

July 1, 2008

**ILWU/PMA PACIFIC COAST LONGSHORE AND CLERKS' AGREEMENT**

**MEMORANDUM OF UNDERSTANDING**

between

**PACIFIC MARITIME ASSOCIATION**  
(For the Employers)

and

**INTERNATIONAL LONGSHORE AND  
WAREHOUSE UNION**  
(For and on behalf of itself and each of its longshore locals and clerk locals  
in California, Oregon and Washington)

This Memorandum of Understanding provides the terms and conditions for a new Collective Bargaining Agreement, herein "Agreement," between the Parties effective July 1, 2008. Except where an effective date is specifically stated, all terms and conditions will become effective immediately following ratification by both Parties. The Pacific Coast Longshore and Clerks' Agreement is hereby re-executed to continue in effect until the ratification process is completed and thereafter, if ratified by the Parties, except as amended by the terms and conditions contained herein.

**I. Wages**

	<i>From</i>	<i>Increase</i>	<i>To</i>
Effective 8:00 a.m., June 28, 2008	\$30.68	\$0.50	\$31.18
Effective 8:00 a.m., July 4, 2009	\$31.18	\$0.50	\$31.68
Effective 8:00 a.m., July 3, 2010	\$31.68	\$1.00	\$32.68
Effective 8:00 a.m., July 2, 2011	\$32.68	\$1.00	\$33.68
Effective 8:00 a.m., June 30, 2012	\$33.68	\$1.00	\$34.68
Effective 8:00 a.m., June 29, 2013	\$34.68	\$1.00	\$35.68

Effective 8:00 a.m., June 28, 2008

	<i>From</i>	<i>Increase</i>	<i>To</i>
Basic Longshore	\$30.68	\$0.50	\$31.18
Skill I	\$33.08	\$0.50	\$33.58
Skill II	\$35.35	\$0.50	\$35.85
Skill III	\$36.48	\$0.50	\$36.98
Basic Clerk	\$30.68	\$0.50	\$31.18
Clerk Supervisor	\$33.08	\$0.50	\$33.58
Kitchen/Tower/Computer Clerk	\$35.35	\$0.50	\$35.85
Chief Supervisor & Supercargo	\$36.48	\$0.50	\$36.98

Effective 8:00 a.m., July 4, 2009

	<i>From</i>	<i>Increase</i>	<i>To</i>
Basic Longshore	\$31.18	\$0.50	\$31.68
Skill I	\$33.58	\$0.50	\$34.08
Skill II	\$35.85	\$0.50	\$36.35
Skill III	\$36.98	\$0.50	\$37.48
Basic Clerk	\$31.18	\$0.50	\$31.68
Clerk Supervisor	\$33.58	\$0.50	\$34.08
Kitchen/Tower/Computer Clerk	\$35.85	\$0.50	\$36.35
Chief Supervisor & Supercargo	\$36.98	\$0.50	\$37.48

Effective 8:00 a.m., July 3, 2010

	<i>From</i>	<i>Increase</i>	<i>To</i>
Basic Longshore	\$31.68	\$1.00	\$32.68
Skill I	\$34.08	\$1.00	\$35.08
Skill II	\$36.35	\$1.00	\$37.35
Skill III	\$37.48	\$1.00	\$38.48
Basic Clerk	\$31.68	\$1.00	\$32.68
Clerk Supervisor	\$34.08	\$1.00	\$35.08
Kitchen/Tower/Computer Clerk	\$36.35	\$1.00	\$37.35
Chief Supervisor & Supercargo	\$37.48	\$1.00	\$38.48

Effective 8:00 a.m., July 2, 2011

	<i>From</i>	<i>Increase</i>	<i>To</i>
Basic Longshore	\$32.68	\$1.00	\$33.68
Skill I	\$35.08	\$1.00	\$36.08
Skill II	\$37.35	\$1.00	\$38.35
Skill III	\$38.48	\$1.00	\$39.48
Basic Clerk	\$32.68	\$1.00	\$33.68
Clerk Supervisor	\$35.08	\$1.00	\$36.08
Kitchen/Tower/Computer Clerk	\$37.35	\$1.00	\$38.35
Chief Supervisor & Supercargo	\$38.48	\$1.00	\$39.48

Effective 8:00 a.m., June 30, 2012

	<i>From</i>	<i>Increase</i>	<i>To</i>
Basic Longshore	\$33.68	\$1.00	\$34.68
Skill I	\$36.08	\$1.00	\$37.08
Skill II	\$38.35	\$1.00	\$39.35
Skill III	\$39.48	\$1.00	\$40.48
Basic Clerk	\$33.68	\$1.00	\$34.68
Clerk Supervisor	\$36.08	\$1.00	\$37.08
Kitchen/Tower/Computer Clerk	\$38.35	\$1.00	\$39.35
Chief Supervisor & Supercargo	\$39.48	\$1.00	\$40.48

Effective 8:00 a.m., June 29, 2013

	<i>From</i>	<i>Increase</i>	<i>To</i>
Basic Longshore	\$34.68	\$1.00	\$35.68
Skill I	\$37.08	\$1.00	\$38.08
Skill II	\$39.35	\$1.00	\$40.35
Skill III	\$40.48	\$1.00	\$41.48
Basic Clerk	\$34.68	\$1.00	\$35.68
Clerk Supervisor	\$37.08	\$1.00	\$38.08
Kitchen/Tower/Computer Clerk	\$39.35	\$1.00	\$40.35
Chief Supervisor & Supercargo	\$40.48	\$1.00	\$41.48

<i>Work Experience Group</i>	<i>Straight-Time Hourly Rate Effective:</i>		
	6/28/2008	7/4/2009	7/3/2010
0 through 1,000 hours	\$22.47	\$22.83	\$23.55
1,001 through 2,000 hours	\$23.47	\$23.83	\$24.55
2,001 through 4,000 hours	\$25.47	\$25.83	\$26.55
4,001 or more hours	Basic S/T	Basic S/T	Basic S/T

<i>Work Experience Group</i>	<i>Straight-Time Hourly Rate Effective:</i>		
	7/2/2011	6/30/2012	6/29/2013
0 through 1,000 hours	\$24.27	\$24.99	\$25.71
1,001 through 2,000 hours	\$25.27	\$25.99	\$26.71
2,001 through 4,000 hours	\$27.27	\$27.99	\$28.71
4,001 or more hours	Basic S/T	Basic S/T	Basic S/T

**II. Pension**

Pension improvements and provisions in this Section II are subject to limitations imposed by Section 415 and any other applicable sections of the Internal Revenue Code.

**A. Actives:**

1. The pension rate for actives who retire on or after July 1, 2008 under the ILWU-PMA Pension Plan will be as follows:
  - a. Effective July 1, 2011, for those registered longshoremen and clerks retiring on or after July 1, 2008, the rate of pension credit accrual will increase from \$150 per month per year of qualifying service to \$160 per month per year of qualifying service, which will provide a maximum pension benefit of \$5,920 per month for a longshoremen or clerk with 37 or more years of qualifying service retiring at age 62 or later;
  - b. Effective July 1, 2012, for those registered longshoremen and clerks retiring on or after July 1, 2008, the rate of pension credit accrual will increase from \$160 per month per year of qualifying service to \$170 per month per year of qualifying service which will provide a maximum pension benefit of \$6,290 per month for a longshoremen or clerk with 37 or more years of qualifying service retiring at age 62 or later; and
  - c. Effective July 1, 2013, for those registered longshoremen and clerks retiring on or after July 1, 2008, the rate of pension credit accrual will increase from \$170 per month per year of qualifying service to \$180 per month per year of qualifying service which will provide a maximum pension benefit of \$6,660 per month for a longshoremen or clerk with 37 or more years of qualifying service retiring at age 62 or later.

- B. Retirees: Subject to any appropriate reduction to be made with respect to a retiree whose pension benefit is determined under 3.011 of the ILWU-PMA Pension Plan.

Effective July 1, 2008, for those longshore and clerk registrants who retired before July 1, 2008 under the ILWU-PMA Pension Plan, the retirement income under the ILWU-PMA Pension Plan shall increase as stated below.

1. For those longshore and clerk registrants who retired before July 1, 1993 under the ILWU-PMA Pension Plan, the pension rate shall be increased as follows:
  - a. Effective July 1, 2008, an additional \$3 per month per qualifying year of service recognized for pension benefits under the ILWU-PMA Pension Plan upon his retirement;
  - b. Effective July 1, 2009, an additional \$3 per month per qualifying year of service recognized for pension benefits under the ILWU-PMA Pension Plan upon his retirement; and
  - c. Effective July 1, 2010, an additional \$3 per month per qualifying year of service recognized for pension benefits under the ILWU-PMA Pension Plan upon his retirement.
2. For those longshore and clerk registrants who retired after June 30, 1993, and prior to July 1, 1999 under the ILWU-PMA Pension Plan, the pension rate shall be increased as follows:
  - a. Effective July 1, 2008, an additional \$4 per month per qualifying year of service recognized for pension benefits under the ILWU-PMA Pension Plan upon his retirement;
  - b. Effective July 1, 2009, an additional \$4 per month per qualifying year of service recognized for pension benefits under the ILWU-PMA Pension Plan upon his retirement; and
  - c. Effective July 1, 2010, an additional \$4 per month per qualifying year of service recognized for pension benefits under the ILWU-PMA Pension Plan upon his retirement.
3. For those longshore and clerk registrants who retired after June 30, 1999, and prior to July 1, 2002 under the ILWU-PMA Pension Plan, the pension rate shall be increased as follows:
  - a. Effective July 1, 2011, an additional \$2 per month per qualifying year of service recognized for pension benefits under the ILWU-PMA Pension Plan upon his retirement;

- b. Effective July 1, 2012, an additional \$2 per month per qualifying year of service recognized for pension benefits under the ILWU-PMA Pension Plan upon his retirement; and
  - c. Effective July 1, 2013, an additional \$2 per month per qualifying year of service recognized for pension benefits under the ILWU-PMA Pension Plan upon his retirement.
4. For those longshore and clerk registrants who retired after June 30, 2002, and prior to July 1, 2008 under the ILWU-PMA Pension Plan, the pension rate shall be increased as follows:
- a. Effective July 1, 2011, an additional \$1 per month per qualifying year of service recognized for pension benefits under the ILWU-PMA Pension Plan upon his retirement;
  - b. Effective July 1, 2012, an additional \$1 per month per qualifying year of service recognized for pension benefits under the ILWU-PMA Pension Plan upon his retirement; and
  - c. Effective July 1, 2013, an additional \$1 per month per qualifying year of service recognized for pension benefits under the ILWU-PMA Pension Plan upon his retirement.

Thus, pension rates will be effective as follows:

	As of 7/1/07	As of 7/1/08	As of 7/1/09	As of 7/1/10	As of 7/1/11	As of 7/1/12	As of 7/1/13
Retirees before 7/1/1993	\$80	\$83	\$86	\$89	\$89	\$89	\$89
Retirees from 93-99	\$80	\$84	\$88	\$92	\$92	\$92	\$92
Retirees from 99-02	\$100	\$100	\$100	\$100	\$102	\$104	\$106
Retirees from 02-08	\$150	\$150	\$150	\$150	\$151	\$152	\$153
Retirees from 7/1/08	\$150	\$150	\$150	\$150	\$160	\$170	\$180

**C. Limited Early Retirement Incentive Window**

- 1. Purpose — This limited early retirement incentive is designed to help registered longshoremen and marine clerks adjust to the technology improvements by enabling qualified Participants to retire early with unreduced benefits under the ILWU-PMA Pension Plan (the "Pension Plan").

2. Eligibility — The program will be offered to any registered longshoreman and marine clerk Participant who:
  - a. Submits an application for retirement under the Pension Plan (with all required documentation completed) between August 1, 2009 and January 31, 2010 or between August 1, 2012 and January 31, 2013, and thereby agrees to accept permanent deregistration; and
  - b. As of the effective date of such application, is at least 59-1/2 years old; and
  - c. As of the date of such application, has accrued at least 13 qualifying years of service under the Pension Plan.

NOTE 1: The Bridge Benefit continues to require at least 25 pension-qualifying years and is subject to the usual adjustments for retirements starting before age 62.

NOTE 2: The Social Security Supplementation Benefit (PGP Social Security Offset) is payable to those eligible upon receiving Social Security. In case of death prior to receiving the Social Security Supplementation Benefit, the Benefit will be paid to the qualified Surviving Spouse or Surviving Dependent Children per Section III.8.

3. Benefits — An eligible Participant who applies for the program will receive (subject to any limitations imposed by the Internal Revenue Code) unreduced pension benefit, i.e., his or her pension benefits will be paid without the actuarial reduction that otherwise applies to early retirement pension benefits under the ILWU-PMA Pension Plan.
- D. Surviving Spouses (including surviving spouses under QDROs) or Dependent Child Survivors who receive or commence to receive a Survivor Pension or an Early Survivor Annuity under the ILWU-PMA Pension Plan or the SWB attributable to longshoremen and clerks who retire on or after July 1, 2008 shall receive an increased pension benefit from the combined plans equal to 75% of the amount per month per qualifying year of service that would have been received by the applicable longshoreman or clerk, were he still alive. Surviving Spouses (including surviving spouses under QDROs) or Dependent Child Survivors who receive or commence to receive a Survivor Pension or an Early Survivor Annuity under the ILWU-PMA Pension Plan or the SWB attributable to deceased longshoremen and clerks who retired before July 1, 2008 shall receive a minimum pension benefit from the combined plans equal to the greater of 65% of the pension amount otherwise payable to the deceased longshoreman or clerk or the following amounts:
1. For Surviving Spouses or Dependent Child Survivors of longshore and clerk registrants who retired before July 1, 1993 under the ILWU-PMA Pension Plan:
    - a. Effective July 1, 2008, \$56.95 per month per qualifying year of service recognized for pension benefits under the ILWU-PMA Pension Plan upon the longshoreman or clerk's retirement;

- b. Effective July 1, 2009, \$58.90 per month per qualifying year of service recognized for pension benefits under the ILWU-PMA Pension Plan upon the longshoreman or clerk's retirement; and
  - c. Effective July 1, 2010, \$60.85 per month per qualifying year of service recognized for pension benefits under the ILWU-PMA Pension Plan upon the longshoreman or clerk's retirement.
2. For Surviving Spouses or Dependent Child Survivors of longshore and clerk registrants who retired on or after July 1, 1993 but before July 1, 1999 under the ILWU-PMA Pension Plan:
- a. Effective July 1, 2008, \$57.60 per month per qualifying year of service recognized for pension benefits under the ILWU-PMA Pension Plan upon the longshoreman or clerk's retirement;
  - b. Effective July 1, 2009, \$60.20 per month per qualifying year of service recognized for pension benefits under the ILWU-PMA Pension Plan upon the longshoreman or clerk's retirement; and
  - c. Effective July 1, 2010, \$62.80 per month per qualifying year of service recognized for pension benefits under the ILWU-PMA Pension Plan upon the longshoreman or clerk's retirement.
3. For Surviving Spouses or Dependent Child Survivors of longshore and clerk registrants who retired on or after July 1, 1999 but before July 1, 2008 under the ILWU-PMA Pension Plan:
- a. Effective July 1, 2008, 65% of the pension amount otherwise payable to the deceased longshoreman or clerk.

Thus, survivor rates will be effective as follows:

Survivors of:	As of 7/1/07	As of 7/1/08	As of 7/1/09	As of 7/1/10	As of 7/1/11	As of 7/1/12	As of 7/1/13
Retirees before 7/1/1993	\$55.00	\$56.95	\$58.90	\$60.85	\$60.85	\$60.85	\$60.85
Retirees from 93-99	\$55.00	\$57.60	\$60.20	\$62.80	\$62.80	\$62.80	\$62.80
Retirees from 99-02	\$55.00	\$65.00	\$65.00	\$65.00	\$66.30	\$67.60	\$68.90
Retirees from 02-08	\$82.50	\$97.50	\$97.50	\$97.50	\$98.15	\$98.80	\$99.45
Retirees from 7/1/08	\$82.50	\$112.50	\$112.50	\$112.50	\$120.00	\$127.50	\$135.00



- E. For those registered longshoremen and clerks who retire on or after July 1, 2008 and are eligible for an early retirement Social Security Bridge Benefit due to retirement on or after age 62 with 25 or more years of service, the amount of the Bridge benefit shall be increased by 25% (from \$400 / month to \$500 / month). For such registered longshoremen and clerks with 25 years of service retiring between ages 55 and 62, the reduced amount of Social Security Bridge Benefit provided under the terms of the Pension Plan shall also be increased by 25%.
- F. The Bridge Benefit shall be extended to include payment to Survivors of Actives and Pensioners with 25 qualifying years who die on or after July 1, 2008 but prior to reaching their full Social Security retirement age.
- G. Amend 2.0623 of the Pension Plan to read as follows:

“The Joint Port Labor Relations Committee or the Trustees may grant for any Payroll Year following the 1972 Payroll Year up to 200 hours for absence due to proven industrial disability and up to 200 hours for absence due to proven non-industrial disability, if such Longshoreman's name is on a Registration List in such Payroll Year and he otherwise then satisfies the requirements of paragraph 2.01, such hours to be granted at the rate of 8 hours per day of disability, illness, or injury with a maximum of 40 hours per week of disability; provided, however, when a dispute arises between a Longshoreman and the Joint Port Labor Relations Committee as to such credits, the Trustees may, in their sole, absolute, and unreviewable discretion, resolve such dispute.”
- H. For retirements on or after July 1, 2008, maximum pension benefits shall be based on 37 rather than 35 years.
- I. For purposes of determining the amount of benefits paid on or after July 1, 2008 to all participants of the ILWU-PMA Pension Plan, and only with respect to years of service earned as casual, the break in service exception for the years 1976 to present shall be eliminated and all cancelled years shall be restored.

### **III. Welfare**

The Parties agree to the value espoused by the Union and the Employers of Maintenance of Benefits. “Maintenance of Benefits” is defined by the Parties as the Employers agreeing to maintain all present benefits under the ILWU-PMA Welfare Plan for the term of the Agreement and to continue the funding of these benefits as in the past.

- 1. Welfare Plan coverage will be extended to cover annual physicals for children under age 19.
- 2. The well baby care benefit under the Welfare Plan shall be increased to \$500.
- 3. Give Non-Choice Port participants PPO Access (all non-choice plan provisions remain in place). (Guarantees regarding HMO Choice Port Criteria remain in place).

4. On or before July 1, 2008, the Joint Trustees shall instruct the Plan Consultant to issue a RFP for third party administrative management of the Coastwise Claims Office (“CCO”) to replace Cigna. The new management shall commence as soon as practicable, but not later than July 1, 2009.
5. On or before January 1, 2010, the Joint Trustees shall instruct the Plan Consultant to conduct and/or supervise a study of the feasibility of moving from third party to in-house administration of the CCO. The study shall be completed on or before July 1, 2010.
6. On or before January 1, 2010, the Joint Trustees shall instruct the Plan Consultant to conduct and/or supervise a study of the CCO operation and make recommendations on consolidating vendors, if practicable, in the CCO operation. The study shall be completed on or before July 1, 2010.
7. Optometrists shall be added as a covered provider of service.
8. In the event of death prior to receiving the Social Security Supplementation Benefit, the benefit shall be paid to the surviving spouse or surviving dependent children.
9. Durable medical equipment and apparatuses for Treatment of Temporal Mandibular Joint (TMJ) Dysfunction shall be added as a covered benefit.
10. Chiropractic Benefits:
  - a. On or before January 1, 2009, the parties shall select a California chiropractic PPO network through an RFP process.
  - b. Effective 45 days from the date of the implementation of a California chiropractic PPO network, chiropractic benefits for non-Medicare eligible Choice Port Indemnity Plan Members will be restricted to PPO network coverage at 100% of PPO charges.
11. Modify Dependent Verification Process (Recommended Dependent Enrollment Rules for the ILWU-PMA Welfare Plan – Attached).
12. The hearing aid benefit shall be increased to \$3,000 per ear.
13. The coverage for out-patient mental health care shall be improved so it equals the coverage for any other medical condition as follows:
  - a. Maintain the 50 visits per year cap; and
  - b. Major Medical benefits for the treatment of mental or emotional conditions as an outpatient are limited to \$50 per visit for visits 21 through 50 in a Plan Year (July 1 – June 30).

14. The Death and Accidental Death and Dismemberment benefits shall be increased as follows:
  - a. Actives to \$35,000 – Double Indemnity for Accidental Death or Accidental Dismemberment;
  - b. Pensioners to \$7,500 – Double Indemnity for Accidental Death or Accidental Dismemberment.
  
15. The lifetime maximum Major Medical benefit per covered person shall be increased from \$2,000,000 to \$4,000,000 and the accompanying annual restoration of the maximum shall be increased from \$20,000 to \$50,000 or the amount of Major Medical used – whichever is less.
  
16. Vision Benefits:
  - a. \$300 every two years for frames.
  - b. