



United States Maritime Alliance, Ltd.

ANNUAL REPORT 2017

NEW YORK



*...to preserve and protect
the interests of our members...*

A photograph of the Statue of Liberty in New York Harbor, viewed from across the water. The statue is green and stands on a pedestal. In the foreground, there are tall, dry reeds or grasses. The sky is overcast and grey. The water is calm. The entire image is framed by a blue border.

ON THE COVER

New York is the featured USMX port city for 2017. Read more about it and the rest of our East & Gulf Coast ports in the USMX PORT ASSOCIATION MEMBERS section, starting on page 40.

ABOUT USMX

The United States Maritime Alliance, Ltd. (USMX) is a non-profit incorporated membership association headquartered in Lyndhurst, New Jersey and represents longshore industry employers on the U.S. East and Gulf Coasts, including container carriers, marine terminal operators and port associations. USMX serves as the maritime Management group's representative in Master Contract bargaining with the International Longshoremen's Association, AFL-CIO. Other responsibilities include articulating industry positions on regulatory and safety issues; overseeing coastwide training, retraining, certification/recertification programs; and administration of the coastwide fringe benefit funds and programs that are part of the Master Contract.

MISSION STATEMENT

The mission of USMX is to preserve and protect the interests of its members in matters associated with the maritime industry, including all labor relations issues affecting longshore and related activities, and, in particular, in the realm of collective bargaining. The Alliance shall carry out its mission for its members and customers, with due consideration of the interests, safety and well-being of the workers and their representatives. Likewise, it understands the importance of its commitment to maintaining labor peace in order to meet and exceed the crucial demands of a global economy.



United States Maritime Alliance, Ltd.

ANNUAL REPORT 2017



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CHAIRMAN & CEO'S MESSAGE

USMX-ILA MASTER CONTRACT

In early 2017, USMX met with the ILA to begin the process of negotiating a long-term extension to the 2012-2018 Master Contract. We jointly believe that starting discussions early, with the target of completing negotiations well before the contract expiration date of September 30, 2018, would provide our USMX members, the ILA rank-and-file and the shipper community, the stability afforded by a long-term agreement. Long-lasting labor peace is the most responsible way for both management and labor to protect and promote the growth and expansion of freight through our ports long into the future. Our excellent working relationship with the ILA leadership continued, as we worked closely throughout 2017 to resolve many of the open issues well before our first formal bargaining session in December of 2017. We will continue our cooperative negotiations efforts for an early settlement as we move into 2018.

CARRIER ALLIANCES

Our Carrier members spent the majority of 2017 dealing with various carrier company consolidations and realignments of the previous four major alliances, culminating in the formation of three major alliances by the end of the year. The carrier efforts were seamless to the operations of the ports, as we saw an unusually smooth year throughout the port range.

TONNAGE

We continued to see significant tonnage growth throughout the majority of our USMX ports in 2017, with especially strong growth in the South Atlantic and Gulf Coast ports. New York and New Jersey, our largest Member port, also saw above-market growth.

INFRASTRUCTURE IMPROVEMENT


With the evolution of new and better maritime vessels, equipment and technology, our Member ports and terminals made significant investments in infrastructure improvements within and around our East and Gulf Coast ports in 2017. Most significantly, the Port of New York and New Jersey completed the raising of the Bayonne Bridge, allowing a new generation of 10,000- to 14,000-TEU container ships to cascade into the USEC and Gulf trades. Ultimately, these investments will benefit our carrier members as they move cargo in and out of our ports in these new vessels, using systems, facilities and a labor force that can accommodate them in the most efficient and productive manner possible.

IN CONCLUSION

Though 2017 showed marked improvement in the national and world economies and much of the maritime industry over previous years, we must remain vigilant in 2018 to ensure labor peace and a continuation of the productive and cooperative spirit that USMX and the ILA have worked for over the years, to the benefit of our members.



United States Maritime Alliance, Ltd.



David F. Adam
Chairman & CEO

2017 BOARD OF DIRECTORS



David F. Adam
United States
Maritime Alliance, Ltd.



Roy Amalfitano
Evergreen Shipping Agency
(America) Corp.



Michael P. Angelos
Steamship Trade Association
of Baltimore, Inc.



Peter Braedel
Hapag-Lloyd (America), LLC



Ian S. Cairns
CMA CGM Group



Richard C. Carthas
APM Terminals
North America, Inc.



Albert V. Gebhardt
Maersk Agency USA, Inc.



James R. Gray, Jr.
Jacksonville Maritime
Association



Frank Grossi
COSCO SHIPPING Lines
(North America) Inc.



Daniel S. Hall
Ceres Terminals Incorporated



John J. Nardi
New York Shipping Association, Inc.



Christopher J. Parvin
Mediterranean Shipping Co. USA, Inc.



William F. Payne
NYK Line (North America), Inc.



John A. Walsh
SSA/Cooper, LLC

USMX MEMBER ORGANIZATIONS

DIRECT EMPLOYERS

APM Terminals North America, Inc.

Ceres Terminals Incorporated

CP&O, LLC

GCT USA

Maier Terminals, LLC

Ports America

SSA/Cooper, LLC

PORT ASSOCIATIONS

Boston Shipping Association, Inc.

Georgia Stevedore Association, Inc.

Hampton Roads Shipping Association, Inc.

Jacksonville Maritime Association, Inc.

Midgulf Association of Stevedores, Inc.

New York Shipping Association, Inc.

Ports of the Delaware River Marine Trade Association

South Carolina Stevedores Association

Southeast Florida Employers Port Association, Inc.

Steamship Trade Association of Baltimore, Inc.

West Gulf Maritime Association, Inc.

CARRIERS

APL

Atlantic Container Line

CMA CGM Group

Columbia Coastal Transport

COSCO SHIPPING Lines (North America) Inc.

COSCO SHIPPING Lines (Europe) GmbH

Evergreen Shipping Agency (America) Corp.

Hamburg Süd North America, Inc.

Hapag-Lloyd (America), LLC

Hyundai Merchant Marine (America), Inc.

"K" Line America, Inc.

Maersk Agency USA, Inc.

Mediterranean Shipping Company USA, Inc.

MOL (America) Inc.

NYK Line (North America), Inc.

OOCL (USA), Inc.

Turkon America, Inc.

Wallenius Wilhelmsen Logistics Americas, LLC

Yang Ming (America) Corp.

Zim American Integrated Shipping Services Co., Inc.





MEMBER RELATIONS & GOVERNMENT AFFAIRS

USMX MEMBER RELATIONS

With a membership comprising various organizations that do business in ports along the Atlantic and Gulf coasts, it is vital that a common direction emanate from USMX and that items of strategic value be recognized and shared amongst the entities that comprise the membership. A strong and solid exchange of information and views amongst its members is necessary for USMX to operate successfully at a high level. To that end, several years ago, the USMX leadership made a decision to commence an outreach initiative targeting its Port Association and Direct Employer members. This communication link has become a core component of USMX's mission to its constituents. Keeping its membership abreast of the latest issues within USMX and the maritime industry, maintaining alignment on the Master Contract and receiving input from its member organizations are viewed as essential components necessary to the success of USMX and its member organizations.

COMMUNICATIONS LINK

Communication is vital to the organization, with the backbone of the communications link being the day-to-day contact between the various departments of USMX and its members. Subjects discussed run the gamut from business area issues of the day to longer-term objectives. Regular meetings of the Port Association and Direct Employer members are routinely held. These meetings take place in our members' various port cities, with agenda and discussion items being contributed by all parties.

BARGAINING PREPARATION

With the expiration of the current Master Contract coming up on September 30, 2018, USMX utilized 2017 to prepare itself and its members for bargaining with the International Longshoreman's Association, AFL-CIO. USMX began its 2017 negotiations preparation with a Port Association/Direct Employer meeting in December of 2016. At that meeting, all of the major topics expected to be discussed in bargaining on a Master Contract basis were on the agenda. Additionally, the local Port Associations put forward topics that were expected to be discussed on a local level so that all participants had an appreciation for the total scope of the upcoming labor talks.

Subsequent meetings were scheduled throughout the balance of the year to keep membership abreast of the bargaining process and other organizational developments from the USMX perspective, as well as to receive updates on the progress of local bargaining and other issues from the various regions of the enterprise.

ANNUAL MEETING

In July of 2017, USMX held its Annual Membership Meeting in Newark, NJ. A summary of the events of the past year, as well as a look ahead to the coming year, was presented to the membership.

ADMINISTRATION INITIATIVES

The administrative mission of USMX continued in full effect throughout the year. Refined processes and procedures used in the administration of the various Master Contract funds were implemented. Initiatives were explored and put in place that improved the product that USMX delivers in line with the goals of its membership. These improvements were accomplished with the active dialogue, input and support of the USMX membership.

During the year, the USMX Board of Directors met on a quarterly basis to ensure that the Board had a proactive role in governing the organization. Additional meetings and conference calls were held to enable timely dissemination of periodic updates to the Board on issues arising between the scheduled quarterly meetings.

Our industry continues to consolidate and as it does USMX's membership makeup changes as well. USMX and its Board, on a timely basis, reviews its structure to ensure that the enterprise accurately reflects the representation, mission and goals of the organization.

2017 was the penultimate year of our labor agreement with the International Longshoreman's Association. The goal, established years earlier, of having an active, fully-informed membership at this stage of the negotiation process has been achieved.

GOVERNMENT AFFAIRS

The Trump Administration, which took office in January of 2017, headlined Government Affairs in 2017. The effect on the maritime industry of healthcare and tax reform, the two major agenda items put forth by the Administration in 2017, can only be seen from a very broad perspective. Where more immediate impact has been found is in the Administration's desire to roll back regulations and in its nominees to the various government agencies. The Administration's withdrawal from the Trans Pacific Trade Agreement has had no significant impact, as of yet, on trading. Discussions on renegotiating the North American Free Trade Agreement remains a work in progress. The imposition of tariffs on steel, aluminum and other commodities has triggered a backlash from affected countries. There has been no action on the Administration's threatened border tax.

CABINET SECRETARIES

Incoming Secretaries of Transportation, Labor and Commerce will all, in time, have prominent influence on the Maritime sector. Of particular note is the Secretary of Transportation, Elaine Chao, who has a rich history in the maritime industry.

NATIONAL LABOR RELATIONS BOARD (NLRB)

The NLRB has taken on three new Administration-nominated members and has started on a path to review and rescind some of the previous administration's rulings.

FEDERAL MEDIATION AND CONCILIATION SERVICE (FMCS)

As of this writing, a new FMCS Director has been nominated but not confirmed.

FEDERAL MARITIME COMMISSION (FMC)

The FMC has lost two Commissioners, leaving a three-member panel chaired by Michael Khouri. The Commission has signaled its desire to move in line with the Administration's wishes on regulation. Of note, it has been addressing an issue on free time and demurrage raised by the Coalition for Fair Port Practices. This issue has the potential to negatively impact USMX membership, so USMX has submitted on record a brief opposing the proposal set forth by the Coalition. Hearings and deliberations will continue through 2018. The funding for the FMC in FY 2018 is tied to two differing approaches in Congress. Both have the potential to affect the formation of vessel alliances, with one also calling for more terminal operator oversight. These proposals are in committee.

MARITIME ADMINISTRATION (MARAD)

The new Maritime Administrator, Rear Admiral Mark H. "Buz" Buzby, USN, Ret., whose background includes maritime sector experience, was sworn in on August 8, 2017. Prior to his appointment, Buzby served as president of the National Defense Transportation Association.

GOVERNMENT AND TRADE ORGANIZATION OUTREACH

USMX has continued its outreach program to members of the House of Representatives and the Senate, their representative staffs and associated committees by utilizing a visitation policy that encompasses discussion topics of interest to our membership. USMX has also met with various trade organizations of interest to our industry.

Legislative activity in our sector has not been vigorous. While various bills that would touch upon maritime activities either directly or indirectly have

been introduced, none have gained much traction. The PLUS Act was re-introduced but movement on it has been slow.

ADMINISTRATION INITIATIVES

Two Administration initiatives, Infrastructure Development and the Federal Budget for FY 2018, were introduced this Spring.

One of the Administration's top priorities is infrastructure development. The rollout of its plan for development is aggressive and relies heavily on significant private sector funding. The plan as presented has potential to impact the maritime industry.

The FY 2018 Budget passed by Congress is projecting a noteworthy increase in spending in matters of importance to the maritime sector. Of interest, the Harbor Maintenance Tax that is collected, is anticipated to be almost fully used for its intended purpose. The TIGER Grant program has been expanded and renamed the BUILD program.

Government is also elevating the profile of cyber security and is seeking to determine its role on the subject. It also continues to debate the merits of the Jones Act.

USMX maintains its support of adequate funding of maritime sector-related programs, including increased funding for Customs and Border Protection operations.

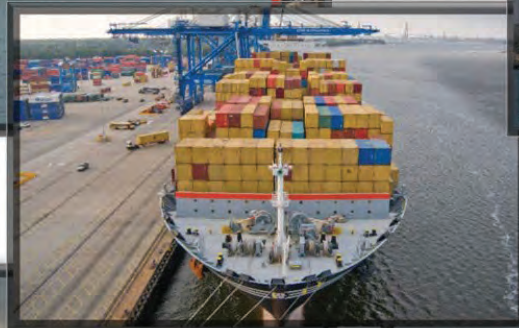
THE COMING YEAR

As we move through 2018, the Maritime industry will continue to retain a high profile in Government. National interest in the progress of our bargaining will be a focal point, as it relates not only to our country's well-being, but also to the effect it will have on the mid-term elections that are scheduled a mere five weeks from the conclusion of our current collective bargaining agreement.

USMX CARRIER MEMBERS



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USMX CARRIER MEMBERS



ABOUT ATLANTIC CONTAINER LINE (ACL)

Since 1967, ACL has been a specialized transatlantic carrier of containers, project and oversized cargo, heavy equipment and vehicles with the world's largest combination RORO/Container-ships. The Company's headquarters are in Westfield, New Jersey, with offices throughout Europe and North America.

ACL's new G4 (Generation 4) fleet, the Atlantic Star, Atlantic Sun, Atlantic Sea, Atlantic Sail and Atlantic Sky, have been placed in their transatlantic service.

ACL offers five transatlantic sailings each week and also handles the Grimaldi Lines' service between the United States and West Africa, and the Grimaldi EuroMed Service between North America and the Mediterranean.

The Company also offers service for oversized cargo from North America to the Middle East, Far East, and Oceania. ACL is a member of the Grimaldi Group of Naples, Italy.



ABOUT APL

APL - Moving Business Forward. As one of the world's leading ocean carriers, APL offers more than 110 weekly services and calls ports in over 70 countries worldwide. We provide container transportation through our international shipping network, which combines high-quality intermodal operations with advanced technology, equipment and e-commerce.

APL is part of the CMA CGM Group, a leading worldwide shipping group founded in 1978 by Jacques R. Saadé. CMA CGM has a global presence, thanks to its numerous vessels calling various ports all over the world. CMA CGM has grown continuously, and has been constantly innovating to offer its clients new sea, land and logistics solutions. Headquartered in Marseille, the Group has employees all over the world in hundreds of agencies.

With over 165 years of experience, APL has the knowledge and the expertise to help our customers grow their businesses and negotiate in an increasingly complex and ever-changing global marketplace — whether that is venturing into new territories, or growing in already developed markets.



ABOUT CMA CGM GROUP

CMA CGM – a world leader and major economic player. Now headed by Rodolphe Saadé, from its base in Marseille, the CMA CGM Group is present in more than 160 countries through its network of over 755 agencies, with more than 30,000+ employees worldwide (4,500 in France).

With a young and diversified fleet of 504 vessels, the CMA CGM Group serves over 420 of the world's 521 commercial ports. Through more than 200 shipping lines, the company operates on every one of the world's seas. Its global presence and efficient ships like the CMA CGM BOUGAINVILLE enabled the CMA CGM Group to transport a volume of 18.9 million TEUs last year.

There are 2,300 staff members working at the Group's head office, the CMA CGM Tower in Marseille. It is a building worthy of a major player in the French economy. The Group has 6,300 French customers and CMA CGM is the largest private employer in Marseille, the city where the company was founded in 1978.

KEY FIGURES

- 18.9 million – TEUs in 2017
- \$21.1 billion – Revenue in USD
- 504 – Vessels in Fleet
- 755 – Offices Worldwide
- 420 – Ports of Call in 120 Countries
- 200+ Shipping Services
- 30,000+ – Employees Worldwide
- 4,500 – Employees in France



ABOUT COLUMBIA GROUP

The Columbia Group of Companies was founded in 1990 with its successful all-water container barge service, Columbia Coastal Transport. The company began with one barge and one service operating between New York and Boston. Twenty-seven years later, the company is recognized as the premier container barge feeder operator in the United States, and the greenest and most efficient mode of container transportation available today. In addition, the company has expertise in handling project, government and military cargoes. Presently, the company operates five U.S.-flag barges engaged in services in the Mid-Atlantic and Chesapeake regions.

USMX CARRIER MEMBERS



ABOUT COSCO SHIPPING LINES (NORTH AMERICA)

After the completion of a seamless integration, COSCO SHIPPING Lines continues to expand its business scale, now operating 361 container vessels with a total capacity of 1.84 million TEUs.

COSCO SHIPPING Lines' United States East Coast and Gulf Coast port rotations include the ports of:

- Boston
- New York/New Jersey
- Baltimore
- Norfolk
- Charleston
- Savannah
- Jacksonville
- Miami
- Mobile
- New Orleans
- Houston

M/V COSCO Development, a 13,000-TEU vessel, became the biggest vessel ever to call the U.S. East Coast in May of 2017, marking a significant milestone in maritime history.



EVERGREEN LINE



ABOUT EVERGREEN LINE

A leading member of the Ocean Alliance, Evergreen Line operates more than 195 container vessels that provide a total capacity of approximately 1.1 million TEUs. As North American agent for the Taiwan-based global ocean carrier, Evergreen Shipping Agency (America) Corporation represents the U.S. East and Gulf Coast concerns so vital to USMX members.

Founded in 1968, Evergreen today celebrates 50 years of providing responsible, reliable service with a commitment to the issues that impact the economic and environmental well-being of the port communities it calls. A recognized leader in e-commerce, Evergreen combines technology, customer service, and a continually enhanced, modern fleet to position itself among the top container transportation companies in the world, serving six continents and a full-range of North American ports.



ABOUT HAMBURG SÜD NORTH AMERICA, INC.

Since December 1, 2017, Hamburg Süd belongs to A.P. Moller - Maersk, and is, therefore, part of the global market leader. This offers many advantages to customers of the Hamburg Süd Group: The most extensive global network, an enlarged geographical scope, the largest fleet in the world, and a state-of-the-art equipment pool ensure complete coverage of supply chain requirements and availability where needed. Within the shipping industry, Maersk stands for strategic vision and a strong financial basis. At the same time, Hamburg Süd will remain a commercially independent company with its own brand values. The Hamburg Süd brand will continue to represent quality, reliability, and flexibility, in addition to providing a specific service offering with outstanding local expertise and personal contacts in over 250 offices worldwide. Nothing will change, therefore, in day-to-day business for customers of the Hamburg Süd Group.



ABOUT HAPAG-LLOYD, LLC

Hapag-Lloyd completed the merger with UASC and strengthened market position as the fifth-largest liner shipping company in the world with one of the youngest and most competitive fleets. With more than 12,500 employees in five sales regions and 125 countries, as well as a fleet of 219 modern container ships of 7.1-year average ship age and 7,184-TEU average ship capacity, Hapag-Lloyd offers 120 liner services in a global network to its customers.

Hapag-Lloyd is one of the leading operators in the Transatlantic, Latin America and Intra-America trades, with enhanced market presence in the Middle East trades.

USMX CARRIER MEMBERS



ABOUT HYUNDAI MERCHANT MARINE

Hyundai Merchant Marine (HMM) is an integrated logistics company, operating around 130 state-of-the-art vessels, with worldwide global service networks, diverse logistics facilities, leading IT shipping-related systems, a professional, highly-trained staff, and continual effort to provide premier transportation services. Starting with three (3) VLCCs in 1976, HMM has strengthened its competitiveness to advance new services, such as bulk carrier, tramper, container carrier, LNG carrier and special product carrier. As a result, HMM has a stable business structure that can withstand sector fluctuations by operating diversified businesses.

