terms and conditions of this Agreement and the pay scale designated in Clauses A-1, B-1 or C-1 (whichever is applicable) on fully automated container ships, and when using more than one gang on break bulk general cargo ships, lash ships and lash barges containing break bulk cargo, and one clerk shall be employed on passenger ships and utilized as needed, provided his/her pay is in accordance with paragraph A-1, B-1 or C-1 (whichever is applicable) and is based on the highest skill performed. A checker is to be assigned to each gang handling miscellaneous general cargo, woodpulp, discharging lumber or discharging automobiles from conventional vessels, and to each gang loading or unloading cargo to or from containers (stuffing or stripping) when required at container terminals. Two checkers are to be used when discharging autos from Roll-on/Roll-off vessels. Stowage plans when required by the Employer are to be prepared by the Chief Clerks unless the Employer decides the work load is too great on the Chief Clerk. In that event a Plan Clerk will be hired for the purpose of preparing the stowage plan.

When two or more gangs are working a vessel the manning will be one Chief Clerk, one timekeeper and one clerk per gang. It is understood and agreed that the timekeeper may assist other clerical personnel working the same vessel as long as he/she (the timekeeper) does not displace any clerical personnel.

On other than miscellaneous general cargo, each Employer will continue to use the number of Checkers he formerly customarily used. A Timekeeper employed on a vessel with more than one gang, if vessel works on second day with only one gang, a timekeeper will not be required.

When circumstances are such that tallying is not required, management and the I.L.A. can agree to a reduction of manning.

When discharging a car carrier, the manning will require a minimum of five (5) employees (chief clerk, timekeeper, and three checkers).

**C-11.** The following general safety work rules shall be used as guide lines to set up each port safety program.

**CAR CARRIER VESSEL**  
**GENERAL SAFETY RULES**

1. All drivers will have a valid state drivers license.
2. Safety vests are to be worn when designated by the employer.
3. Employer supplied over-alls will be worn when required.
4. Drivers will adhere to all traffic signals, stop signs etc. unless otherwise directed by authorized flagman.
5. Drivers will not deviate from traffic patterns established by the employer.
6. No smoking, consuming beverages or eating when operating vehicles.
7. No smoking on vessel.
8. Employer will be immediately notified when accidents or injuries occur.
9. Employer reserves right to designate shuttle drivers.
10. All drivers will wear clean work clothes.
11. Lashing gear will be removed from the working area at the employers direction.
12. Drivers will operate vehicles in a safe manner at all times.

**D-1 Agreement covering the working of Cruise Vessels in the ports of Wilmington, Charleston, Savannah and Jacksonville.**

Base Wages:	Effective 10/01/04	\$17.25
	Effective 10/01/06	\$18.00
	Effective 10/01/08	\$18.75
	Effective 10/01/09	\$19.50

<u>Benefits:</u>	<u>Pension &amp; Welfare</u>	<u>Vacation &amp; Holiday</u>	<u>Total Contributions</u>
Effective 10/01/04	\$ 9.20	\$ 0.615	\$ 9.815
Effective 10/01/06	\$ 9.70	\$ 0.615	\$10.315
Effective 10/01/08	\$10.20	\$ 0.615	\$10.815
Effective 10/01/09	\$10.70	\$ 0.615	\$11.315

This agreement will be effective throughout the life of the current South Atlantic & Gulf Coast District Contract. All other terms of the current South Atlantic & Gulf Coast District Contract will apply.

Signed this 27<sup>th</sup> day of June, 2005.

For the International  
Longshoremen's Association  
Clerks and Checkers

For the South Atlantic Employers  
Negotiating Committee

\_\_\_\_\_  
Jesse R. Babich, Co-Chairman

\_\_\_\_\_  
Stephen W. Zadach, Co-Chairman

\_\_\_\_\_  
David Hogan

\_\_\_\_\_  
George W. Adams, Jr.

\_\_\_\_\_  
David V. Warhurst

\_\_\_\_\_  
James R. Gray, Jr.

\_\_\_\_\_  
Charles Seaton

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W.H. Helms

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