

**INTERNATIONAL
LONGSHORE &
WAREHOUSE UNION**
AFL-CIO



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ROBERT McELLRATH
President

JOSEPH R. RADISICH
Vice President

WESLEY FURTADO
Vice President

WILLIAM E. ADAMS
Secretary-Treasurer

July 1, 2008

James C. McKenna
President & CEO
Pacific Maritime Association
555 Market Street, 3rd Floor
San Francisco, CA 94105

LETTER OF UNDERSTANDING
Special Grievance Machinery – M&R Registered Mechanics

Mr. McKenna:

During the course of the 2008 PCL&CA negotiations, the Parties agreed to modify the July 1, 1993 Arian/Coday Letter of Understanding as follows:

Minor Offenses -- Absence from job such as late starts, early quits, extended relief periods, extended meal hours, failure to show, failure to follow orders or to work as directed, minor insubordination, falsification of work orders or written documents, and any other infraction of a minor nature:

- | | |
|-------------------------|--|
| 1 st Offense | Letter of reprimand with copy to LRC and individual employee |
| 2 nd Offense | 1 or 2 days off w/o pay |
| 3 rd Offense | 1 to 3 days off w/o pay |
| 4 th Offense | 4 weeks off w/o pay |
| 5 th Offense | Deregistration |

In determining minor offense penalties, neither the Parties nor the arbitrators shall consider offenses that predate two years or more of the date of a current offense.

Sincerely,

Robert McEllrath
International President

Understanding confirmed:

James C. McKenna
President & CEO
Pacific Maritime Association

Dated: 7 - 28 - 08



Pacific Maritime Association
Headquarters

July 1, 2008

Mr. Robert McEllrath, President
International Longshore and Warehouse Union
1188 Franklin Street, 4th Floor
San Francisco, CA 94109

Letter of Understanding
New Terminal Facilities

Dear Mr. McEllrath:

During the course of the 2008 PCL&CA negotiations, the Parties had extensive discussion about future industry growth. The Employers sought assurance that the Parties will be able, in advance, to resolve disputes connected to the opening of new terminal facilities. The Union restated its support of the investment and construction of new terminal facilities and development of technologies.

This Letter of Understanding commits both parties to proactively discuss intended new terminal facilities, pursuant to the provisions of Section 15 of the PCLCD to avoid and/or resolve disputes.

The Parties further agree that steady and hall registered ILWU mechanics shall be entitled, at such mechanics' request, for interport transfer to new mechanic positions for the opening of new marine terminals. Notice of steady mechanic positions shall be posted in all longshore dispatch halls coastwise at least sixty (60) days in advance. Upon acceptance of the hiring employer, interport transfer shall be subject to approval of the involved JPLRC's in accordance with the established transfer provisions of Supplement I of the PCL&CA.

Sincerely,

James E. McKenna
President and CEO

Understanding confirmed:

Robert McEllrath, President
International Longshore and Warehouse Union

Dated:

July 28th, 2008

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LETTER OF UNDERSTANDING
Intraport Transfer of Mechanics

Mr. McKenna:

During the course of the 2008 PCL&CA negotiations, the Parties agreed to modify the Herman/Flynn January 17, 1980 Letter of Understanding regarding Sections 1.7 and 1.71 – Registration to provide that registered mechanics, upon completion of seven (7) years steady employment with one employer, are entitled, at the mechanic's request and without the approval of his/her current employer, to seek and obtain steady mechanic employment with another PMA company at the same port area.

Intraport transfer shall be limited to 10% of an individual employer's mechanic workforce, and shall never exceed 10% of said employer's crane mechanic workforce, in one year unless otherwise agreed to by the employer. If an employer has a workforce of less than ten (10), such transfers shall be limited to one (1) unless otherwise agreed to by the employer.

The mechanic electing to transfer under this provision shall provide the Employer he/she is leaving with 30 days notice.

A mechanic shall only be eligible to transfer once within each 24-month period, after the seven (7) year requirement has been fulfilled.

Sincerely,

Robert McEllrath
International President

Understanding confirmed:

James C. McKenna
President & CEO
Pacific Maritime Association

Dated: 7-28-08

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San Francisco, CA 94105

LETTER OF UNDERSTANDING
M&R Work "Contract Stevedores" and Bulk Facilities

Mr. McKenna:

During the course of the 2008 PCL&CA negotiations, the Parties discussed and agreed that Section 1.7, 1.71, 1.72, 1.73, and 1.731 shall cover work performed by PMA member companies functioning as "contract stevedores" and PMA member companies operating bulk facilities. "Contract stevedore" is a company performing stevedore work with its own or leased equipment at non-CY terminals where it is not the owner or the lessee.

It was agreed that such companies are entitled to waiver of Section 1.7 and associated subsections in keeping with an Employer's past practice in a port where such work was performed by non-longshore employees of said employer or by said employer's subcontractor pursuant to a past practice that was followed as of July 1, 1978.

With respect to bulk facilities, the exception shall apply only to existing facilities.

Sincerely,

Robert McEllrath
International President

Understanding confirmed:

James C. McKenna
President & CEO
Pacific Maritime Association

Dated: 7-28-08

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Pacific Maritime Association
Headquarters



July 1, 2008

Mr. Robert McEllrath, President
International Longshore and Warehouse Union
1188 Franklin Street, 4th Floor
San Francisco, CA 94109


Letter of Understanding
California Crane Operations

Dear Mr. McEllrath:

During the course of 2008 Contract negotiations, the Parties discussed the utilization of an additional swingman under each crane against container operations in the Ports of Los Angeles and Long Beach, as well as the utilization of a dock signal person in the Ports of Oakland/San Francisco against each crane on container operations. Furthermore, during the discussions, the Parties recognized the potential of new technologies and robotics that may necessarily displace the swingmen in LA/LB and the dock signal person in Oakland/San Francisco.


The Employers agreed to order an additional swingman (totaling four) against each crane on container vessel operations in LA/LB and a dock signal person against each crane on container vessel operations in Oakland/San Francisco.

Sincerely,



James C. McKenna
President and CEO

Understanding confirmed:



Robert McEllrath, President
International Longshore and Warehouse Union

Dated: July 28th, 2008



Pacific Maritime Association Headquarters

July 1, 2008

Mr. Robert McEllrath, President
International Longshore and Warehouse Union
1188 Franklin Street, 4th Floor
San Francisco, CA 94109

Letter of Understanding
Local 40A Berth Agent Registration Agreement

Dear Mr. McEllrath:

During the course of the 2008 negotiations, the Parties discussed the Union's request to grant limited Class B registration to ILWU Local 40A individuals who perform berth agent duties. Notwithstanding prior CLRC agreements covering registration, and due to the unique aspects of the work, the Committee agreed the five (5) ILWU Local 40A Berth Agents employed by Ports America Group (PAG) in the Ports of Portland and Vancouver shall be granted limited Class B registration no later than November 1, 2008, subject to the following:

1. Successful completion of the industry physical examination shall be required.
2. A satisfactory history of employment as a limited Class B registrant for six (6) months shall be required prior to eligibility for advancement to Class A status.
3. The limited Class B registration shall be limited to the particular job for which the individual had been steadily employed prior to his or her registration status for a period of no less than seven (7) years.
4. The registered individual shall continue to be restricted to their particular job beyond the seven (7) year period should there be no qualified replacements for that position.
5. The registered individual shall have years of service for ILWU-PMA Pension Plan purposes limited to the period of time for which contributions at the established rate have been made in the regular manner into the ILWU-PMA Pension Plan for hours of work performed by the person in the particular job added or as a registered clerk.

Any contributions resulting from their pre-registration collective bargaining agreement that are collected and reserved for ILWU-PMA Pension Plan purposes, pending action of the parties, shall be considered in conformance with Section 5 above. Furthermore, such a person's eligibility for any other ILWU-PMA plan benefits shall be on the basis of hours worked in

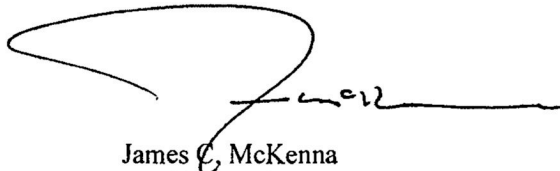
Mr. Robert McEllrath, President
Letter of Understanding – Local 40A Berth Agent Registration Agreement
July 1, 2008
Page 2 of 2

registered employment, unless the parties shall agree to an alternative in a particular case. The registered individuals shall, upon limited Class B registration, receive immediate HMO coverage in accordance with the terms of the ILWU-PMA Welfare Plan.

In the event the Employer's operational needs dictate a reduction in staff (i.e., due to lay-off), the released individual(s) shall be granted full dispatch hall rights as a marine clerk but shall be required to accept call backs as a berth agent for seven (7) years to meet the needs of the employer.


It is further agreed that this specific registration agreement shall be limited to those listed individuals and shall not be used as a precedent in future cases between the Parties. The specific tasks and functions performed by the listed individuals shall not set a precedent expanding Section 1 jurisdiction under the PCCCD except at Terminal 6, Port of Portland, and Port of Vancouver (excluding bulk facilities and auto facilities).

Sincerely,



James C. McKenna
President and CEO

Understanding confirmed:


Robert McEllrath, President
International Longshore and Warehouse Union

Dated: July 28th, 2008

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[Handwritten mark]

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Secretary-Treasurer

July 28, 2008

James C. McKenna
President & CEO
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San Francisco, CA 94105

LETTER OF UNDERSTANDING
Amnesty

Mr. McKenna:

This confirms the Employers' agreement that there will be no discipline, grievances or legal claims (and any pending claims will be withdrawn) against the Union or any individual longshore worker for any acts of alleged misconduct related to the negotiations, the "May Day" dispute, the S.F. foremen upgrade dispute, and any other misconduct that may have occurred between July 1 and July 28, 2008.

Sincerely,

Robert McEllrath
International President
Understanding confirmed:

James C. McKenna
President & CEO
Pacific Maritime Association

Dated: July 28th, 2008



Pacific Maritime Association
Headquarters



July 1, 2008

Mr. Robert McEllrath, President
International Longshore and Warehouse Union
1188 Franklin Street, 4th Floor
San Francisco, CA 94109

Letter of Understanding
Marine Diesel-Cleaner Burning Fuels

Dear Mr. McEllrath:

During the course of the 2008 Negotiations, the Parties agreed that the airborne emissions from vessels could be reduced significantly with cleaner burning fuels required through the implementation of an International Maritime Organization (IMO) Sulfur Emissions Control Area (SECA) on the West Coast of the United States. The Parties agreed to send a joint letter to the Environmental Protection Agency (EPA) and the Governors of the three West Coast States endorsing the rapid adoption of the SECA to protect waterfront workers and citizens of the surrounding areas from vessel emissions.

Sincerely,

James C. McKenna
President and CEO

Understanding confirmed:

Robert McEllrath, President
International Longshore and Warehouse Union

Dated:

July 28th 2008