

ASA-ILA Agreement, and for no other purpose. The second dollar of the LASH Royalty shall be used for fringe benefit purposes only, other than supplemental cash benefits, which are to be determined locally on a port by port basis. NYSA, CONASA and the Carriers agree that the payment of LASH royalties as provided in their agreements is of the essence to this agreement and, if for any reason during the term of this agreement such payments cannot be made in their present form, then NYSA, CONASA and the Carriers shall provide, by some other form of assessment for the payment of equivalent amounts to be used for the same purposes as said LASH royalty is presently used.

(f) All consolidated barge loads will be loaded or discharged at the pier by employees employed under this agreement out of the barge in which the cargo arrived at the pier. All consolidated cargo for barges shall be received and delivered at the piers by ILA deepsea labor.

(g) *Renegotiation and Cancellation — No Arbitration*

This Agreement shall be in effect for the term of the NYSA and ILA and CONASA-ILA agreements, provided however, that either party shall have the right to cancel this agreement at any time on or after October 1, 1977, on sixty (60) day written notice of a desire to renegotiate the provisions of this Agreement. Negotiations shall be held during such thirty (30) day period and if the parties are unable to agree by the end of such period this agreement shall be deemed cancelled. Thereafter,

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the ILA shall have the right to refuse to handle LASH and SEABEE ships and barges and CONASA shall have the right to refuse to hire employees under this agreement. The negotiations referred to above shall under no condition be subject to the grievance or arbitration provisions of any NYSA-ILA or CONASA-ILA agreement.

* * * * *

III. JSP AGREEMENT

AGREEMENT made the 18th day of November, 1977 by and between

INTERNATIONAL LONGSHOREMEN'S ASSOCIATION, AFL-CIO, its ATLANTIC COAST DISTRICT ("ACD"), its SOUTH ATLANTIC & GULF DISTRICT ("SAGD") and its affiliated deepsea local unions in each port from Maine to Texas (all collectively "ILA")

and

THE UNDERSIGNED CARRIERS who operate ships in North Atlantic, South Atlantic and Gulf Ports and utilize or contract for ILA labor to perform longshore and related work in connection with the deepsea longshore operation of such ships (herein "CARRIERS").

1. (a) RECOGNITION

ILA recognizes and has bargained with said CARRIERS and the CARRIERS recognize and have bargained with the ILA as Collective Bargaining agent on the issue of Job Security of employees re-

presented by ILA and employed in various ports from Maine to Texas where such employees are employed to load and unload the Carriers' ships and to perform work ancillary thereto.

(b) PURPOSE OF JOB SECURITY PROGRAM:

The new Job Security Program (JSP) concept is to be undertaken by the Carriers, in order to protect and preserve the job security of employees represented by the ILA in each of the ports listed in Appendix A and to protect the local port plans described in Paragraph 2 hereof from shortfalls which may take place after October 1, 1977.

2. LOCAL PORT PLANS PROTECTED BY JOB SECURITY PROGRAM:

JSP is intended to protect shortfalls, as defined in Paragraph 5, in any of the following local port plans:

- i. Guaranteed Annual Income Plans (GAI)
- ii. Pension Plans
- iii. Welfare Plans (hospitalization and medical plans)

3. EMPLOYEES PROTECTED:

JSP will protect employees presently employed in each of the local Ports and, who as a result of local negotiations are eligible under local port plans as of October 1, 1977, and/or each succeeding October 1st of each contract year.

4. LIABILITY FOR SHORTFALLS:

The liability for shortfall provided for in this JSP agreement is to be undertaken by the Carriers

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in accordance with the assessment method set forth in Appendix B. The Carriers shall place into effect a tonnage assessment calculated in accordance with the method set forth in Appendix B, within ninety (90) days after ratification of this agreement, in an amount considered by them necessary to meet the needs of JSP during the next six month period. After such six-month period, the level of assessment shall be reviewed by the Carriers on a quarterly basis, and shall be increased, decreased, or suspended depending upon experience. The above assessments shall be collected, as necessary, from the Carriers by the administrative agency created by the Carriers which shall pay out the shortfall payments required by this agreement.

