UNITED STATES MARITIME ALLIANCE, LTD.

April 12, 2005

Clyde Fitzgerald, President
International Longshoremen's Association, AFL-CIO
South Atlantic and Gulf Coast District
1827 The Strand
Galveston, TX 77550

Re: South Atlantic Vacation and Holiday Benefits

Dear Clyde:

On behalf of the United States Maritime Alliance, Ltd. and its carrier members, I want to take this opportunity to set forth the terms of our agreement with respect to the South Atlantic vacation and holiday benefits during the six (6) year term of the new Master Contract that takes effect on October 1, 2004. This agreement will apply to vacation and holiday benefits that are payable in December of each year beginning in 2005 and ending in 2010.

The terms of our agreement are as follows:

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

   a. All funds presently used for vacation and holiday benefits, including the tonnage assessment, manhour assessment, and all of the 1993 Dollars paid in the Ports of Wilmington, NC, Charleston, Savannah, Jacksonville and Tampa shall continue to be paid to the South Atlantic District Escrow Fund ("SADEF") to fund vacation and holiday benefits.

   b. In addition to the funding described in subparagraph (a) above, an amount equal to one-half (½) of the forty (40%) percent of the Container Royalties in excess of the benchmarks designated for local fund use for the Ports of Wilmington, NC, Charleston, Savannah, Jacksonville, and Tampa, as defined in paragraph 10 of the Master Contract Memorandum of Settlement, dated June 28, 2004 (Section E: Container Royalty Cap) will be used to pay vacation and holiday benefits.

   c. After making all of the payments described in subparagraphs (a) and (b) above, the balance required to fund the vacation and holiday benefits (which cannot exceed $21 per hour) shall be paid by the carriers who are signatories to the Master Contract and operate in the ports described in subparagraphs (a) and (b) above, in whatever fashion they deem appropriate.

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

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

If the above reflects our agreement, please sign and date this letter and return it to me at your convenience.

Sincerely yours,
UNITED STATES MARITIME ALLIANCE, LTD.

James A. Capo

James A. Capo, Chairman/CEO

JAC/bm

Agreed: **Date:**

Clyde Fitzgerald 4/27/05

Clyde Fitzgerald
President
International Longshoremen's Association, AFL-CIO
South Atlantic & Gulf Coast District

UNITED STATES MARITIME ALLIANCE, LTD.

April 6, 2005

Clyde Fitzgerald, President
International Longshoremen's Association, AFL-CIO
South Atlantic and Gulf Coast District
1827 The Strand
Galveston, TX 77550

Re: West Gulf Vacation and Holiday Benefits

Dear Clyde:

On behalf of the United States Maritime Alliance, Ltd. and its carrier members, I want to take this opportunity to set forth the terms of our agreement with respect to the West Gulf supplemental wage in lieu of vacation and holiday benefits during the six (6) year term of the new Master Contract which takes effect on October 1, 2004. This agreement will apply to V&H benefits which are payable in December of each year beginning in 2005 and ending in 2010.

The terms of our agreement are as follows:

1. The total cost of supplemental wage in lieu of V&H benefits to be funded each year during the 6-year term of this agreement shall not be greater than the total amount paid by carriers to the Management-ILA Managed Health Care Trust Fund for the contract year ending September 30, 2003, on tons handled in the ports of Houston, Galveston, Freeport, Texas City, Corpus Christi, Brownsville, Beaumont, Orange, Port Arthur and Lake Charles (hereinafter "West Gulf Ports"). Tonnage for contract year ending September 30, 2003, was 9.3 million tons, so that the total cost of supplemental wage in lieu of V&H benefits to be funded each year during the term of this 6-year agreement shall be $9.3 million.
2. The $9.3 million of supplemental wage in lieu of V&H benefits shall be funded each year as follows:
   a. In order to fund paragraph (2) above, an amount equal to one-half (½) of the forty (40%) percent of the Container Royalties in excess of the benchmark designated for local fund use for the West Gulf Ports, as defined in paragraph 10 of the Master Contract Memorandum of Settlement, dated June 28, 2004, (Section E: Container Royalty Cap) will be used to pay supplemental wage in lieu of V&H benefits.

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b. After making all of the payments described in subparagraph (2a) above, the balance required to be funded shall be paid by the carriers who are signatories to the Master Contract in whatever fashion they deem appropriate.

3. Any deficit caused by a work interruption or work stoppage engaged in by the ILA shall not be made up by the carriers who are signatories to the Master Contract.

If the above reflects our agreement, please sign and date the enclosed copy of this letter and return it to me at your convenience.

Sincerely yours,
UNITED STATES MARITIME ALLIANCE, LTD.

James A. Capo
James A. Capo
Chairman/CEO

Agreed: **Date:**

Clyde Fitzgerald 4/27/05

Clyde Fitzgerald
President
International Longshoremen's Association, AFL-CIO
South Atlantic and Gulf Coast District