HMM has formed a global business network with four international headquarters, 27 subsidiaries, 76 branches, five overseas offices and 10 liaison offices. It is highly regarded as one of the world's top integrated-logistics companies with its targeted market prospects, efficient organization, top personnel, and advanced internet systems. HMM transports nationally strategic materials such as crude oil, iron ore/coal and diverse special products as well as import/export goods. Earnings are eight trillion Korean won per year, clearly playing a major role in Korea as a vital economic artery.

HMM invests to continuously expand its vessel fleet, acquires container terminals in the worldwide primary location and inland logistics facilities, and develops premiere customer-oriented IT systems. Because of these endeavors, HMM will become a world top integrated logistics company giving "hope to shareholders, satisfaction to customers and pride to employees."



ABOUT "K" LINE

Kawasaki Kisen Kaisha ("K" Line) is a diversified ocean shipping company operating a fleet of 433 vessels, including car carrier ships and bulk ships, as well as LNG, LPG and crude oil tankers in global trade. It is "K" Line's vision to provide reliable and excellent services, while doing business in a fair way, respecting humanity, and relentlessly pursuing innovation.



MAERSK
LINE



ABOUT MAERSK LINE

MAERSK LINE, the global containerized division of A.P. Moller – Maersk, is the world's largest container shipping company, moving 12 million containers every year. Our international presence and knowledge of global trade have made us the carrier of choice for the world's biggest brands and those aspiring to be. We provide end-to-end transportation to almost anywhere in the world. And, with 30,000 employees in 114 countries, we combine our global network with local expertise to increase the reliability of your deliveries, whether they travel by sea or over land. We market our services through the Maersk Line, Safmarine, SeaLand (Intra-Americas), MCC Transport (Intra-Asia) and Seago Line (Intra-Europe) brands. Maersk Agency U.S.A., Inc. is the agent for Maersk Line and Safmarine in North America, employing approximately 900 colleagues with headquarters in Florham Park, New Jersey, and locations including Charlotte, North Carolina, Chicago, Illinois, Houston, Texas, and Toronto, Canada. Maersk Line has line haul services regularly covering all major routes in and out of North America, including the Trans-Atlantic, the Trans-Pacific, Central and South America, Europe, Asia, Africa, the Middle East, the Indian Subcontinent. While its core focus is on the trades that connect those markets, Safmarine is also very active in North and South America, Europe, the Mediterranean and Asia.

ABOUT A.P. MOLLER - MAERSK

A.P. Moller - Maersk is an integrated transport and logistics company with multiple brands and is a global leader in container shipping and ports. Including a stand-alone Energy division, the company employs roughly 88,000 employees across operations in 130 countries.



Count On MOL.



ABOUT MOL (AMERICA) INC.

Mitsui O.S.K. Lines, Ltd. (MOL) has one of the world's largest ocean shipping fleets. Backed by experience and technologies developed over 133 years, MOL moves today's global economy. MOL operates specialized bulk carriers for iron ore, coal and woodchips; tankers that transport crude oil and LNG; car carriers; cruise ships; ferries and coastal liners; and containerships that deliver a variety of finished products as part of the largest and most diverse global network of liner and logistics services. MOL (America) Inc. is a wholly-owned subsidiary of MOL.

The MOL Liner website is www.MOLpower.com. Key performance indicators are published monthly on www.CountOnMOL.com.

USMX CARRIER MEMBERS



ABOUT MSC MEDITERRANEAN SHIPPING COMPANY S.A.

MSC Mediterranean Shipping Company (MSC) has been headquartered in Geneva, Switzerland, since 1978. A world leader in container shipping, MSC has evolved from a one vessel operation into a globally respected shipping and logistics business with over 490 vessels and 70,000 staff.

MSC's wide range of operations covers 155 countries across five continents, where MSC provides timely delivery of goods and services to local communities, customers and international business partners.

MSC calls at 500 ports on 200 trade routes, carrying some 18 million TEUs (twenty-foot equivalent units) annually, via one of the most modern and environmentally-friendly fleets.

The Company's international headquarters supervise a worldwide network of offices with each having responsibility for commercial and operational activities in their respective countries.

Over the years, MSC has invested in several initiatives, such as operational strategic alliances, and has further diversified its business-related activities. The Company has seen exponential growth in terms of both volume and fleet capacity, and now serves millions of customers globally, with a 365-days-a-year operation.

Today, our focus remains true to our roots, building and retaining long-term trusted partnerships with customers of all size and scale.



ABOUT NYK LINE

Founded in 1885, Nippon Yusen Kabushiki Kaisha (NYK Line) has become a leader in global marine transport by achieving steady growth. NYK Line globally operates today nearly 100 container or semi container ships, which aggregate 5.8 million deadweight tons (kt). NYK Line (North America) Inc. is its owned agency responsible for the liner activities in both Canada and the USA. NYK Line's overall fleet is 780 vessels and 62 million deadweight tons (kt). The vessel fleet is comprised of container, dry bulk, car carrier, tankers, LNG, woodchip and multipurpose carriers.



We take it personally



ABOUT ORIENT OVERSEAS CONTAINER LINE (OOCL)

"Orient Overseas Container Line" and "OOCL" are trade names for transportation provided separately by: Orient Overseas Container Line Limited ("OOCL") and OOCL (Europe) Limited, respectively, and both are wholly-owned subsidiaries of Orient Overseas (International) Limited, a public company (0316) listed on the Hong Kong Stock Exchange. OOCL is one of the world's largest integrated international container transportation, logistics and terminal companies. As one of Hong Kong's most recognized global brands, OOCL provides customers with fully-integrated logistics and containerized transportation services, with a network that encompasses Asia, Europe, North America and Australasia.



ABOUT TURKON LINE

Turkon Line, established in 1997, is the first dedicated Turkish Company providing container transportation and logistics services between Turkey and the USA, North Europe and the Mediterranean, as well as direct service to/from Turkey, Egypt and the USEC with eight connecting services operated in several intra-Mediterranean, Black Sea and North Europe trades. Turkon Line is in 28 countries with 500 employees and 43 offices and agencies and is a well-known container line located in the East Mediterranean. Turkon Line's USA Headquarters for commercial and operations, is in Secaucus, New Jersey, with branch offices in Norfolk and Savannah.

USMX CARRIER MEMBERS



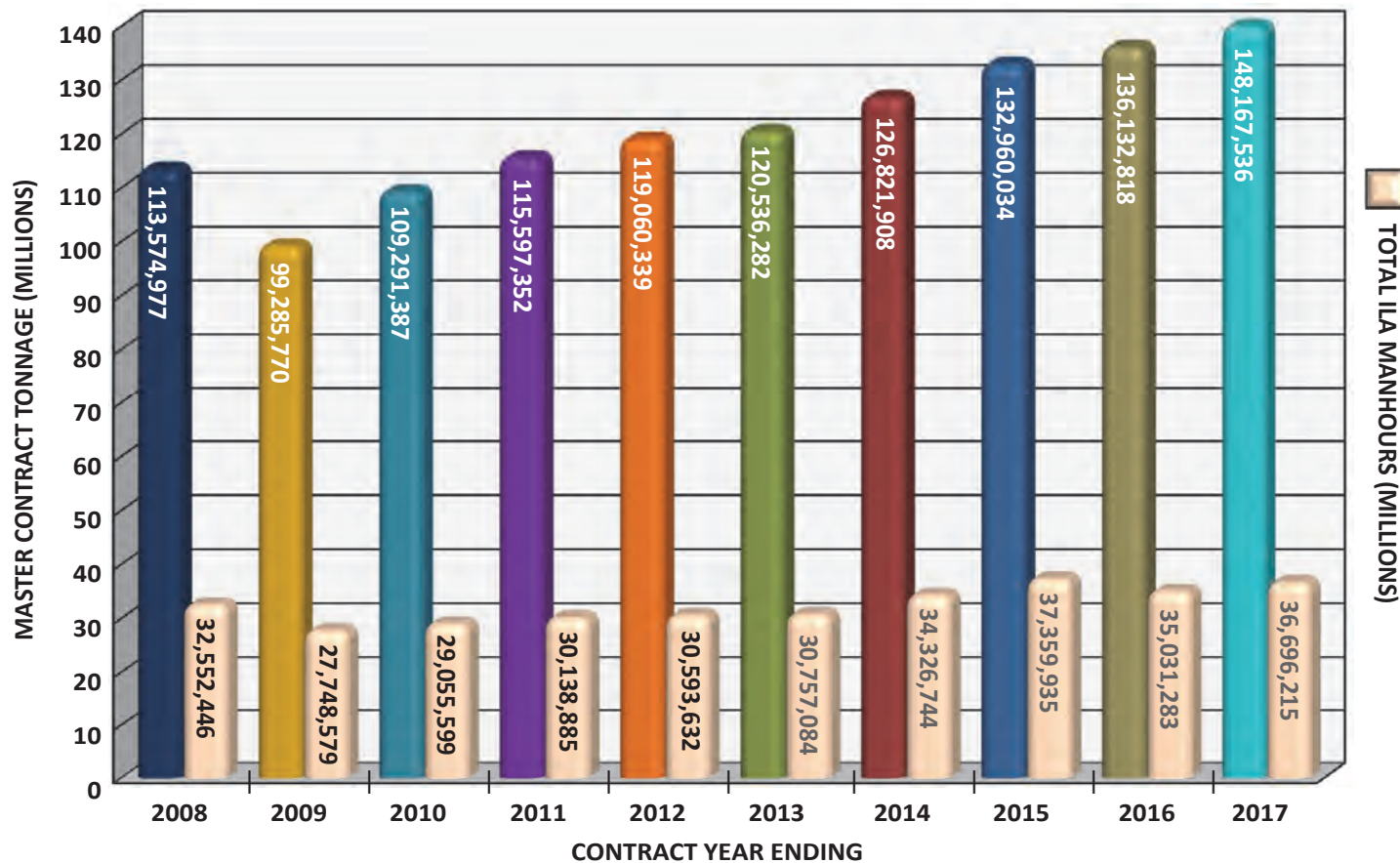
ABOUT YANG MING MARINE TRANSPORT CORPORATION

Yang Ming Marine Transport Corporation was established on December 28, 1972. Since that time, our staff members across the world have enhanced our transportation expertise and service quality. We always observe our core values of “Teamwork, Innovation, Honesty and Pragmatism” to fulfill our vision of becoming an excellent transport enterprise of the world. By forming strategic alliances with other carriers and providing our customers with high-quality “punctual, speedy, reliable, and economical” services, Yang Ming has become one of the leading shipping companies in the world and won the trust from customers.

LOOKBACK: 2008 THROUGH 2017

Total Master Contract tonnage in the USMX member Ports from Maine to Texas has steadily increased since the financial crisis of 2009, with contract year 2017 totals reaching an all-time high of 148 million tons. Since manhours are inclusive of all MILA-eligible ILA manhours, the trends do not always follow the same path as container tonnage. 2017 saw an increase in overall manhours largely driven by the increase in container tonnage.

MASTER CONTRACT TONNAGE & TOTAL MANHOURS LOOKBACK: 2008 THROUGH 2017





USMX LABOR RELATIONS: 2017 IN REVIEW

Looking back on 2017 (year five of the 2012-2018 USMX-ILA Master Contract), we saw successful technology implementations by USMX members in the ports of New York/New Jersey, Baltimore, Philadelphia, Norfolk, Charleston, Savannah and South Florida. Several important letters were issued by the ILA on topics that could affect future bargaining, and will eventually require assembly of the joint Industry Resource Committee (IRC) during 2018. These ILA letters were complex, covered the following topics, and remained open issues for the ILA throughout 2017:

- Definition of the word “control”
- Port of Discovery (POD) in all Ports
- Implementation of carrier equipment technology, such as smart reefers and dry boxes
- Possible change coming in the carrier genset model
- Topic of “jobs created by technology”

MASTER CONTRACT NEGOTIATIONS PREPARATION

USMX and the ILA started off 2017 by agreeing to a joint meeting in Florida of their smaller bargaining committees to explore the possibility of extending the Master Contract. Detailed discussions during that meeting spawned a host of issues and questions regarding how local bargaining might be affected if an agreement was reached on a Master Contract extension. USMX and the ILA agreed to dispatch the joint Jurisdiction Committee to investigate all open local issues and resolve those that could conflict with a Master Contract extension or future bargaining. The Committee met in Philadelphia, Baltimore, Norfolk, Charleston, and New Orleans, about POD and how all ports under the Master Contract handle major damage equipment. Then, the committee Co-Chairs met in Charleston, Savannah and Jacksonville to put to bed issues that were raised, but didn't require participation by the full Jurisdiction Committee.

WEST COAST DEAL SPARKS EARLY EAST COAST TALKS

In August 2017, the Pacific Maritime Association (PMA) and the International Longshore and Warehouse Union (ILWU) completed early negotiations and signed a three-year extension of their existing contract on the West coast (originally set to expire in 2019) through June of 2022. This spurred early contract discussions between USMX and the ILA in early December of 2017, in Hollywood, Florida. The most impactful issues covered during those talks were the topics of fully-automated terminals and their effects on the workforce.

USMX MEMBER PORT UPDATES

Following are labor relations updates for each USMX member port, along with additional material covered in the USMX PORT ASSOCIATION MEMBERS section, starting on Pg. 40 of this report.

Port of Boston

- Boston saw volume and production increases throughout 2017.
- For further information on the Boston Shipping Association and this port, see PORT OF BOSTON, Pg. 40.

Port of New York & New Jersey

- NY Shipping Association (NYSA) continued working toward productivity commitments in its current contract.
- Global Container Terminals in Bayonne implemented an appointment system.
- For further information on NYSA and this port, see PORT OF NEW YORK & NEW JERSEY, Pg. 42.

Ports of the Delaware River

- The Jurisdiction Committee met in Philadelphia in May regarding technology and reefer jurisdiction issues.
 - Due to legalities and the complexity of the issues that arose during these meetings, a Committee ruling was not finalized in 2017.
- An advice memo issued by the General Counsel of the National Labor Relations Board (NLRB) on July 15, 2014, opined that the ILA's pursuit of work done by the IEM was not a secondary boycott. The ILA has indicated it would act on that memo, since its issuance.
 - As of this writing, the nature of the action and its potential effect on our USMX member, Ports of the Delaware River Marine Trade Association (PMTA), remains unclear.
- For further information on the PMTA and its member ports, see PORTS OF THE DELAWARE RIVER, Pg. 44.

Port of Baltimore

- Several issues remained in the forefront of labor relations in the Port of Baltimore throughout 2017:
 - Terminal equipment
 - M&R work jurisdiction
 - Hiring of mechanics
 - Use of outside vendors
- For further information on the Steamship Trade Association of Baltimore and this port, see PORT OF BALTIMORE, Pg. 46.

LABOR RELATIONS

Port of Virginia (Norfolk)

- The Jurisdiction Committee met in May, regarding ongoing jurisdiction issues around an appointment system and gate technology implementation.
 - The issues were resolved with the parties and the Committee ruling was finalized by the end of the year.
- Technology continued to successfully be deployed
- For further information on the Hampton Roads Shipping Association and this port, please see PORT OF VIRGINIA, Pg. 48.

Port of Wilmington, NC

- Tonnage volumes began to come back in Wilmington in 2017, after the void left by the Hanjin bankruptcy in 2016.

Port of Charleston

- Jurisdiction issues over the South Carolina Ports Authority's (SCPA) July 2016 implementation of an automated gate system persisted in 2017.
 - In response, several meetings took place in 2017, where we saw these issues being addressed and heading toward resolution by year's end and into the first few months of 2018.
- M&R issues of production and discipline remained open topics of discussion in Charleston throughout the year.
 - Several M&R Small Committee meetings were held to address the issues.
- A large quantity of longshore worker compensation claims persists in Charleston.
 - In an effort to understand the nature of these claims, the Co-Chairs of the M&R Small Committee spoke at two union M&R meetings on the topics of workplace safety and production.
- The deck and dock issue has been raised in Charleston.
 - The Jurisdiction Committee will most likely be dispatched to Charleston in 2018 to hear the claims.
- The development of the SCSPA Charleston Navy Base Intermodal Facility continues to be a topic of concern for the ILA, with manning, in particular, being the main issue of contention.
- Charleston Local 1422 (Longshore) withdrew from the ILA's local district contract bargaining unit, in order to bargain on their own.
 - This withdrawal affects bargaining on a local level, not on a Master Contract level.
- For further information on the South Carolina Stevedores Association and this port, please see PORT OF CHARLESTON, Pg. 50

Port of Savannah

- Savannah saw another record year in volume growth.
- Local 1475 (Clerks and Checkers) withdrew from their local district contract bargaining unit in order to bargain locally on their own (does not affect the master contract ONLY the local district contract).
- For further information on the Georgia Stevedore Association and this port, please see PORT OF SAVANNAH, Page 52.

Port of Jacksonville

- Issues arose surrounding jurisdiction over technology and gate inspections at the TraPac Container Terminal.
 - Meetings took place and the parties continue to work through the issue.
- For further information on the Jacksonville Maritime Association and this port, please see PORT OF JACKSONVILLE, Page 54.

Port of Miami

- Gate technology was finally implemented by the end of the first quarter of 2017.
- In Local 1922, Albert Jardiness replaced Bobby Fiore as Business Agent, and Anthony Arrufat replaced Butch Vanderwyde as Secretary Treasurer.
- For further information on the Southeast Florida Employers Port Association and its member ports, please see PORTS OF SOUTHEAST FLORIDA, Page 56.

Port of Tampa

- ILA local 1402 was put under trusteeship by the International. Wilbert Rowell was installed there as the trustee.

Port of New Orleans

- The Jurisdiction Committee was dispatched in June.
 - All open issues were heard and resolved.
 - The Committee issued a ruling on August 28, 2017.
- For further information on the Midgulf Association of Stevedores and this port, please see PORT OF NEW ORLEANS, Page 58.

Port of Mobile

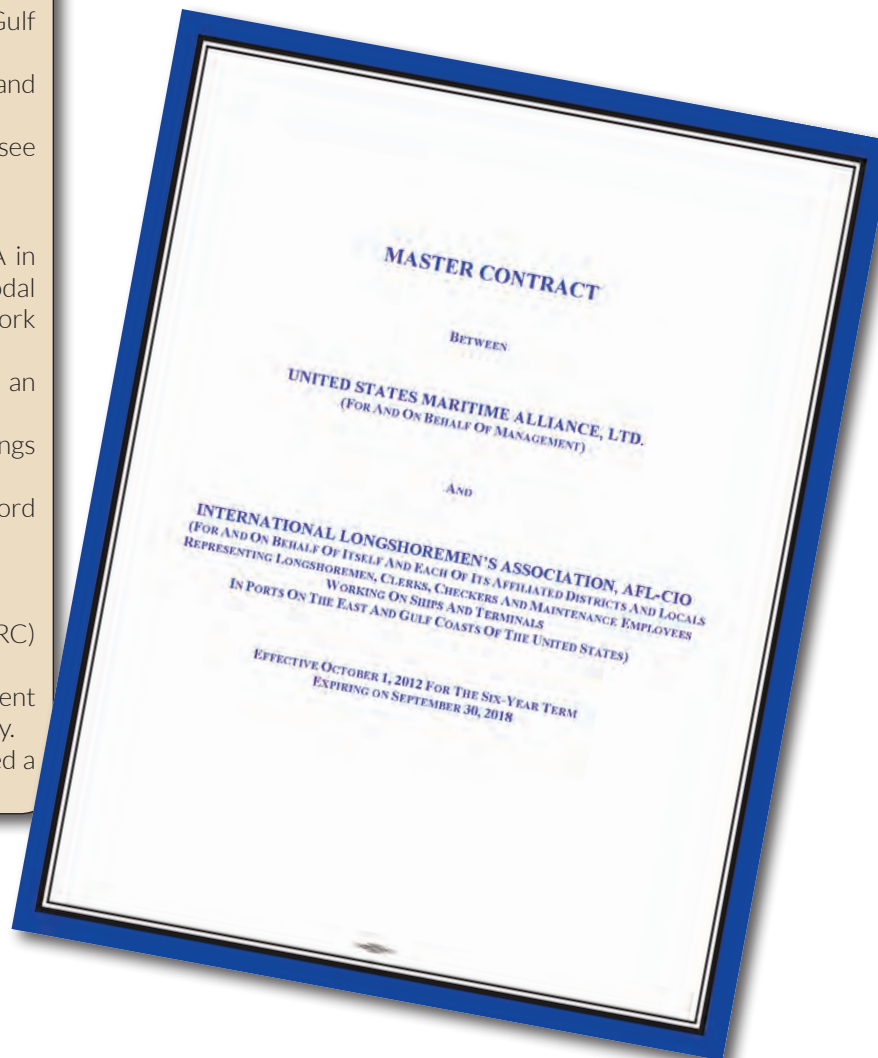
- The Jurisdiction Committee was requested for assistance with several topics, including "time keeping."
 - Conflicting schedules precluded the Committee's visit in 2017, but it hopes to schedule a time during 2018.
- The port saw the successful implementation of OCR in 2017.

Port of Houston

- For consistency's sake, the local contract was extended until the expiration or extension of the Master Contract.
- Shareen Larmond replaced Nathan Wesley as President of the West Gulf Maritime Association (WGMA).
- Terry Schafer was elected the new President of Local 1351 (Clerks and Checkers), defeated Charles Montgomery in the 2017 election.
- For further information on WGMA and its member ports, please see PORTS OF THE WEST GULF, Page 60.

LABOR NOTES

- M&R work jurisdiction over chassis remained a concern for the ILA in 2017. The ILA eventually came to agreements with the three intermodal equipment providers (FlexiVan, DCLI and Trac Intermodal) over work preservation.
- The Port of Discovery (POD) system from Maine to Texas remained an issue for the ILA.
 - The Jurisdiction Committee met on POD in 2017 and future meetings will continue through 2018.
- The ILA continued throughout 2017 to request a definition of the word "control" as it pertains to the Master Contract.
- The ILA requested a list of "all jobs created by technology."
 - USMX responded to the request in 2017.
 - Our response has prompted an Industry Resource Committee (IRC) meeting request by the ILA to review this topic in depth.
- The ILA requested an IRC meeting on the topic of carrier equipment technology as a result of Maersk's implementation of reefer technology.
- The issue of the State Ports Authorities in the South Atlantic remained a concern for the ILA throughout 2017.



USMX DIRECT EMPLOYER MEMBERS





ABOUT APM TERMINALS NORTH AMERICA

APM Terminals North America operates an American terminal portfolio of four facilities (APM Terminals Elizabeth, LLC at the Port of New York/ New Jersey; South Florida Container Terminal at Port Miami, Florida — a joint-venture with Terminal Link; APM Terminals Mobile, LLC at the Port of Mobile, Alabama; and APM Terminals Los Angeles, LLC at the Port of Los Angeles, CA), and more than 70 terminals globally.

The 350-acre APM Terminals Elizabeth, LLC, the largest APM Terminals facility on the U.S. East Coast, expects to complete a \$200 million infrastructure investment program in 2018, which includes: delivery of four new next-generation STS cranes to handle Ultra Large Container Vessels; 2500 feet of upgraded berth; and a new, state-of-the-art gate complex — increasing the overall terminal capacity to more than 2.5 million TEUs.

The APM Terminals Mobile, LLC facility has recently received two new STS cranes, capable of handling Ultra-Large Container Vessels 10 tiers on deck, and up to 23 containers wide. Following its recent facility expansion from 95 to 115 acres, and an increased throughput capacity of 500,000 TEUs, APM Terminals Mobile expects to expand its berth by 400 feet, and commence development of an additional 30 acres. Its new near-dock rail facility, with access to five Class 1 railroads, opened in June of 2017.



ABOUT CERES TERMINALS INCORPORATED

Ceres Terminals Incorporated is one of the largest stevedores, marine and cruise terminal operators in North America. The company was established in 1958 and has grown to encompass operations in major ports throughout the U.S. and Canada.

Ceres is a leader in the handling of containers, autos, roll on/roll off, breakbulk, bulk, project and cruise vessel operations. Ceres is a participant in the U.S. Customs & Borders' C-TPAT Program and is a certified participant of the Green Marine Environmental Management Program.

USMX DIRECT EMPLOYER MEMBERS

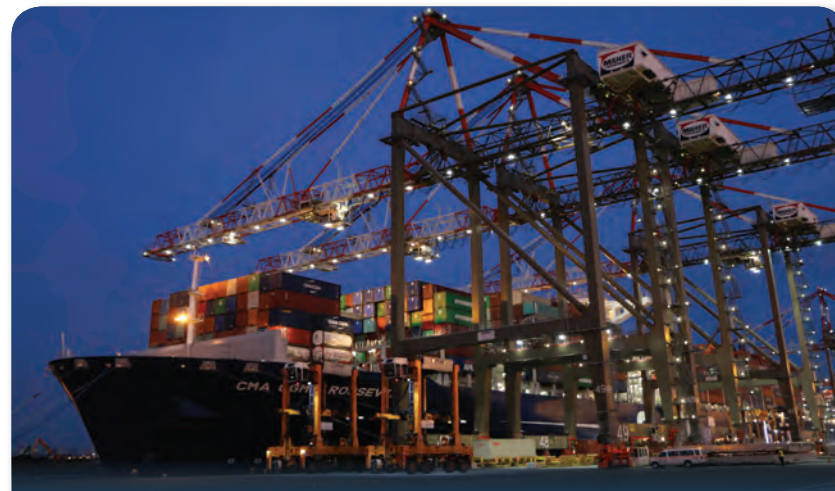


ABOUT GCT USA

GCT USA operates two award-winning facilities: GCT New York on Staten Island, New York, and GCT Bayonne in Bayonne, New Jersey.

GCT New York is the primary terminal in New York. The full-service container and general cargo facility is exceptionally customer-focused, boasting the fastest truck processing times in the harbor, housing the only terminal-affiliated customs exam station in the port.

International award-winning, semi-automated GCT Bayonne is one of the most advanced terminals in North America. Strategically located at the harbor entrance, the big ship ready, high productivity facility handles the largest ships calling the port of New York and New Jersey.



ABOUT MAHER TERMINALS LLC

Maher Terminals LLC is one of the largest multi-user container terminal operators in the world. As a vital link in the container cargo movement chain, we are responsible for helping our customers effectively compete in the global marketplace by handling their cargo as expeditiously and economically as possible. We take this responsibility very seriously and have developed North America's largest marine container terminal in the Port of New York and New Jersey. This highly-efficient container terminal operation, strategically located in the heart of one of the world's most affluent consumer markets, provides ample container throughput capacity to efficiently meet and exceed the current and longer-term operating requirements of our ocean carrier customers. The scope and flexibility of our marine terminal operation truly make our facilities a "Port within a Port." This is best supported by the many ocean carriers that have been utilizing our facilities for decades, ranging from single trade lane operators to the world's largest global alliances.



ABOUT PORTS AMERICA

Ports America is the largest American terminal operator and stevedore with operations in 42 ports and 80 terminals within the United States. With a highly skilled and trained labor force, Ports America has the experience and expertise to manage all types of cargo handling. Having handled more than 13.4 million TEUs, 2.5 million vehicles, 10.1 million tons of general cargo and 1.7 million cruise ship passengers annually, Ports America has operations ranging from pure container terminals to "under-the-hook stevedoring." Operations also include container, bulk, breakbulk, military, project and RoRo cargo handling; cruise terminal operations; intermodal facilities; and maintenance and repair.



SSA Cooper™
A Carrix Enterprise



ABOUT SSA COOPER, LLC

With over 150 years in the maritime industry, SSA Marine and Cooper T. Smith joined forces in 2002 to form SSA Cooper, LLC. Our investments in our people, high-value locations and technology-driven efficiencies have made SSA Cooper a world-class handler for all types of cargo. Exceptional people working together as a team to create value for our customers and working as a local company in all communities in which we operate, make SSA Cooper a world-class terminal operator.

JOINT SAFETY COMMITTEE

JSC OSH BULLETINS & ALERTS

In 2017, the Joint Safety Committee (JSC) completed its fourth year of producing and distributing its occupational safety and health (OSH) Safety Bulletins for the benefit of the industry. These monthly bulletins are developed to highlight various interesting and important topics around workplace safety. In addition to the safety bulletins, in 2017, the JSC initiated the start of its Urgent OSH Safety Alerts—periodic alerts for immediate distribution to the industry on urgent safety topics requiring immediate action or attention. Ten Alerts were produced in 2017. The urgent Alerts are distributed widely to the same audience of member companies, union officials and rank-and-file members of the ILA, as the audience of the Bulletins. In 2017, the distribution of these bulletins and alerts is the key to the success of the joint safety program. Cooperatively, these items are widely distributed via website postings on USMX and ILA sites; e-mail blasts to USMX and ILA memberships; by-hand distribution to all ILA locals; public postings by USMX employers in the workplace, and distribution to union rank-and-file members at coastwide meetings where the JSC is in attendance.

The Bulletins

The topics chosen for the monthly OSH Bulletins certainly hit all the safety hot spots in our industry today. By widely distributing these materials, the JSC hopes to spark daily communications among the workforce and management on each topic of importance with the goal of significantly reducing on-the-job accidents. The Committee hopes these bulletins give everyone a better understanding of the challenges that are faced each day in the maritime workplace, be it on our vessels, depots or terminals. 2017 Bulletin topics included *Ice on Deck–Ice Aloft*; *Releasing Twist Locks*; *Floating the Load*; *OSHA Inspections*; *Lashing Safety*; *Summertime Hydration*; *Safety on Vessels*; *Distracted Driving*; *Hurricane Season*, and *Safe Stacking of Containers*. The JSC has already begun discussions on some very important bulletin topics that will be produced in 2018.

The Alerts

The titles of topics covered in the 10 Urgent OSH Alerts in 2017 ran the gamut of important urgent safety issues that arose, such as *HazMat Penalties from the DOT Increase*; *OSHA Injury and Illness Record Keeping & Electronic Filing* (multiple alerts on this issue); *Updated Heat Stress Apps*; *Bigger Ships–Bigger Risks*; *Aerial Lift Recall*, and *Eclipse of the Sun*. After the successful distribution and excellent reception of these new additions to the JSC's safety arsenal, the Committee will continue to develop and provide these important communications to the industry moving forward.



2017: ANOTHER YEAR OF GROWTH FOR THE JOINT SAFETY COMMITTEE (JSC)

The JSC, since its inception in 2011, has continued to support the OSH agenda for all ports from Maine to Texas. In 2014, the *ILA-USMX Joint Resolution on Port Safety and Health* was created by the Chairman of USMX and the President of the ILA to empower the committee to carry out its mission. The committee travels to as many places as possible, to assist management and the rank-and-file in all safety-related matters. The message is clear—the JSC is here to stay and will continue to attend national safety meetings, visit union halls, attend local port safety meetings and work with management and local officials to conduct safety audits, to fulfill its mandate of reducing accidents, injuries and fatalities in the workplace.

**Committee Activities in 2017**

In furtherance of its mission, the JSC continues to spread its message of safety awareness along the East and Gulf coasts, completing the following tasks:

- Preparation of quarterly Committee Activity Reports
- Development and distribution of 12 OSH safety bulletins, along with 10 supplemental urgent OSH safety alerts
- Attendance at safety meetings in NY/NJ, Philadelphia, Baltimore, Norfolk, Charleston, New Orleans and Savannah
- JSC Presentations at ILA and ACD Executive Board meetings in Tampa; Blue Ribbon Safety Panel meetings in San Antonio; and Dock & Marine Council Meetings in Atlanta
- Attendance at all four NMSA Technical Committee Meetings in Norfolk and New Orleans and the NMSA Annual Meeting in Charleston
- Discussions with DuPont/Coastal regarding expansion of the JSC OSH bulletins via info graphs and posters
- Investigation of two unfortunate fatalities (in Houston and Philadelphia) were conducted in 2017. JSC members make it a point to spend time with the families of the victims.

JSC Guidance and Interpretation

One of the daily responsibilities of the JSC is to provide guidance and interpretation of OSH-related issues that are brought up by USMX member companies and by the ILA, while attempting to be as prompt, fair and accurate as possible with each of its responses. As was the case in 2016, 2017 was a very busy year of requests for JSC guidance and interpretation. Some of the most frequently-requested topics fielded by the Committee last year and this year were the Federal Motor Carrier Safety Administration (FMCSA); OSHA Rules on electronic reporting of accident and illnesses; gangway safety; PIT training; high-visibility reflective vests; crane operation in high wind; work station ergonomics, and post-accident drug testing, to name a few.

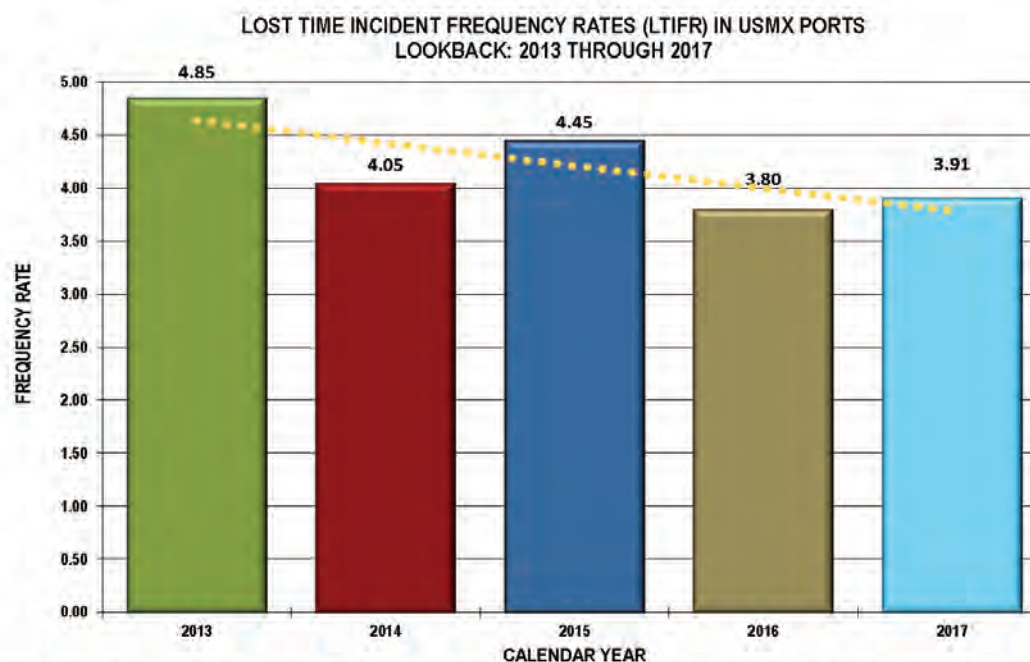
SAFETY DATA INITIATIVE

2017 SAFETY DATA INITIATIVE UPDATE

The Safety Data Initiative, the first project taken on by the JSC in 2011, is now a staple in the programs and initiatives developed since the inception of the Committee. Since 2011, a detailed data collection of Lost Time Incident Frequency Rates (LTIFR) by craft, type and location, has been amassed from all 14 USMX ports along the East and Gulf coasts, and guides the JSC in its work with our member companies to create a safer workplace for working men and women in the maritime industry. Starting in 2013, a customized LTIR data storage program, supported by CCC Service Corp. (CCCSC), was developed and implemented for use by the JSC. The data output, in the form of reports and charts, has become a focal point in most of the JSC's presentations at conferences and safety meetings, and is distributed over a wide audience, ranging from the USMX Board of Directors and Member companies to the ILA International and Local union officials, to the ILA rank-and-file. The JSC also shares this important data with the National Maritime Safety Association (NMSA).

PROGRAM PROGRESS UPDATE

The progress being made by the safety data initiative becomes more apparent as each program year passes. By utilizing the database of LTIFR information from 2013 through 2017 as a tool, it is clearly evident when significant progress and improvement is being made in a particular subject area. Transversely, the database info also helps users to identify those subject areas that are not showing as much progress and remain in need of improvement. The data, in the form of lookback charts, can be a very simple tool that will help illustrate and pinpoint how well the JSC's safety efforts are working or how much work we have ahead to make improvements where needed. At a quick glance (see adjacent chart entitled *Lost Time Incident Frequency Rates (LTIFR) in USMX Ports Lookback: 2013-2017*) you can see a positive trend from 4.45 in 2015, to 3.80 for 2016, to 3.91 for 2017. In 2016, there were 733 LTIs vs. 809 LTIs in 2017. The rise in the number of LTIs to 809 can be attributed to a greater amount of manhours worked in 2017 vs. 2016. In fact, in the first half of 2017, our overall rate started high at 4.32; however, through the efforts of the rank-and-file and our member companies, the second half rate dropped to 3.55, resulting in a very respectable 3.91 total LTIFR for the year. Continued efforts by all the parties involved will allow this program to grow and flourish as we strive to maintain safer maritime work environments.

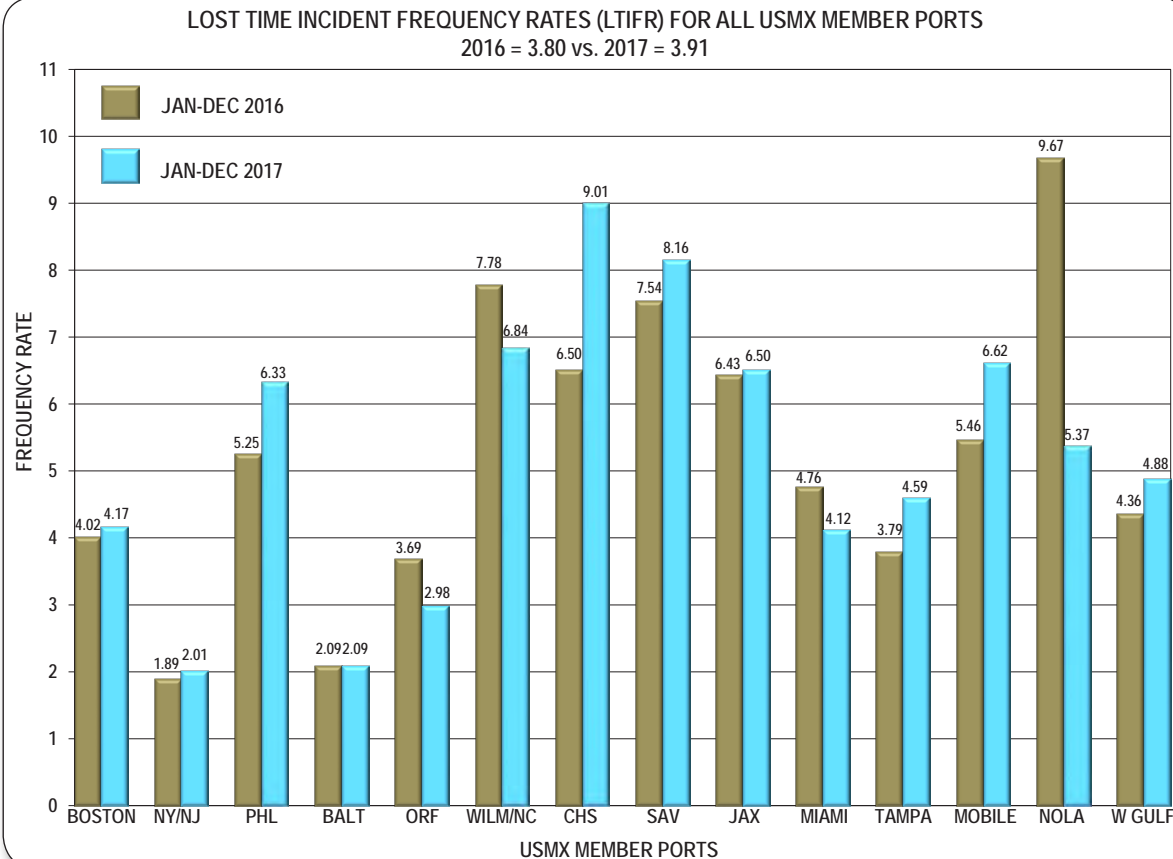


The lost time injury and illness incident rate is based upon Occupational Safety and Health Administration (OSHA) recordkeeping criteria and is considered a national standard used by the government for most industries. The formula considers the number of lost time incidents and illnesses occurring in a workplace and the hours worked during the time period. It is based on a workplace of 100 workers averaging 2,000 hours per year.
FORMULA: (Lost time injuries & illnesses x 200,000 / total hours worked = incident rate.)

DATA REPORTING AND RESULTS

Since 2013, over 120 companies from Maine to Texas report their LTI data to the JSC twice a year. The reporting itself hasn't changed, with all companies using a standardized reporting form that they complete and return to USMX. Once received, the data is input into the Oracle reporting system, administered and managed by CCCSC. The data then is used to produce reports for the JSC for widespread distribution. After analysis of the reports, graphs are developed in-house, illustrating the various components of the LTI data—total incidents, manhours, crafts and types and locations of injuries. Our member companies are free to use our five-year data compilations to track developing trends

in their respective ports and on their individual terminals to identify safety problems and train their workforce accordingly. The adjacent chart, *Lost Time Incident Frequency Rates (LTIFR) for All USMX Member Ports 2016 vs. 2017*, provides an interesting year-over-year snapshot of the rates for all our USMX ports.



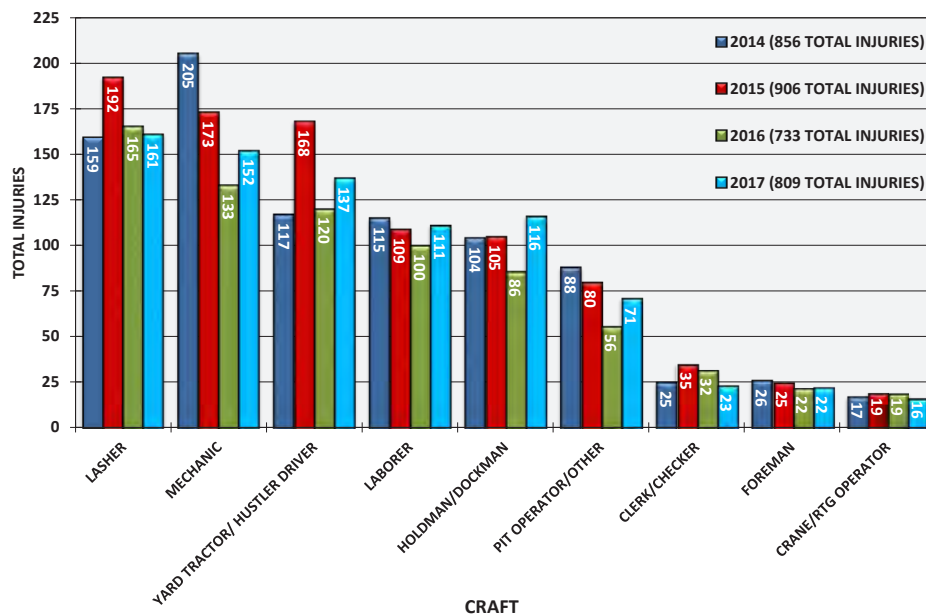
LOST TIME INCIDENT DATA LOOKBACKS: 2014 THROUGH 2017

The data collected over the last four years is presented here in three scenarios: incidents by craft, incidents by type and incidents by location, and the reasons behind collection of the data, too, are threefold: to lessen the toll these injuries take on the work force; to help employers covering the costs of lost time claims become more aware of the incidents that led workers to lose time on the job; and to help prevent the recurrence of similar incidents/accidents in the future. Ultimately, the four-year lookback charts we are presenting here will help the terminal operators understand the developing trends across all three categories. The first chart shown is *Total LTI Data From All USMX Ports by Craft Lookback: 2014 Through 2017*. This chart indicates the LTI rates among the most common crafts in the ILA workforce:

- Lasher
- Mechanic
- Yard Tractor/Hustler Driver
- Laborer
- Holdman/Dockman
- PIT Operator/Other
- Clerk/Checker
- Foreman
- Crane/RTG Operator

In the past four years there have been 3,304 LTI across all crafts, with the two most often injured crafts being lashers and mechanics. In most years, they account for almost 40% of the total LTIs, and remain the two most dangerous jobs on the waterfront. The JSC continues to work on reducing the number of injuries to lashers and mechanics by visiting different ports and terminals and sitting with local officials to discuss steps that need to be taken. In recent years, there has been a negative trend in the number of hustler or tractor drivers losing time on the job. This craft is now up to 17% of the total LTIs in 2017. Typical ways a tractor driver could be injured are jostling in the cab, slipping/tripping or falling from or on the machine and straining a muscle climbing onto the tractor.

**TOTAL LTI DATA FROM ALL USMX PORTS BY CRAFT
LOOKBACK: 2014 THRU 2017**



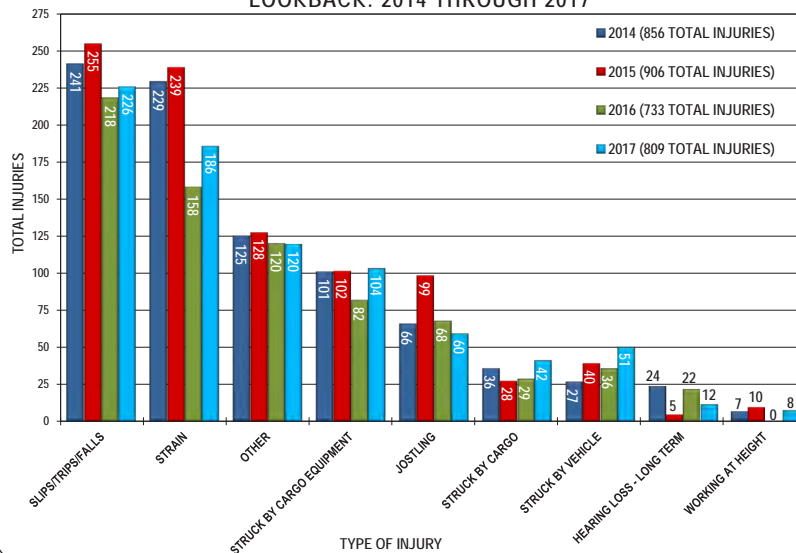
LTI REPORTS BY TYPE AND LOCATION OF WORKPLACE INJURIES

The chart titled *Total LTI Data From All USMX Ports by Type Lookback: 2014 Through 2017* (below) depicts the frequency of various types of injuries occurring at our member port facilities:

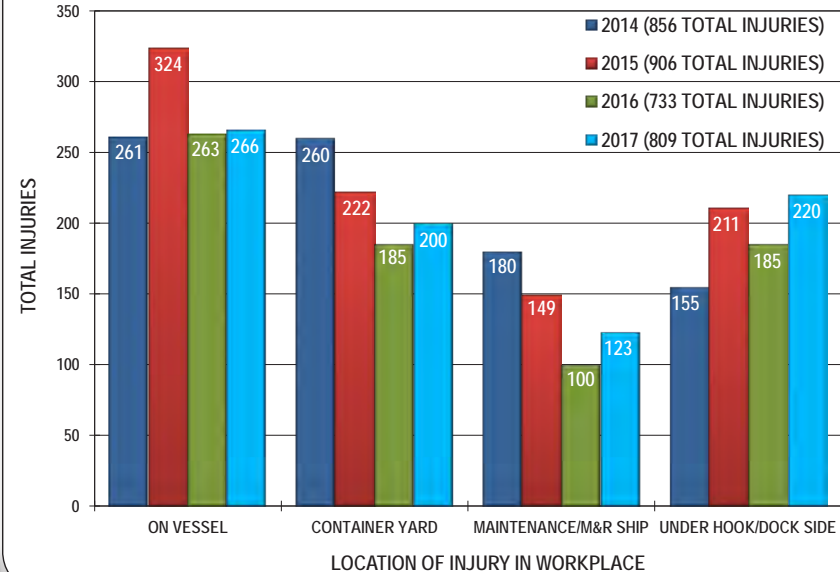
- Slips/Trips/Falls
- Strain
- Other
- Struck By Cargo Equipment
- Jostling
- Struck By Cargo
- Struck By Vehicle
- Hearing Loss - Long Term
- Working at Height

The data shows that slips/trip/falls are the most frequent type of LTIs occurring at our waterfront facilities, accounting for about 30% of all waterfront LTIs. On a national basis, they are the number one type of lost time injuries occurring in many other industries, as well. Muscular strains were the second most common LTI on the waterfront, accounting for some 25% of the incidents in the last four years. On the opposite end of the waterfront LTI spectrum, "struck by equipment" and "jostling" account for less than 10% of maritime LTIs.

**TOTAL LTI DATA FROM ALL USMX PORTS BY TYPE
LOOKBACK: 2014 THROUGH 2017**



**TOTAL LTI DATA FROM ALL USMX PORTS BY LOCATION OF INJURY
LOOKBACK: 2014 THROUGH 2017**



The final lookback chart, *Total LTI Data From All USMX Ports by Location of Injury Lookback: 2014 Through 2017*, illustrates the frequency of injuries at various locations on the waterfront:

- On Vessel
- Container Yard
- Maintenance/M&R Ship
- Under Hook/Dock Side

We see that the highest amount of injuries continue to occur on vessels, followed closely by in container yards, then under the hook/dockside. In 2017, our most recent year of data, a full one-third of the LTIs took place on vessels. Once again, lasher safety is an important priority to address, as incidents occurring to these workers on the decks of vessels can eventually turn into lost time incidents.

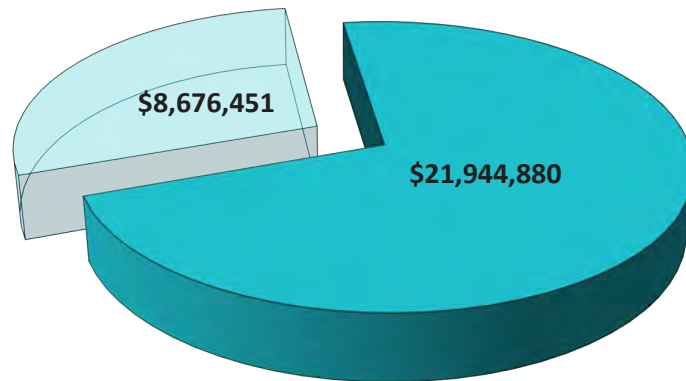
TRAINING OVERVIEW

TRAINING AND NEW TECHNOLOGY

The continued training of our work force on high tech machines and systems remains the focal point of our ILA-USMX Training programs. The amount of training required on such new equipment like rail mounted gantry (RMG) cranes, shuttle trucks, next generation straddle carriers and ship-to-shore cranes is extensive. In 2017, two major ports (New York/New Jersey and Houston) completed purchases of new crane/straddle carrier/RTG simulators to provide a better trained, more productive and safer workforce for the future. Today, with the addition of the simulators in New York/New Jersey and Houston to the already existing ILA-USMX training facility in Linthicum Heights, Maryland, there are now three locations providing our maritime workforce with this very important simulator training. As mentioned in the past, the industry will have to provide a highly-skilled maintenance craft to keep up with the ever-changing technology and equipment being invested in by our member companies from Maine to Texas. Specialized training will also continue to be very important for our ILA maintenance and repair (M & R) mechanics at our terminals and depots. Reefer technology seems to be changing every day, as does the Federal Motor Carriers Safety Association's (FMCSA) required training for all chassis M & R mechanics. At APMT in New York/New Jersey in 2017, we started training mechanics to use high-tech diagnostic software as part of their daily routine. But not all highly technical projects were implemented as scheduled. Although some new gate and terminal systems were executed on schedule, some clerical and other types of training have been postponed to 2018. The ILA-USMX Trust Funds continue to support locally-required training, such as powered industrial truck (PIT), hazardous cargo, and other OSHA requirements as needed.

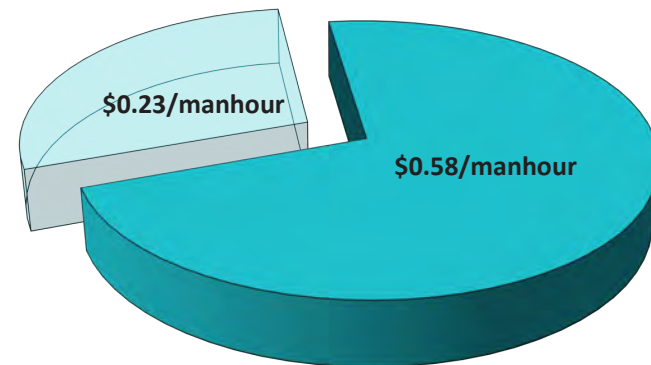
2017 (CALENDAR YEAR) TOTAL TRAINING EXPENSES: \$30,621,331

□ USMX TRAINING EXPENSES ■ PORT ASSOCIATION TRAINING EXPENSES



**2017 (CALENDAR YEAR) TOTAL PER-MANHOURLY TRAINING EXPENSES
BASED ON 37,795,528 MANHOURS @ \$0.81/MANHOURLY**

□ USMX PER-MANHOURLY COST ■ PORT ASSOCIATION PER-MANHOURLY COST



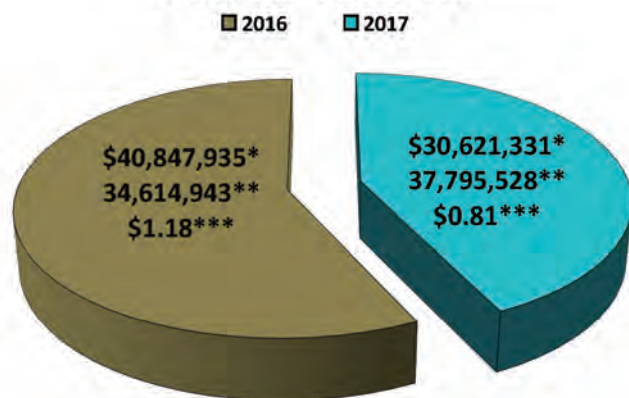
ILA-USMX FUNDING FOR TRAINING PROGRAMS

In order to properly train our workforce, the financial contribution from the CFS Trust Fund, alone, will never be sufficient. The industry relies upon our member companies (terminal operators, stevedores and port associations) and port authorities to assist by investing financially in the training of our workforce. These locally-supported training components, such as management trainers, equipment rental, fuel, insurance and facilities, are not eligible for reimbursement by the CFS Trust Fund. The USMX carrier members pay an assessment of \$.25 per ton of cargo handled to pay for the training provided by the Trust. In 2017, USMX's member companies contributed nearly \$22 million in addition to the \$9 million from the Trust, toward our CFS training program, providing the foundation for another successful year of training. Although the training expenditure of \$30.6 million was down in 2017 from 2016, it is expected that many delayed training projects will commence in 2018.

MITAGS UPDATE

Attendance at our central training facility at the Maritime Institute of Technology & Graduate Studies (MITAGS) in Linthicum Heights, Maryland, continues to grow, year after year. In 2017, a new annual record of 175 ILA trainees attended the CFS training programs there. This was a significant increase from 157 students in 2016 and 142 students in 2015. MITAGS continues to offer specialized training for mechanics in diesel electric generator and container refrigeration maintenance and repair (M & R). This training continues to grow in popularity, with eight two-week courses, four of each type, offered and at which mechanics can prepare to take their EPA certification, as well. The CFS Trust Fund allows the school to purchase the most up-to-date materials and supplies to keep current with the changing technologies in our industry. In addition to the specialized M & R training courses, crane and RTG simulation courses are offered as well throughout the year. Currently, there are classes offered for inexperienced crane (two-week course), experienced crane (one-week course) and RTG (one-week course). In 2017, MITAGS offered 34 different training courses for crane and RTG. Since the establishment of the training programs in 2005, a total of 1,489 trainees have attended courses at MITAGS.

2016 VS. 2017 (CALENDAR YEAR) TOTAL TRAINING EXPENSES



* = TOTAL TRAINING EXPENSES ** = TOTAL MANHOURS *** = TOTAL PER-MANHOURLY COST

ILA-USMX JOINT TRAINING COMMITTEE

The ILA-USMX Joint Training Committee (JTC) was established in 2015. The committee consists of six industry representatives (three from ILA and three from USMX). The JTC remains tasked with furnishing our partner employers and maritime workforce with the training tools required to make the workplace the safest and most productive environment in which to function. Any and all proposed training programs required by our partners must be approved by this committee, in order to receive financial reimbursement from the CFS Trust Fund. At the end of each calendar year, budget proposals are submitted for the next year's programs. It is the responsibility of the JTS to approve all training budgets request for established programs along with any new ones.

USMX-ILA TRUST FUNDS OVERVIEW

MASTER CONTRACT TRUST FUNDS OVERVIEW

As part of the execution of the current USMX-ILA Master Contract, five trust funds are jointly-managed by Trustees from the ILA and from USMX to ensure proper management of collected assessments. This table describes each fund, its purpose, and the pages where you can find additional information about each fund within the context of this annual report.

TRUST FUND	PURPOSE	PAGES
Management-ILA Managed Health Care (MILA)	Execution and management of healthcare benefits	34-35
Container Freight Station (CFS)	CFS subsidy and credit; distribution of yearly training budget	36-37
Container Royalty 5 (CR 5)	Master Contract automatic payments and local welfare funds subsidy based on yearly application review/approval	38
Container Royalty Central Collection (CRCCF)	Centralized collection of all Master Contract tonnage assessments	39



MILA ADMINISTRATIVE STAFF

The MILA Administrative Staff are (front row, left to right) Angelina Kishore, Member Support Representative and Sharleka Millington, Administrative Assistant & Member Support Representative; and (back row, left to right) Robin Csabon, Director of Accounting; Glenn Vanish, Receptionist; and LaVerne Thompson, Executive Director.

MILA MANAGED HEALTH CARE TRUST FUND

2017 UPDATE: The MILA Managed Health Care Trust Fund is a collectively-bargained, multi-employer health plan. Its Board of Trustees, with representation from both management and labor, administers the MILA National Health Plan to provide medical, dental, vision and behavioral health coverage, as well as prescription drug benefits for more than 75,000 people (active and retired ILA members, their qualified dependents, and certain other nonbargaining unit employees who pay a premium for their coverage).

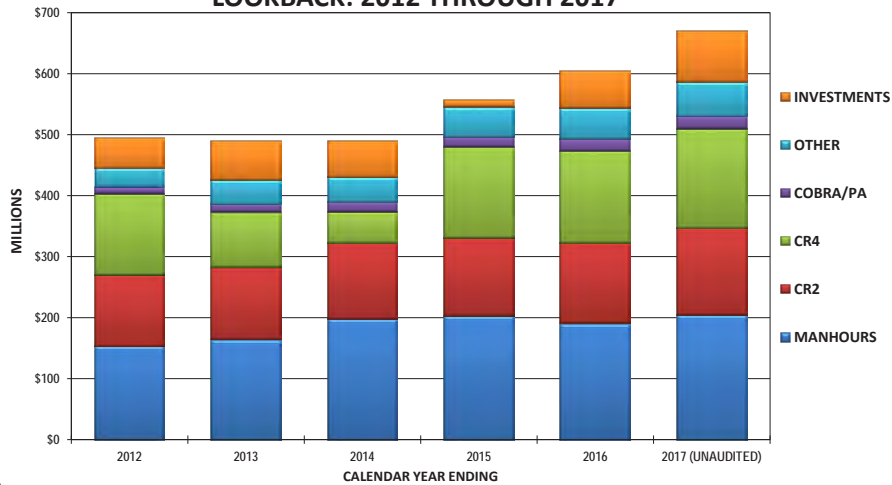
Rising healthcare costs and future trends continue to be a major concern for MILA. The MILA administration, along with the MILA Trustees, successfully negotiated new contracts with the medical, dental and pharmacy vendors, resulting in cost savings over the next three years. Continued focus on high-cost areas has proven beneficial, as MILA's medical and prescription cost increases came in significantly below the national average for 2017. The

MILA Board of Trustees and Staff are committed to meeting and exceeding the established standards required to ensure the continued success of the MILA program.

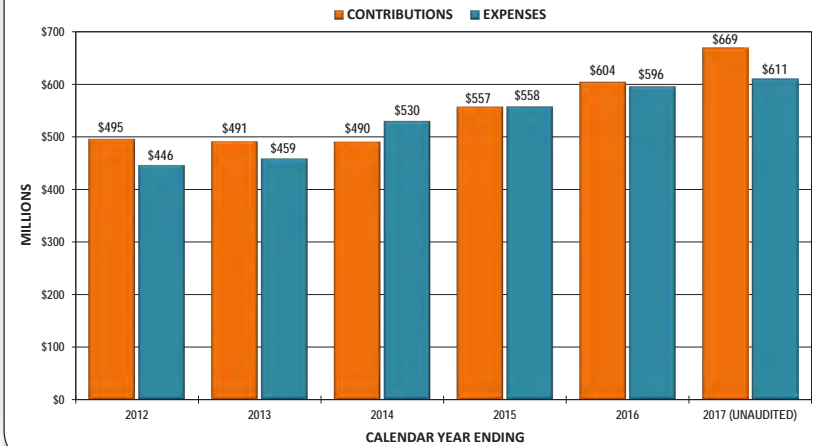


USMX-ILA TRUST FUNDS OVERVIEW

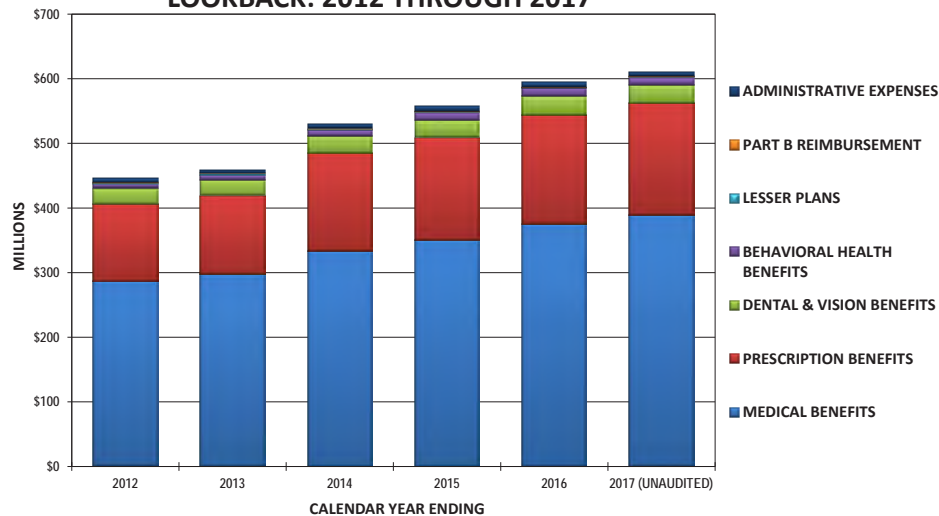
**MILA CONTRIBUTION CATEGORIES
LOOKBACK: 2012 THROUGH 2017**



**MILA CONTRIBUTIONS VS. EXPENSES
LOOKBACK: 2012 THROUGH 2017**



**MILA EXPENSE CATEGORIES
LOOKBACK: 2012 THROUGH 2017**



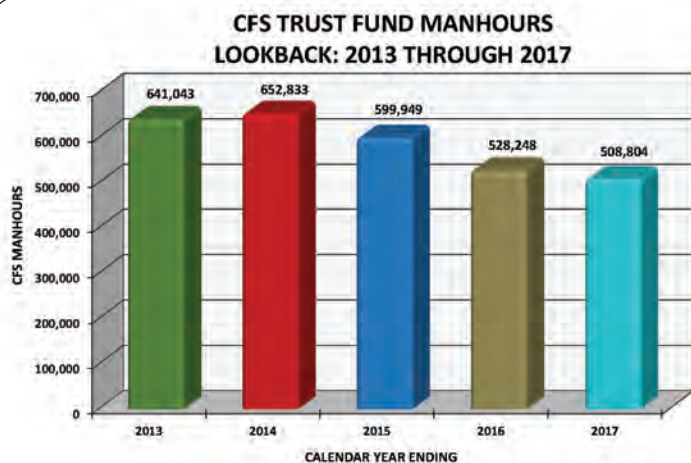
MILA FUNDING

MILA is funded primarily through an assessment on all manhours worked by ILA employees as well as through a tonnage assessment on all containerized cargo moving through the ports on the U.S. East and Gulf coasts, as part of the ILA-USMX Master Contract agreement. Additionally, non-bargaining unit employees pay a premium established by the Trustees for their coverage.

USMX-ILA TRUST FUNDS OVERVIEW

CONTAINER FREIGHT STATION TRUST FUND

2017 UPDATES: The ongoing goal of the CFS trust fund is allowing the work to stay within the port through subsidization of the CF station operators. Currently, there are 23 active stations from Maine to Texas being managed by the CFS trust fund. Houston remains the largest port in the program and is home to nine stations: Ceres Gulf Houston (4), Cooper/Ports America (4), and a single new operation from APS Stevedoring, which opened in late 2017. The Port of Hampton Roads (VIT) has three active stations, as does SSA/Cooper in Charleston.

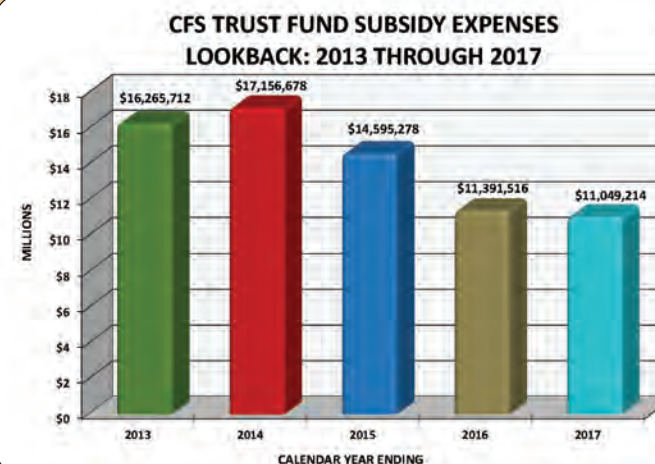
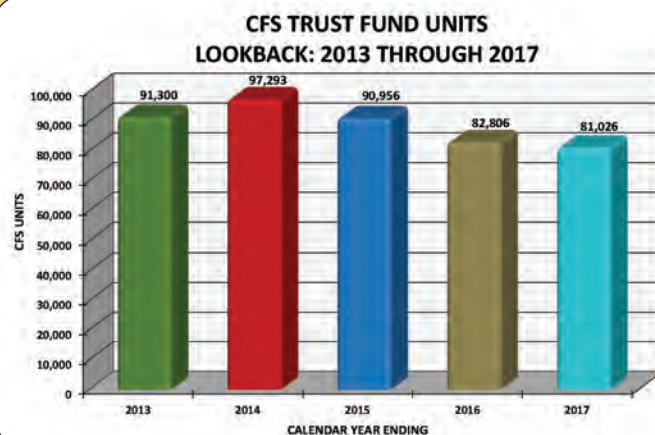


Other USMX ports with active CFS operations in 2017 are New York, New Orleans (2), Miami (2), Mobile (2) and Baltimore. The ILA worked over 500,000 hours and handled over 81,000 units this year in the CFS, coming in at an expense of \$11,049,214 to the CFS fund. By the end of the year, there was only a slight decrease of approximately one percent in total expense,

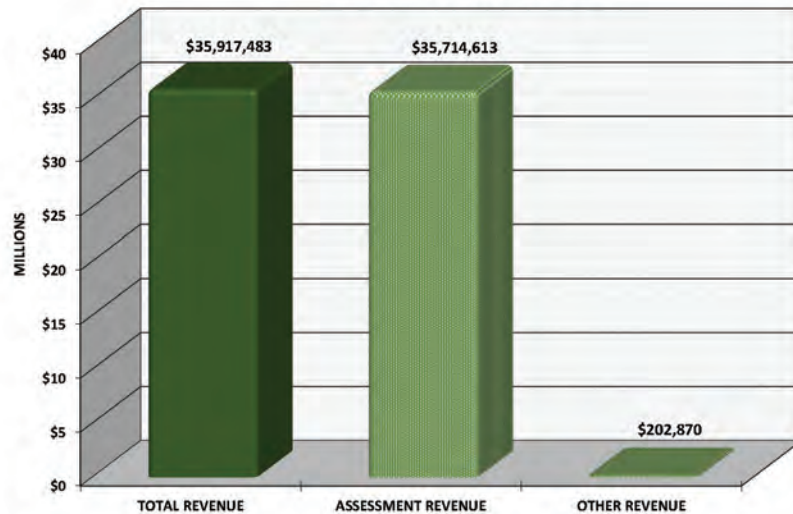
units and manhours. It is also worth noting that the CFS Module in the Container Royalty Central Collection Fund (CRCCF) system is in full operation. More details will follow in the CRCCF update on page 39.

CFS FUND SUBSIDY RATES

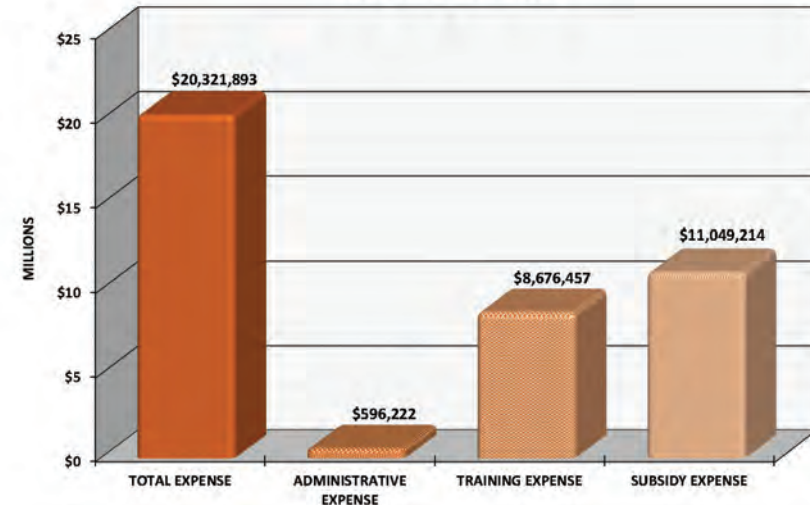
The final rate adjustment in the current Master Contract (10-1-12 thru 9-30-18) took place on 10-1-17, dropping the CFS subsidy from \$22 per hour to \$21 per hour. The intent of lowering the subsidy rate is to allow for managed growth and expansion of the CFS program. Station operator reimbursement rates are determined by multiplying the subsidy rate by the activity hours.



2017 CFS REVENUE



2017 CFS EXPENSE



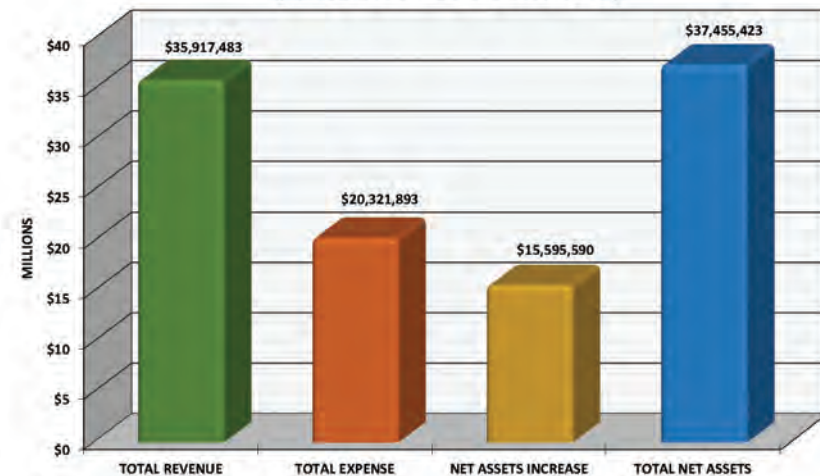
CFS CARRIER CREDITS FOR 2017

In the current Master Contract all units stripped or stuffed at CFS Stations qualify for a Container Royalty Credit. If the units worked are discharged or loaded from a USMX member vessel, they get a full credit. In 2017, the USMX Carriers received credits totaling approximately \$8.0 million.

CFS AUDITS

As mandated by the CFS Trustees and as required by the operating regulations of the CFS program, all stations must be audited—the larger stations annually and the smaller stations as needed. It is important to note that all stations must adhere to the Audit Guidelines found in the CFS Operators' Manual. All stations are required to know the audit policies of the program, and to provide the auditors with any and all information requested. Operators will be given ample time to discuss the process in detail and to prepare the information requested by the auditors. In 2017, audits were conducted in Miami, New York, Baltimore and Houston.

2017 CFS TOTAL REVENUE VS. TOTAL EXPENSE (CALENDAR YEAR AUDITED)



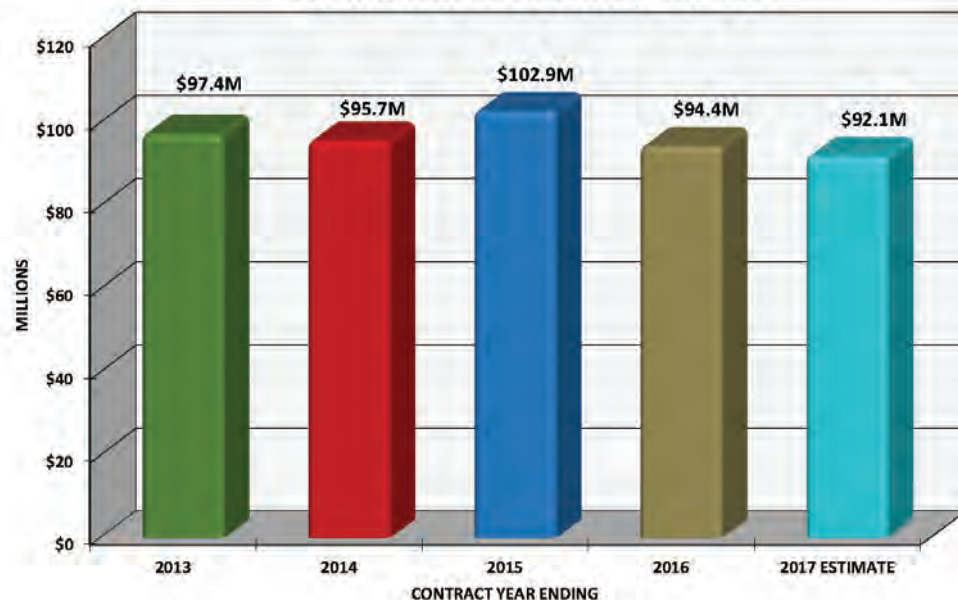
USMX-ILA TRUST FUNDS OVERVIEW

CONTAINER ROYALTY 5 (CR5) TRUST FUND

2017 UPDATE: The CR5 Fund is an essential resource for our member ports whose local benefit funds experience a shortfall and are unable to meet their Master Contract obligations. The demand for CR5 funds has varied over the years due to increases in Vacation and Holiday benefits that are driven by wage increases and the wage progression offset by improved (due to volume increases and/or financial improvements) local benefit funds. A key criterion to CR5 restricts the application amount to be used for funding Pension funds or to fund an increase in local benefits of any kind. Concern over adequate funding remains, due to the difficulty in forecasting future demands.

In the Contract Year that ended September 30, 2017, CR5 paid out approximately \$35 million dollars in assistance applied for by our member ports, in addition to the automatic payments made as required under the Master Contract. 2017 saw a significant increase in tonnage across all ports, which provided additional funding for local benefits. Due to this improvement, the demand of CR5 should continue to decrease if funds are properly allocated. The CR5 trustees remain vigilant in adhering to the criterion of the trust to ensure funds are awarded to only the ports that experience a true shortfall.

**CONTAINER ROYALTY 5 TRUST FUND ANNUAL PAYOUT
LOOKBACK: 2013 THROUGH 2017**



ABOUT THE CONTAINER ROYALTY 5 FUND

Effective with the Master Contract extension agreement that covered Contract Years 2009 through 2012, CR5 was instituted to address the downturn in the economy that dramatically affected the ability of the local ILA welfare funds to meet their obligations under the Master Contract. CR5 also replaced the automatic payments that were made to the ports under the previous Master Contract's Container Royalty CAP Program.

CR5 allows the industry to be able to direct funds as needed to those local welfare funds that demonstrate a shortfall in funding based on a pre-approved list of criteria. Like the various other Master Contract Trust Funds, the CR5 Fund is financed through a carrier assessment, and is jointly administered by Trustees from the ILA and USMX.

CONTAINER ROYALTY CENTRAL COLLECTION FUND (CRCCF)

2017 UPDATE: Contract year ending September 30, 2017, marked the end of the second full year of operations of the CRCCF system. This was a year focused on operational maturity and the roll-out of several system enhancements aimed at improving the end-user interface experience. Key system updates included improved infrastructure, with full disaster recovery; complete redesign of the file loader; and implementation of the CFS module, which provides a platform to match CFS containers to the carrier manifests, automatically issuing CFS

credits to the carriers. The module not only streamlined the antiquated CFS process, but also now provides a better auditing tool for the CFS stations. In 2018, the CRCCF team looks forward to rolling out a revised website and additional user-based enhancements.



CRCCF OFFICERS

The officers of the CRCCF are pictured (left to right): President Charles W. Flynn, Vice President Eileen M. Mackell, and Executive Vice President Paul J. McCarthy.

ABOUT THE FUND

Under the terms of the current Master Contract, the ILA and USMX agreed to establish the CRCCF. The Fund is tasked with the development of a comprehensive system to automate the intake of carrier shipping reports; track carrier delivery tonnage on incoming/outgoing vessels; invoice carriers on a per-voyage basis; and collect and allocate carrier payments to appropriate funds. The end state is a system that:

- processes files uploaded by USMX carrier members into a standardized electronic format and integrates them into a database;
- interfaces to reporting mechanisms capable of generating management dashboards from that data and analyzing it in any number of ways;
- prepares timely and accurate carrier invoices, tracks royalty collections and administers funds distribution; and
- manages the CFS Program by processing station subsidies and carrier credits.

The current system enables the ILA and local port management to more effectively schedule and manage manpower at the ports and to define work associated with container verification on both incoming and outgoing vessels. The system also provides USMX members and affiliated management with an auditable process ensuring invoice accuracy of carrier reporting with real checks, directly executed by members at the ports.

USMX PORT ASSOCIATION MEMBERS



PORT OF BOSTON

Boston Shipping Association
Richard F. Meyer, Executive Director

CONLEY CONTAINER TERMINAL

- Conley Container Terminal achieved record-breaking volume in each of the last three years, with strong growth in both imports and exports
 - Total volume for FY17 eclipsed 256,000 TEUs
- While the facility is located in Boston, its economic impact is felt across Massachusetts and New England: 1,600 companies across the region use the facility to export and import goods
- Twelve of the world's top 15 shipping lines call Conley Terminal
- Fifty (50) percent of projects have started on Federal FASTLANE Grant Projects to modernize existing terminal facilities
- Crane productivity has increased 30% due to a strong collaboration between the BSA, ILA, and Massport



BOSTON HARBOR DREDGING PROJECT

- Maintenance dredging project, which preserves vessels' access to terminals along the Chelsea and Mystic Rivers, is complete
- Improvement dredging, which deepens the main navigation channels to allow larger container vessels to call Conley Terminal, is expected to begin in the spring of 2018



FLYNN CRUISEPORT BOSTON AT BLACK FALCON TERMINAL

- Flynn Cruiseport Boston saw a 30% increase in the number of ship calls, and passenger volume grew to 388,000 in 2017 – a new record
- 2018 cruise season will feature new Caribbean, Cuba, and Bermuda itineraries and is expected to draw over 400,000 passengers



USMX PORT ASSOCIATION MEMBERS



BOSTON AUTOPORT

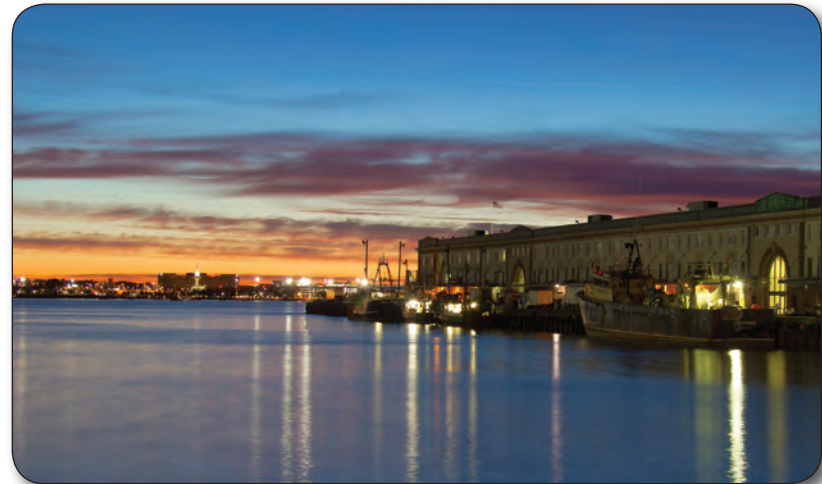
- Boston Autoport
- Nearly 80,000 total cars processed in FY17
- Site is also home to nine (9) other industrial businesses that employ over 500 people

SEAFOOD

- Seafood processing businesses continue to expand in the South Boston industry cluster, one of four major hubs in the U.S. for processing seafood for domestic and international markets

PORT SAFETY

- 32 ILA Members trained at MITAGS in 2017
- BSA's efforts in securing safety funding helped provide 8,458 hours of reimbursable Safety Training to the Port of Boston
- There has been a steady reduction since 2013 of our Loss Time Accidents (LTA) by prioritized training on high-risk activities and providing proper PPE for employees
- There has been a reduction in air emissions in the port due to the replacement of 60 old drayage trucks with new clean diesel trucks
- Port of Boston was certified ISO14001:2015 for Marine Operations, locations included:
 - Conley Terminal
 - Flynn Cruiseport Boston at Black Falcon Terminal
 - Boston Fish Pier



USMX PORT ASSOCIATION MEMBERS



PORT OF NEW YORK & NEW JERSEY

New York Shipping Association
John J. Nardi, President

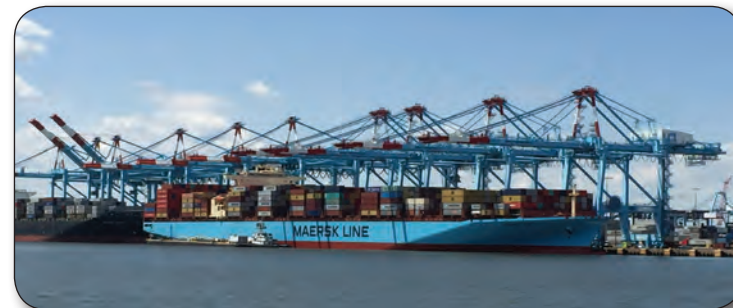


OVERALL PORT CONTAINER VOLUME

In 2017, overall port container volume for our fiscal year was up a very strong 6.03% growing over 217,000 units and autos were up over 8%. All of this growth came without an increase in work hours which is a tribute to the ongoing effort of management and labor to improve productivity. While we still have a way to go, the processes are in place to ensure that we work towards achieving production levels required to turn ultra large containers vessels fast enough to keep New York & New Jersey as the preferred port for incremental inland cargo.

ULTRA LARGE THEODORE ROOSEVELT INAUGURATES THE BAYONNE BRIDGE

On the morning of September 7, 2017, with a capacity of 14,414 TEUs (twenty-foot equivalent units) and a length of 1,200 feet, the CMA CGM THEODORE ROOSEVELT passed beneath the Bayonne Bridge on her way to berth in Elizabeth, New Jersey. For this vessel to enter into Newark/Elizabeth section of the Port, decades of preparation was required. To name some of these projects, there was the channel deepening, marine terminal investments, port infrastructure development, berth deepening, labor force expansion and training, and lastly, the innovative Bayonne Bridge Raise the Roadway Project, all to accept the Ultra Large Container Vessels transiting the expanded Panama Canal. The foresight of our predecessors came together at this one point in time. Billions and billions of dollars of investment to ensure that the Port of New York & New Jersey remains the preeminent East Coast gateway and continues to be the fuel that feeds the region's economic engine.



NYSA-ILA TRAINING CENTER ACQUIRES TWO CRANE SIMULATORS

Training is a key component to productivity improvement which continues for both practical equipment training and classroom training. While it is not at the hectic pace of recent years, we spent over \$5.2 million dollars this past year inclusive of fuel and machinery costs. In 2017, we took possession of two container crane simulators which are located at the NYSA-ILA Training Center in Elizabeth. Qualified, skilled crane drivers are one of our most important assets and are one of the key factors in vessel productivity. The Port of NY&NJ has over 60 container cranes and all training currently takes place in a live setting. This crane simulator purchase and training program will help identify the best candidates to become crane drivers by providing a platform to show basic proficiency and facilitate moving on to live crane training.



COUNCIL ON PORT PERFORMANCE

NYSA and The Port Authority of NY&NJ continue to Co-Chair the Council on Port Performance (CPP). In 2017 a large focus of the CPP was the Workforce Development Committee which has the goal of connecting workforce demands of our members throughout the supply chain, with local educational institutions as well as local communities. Another success from a CPP perspective was the implementation of the first truck appointment system in the Port and really the first true successful appointment system in North America. Such a system will allow the marine terminal operators to better utilize their resources and improve efficiencies. The main outstanding challenge from the Port Performance Task Force is a port-wide gray chassis pool which remains under discussion.

To maintain the vitality of the CPP, the group undertook an evaluation of the 23 original recommendations of the Port Performance taskforce. This was done to determine whether some are no longer valid, either due to implementation or evolution, and whether additional recommendations need to be added. The results of this re-evaluation will be published in early 2018.

TRAINING SUMMARY CONTRACT YEAR 2017

CLASSROOM TRAINING	
Hazardous Materials Refresher Training	1,088
Foremen Safety Leadership Training	285
New Employee Orientation (Checkers)	2
PPGU Security Officer Training	16
PPGU WC Annual Refresher	326
TOTAL	1,717



BUILDING ON THE FUTURE

In closing, the Port is in a great position to handle future volumes. The Bayonne Bridge clearance is completed, as well as the 50-foot channel deepening. The first Ultra Large Container Vessels have transited the Port. The investments in infrastructure have been massive. Productivity is improving. The future is now. The New York Shipping Association looks forward to building on it.

USMX PORT ASSOCIATION MEMBERS



PORTS OF THE DELAWARE RIVER

Ports of the Delaware River Marine Trade Association
Patrick T. Dolan, President

ABOUT THE PMTA

With over 70 years of service to the Delaware River port community, the Philadelphia Marine Trade Association was incorporated in 1947; its purpose being to promote the interest of the Ports of the Delaware River, Southern New Jersey and Southeastern Pennsylvania. Now, the Ports of the Delaware River Marine Trade Association (PMTA) represents all of the International Longshoremen's Association (ILA) Employers operating at Delaware River Facilities (Philadelphia, Southern New Jersey and Wilmington, Delaware).



MANHOURS UPDATE

For the contract year ending 9/30/2017, the ILA Manhours worked in the Ports of the Delaware River increased from 1,767,037 to 1,789,947. There have been a number of new employees added to the workforce in both Wilmington, DE and the Philadelphia/South Jersey area. These people have progressed through the Journeyman process up to our Basic Unit level, which is the highest level for employees. These employees enjoy all of the benefits of the PMTA-ILA Benefit Funds, including MILA.

TRAINING & SAFETY

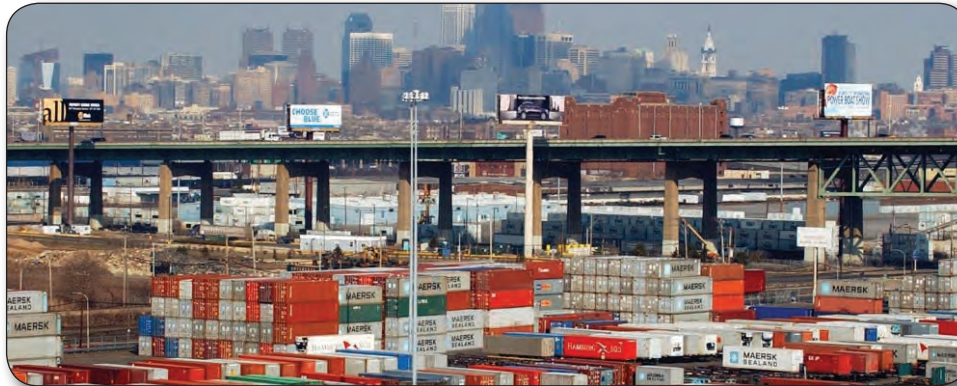
Port Technical Training Institute (PTTI) continues to train new employees on Powered Industrial Trucks (PIT) and to recertify the existing workforce as required by PIT Regulations. In addition to the local hands-on training, ILA employees from our area continue to take advantage of the USMX Training programs conducted at the MITAGS facility in Maryland. PMTA fully participates in the Lost Time Accident Reporting Program with USMX.



USMX PORT ASSOCIATION MEMBERS

PROJECTS UPDATE

In last year's report we highlighted the \$300 Million investment made by the Commonwealth of Pennsylvania in infrastructure improvements for our Employers' Terminals. By way of update, the Delaware River Main Channel Deepening Project approaches 100% completion. In 2017, PhilaPort (Philadelphia Regional Port Authority) reports that container cargoes grew by 19%. In March of 2018, the first two of four super post-Panamax cranes are due at Greenwich Terminals Packer Avenue Marine Terminal. Two additional super post-Panamax cranes will be purchased by the ownership of Greenwich Terminals, bringing the total to six new cranes when the project is completed. USMX Carrier Members are supporting this growth by scheduling larger container vessels at this facility. To better accommodate these vessels, Greenwich Terminals is dredging its facility to match the 45-foot Channel Deepening Project.



CALL THE DELAWARE

If you call the Ports of the Delaware River your home, we thank you for your continued support. If you are not calling the Delaware River, come take a look. The PMTA would be happy to host you on your visit. From Wilmington, Delaware to the northern parts of the City of Philadelphia, and on both sides of the river, exciting things are happening in the Ports of the Delaware River.

PORT OF WILMINGTON

There are also exciting happenings in the Port of Wilmington, Delaware, where PMTA Employer members Delaware River Stevedores and Murphy Marine Services provide ILA Stevedoring Services. The port put two new rail-mounted ship-to-shore gantry cranes into service, doubling their container handling capabilities. They have completed reconstruction at Berth 5 that now allows these gantry cranes to service five berths. The port also has a 100-ton capacity mobile harbor crane able to furnish heavy lifts and container service at the port. The Port of Wilmington, Delaware has a number of commodities ranging from bananas and other fruit imports to automobiles, export cattle, project cargo such as wind energy components and rocket boosters.



USMX PORT ASSOCIATION MEMBERS



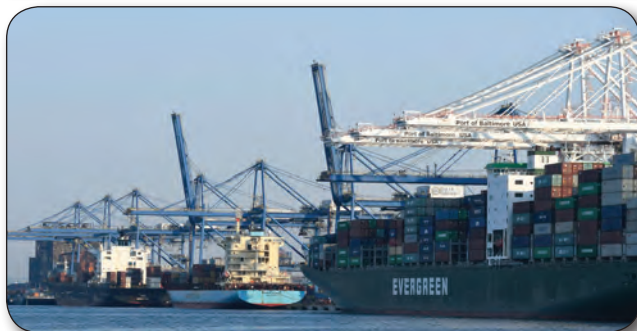
STEAMSHIP TRADE ASSOCIATION
OF BALTIMORE, INC.

PORT OF BALTIMORE

Steamship Trade Association of Baltimore
Michael P. Angelos, President

CARGO UPDATE

The Port of Baltimore's public marine terminals had another record year in 2017 by handling 10.7 million tons of general cargo. This marked the second consecutive year over 10 million tons. General cargo includes autos, containers, farm and construction equipment, forest products, and breakbulk commodities.



Containers

Recently named the fourth fastest-growing North American container port and recognized for the past three years as one of the most efficient container ports in the U.S., the Port of Baltimore handled a record 596,972 containers, an 11 percent increase over the previous year. Baltimore is one of the few East Coast ports with a 50-foot deep channel and the ability to handle large container vessels. Ports America Chesapeake added four new super-post-Panamax cranes and has plans for enhanced gate technologies, weigh-in-motion scales, and even more container terminal infrastructure to handle Baltimore's booming container business.

Autos

For the seventh straight year, the Port of Baltimore handled more cars and light trucks than any other U.S. port. A new record of nearly 804,000 autos and light trucks moved over Baltimore's public and private auto piers in 2017. The Port of Baltimore's success as an auto port is due to many factors including experienced labor, an industry-renowned quality program, a geographic location as the closest inland port to the Midwest, and four on-dock processors.



Forest Products

The Port of Baltimore remains one of the top forest products ports in the nation. With outstanding warehouse facilities, quality rail, operational efficiencies, deep-water drafts, a damage-free reputation and one of the largest consumer groups in the U.S., the Port of Baltimore offers its customers many advantages. One of the leading international forest product manufacturers, UPM of Finland, signed a 10-year contract extension to continue serving the Port of Baltimore.

Roll On/Roll Off

As the number one port in the U.S. for handling farm and construction machinery, the Port of Baltimore had a healthy four percent increase in ro/ro tonnage in 2017. Baltimore's success in this commodity stems from many factors, including a unique geographic location as the closest east coast port to the Midwest, a large group of competing carriers, and an unrivaled quality program that brings together all the key players in the ro/ro supply chain. The Port of Baltimore's strong reputation for efficiency, quality and labor are all main factors in encouraging shippers and carriers to use Baltimore for their ro/ro cargo.



Cruise

With more than 210,000 passengers served, the Port of Baltimore continues to prove it is a popular cruise port for people up and down the East Coast and into the Midwest. Carnival and Royal Caribbean, two of the world's best known and successful cruise lines, sail from Baltimore year-round to the Bahamas, Bermuda, Caribbean and New England/Canada. Baltimore's cruise terminal is wonderfully positioned right off busy Interstate 95 allowing for very easy driving access. Several improvements made to the cruise terminal will enhance a passenger's overall cruise experience including new ticket kiosks, carpeting, VIP lounge, and expanded restroom facilities.

Breakbulk

An eight percent increase sparked a good year for breakbulk at the Port of Baltimore. Much of this was due to natural gas pipe line projects and the heat recovery steam generator market. Baltimore also handles wind turbines, transformers, locomotives, refinery and energy production equipment. Two heavy lift cranes and enhanced on-dock rail capabilities allow direct discharge on and off a ship. Baltimore's Dundalk Marine Terminal upgraded another direct-to-rail berth recently that includes upgraded weight-to-axel capabilities. Also in use are three heavy lift pads with a capacity of 32.5 tons per axle per pad.



USMX PORT ASSOCIATION MEMBERS



PORT OF VIRGINIA

Hampton Roads Shipping Association
Roger J. Giesinger, President

PORT PROJECTS UPDATE

Norfolk International Terminal (NIT) North Gate

The Port's largest terminal is getting even larger. In June 2017, the Port completed construction on the North Gate (*see photo below*) at Norfolk International Terminal — a 26-lane gate that more than doubles the terminal's gate capacity and links with the I-564 Connector. The project was designed to give motor carriers faster access to market and to cut emissions by reducing idle time in traffic.



ABOUT HAMPTON ROADS SHIPPING ASSOCIATION

Founded in 1971 as a non-profit, civic and trade organization, the Hampton Roads Shipping Association's (HRSA) mission is to promote the interests of the Port of Hampton Roads and to further the common interest of those business organizations within the Port, particularly those who hire waterfront labor. HRSA renders assistance to its membership in the solution of maritime problems; maintains harmony between management and labor, fostering just and equitable principles and practices; promotes safety; and works for the betterment, expansion and prosperity of the Port.



Norfolk International Terminal South Container Yard

On NIT's south side, its container yard is undergoing a \$375 million renovation and reconfiguration that will increase the terminal's annual capacity by 46 percent (to 2.1 million TEUs), without increasing the Terminal's existing footprint. The project is scheduled for completion by 2020 (*see rendering above of NIT South Project Completion*).

USMX PORT ASSOCIATION MEMBERS



Virginia International Gateway (VIG) Pier Expansion

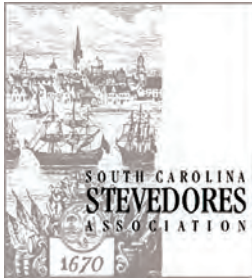
A three-year, \$321 million capacity-creating project is well underway at Virginia International Gateway (VIG) in Portsmouth. The Port is developing 60 unused acres inside VIG's 231-acre footprint to expand the container yard and double the annual capacity at the terminal to 2.1 million TEUs by 2020 (see the rendering, to the left, of the VIG expansion project upon completion). To accommodate the largest container vessels working in the Atlantic, the pier will be lengthened, four Ship-to-Shore cranes added and the rail operation expanded.

SOME FACTS ABOUT THE PORT OF HAMPTON ROADS

- In 2017, the Port of Hampton Roads saw an 8% increase in manhours over 2016
- Tonnage was up 10% over 2016
- In 2017, HRSA hired 26 Longshoremen
 - 16 in Maintenance & Repair
 - 10 as Technicians



USMX PORT ASSOCIATION MEMBERS



PORT OF CHARLESTON

South Carolina Stevedores Association
William J. Bean, III, Executive Director

PORT OF CHARLESTON PROJECTS

Harbor Deepening

- On September 14, 2017, the U.S. Army Corps of Engineers, Charleston District awarded the first construction contract for the Charleston Harbor Post 45 Deepening Project. This contract will initiate construction work in the harbor's Entrance Channel.
- The \$47 million contract was awarded to Great Lakes Dredge and Dock Company, LLC, for new work and maintenance dredging of the more than 20-mile long Entrance Channel in order to achieve the newly authorized depth of 54 feet. All dredging work under this contract is required to be completed by Spring 2020.
- This is the first of two contracts that will be required to complete the deepening of the Entrance Channel. The second contract will likely be awarded before the end of the calendar year. Depending on full-funding, dredge availability, weather and a variety of other factors, the construction of the entire project will take 40-76 months. A timeline for the dredging of the upper and lower harbors has not yet been finalized, but is planned to take place concurrently during a portion of the timeframe required to complete the Entrance Channel.



2017 SCSA MEMBERSHIP

The South Carolina Stevedores Association (SCSA) represents the following companies:

Operating Direct Employers

- Ceres Marine Terminals
- Ports America
- Cooper/Ports America (C-PA)
- SSA Marine

Associate Members

- Charleston Gate Company
- Charleston Line Handlers



Hugh K. Leatherman Terminal

- Construction is currently underway, and the anticipated opening date of the terminal's 171-acre first phase is planned for fiscal year 2020.
 - The three-phase project is expected to be completed by 2032.
 - Construction on the direct access road from the terminal to I-26 is progressing with many of the road bed pilings in place.

USMX PORT ASSOCIATION MEMBERS



SC Inland Port

The South Carolina Inland Port, located in Greer, SC, has been in operation since 2013. A Second Inland Port project has been proceeding and is scheduled to open in Dillon, SC, in April 2018.

Existing Terminal Modernization and Infrastructure Projects

- The last phase (Berth 3) of the Wando Welch Terminal (WWT) strengthening project is scheduled for completion by the end of June 2018.
- Two new neo-Panamax cranes with a 155-foot lift height are scheduled for delivery in April 2018.
 - One of the existing cranes has been raised and is back in service.
 - A second crane is in the process of being raised and this project will continue until all cranes at the WWT are completed.

LOCAL NEGOTIATIONS

The Terminal Advance Gate System or AGS has been implemented at both the Wando Terminal and North Charleston Terminal.

Longshoremen

- Ken Riley was re-elected President of ILA Longshore Local 1422.
- ILA Longshore Local 1422 has pulled out of the South Atlantic Negotiating Committee and will seek to bargain independently of Wilmington, NC, Savannah, GA, Jacksonville, FL and Tampa, FL for their own District Contract.



USMX PORT ASSOCIATION MEMBERS

GEORGIA STEVEDORE ASSOCIATION

• SHIP • THRU • GEORGIA'S • PORTS AND • SAVE •

GEORGIA

PORT OF SAVANNAH

Georgia Stevedore Association
Norman L. Massey, President

PORT OF SAVANNAH

- Savannah's Garden City Terminal (GCT) is the single largest and fastest growing container terminal in the country
 - GCT has over 1,200 acres of container storage area, including 3,200 refrigerated storage slots
 - GCT has 9 container berths with over 9,700 feet of contiguous berth space
 - GCT is served by two Class 1 railroads
 - Savannah has the largest concentration of Distribution Centers on the East Coast and offers over 3 million square feet of warehouse space within 30 miles of the port

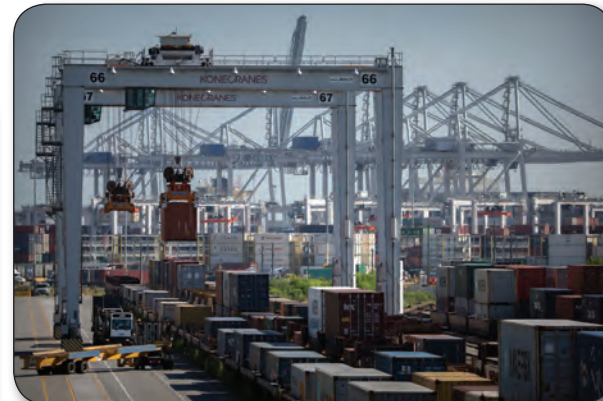


POST-PANAMAX AND SUPER POST-PANAMAX VESSELS

- Savannah handled almost 4 million TEUs last year, making it the fastest growing container port in the U.S.
- With the latest equipment available, Savannah can handle 14,000+ TEU Post-Panamax container vessels
 - 27 Post-Panamax and Super Post-Panamax Ship To Shore (STS) container cranes and 147 RTGs in the container yard service the facility
 - Four new Super Post-Panamax STS container cranes were delivered to the Garden City Terminal on November 22, 2017, and are scheduled to go online in 2018, with two more STS cranes scheduled for delivery in 2020

GPA'S MASON MEGA RAIL TERMINAL PROJECT UPDATE

- This \$126.7 million expansion project will increase the Port of Savannah's rail lift capacity to 1 million containers per year, opening new markets spanning an arc of cities from Memphis to St. Louis, Chicago to Cincinnati
- The expansion will add 97,000 feet of track at Garden City Terminal
- Ground is expected to be broken in early 2018, with completion in 2020
 - When this project is completed, the Garden City Terminal will have a total of 180,000 feet of rail, 18 working tracks and the capability of building 10,000-foot unit trains on terminal
 - The Mega Rail Expansion is funded in part by a \$44 million U.S. Department of Transportation FASTLANE grant administered by the Maritime Administration



SAVANNAH SERVES LARGEST VESSEL EVER TO CALL ON EAST COAST

- The CMA CGM Theodore Roosevelt, the largest container ship ever to serve the U.S. East Coast at 14,414 TEUs, called the Port of Savannah on September 1, 2017.
 - Working the vessel with seven cranes at the Garden City Terminal, the Port of Savannah moved approximately 8,000 TEUs on and off the ship, with the GPA working six other vessels simultaneous to the Roosevelt.

SAVANNAH HARBOR EXPANSION PROJECT (SHEP) UPDATE

- Savannah is now 2 ½ years into the \$973 million SHEP, reaching its halfway mark
- Once completed, SHEP will provide 47 feet of water at MLW for the entire length of the 40-mile project
- SHEP is projected to provide a 7 to 1 financial benefit to the state of Georgia, which means a \$7 return on every \$1 spent



USMX PORT ASSOCIATION MEMBERS



The Jacksonville Maritime Association
JACKSONVILLE, FLORIDA

THE JACKSONVILLE MARITIME ASSOCIATION

- The Jacksonville Maritime Association (JMA) negotiates and administers both the local and district contracts and all issues that may arise from them, including:
 - equipment and hazmat training
 - safety
 - certifications
 - port issues
 - drug policies and testing
 - local benefits, such as pensions and weekly indemnity



PORT OF JACKSONVILLE

Jacksonville Maritime Association
James R. Gray, Jr., Executive Director



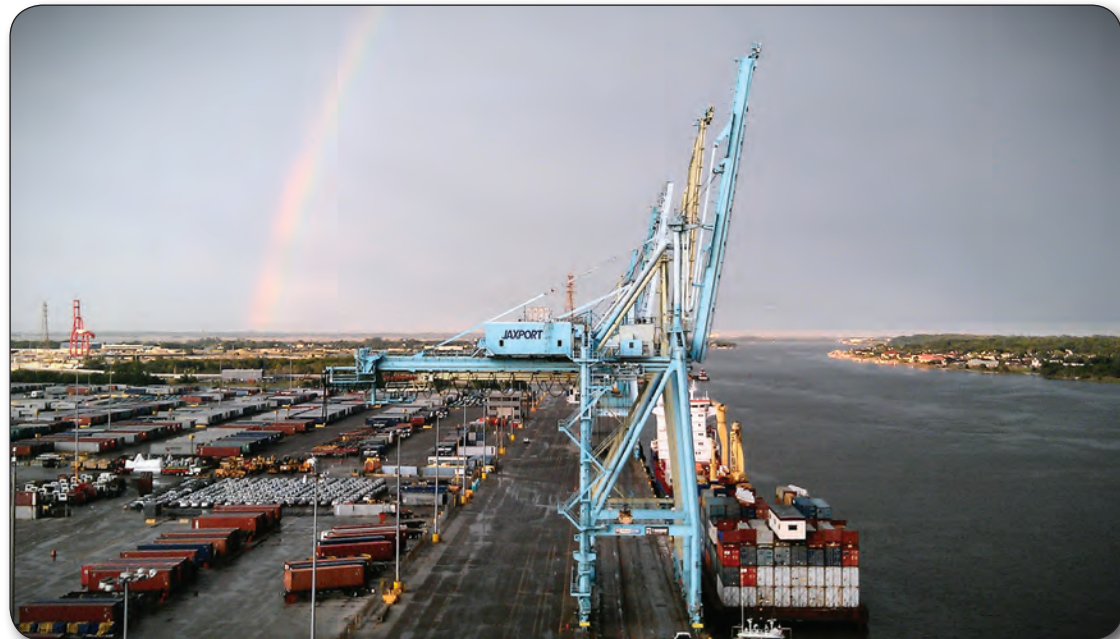
ABOUT THE PORT OF JACKSONVILLE (JAXPORT)

- JAXPORT is a 1,500-acre, full-service, international trade seaport located in the South-eastern United States offering service from more than 40 ocean carriers.
- JAXPORT owns, maintains and markets three cargo terminals, an intermodal rail terminal and one passenger cruise terminal along the St. Johns River—Blount Island Marine Terminal, Dames Point Marine Terminal, Talleyrand Marine Terminal, the JAXPORT Intermodal Container Transfer Facility (ICTF) and the JAXPORT Cruise Terminal.
- JAXPORT's three marine terminals handle every type of general and project cargo.



2017 PORT UPDATE

- Jacksonville achieved record growth in containers, vehicles and overall tonnage during 2017.
 - The Asian container trade continues to be the fastest growing segment with a 19% growth over 2016.
 - The Puerto Rican container business also grew more than 10% over 2016.
- JAXPORT handled almost 700,000 vehicles in 2017, which will maintain its position as one of the busiest vehicle handling ports in the United States.
- JAXPORT is set to begin construction of 100 acres on Dames Point Terminal, which will increase the vehicle handling capacity by 25%.
- JAXPORT's board of directors approved the start of the Jacksonville Harbor Deepening project, allocating the first phase of port funding to the U.S. Army Corps of Engineers for construction that is scheduled to start in early 2018 and will take the river to a 47-foot depth.



USMX PORT ASSOCIATION MEMBERS

SOUTHEAST FLORIDA EMPLOYERS PORT ASSOCIATION

PORTS OF SOUTHEAST FLORIDA

Southeast Florida Employers Port Association
Chuck Maravolo, Secretary/Treasurer

ABOUT THE SOUTHEAST FLORIDA EMPLOYERS PORT ASSOCIATION (SEFEPA)

The mission of SEFEPA is to establish and carry out programs to promote and maintain good relationships between its management members and labor in the Southeast Florida Ports of Miami, Port Everglades and Port Canaveral.

PORT OF MIAMI (PortMiami)

PortMiami continues to register container growth by servicing larger vessels carrying larger cargo volumes. The port's ongoing capital improvement programs address the needs of the trade industry and allow the port to remain firmly positioned as a leading Global Gateway for international freight.

- PortMiami supports more than 220,000 direct jobs in Miami-Dade County and the surrounding areas.
- User-related and indirect jobs springboard PortMiami's total employment impact to more than 320,000 jobs.
- The total value of economic impact created by cargo containers moving via PortMiami throughout the State of Florida is \$34 billion dollars.
- Total economic activity from all of PortMiami's cargo and cruise operations is more than \$41 billion dollars annually.



MARINE CARGO TERMINAL ROADWAY ACCESS

PortMiami has relocated the primary access road leading to the truck gates for Terminal Link and POMTOC. The total cost for the roadway project was approximately \$16.6 million dollars. The project scope included roadway realignment, new paving, utility work, and the removal and installation of new drainage equipment.

CARGO TERMINAL GATE RELOCATION AND YARD CONSOLIDATION

PortMiami will complete electrical upgrades and infrastructure improvements within 14 acres of its marine cargo terminal, and to convert the terminal from a manual top-pick yard operation to a more efficient and environmentally-friendly e-RTG operation. This project will afford the cargo terminal more operational efficiencies and improved infrastructure, including new paving, grading, and drainage.

USMX PORT ASSOCIATION MEMBERS

NEW CRANES, CRANE RAIL REPLACEMENT AND REPAIR

PortMiami has begun the procurement process to purchase three new super Post-Panamax gantry cranes, with future contract provisions to purchase two additional cranes. In preparation for the arrival of the new cranes, the Port continues to replace and repair approximately 5,000 linear feet of gantry rails along the cargo wharf.

PORTMIAMI CRUISE TERMINALS A & B

Terminal A: Currently under construction, Royal Caribbean's new 170,000 square-foot passenger terminal is a \$247 million public-private partnership nicknamed the "Crown of Miami," because of its unique shape—the design evokes the points of a crown when viewed from the water, and the "M" of Miami is visible when viewed from the east or west.

Terminal B: This new passenger terminal will accommodate Norwegian Cruise Line's 5,000-passenger vessels homeporting at PortMiami. The 166,000 square-foot terminal will have a smooth exterior finish like the surface of a pearl.



PORT EVERGLADES

- Currently at the forefront of the Port's award-winning 20-Year Master/Vision Plan are efforts to deepen and widen the Port's navigational channels, major expansion of the Southport container terminal complex, extension of cruise ship berthing and modernizing of cruise terminals.
- The Port Everglades Navigation Improvements Project, which gained the go-ahead from U.S. Congress in late 2016, moved forward in 2017 in conjunction with the U.S. Army Corps of Engineers.
- The federal government is funding \$198.8 million of the channel project's \$389.2 million cost, with the Port and State of Florida underwriting the rest.
- The first portion of the channel project entails reconfiguring of the U.S. Coast Guard Station Fort Lauderdale, which will allow for widening of channel in that area, allowing larger ships to pass each other as they move to and from cargo and cruise berths.
- Design is estimated to be completed by spring 2018 with construction to be finished in mid-2021.
- Simultaneously, improvements to the outer entrance channel, inner entrance channel and main turning basin to a 48-foot depth (plus 2 feet of overdraft) from the channel's present project depth of 42 feet are scheduled to be completed by fall of 2024.
- Separately, the Port is continuing to progress with its \$424 million Southport Turning Notch Extension project—the largest cargo-related expansion in Port Everglades' nearly 90-year history—eyeing completion by 2021.
 - By lengthening the quay area to 2,400 feet from its present 900 feet, up to five new berths will be created; as many as six new super-post-Panamax cranes are to be added; and the seven existing gantries at Southport will be upgraded to a 65-ton lift capacity.

PORT CANAVERAL

Port Canaveral is looking for the Canaveral Port Authority's approval to move forward in 2018 with plans for a new multi-purpose berth on the Port's north side to be constructed with heavy-lift capacity of 2,000 pounds-per-square-foot in handle aerospace cargo and other heavy modules.

The proposed land- and water-side investment will create new North Cargo Berth 8 (NCB8), to provide the infrastructure and flexibility needed to meet an increased demand for diversified cargo handling capabilities at the Port. NCB8's 900-foot seawall and planned 100-foot pier extension will be capable of handling an 850-foot ship, and the berth will be dredged to a 35-foot depth.

USMX PORT ASSOCIATION MEMBERS

MIDGULF ASSOCIATION OF STEVEDORES



PORT OF NEW ORLEANS

Midgulf Association of Stevedores
Nick Jumonville, President

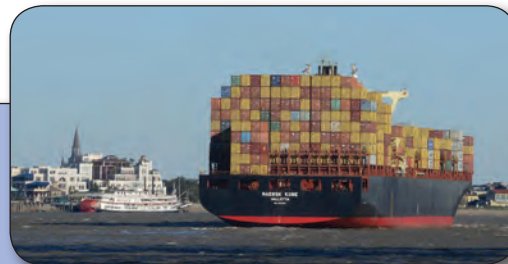


ABOUT MIDGULF ASSOCIATION OF STEVEDORES

Midgulf Association of Stevedores (MAS) is a non-profit association incorporated under the laws of the state of Louisiana, with the mission of serving and assisting consenting member companies engaged in stevedoring and terminal operations in matters relating to labor contracts, labor controversies, employee training and recruitment, and representing them in negotiations with unions representing longshoremen or other employment ashore. The Association operates and maintains a 361-day common hiring and training facility for use by its members. In addition, the Association represents member employers on pension, welfare, vacation, holiday, and royalty funds, national and local safety matters, and master contract negotiations.

PORT STATISTICS

- The Port of NOLA ranks number one for rubber imports in 2016 when compared to Atlantic and Gulf ports in the U.S.
- There is 3.1 million in square feet of covered space available for the temporary storage of breakbulk cargo at Port NOLA.
- The Port enjoyed a 65.06% increase of non-ferrous metals imported at Port NOLA from 2015 to 2016.
- The percentage of Port NOLA cargo-related revenue generated by imported steel in 2016 was 35%.
- 3.7 million tons of general breakbulk cargo were imported in 2016.
- 147,265 tons of general breakbulk cargo were exported in 2016.
- 2.4 million tons of steel were imported through the Port of NOLA.
- ILA manhours decreased by 2% from CY 2016 to 2017.



THE CITY & PORT OF NEW ORLEANS: A HISTORICAL CONNECTION

The City of New Orleans grew up 300 years ago around the vital commerce along the Mississippi riverfront location, and the city and the Port continue today to co-exist as a cultural center and a gateway for global commerce — and our connections still run deep:

- We are connected to global markets as a vital link in the supply chain
- We are connected to the economy as a job creator and revenue generator
- We are connected to the community as a neighbor and resource for more than 120 years

A Self-Sustaining State Agency

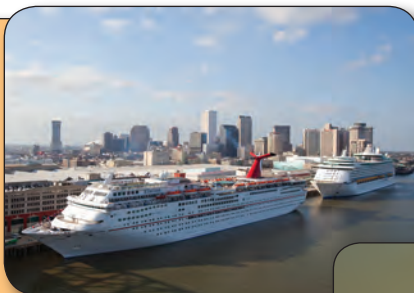
The Port of New Orleans is a public agency with the state mandate of maximizing trade and commerce.

- The Port of NOLA generates its own revenues as a multipurpose, landlord port:
 - Cargo 69%
 - Cruise 21%
 - Real Estate 10%
- Self-generated revenue is reinvested in port infrastructure, with no taxes collected.
- The Port is governed by a board made up of seven unsalaried commissioners, each of whom serve a 5-year term.
 - Commissioners are appointed by the Governor of Louisiana from a list of nominees by 19 local business, civic labor, education and maritime groups from the Port's three-parish (county) jurisdiction.
 - Four commissioners are from Orleans Parish
 - Two commissioners are from Jefferson Parish
 - One commissioner is from St. Bernard Parish

Cruising from NOLA

For three years in a row, the Port of New Orleans has hit record cruise numbers, surpassing 1 million annual passenger embarkations.

- Newer and larger ocean cruise ships are home-porting in New Orleans to service this increased demand to cruise from NOLA.
- In 2018 Royal Caribbean Cruise Line will return to New Orleans, joining Carnival and Norwegian Cruise Lines, with regular itineraries from the Port of NOLA.
- The Port also services 22,500 (or 2% of total Port NOLA cruise business) river cruise passengers annually.
 - Vessels providing river cruises from NOLA are The American Queen, Queen Of The Mississippi, American Duchess and The America.
- The Port of NOLA cruise activity generates \$2 million in economic impact per homeported call.
 - The Port of NOLA is the sixth-largest U.S. cruise port, supporting 8,320 jobs and posting direct industry expenditures of \$432 million per year.
 - Additionally, 80% of cruise passengers are out of state, 60% of tourists spend two nights in NOLA, and there are 112,000 hotel room nights purchased annually.



Port Economics in the NOLA Region

Port-related industries generate one in five jobs in Louisiana.

- The average salary paid by companies on Port NOLA property is \$63,000/year, 37% higher than local average salary.
- Port NOLA spent over \$1.3 million on purchases from women-owned businesses in FY 2016.
- Port NOLA spent over \$2.1 million on purchases from minority-owned businesses in FY 2016.

Diverse Business Lines

The Port is home to a wide variety of land uses and operations, which include cargo, breakbulk, containers, heavy-lift and refrigerated cargo, with cruise and real estate rounding out the business model in the Port of New Orleans.

Port of NOLA Properties

As a landlord port, the properties include a diverse portfolio of sites, with operations on 25 miles of waterfront and 60 tenants.

Gateway to Global Markets

The Port of NOLA is a unique location at the Gulf of Mexico on the Mississippi River with premium connections to and from the American heartland and it is what truly sets the Port of NOLA apart.

- Global markets include Asia, Mexico, Central America, Oceania, South America, Caribbean, Africa, Middle East, Mediterranean, and Northern Europe.

Best in Class-1 Rail Connectivity

The Port of NOLA is the only U.S. seaport with connectivity to all 6 major railroads.

- Major inland markets are directly accessible through the NOLA rail network and state-of-the-art intermodal yard, offering even greater efficiency

Inland Waterway Connectivity

The Mississippi River System grants us access into the nation's heartland via 14,500 miles of waterway via barges.

Port of NOLA's Top Cargo

- Imports include steel, coffee, furniture, natural rubber, forest products, and non-ferrous metals.
- Exports include chemicals, frozen poultry, paper and pulp.
- The volume of commodities moved annually at the Port translates to these everyday items:
 - 660 million chicken pot pies
 - 1.65 million steel-bodied cars
 - 24.3 billion plastic credit cards
 - 145 million rubber tires
 - 20 billion cups of coffee

USMX PORT ASSOCIATION MEMBERS



WEST GULF MARITIME ASSOCIATION

PORTS OF THE WEST GULF

West Gulf Maritime Association
Shareen Larmond, President

ABOUT THE WEST GULF MARITIME ASSOCIATION

The West Gulf Maritime Association celebrates 50 years as a regional maritime trade group covering the West Gulf from Lake Charles, Louisiana to Brownsville, Texas. Members include almost every segment of the maritime industry, namely steamship owners, vessel operators, agents, stevedores, and terminal companies.

WGMA MEMBER SERVICES

Labor Relations

WGMA labor relations promote peaceful and harmonious relations between employers and employees by establishing wage and working conditions that are fair and just to both. The Association and the ILA have trained for negotiations using Federal Mediation and Conciliation Service (FMCS) and interest-based bargaining methods.

REGIONAL FACTS

- West Gulf ports generate \$368.7 billion in economic activity.
- West Gulf ports handle more than 565 million tons of foreign and domestic cargo — approximately 22% of all U.S. port tonnage.
- West Gulf ports handle over 1.8 million containers.
- Seven West Gulf ports rank in the top 50 of all U.S. ports in terms of annual tonnage, according to the U.S. Army Corps of Engineers, including Houston (2nd), Beaumont (5th), Corpus Christi (6th), Lake Charles (12th), Texas City (15th), Port Arthur (20th), and Freeport (33rd).



USMX PORT ASSOCIATION MEMBERS

WGMA MEMBER SERVICES (cont'd.)

Payroll

The Association processes all ILA payroll on behalf of stevedores in the West Gulf. This enables detailed record keeping for the industry. Thirty employers process payroll through the WGMA, paying ILA workers who work on virtually every type of cargo. Labor is dispatched by over 20 locals. A worker may work for multiple stevedores, rates of pay, or locals in one week, but receive one paycheck with appropriate taxes and fees deducted. Workers now also receive information regarding individual gross pay and hours through a mobile app. Workers are also able to track MILA hours through the app. This year, employers and locals will soon be able to utilize WGMA's online reporting system to obtain and customize data to suit their needs.

Dispatch

The Association utilizes an automated dispatch system, allowing the stevedores to place labor orders electronically, simplify the dispatch process for the locals, and allow workers to receive job notifications by text, email, or phone.

Training

The Association also coordinates training of the ILA Workers. WGMA has implemented an online training program allowing workers access to hazmat training and tests 24 hours a day with immediate feedback. The Association will soon implement crane simulation as part of its training program. The Association maintains a real time tracking system that updates the training status of all ILA workers. The status is posted on the WGMA website allowing locals, workers, and stevedores access to the certification status of each worker. Workers are also able to view their certifications through the app.



Communication and Advocacy

WGMA provides daily industry updates to its members, monthly or bi-monthly membership meetings in multiple ports, and frequently interacts with governmental and regulatory agencies, including Coast Guard and Customs and Border Protection to advance the interests of industry. The Association also coordinates legislative advocacy

trips to Austin, Baton Rouge, and Washington D.C., advocating on issues important to industry such as Longshore Act reform and the 29-day rule. Additionally, it publishes a weekly legislative update for its members.

Litigation and Administrative Matters

On behalf of stevedores, the Association responds to Equal Employment Opportunity Commission and National Labor Relations Board charges, responds to unemployment claims, and represents stevedores in litigation arising out of the employment of workers under the multiemployer collective bargaining agreements.



SHIPPING INDUSTRY MUTUAL ASSURANCE ASSOCIATION LIMITED (SIMAS)

PURPOSE

The Shipping Industry Mutual Assurance Association Limited (SIMAS) was created in 1981 by special act of the Legislature of Bermuda to provide insurance coverage to the maritime industry that was unavailable in the commercial marketplace. This Financial Injury Coverage indemnifies USMX and its carrier members for the legal costs incurred as a result of the implementation and enforcement of the USMX-ILA Master Contract or any other labor contract negotiated by USMX. The insurance covers court actions and adjudicatory proceedings before maritime or labor-related agencies, third-party claims against the insureds, arbitrations, strikes, and work stoppages.

COVERAGES

SIMAS also provides excess Directors' and Officers' (D&O) coverage to USMX's Directors and Officers. SIMAS is governed by a board of directors chosen from among USMX's Board of Directors and staff and is administered locally by Marsh Management Services (Bermuda) Limited. SIMAS's premiums are evaluated annually by its actuary and are funded through an assessment paid by USMX carrier members.

In addition to the Financial Injury Coverage for USMX carrier members and the D&O coverage for USMX's Directors and Officers, SIMAS also provides excess Fiduciary Liability Coverage to the Management Trustees of the Management-ILA (MILA) Managed Health Care Trust Fund. The 2005 civil RICO action that is still pending in the United States District Court for the Eastern District of New York is the subject of a claim under this coverage.

During 2017, USMX carrier members were able to avail themselves of coverage through SIMAS for the following legal matters:

- Representation of a USMX carrier member before the National Labor Relations Board in connection with an unfair labor practice charge filed against the carrier by the ILA, and
- Prosecution of a federal district court action in Baltimore to enforce an Arbitration Award against ILA Local 333.



*The organising committee of
the Bermuda Captive Conference is delighted to induct*

**Shipping Industry Mutual
Assurance Association Limited**

into

Bermuda's Captive Hall of Fame

*in recognition for their commitment to
Bermuda as a captive domicile as of 2015 for*

34 Years

T. E. Mc Mahon
Chairman, Bermuda Captive Conference
June 9th, 2015



2017 REPORT OF COUNSEL

THE LAMBOS FIRM, LLP

The attorneys of The Lambos Firm, LLP, are pictured front row, left to right: Ann Marie Flynn, Esq., Carol Notias Lambos, Esq. Back row, left to right: Ian A. Weinberger, Esq., William M. Spelman, Esq., Donato Caruso, Esq., Richard J. Ciampi, Jr., Esq., and James R. Campbell, Esq.



MASTER CONTRACT ISSUES

International Longshore & Warehouse Union v. National Labor Relations Board, Nos. 15-1344 and 15-1428 (D.C. Cir. Oct. 2, 2015)

There is a secondary-boycott case under review by the Court of Appeals for the District of Columbia Circuit that may affect the parties to the USMX-ILA Master Contract. The case stems from a jurisdictional dispute between two West Coast unions, the International Longshore & Warehouse Union (ILWU) and the International Brotherhood of Electrical Workers (IBEW) over the performance of “reefer” work (that is, the plugging, unplugging, and monitoring of refrigerated shipping containers) at a marine terminal in Portland, Oregon. The IBEW has performed the reefer work since 1974. The ILWU claimed the work after a new employer took over the terminal and joined the Pacific Maritime Association (PMA).

The ILWU filed grievances over the issue and engaged in repeated slowdowns and work stoppages against the employer and the carriers whose ships called at the terminal. The employer filed unfair labor practice charges with the National Labor Relations Board (NLRB), which found that the IBEW-represented members properly performed the reefer work and that the actions of the ILWU and its locals in Portland constituted secondary-boycott activities in violation of the Labor Management Relations Act. The labor strife caused service at the terminal to deteriorate to such an extent that the carriers ceased calling at the terminal altogether.

In November 2017, the District of Columbia Circuit Court of Appeals denied the ILWU’s petition for review and affirmed and enforced the NLRB’s finding of unlawful secondary boycott activity because the terminal owner, not the PMA employer, had the right to control the assignment of the work in dispute. The ILWU’s petition for rehearing en banc was before the Court of Appeals at year-end.

USMX v. ILA LOCAL 333 (Baltimore Strike/Enforcement Action)

In July 2014, USMX commenced a joint action with the Steamship Trade Association of Baltimore in the federal district court in Maryland to confirm the \$3.9 million Arbitration Award issued on January 24, 2014 by Arbitrator M. David Vaughn and to obtain a judgment against ILA Local 333 in Baltimore for the full amount of the Award.

After the Port of Baltimore reached agreement on its local contract in March 2015, USMX agreed to stay execution of the Arbitration Award as long as Baltimore did not violate the no-strike clause in the Master Contract through September 30, 2018. Several dissident ILA Local 333 members then filed suit to invalidate the local-contract-ratification vote. That civil action was dismissed in October 2015 and appealed to the Court of Appeals for the Fourth Circuit in November 2015.

In May 2017, the Court of Appeals affirmed the dismissal of all claims except one and remanded the matter to the district court, where it remained under review at year-end. The district court action to confirm the \$3.9 million Arbitration Award has been stayed since 2016, pending resolution of the local-contract-ratification vote. However, that matter may not be concluded before September 30, 2018, at which time all the conditions for not enforcing the Arbitration Award against Local 333 will have been satisfied.

International Longshoremen's Association, AFL-CIO v. Mediterranean Shipping Company (USA), Inc., NLRB Case No. 22-CA-187354

In October 2016, the ILA filed an unfair labor practice charge with the NLRB against USMX member Mediterranean Shipping Company (USA), Inc. (MSC), alleging that MSC had violated the National Labor Relations Act by failing to include provisions required by the Master Contract in the contracts of sale or transfer of its chassis. In April 2017, the NLRB confirmed the withdrawal of the charge after MSC amended its chassis-purchase agreement and furnished documents requested by the ILA.

USMX-ILA Jurisdiction Committee: Jurisdiction Issues in New Orleans

In June 2017, the Jurisdiction Committee held hearings in New Orleans to address the ILA's claims that employers were not using ILA longshore employees to perform ILA work. After the hearings, the Committee issued six (6) awards reaffirming the work to be performed by ILA longshore employees in the Port of New Orleans at the inbound and outbound gates, at the gatehouse, in the container yard, and at computers located on the terminal.

In late December 2017, the ILA requested that the Jurisdiction Committee address alleged ongoing violations of the Committee's awards. The request was under review by the Committee at year-end.

2017 FEDERAL JUDICIAL, LEGISLATIVE, AND REGULATORY ACTIVITY**UNITED STATES CITIZENSHIP AND IMMIGRATION SERVICES (USCIS)**

In July 2017, USCIS issued a revised Form I-9, which must be used on and after September 18, 2017, for verification of new hires and re-verification of current employees. Failure to complete a Form I-9 within three (3) business days after the start date of employment can result in the imposition of substantial penalties. An employer must maintain a completed Form I-9 for every employee on its payroll and for terminated employees during the required retention period (three years from the date of hire or one year from the date of termination, whichever is later).

FEDERAL MARITIME COMMISSION (FMC)**Demurrage, Detention, and Per Diem Charges**

In late December 2016, the Coalition for Fair Port Practices petitioned the FMC to initiate a rulemaking proceeding to clarify what constitutes "just and reasonable rules and practices" with respect to the assessment of demurrage, detention, and per diem charges by ocean common carriers and marine terminal operators.

Carriers, terminal operators, and their representatives filed comments in opposition to the petition in February 2017 and argued that they should not be placed in the role of insurance brokers and bear all of the costs of port delays, such as adverse weather events, labor disruptions, and delayed government inspections of containers.

In September 2017, the FMC scheduled a public hearing to address the demurrage and detention issue to be held at the FMC in early 2018. Representatives of trade and shipper associations, importers and exporters, customs brokers, freight forwarders, logistics companies, trucking and drayage companies, ocean carriers, port authorities, and terminal operators were scheduled to attend.

Port Authority of New York and New Jersey: Cargo-Facility Charge

In May 2017, the Port Authority of New York and New Jersey (PA-NYNJ) and the Ocean Carrier Equipment Management Association filed an agreement with the FMC that allows them to discuss, collect, and exchange information and to reach agreement on matters involving

2017 REPORT OF COUNSEL

the PANYNJ's "cargo-facility charge." The agreement became effective on June 25, 2017. The cargo-facility charge was implemented in 2011 to help pay for infrastructure improvements in the Port of New York and New Jersey. The agreement allows the parties to discuss alternative means to bill and to collect the fee in accordance with the requirements of the Shipping Act of 1984.

Modification of FMC Agreement-Filing-Review Process

In September 2017, the FMC streamlined its forty-five day agreement-filing-review process to allow more time for review of agreements filed by ocean carriers and marine-terminal operators. The FMC eliminated the "sequential" review process, whereby agreements moved through various bureaus, and will instead hold staff meetings, after agreements are published in the Federal Register, to allow the FMC staff to make recommendations on the agreements to the commissioners two weeks before the end of the forty-five day review period.

NATIONAL LABOR RELATIONS BOARD (NLRB)

Definition of "Joint Employer"

In August 2015, the NLRB significantly expanded the definition of a "joint employer" to include employers who have minimal or only indirect control through an intermediary over the working conditions of employees or who merely reserve the right to exercise such control. *Browning-Ferris Industries of California, Inc.*, 362 N.L.R.B. No. 186 (2015). Under this revised standard two or more entities could be found to be joint employers of a single work force, if they share or co-determine those matters governing the essential terms and conditions of the employees' employment, such as hiring, firing, discipline, supervision, direction of work or hours, and wages.

In late 2017, the full five-member NLRB overruled its 2015 *Browning-Ferris* decision and returned to the principles governing joint-employer status that existed prior to that ruling, that is, a showing of direct and immediate control over the terms and conditions of individuals' employment is required to support a finding that multiple entities are joint employers. The Board later reversed itself because one of the three Board members voting to overrule *Browning-Ferris* should have recused himself from participating in the decision, since his former law firm represented one of the two employers in *Browning-Ferris*. The August 2015 NLRB *Browning-Ferris* decision was back in effect at year-end.

The NLRB also issued a series of other rulings reversing decisions that had been issued by the Board under the prior administration. In addition to reinstating the longstanding prior joint-employer standard, the Board took action with respect to issues concerning:

- duty to bargain (no bargaining obligation attaches to unilateral actions by an employer that are consistent with past practice),
- deferral of unfair labor practice charges to the parties' contractual grievance procedure (the Board reinstated the policy that had been in effect prior to 2012, which holds charges in abeyance to encourage parties to engage in their collectively-bargained dispute-resolution procedure),
- employer handbook rules and workplace policies (the nature and extent of a challenged rule on the exercise of rights guaranteed under the *National Labor Relations Act* should be balanced with the legitimate justifications associated with the rule),
- scope of bargaining units (the Board reinstated the traditional "community of interest" test for use in determining the appropriate bargaining unit in representation cases), and
- settlement proposals (partial settlements are proper, despite objections by the NLRB's General Counsel and the Charging Party).

OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION (OSHA)

Improved Tracking of Workplace Injuries and Illnesses

In May 2016, OSHA published a Final Rule that permits it to obtain and to release to the public incident-specific information regarding workplace injuries and illnesses. After several extensions, the Rule took effect in late 2017 and requires a company with 250 or more employees in the previous calendar year to transmit electronically the injury-and-illness data that it had maintained on OSHA Forms 300, 300A, and 301. Companies with between 20 and 249 employees in industries with high illness-and-injury rates must transmit the same data from OSHA Form 300A electronically. This data will be posted on a public website with personally-identifiable information excluded. The OSHA website contains a thorough explanation of the reporting obligations at www.osha.gov.

PENSION BENEFIT GUARANTY CORPORATION (PBGC)

In late 2017, the PBGC's September 30, 2017 Fiscal Year Annual Report advised that its multiemployer-insurance program had a deficit of \$65.1 billion, compared with \$58.8 billion at last fiscal year-end. The larger deficit is due to the ongoing financial decline of several large multiemployer plans that are expected to run out of money within the next ten years. In FY 2017, the PBGC paid \$141 million in financial assistance to seventy-two insolvent multiemployer pension plans, compared with \$113 million paid to sixty-five plans in FY 2016. The PBGC estimates that it will run out of money by 2025.

PORT SECURITY/TRANSPORTATION WORKER IDENTIFICATION CREDENTIAL (TWIC)**TWIC-Reader Rule**

The Final TWIC-Reader Rule that was published on August 23, 2016, requires higher-risk vessels and facilities regulated by the *Maritime Transportation Security Act of 2002* (Risk Group A) to conduct electronic TWIC inspections for access to secure areas or to board vessels. Risk Group A includes vessels or facilities that carry or handle "Certain Dangerous Cargo (CDC)" in bulk or facilities that receive vessels carrying more than 1,000 passengers. Approximately 525 facilities have been designated as being in Risk Group A. Container terminals are in Group B, which is exempt from the Rule.

On May 15, 2017, three industry associations representing entities that transport and store chemicals, petroleum and petroleum products, and other bulk liquids filed a petition for rulemaking with the United States Coast Guard seeking modification of the August 23, 2016 TWIC-Reader Rule (Docket No. USCG-2017-0447). The petition requests that the Rule be amended to conform its coverage of facilities that handle CDCs in bulk to those portions of facilities where the transfer to or from a vessel of CDCs in bulk occurs or is capable of occurring.

The petition estimates that the number of facilities now required to conduct electronic verification of TWICs and to install TWIC readers or modify their physical-access-control systems has quadrupled under the Final Rule. The petition seeks to restore the scope of the requirement to verify TWICs electronically to the facilities and operations that

were originally outlined in the proposed rule. The petition also seeks to extend the compliance date of the Final Rule for CDC facilities until two (2) years after issuance of a Final Revised Rule.

Enrollment

At year-end there were 4.655 million TWIC enrollments since inception in 2007 with 2.204 million active TWIC cards in use. The OneVisit Enrollment Program, which was implemented in June 2014 to streamline the TWIC-enrollment process and to eliminate the need for a second visit to an enrollment center to pick up an issued TWIC, has been a success. At year-end there were 1.205 million OneVisit enrollments, which constituted 73% of all enrollments.

ABOUT THE FIRM

The Lambos Firm, LLP, is a full-service law firm concentrating in the areas of labor and employment, ERISA, administrative, business, and insurance law. The Firm's clients span a broad spectrum of industries and include: maritime entities; employer associations; foreign and domestic insurers; transportation companies; manufacturing concerns; healthcare organizations; real estate developers, and contractors involved in market rate, affordable, and supportive housing.

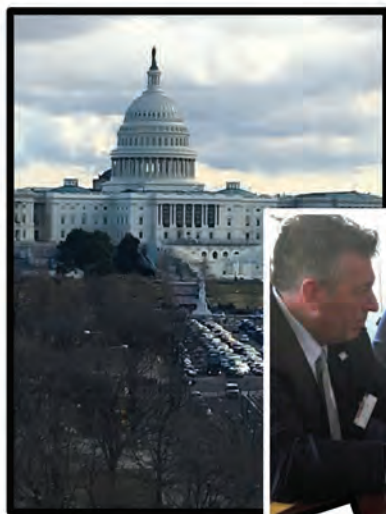
The Firm has close ties to the maritime community that are manifested through active participation in longstanding maritime associations and support of charitable causes important to the industry. Our attorneys are dedicated and fully committed to serve the interests of the maritime community.

INDUSTRY HAPPENINGS





INDUSTRY HAPPENINGS



**THREE CATEGORY 4 HURRICANES MAKE U.S. LANDFALL IN 2017--
MARITIME INDUSTRY RESPONDS WITH AID TO AREAS MOST AFFECTED**





CCC SERVICE CORPORATION

2017 SERVICES UPDATE

CCC Service Corp. (CCCSC), as a division of USMX, completed another successful year in 2017, providing essential services for USMX and its various Master Contract trust funds in the following areas of responsibility:

Member Assessments Reporting

- Administration of reporting and payment of USMX member Master Contract assessments
- In conjunction with the Container Royalty Central Collection Fund (CRCCF), CCCSC has successfully transitioned all major carriers over to the new CRCCF reporting system
 - Reduced receivables from 38 days to 33 days which was achieved by the centralized collection process

Service Agreements

- CCCSC has Service Agreements with Management-ILA Managed Healthcare (MILA) Trust Fund; Carrier-ILA Container Freight Station (CFS) Trust Fund; Carrier-ILA Container Royalty (CR4) Trust Fund; Carrier-ILA Container Royalty #5 (CR5) Fund; Container Royalty Central Collection Fund (CRCCF); Shipping Industry Mutual Assurance Association Limited (SIMAS); and New York Shipping Association Port of Discovery (NYSAPD) Program.



CCCSC STAFF Front row, left to right: Mary Ann Decha, Diane Trapp, Kelly Ryan, Eva Bata, Emma Roginskaya. Back row, left to right: Richard Glogowski, Joseph Marino, Nigel Jenkins, Anthony Dalonges, Naum Samardin, Daniel Melvin, Andrew Heo.

- CCCSC is responsible for payroll services, general accounting and financial reporting for USMX, CCCSC, CRCCF, CFS, CR5 and CRF
 - CCCSC continues to increase headcount productivity (zero headcount growth over 7 years) while increasing tonnage by nearly 37% over the same time period
 - Managed USMX/CCCSC finances to meet or exceed budget guidelines, while being able to maintain the USMX assessment at \$.04 per ton since 1/1/16

Information Technology Services

- CCCSC also provides IT administrative services to USMX, CRCCF and CCCSC
 - On January 1, 2017 the IT group successfully migrated to a more efficient system platform, improving speed and data security at lessor cost
 - Updates to the CFS module were implemented to allow ease of use and problem resolution
 - As of December 31, 2017, all but one terminal has completed the NYSA POD redistribution project

Personnel

- On January 1, 2018, Mrs. Mary Ann Decha, Executive Assistant, will retire from CCCSC after 21.5 years of service in the maritime industry
 - Ms. Kelly Ann Ryan (also of CCCSC) will take over Mrs. Decha's duties as Executive Assistant

HISTORY OF CCC SERVICE CORPORATION

CCC Service Corporation (CCCSC) was incorporated in the State of Delaware on April 3, 2002, as a for-profit stock corporation, for the purposes of providing accounting, administrative and information technology service to membership and port associations in the maritime and related industries. CCCSC commenced operations on July 1, 2002.

In 2002, United States Maritime Alliance, Ltd. (USMX) and New York Shipping Association, Inc. (NYSA), related parties, invested in an ownership interest of CCCSC, split 60% and 40%, respectively. On June 25, 2009, USMX acquired all of NYSA's common shares of CCCSC, taking 100% ownership of it.

In early 2011, CCCSC applied for tax-exempt status, and, effective, May 3, 2011, received its tax exemption from the Internal Revenue Service, thereby qualifying as an organization under Section 501 (c)(6), and not subject to federal or state income tax.



Thomas J. Simmers
Executive Vice President



David F. Adam
Chairman & Chief Executive Officer



Anissa Frucci
Vice President



F. Paul De Maria
Vice President, Labor Relations



Thomas P. Sullivan
Director, Labor Relations



Beth Monica
Corp. Secretary/Director, Communications



Anthony J. Dalonges
Corp. Treasurer/CCCSC President



Kim F. Perez
Executive Assistant



Roberta L. Beasley
South Atlantic District Contract Administrator



Candace Love
South Atlantic District Secretary

ACKNOWLEDGMENTS

THANK YOU FROM USMX

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