5. SHORTFALL CRITERIA:

A shortfall means a deficit in contributions in any of the three local port plans described in Paragraph 2 above and which meets each of the following criteria:

- (a) A shortfall must occur after October 1, 1977;
- (b) A shortfall must result from a loss of manhours (or tonnage, if assessments are on a tonnage basis) and not be caused by strike.

6. LOCAL PORT PLANS SUBJECT TO INDIVIDUAL PORT NEGOTIATION:

Each of the local port associations shall individually negotiate and establish with the local ILA representative in such ports in the traditional manner the provisions of the local port plans in such

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ports to be effective as of October 1, 1977 and for the remaining term of the various agreements with the ILA pertaining to such ports.

7. INDIVIDUAL PORTS TO FUND, ASSESS AND ADMINISTER LOCAL PORT PLANS:

The funding of the local port plans shall be based upon actuarially and/or statistically sound principles resulting in a fair and equitable assessment in each local port either on an hourly or on a tonnage basis, or on both, as determined by each local port association, which assessments shall be based upon statistically sound principles intended to create sufficient revenue over the life of the collective bargaining agreements to support such plans in each local port. Such assessments shall be reviewed annually by each local port association for the purpose of adjusting contributions in GAI, Pension and Welfare provided by the collective bargaining agreement and so as to continue to provide for actuarially and/or statistically sound plans. A shortfall in manhours or tonnage which is anticipated to continue shall not be included in such adjusted contributions. The said local port plans shall be controlled as provided in the local port collective bargaining agreements. The distribution of benefits from the said plans shall be made by the local port association and/or the trustees in each local port as in the traditional manner. JSP shall be furnished with such information by each local port association, which becomes a subscriber of said JSP, as may be necessary to establish compliance with the provisions of this program by each local port association.

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8. ADMINISTRATION OF THE JOB SECURITY PROGRAM:

JSP shall be administered by the Carriers as they in their own discretion determine. The expenses of the job security program shall be paid by the Carriers. On request, ILA, the subscribing port associations, or jointly administered funds, will be furnished with all pertinent information relating to the amount of assessment collected and the disbursement of such JSP assessment.

9. SIGNATORIES:

Each Carrier, private or governmental which utilizes or contracts for employees covered by this agreement shall be required to execute this agreement and to furnish any undertaking required for faithful performance of the requirements of this agreement, provided, however, that no Carrier shall be required to furnish such an undertaking to any local port association unless such association subscribes to this agreement and agrees to be bound by its terms and conditions. If any Carrier does not subscribe to the JSP Agreement, the ILA shall have the right not to work on the loading and discharging of its ships or any work ancillary thereto.

10. TERM:

This Agreement shall remain in effect for the period October 1, 1977 to and including September 30, 1980.

IN WITNESS WHEREOF the undersigned Carriers and the ILA have affixed their signatures the day and year first above written:

INTERNATIONAL LONGSHOREMEN'S ASSOCIATION, AFL-CIO

by: THOMAS W. GLEASON, President

APPENDIX "A" TO ANNEX B III

LIST OF PORT ILA EMPLOYEES COVERED BY
JOB SECURITY PROGRAM

1. Boston, Massachusetts
2. New York
3. Providence, Rhode Island
4. Port of Philadelphia, Pennsylvania (including Wilmington, Delaware and Camden, New Jersey)
5. Baltimore, Maryland
6. Hampton Roads, Norfolk, Virginia
7. Wilmington, North Carolina
8. Moorehead City, North Carolina
9. Southport, North Carolina
10. Charleston, South Carolina
11. Georgetown, South Carolina
12. Savannah, Georgia
13. Brunswick, Georgia
14. Jacksonville, Florida
15. Miami, Florida and vicinity
16. Port St. Joe, Florida
17. Port Everglades, Florida
18. Tampa, Florida
19. Gulfport, Mississippi
20. Mobile, Alabama
21. New Orleans, Louisiana
22. Baton Rouge, Louisiana

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23. Lake Charles, Louisiana
24. Beaumont, Texas
25. Brownsville, Texas
26. Corpus Christi, Texas
27. Galveston, Texas
28. Harbor Island, Texas
29. Houston, Texas
30. Orange, Texas
31. Freeport, Texas
32. Port Arthur, Texas
33. Port Lavaca, Texas
34. Texas City, Texas

APPENDIX "B" to ANNEX B III

JSP TONNAGE ASSESSMENT

In order to meet the obligations arising under the collectively bargained Job Security Program (JSP) entered into by and between the CARRIERS and the International Longshoremen's Association, AFL-CIO, its Atlantic Coast District (ACD), its South Atlantic and Gulf District (SAGD) and its affiliated deepsea local unions in each port from Maine to Texas (all collectively "ILA"), for shortfalls in contributions to Guaranteed Annual Income (GAI) plans, Pension plans and Welfare plans (hospitalization and medical plans), as well as administrative expenses of operating said program, the following tonnage assessment method for the three (3) year period ending September 30, 1980 is hereby agreed to as an integral part of said collectively bargained JSP Program.

1. TONNAGE ASSESSMENT

(a) Each vessel carrier (both private and governmental) shall be responsible for an assessment amount per ton on each ton of cargo loaded or discharged in the ports listed in Appendix "A" of the JSP Program, during the period December 1, 1977 to September 30, 1980 in accordance with the assessment method set forth below.

(b) Effective December 1, 1977, and to continue until March 31, 1978, a tonnage assessment on each weight ton of 2,240 lbs. shall be assessed on the following cargo in the following amounts:

- i. Automated cargo 20¢ per ton
- ii. Break-bulk cargo 12¢ per ton
- iii. Bulk Cargo 2¢ per ton

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(c) On or about April 1, 1978 and on a quarterly basis thereafter, the Carriers shall estimate the total obligations for shortfall incurred to date from all sources including information supplied by the local Port Associations and shall either increase, decrease, adjust or suspend such assessment, depending upon experience. Each such assessment shall be in the same proportion as the initial assessment set forth above, namely break-bulk tonnage shall pay 60% of the rate paid by automated tonnage and bulk tonnage shall pay 10% of the rate paid by automated tonnage.

(d) Such tonnage assessment amounts shall be collected as necessary from the Carriers by the administrative agency (to be known as the JSP Agency) created by the Carriers which shall pay out the shortfall payments required by this Agreement. The local Port Associations will supply to the JSP Agency, on a timely basis, such statistical information necessary to generate invoices and to cooperate with the JSP Agency in connection therewith. The JSP Agency shall hold such amounts in interest-bearing accounts or in appropriate investment accounts and shall pay out such amounts only for obligations under the JSP Program and the expenses of administration thereof.

2. DEFINITIONS

"Automated Cargo" means any cargo carried by an automated method of cargo movement such as container, Ro-Ro, LASH, SEABEE, or any other cargo movement method having a productivity equal

to or greater than any of the foregoing, other than non-containerized break-bulk cargo.

"Break-bulk Cargo" shall mean cargo loaded or discharged in the traditional manner on conventional lift-on/lift-off ships and shall include cargo in containers or LASH or SEABEE barges which is handled in a break-bulk manner by employees covered by this Agreement.

"Bulk Cargo" shall mean ship loads, or partial ship loads of 1,000 tons or over, of commodities not subject to load or count such as grain, fertilizers, chemicals, scrap metals, waste materials or sugar.

3. JSP AGENCY

The Carriers signatory to the JSP Program shall create the JSP Agency, which shall have a governing board and may employ administrative employees, as well as consultants, actuaries, accountants, attorneys and such other persons as may be needed to fully implement the JSP Program. The Governing board shall be chosen in a manner to be set forth in either Articles of Incorporation, Articles of Association, and/or By-Laws of said body. Said documents shall provide for the management of the JSP Program and shall, also, provide for the power of the governing body to do all things that a Board of Directors of a corporation may do under the provisions of the Not-for-Profit Corporation Law of the State of New York, including but not limited to the borrowings of such funds as may be necessary to meet the obligations of the JSP Program.

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4. AMENDMENTS

This Appendix "B" may be amended at any time by the mutual consent of the Carriers and ILA. The Carriers shall provide for the making of a study within the first year of the contract term which study will examine into the assessment rates, tonnage definitions and any and all other matters which may be referred for study by the Carriers. Such study shall be utilized as a basis for any mutual amendments which the parties may agree to. The determination as to any amendments shall not be subject to arbitration.



REG. U. S. PATENT OFFICE

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OFFICE OF

THOMAS W. GLEASON, President

17 BATTERY PLACE, NEW YORK, N. Y. 10004

SUITE 1530

Telephone: 425-1150

International Longshoremen's Association

Affiliated with AFL CIO and Canadian Labour Congress

A MESSAGE FROM THE PRESIDENT

Dear Sir and Brother:

Our Union has completed a new three-year contract that provides unmatched improvements in hourly wages and fringe benefits for our deepsea workers. The negotiations were long and difficult. Unfortunately, we were forced to take job action to achieve the goals that we had set for ourselves in the contract talks with the employers. The results proved the wisdom of the efforts of your officers and of the sacrifices of our members.

The wage increases over the 3-year contract are the largest ever negotiated in the history of the ILA. They put longshore workers in the top level of pay for employees in any industry in the United States. In addition, the fringe benefits, such as pensions, welfare, holidays and GAI among others, have also been improved or increased in many ports.

Noteworthy as these gains are, the most significant accomplishment of the ILA Wage Scale Negotiating Committee was the development of an entirely new concept in protection of the fringe benefits that is both unique and unprecedented in labor-management relations in our country.

This new development is known as the Job Security Program, which is identified by the letters: JSP.

The main issue in the negotiations that led to the new contract and the JSP was job security and preservation of longshoremen's work. This became our prime demand when the National Labor Relations Board and the courts erroneously ruled against provisions in our agreements, earlier found to be void, that were designed to assure longshoremen of their traditional work in handling the stuffing and stripping of containers **on the piers**.

The legal battle to retain these rights is still going on and the union leadership is hopeful that we will achieve final victory. However, because of the uncertainty caused by the NLRB and the court decisions and the time that will pass until the issue is finally settled, it was necessary to find a new system of protection for ILA workers. This has been achieved by the JSP, which guarantees the monies necessary to pay for GAI, pension, welfare and medical-clinic programs in all ILA ports from Maine to Texas.

To help each of our members to better understand and appreciate what JSP means to him and his dependents, and to the membership as a whole, I am enclosing for your reading a brief summary of its structure and operations so you can know what it does and how the members are protected.

Therefore, in this summary, we have attempted to explain all aspects of the JSP and answer questions about its structure and operation.

Fraternally,

THOMAS W. GLEASON, President

1. What is JSP?

JSP is the new Job Security Program negotiated between ocean carriers and the International Longshoremen's Association, AFL-CIO, to insure the fringe benefits of longshore employees in various ports from Maine to Texas. It obligates the ocean carriers to directly and actively protect and preserve the GAI, Pension and Welfare benefits of employees represented by the ILA in each of the ports where the plan applies.

2. What fringe benefits are covered?

JSP insures the benefits negotiated locally in each of the ports under the Guaranteed Annual Income Plans (GAI), pension plans and welfare plans, including hospitalization and medical programs.

3. Which ILA members are covered?

JSP will protect all ILA workers employed in each of the local ports and who are eligible for the above-stated fringe benefits under local port Agreements and Plans as of October 1, 1977 and/or as of October 1 of each succeeding contract year.

4. Are local port employer associations in the JSP?

No. JSP obligor-participants consist only of the vessel carriers who operate their vessels in ports from Maine to Texas.

5. Must local port employers subscribe to JSP coverage?

Yes. Under their contracts with ILA, all local port association must accept JSP coverage. Although local benefits are negotiated by each local port association and ILA, the JSP is part of the contract since it provides the guarantee for the local funds.

6. Do individual ocean carriers sign the JSP agreement?

Yes. All carriers operating ships in Atlantic and Gulf Coast ports must sign the JSP contract negotiated with ILA.

7. What happens if a carrier refuses to accept JSP?

Under each contract ILA locals have with their employer associations, ILA shall have the right not to work on the loading and discharging of the ships of such a carrier or do any work in connection with the handling of its ships.

8. What is the method of funding and administering local port plans?

The funding is based on statistically sound principles as determined by each local port association. The method must be fair and equitable and intended to create sufficient revenues over the life of the contract to furnish the benefits negotiated with ILA. Administration of local port plans is performed locally as agreed to with ILA and its affiliates.

9. What happens if a "shortfall" in monies to fund the local plans should occur?

The JSP automatically goes into effect in the event of a shortfall by providing sufficient funds to pay the local benefits negotiated by employers and ILA and its affiliates.

10. What are conditions for a shortfall?

A shortfall means a deficit in contributions to any of the local port plans covering GAI, pensions and welfare. The shortfall must occur after October 1, 1977. It must result from a loss of manhours; or of tonnage, if local assessments are on a tonnage basis.

11. Which ports are covered?

A total of 34 ports are covered by the JSP. They consist of:

Boston	Tampa
New York	Gulfport
Providence	Mobile
Philadelphia	New Orleans
Baltimore	Baton Rouge
Hampton Roads	Lake Charles
Wilmington	Beaumont
Morehead City	Brownsville
Southport	Corpus Christi
Charleston	Galveston
Georgetown	Harbor Island
Savannah	Houston
Brunswick	Orange
Jacksonville	Freeport
Miami	Port Arthur
Port St. Joe	Port Lavaca
Port Everglades	Texas City

12. How does JSP work?

Under the plan, the ocean carriers have established a tonnage assessment system affecting all companies operating ships in ports from Maine to Texas. Funds collected in this manner will be held in reserve to be used to sustain the financial integrity and stability of the GAI, pension and welfare plans in each of the ports. In the event of a shortfall, the JSP shall make payments to maintain benefits negotiated by ILA and local port employers.

13. How is the JSP administered?

The plan will be administered by the ocean carriers through a separate, new employer organization. The new carrier organization is known as JSP Agency, Inc.

14. What cargo is assessed and what are the rates?

Effective December 1, 1977 and continuing until March 31, 1978, a tonnage assessment on each weight-ton of 2,240 pounds will be applied to three classifications of cargo. They are automated cargo at 20 cents per ton; breakbulk cargo at 12 cents per ton; and bulk cargo at 2 cents per ton.

15. Will the assessment change?

Experience will determine what assessment levels will apply in the future. On or about April 1, 1978, and on a quarterly basis thereafter, the ocean carriers are required to estimate the total obligation for any shortfall incurred to date and they will increase, decrease, adjust or suspend such assessment, depending upon the actual experience from time to time.

16. What is the definition of the cargo classifications?

"Automated" means any cargo carried by an automated method of cargo movement, such as container, RO/RO, LASH or SEABEE.

"Break-bulk" means cargo loaded or discharged in the traditional manner or conventional lift-on/lift-off ships. This shall include cargo in containers or LASH or SEABEE barges which is handled in a break-bulk manner.

"Bulk" cargo refers to ship loads or partial ship loads of 1,000 tons, or over, of commodities such as grain, fertilizers, chemicals, scrap metals, waste materials or ore.

17. What is the term of the JSP Agreement with the ILA?

It runs for three years concurrent with local and master agreements negotiated by ILA and various employer organizations. Specifically, the term of the JSP contract is October 1, 1977 through September 30, 1980.

18. Does the union have a voice in amending JSP assessments?

Yes. The current method of assessment may be amended at any time by mutual consent of ILA and the ocean carriers.

19. What will be the basis for such amendments?

Under the JSP agreement, the carriers are required to make a study within the first year of the contract to examine assessment rates, tonnage definitions and any and all other related matters which may be referred for study by the carriers. Such a study shall be utilized as a basis for any mutual amendments which the parties will agree to.

20. Does any other union contract have such protection?

No. This is the first and only contract involving a major industry and multi-employer negotiations to guarantee employee fringe benefits.

21. How important is JSP to the future of ILA members?

This is probably the most important single step ever taken by ILA on behalf of its members to insure that the benefits they have negotiated will be provided when they are eligible to receive them. In effect, it is an umbrella to shield them from the adversities of drop-offs in cargo (tonnage) in their respective ports which would affect the liquidity of - and payments due from - their vital fringe benefit funds. These go hand-in-hand with their wages and other considerations for their work and devotion to the industry.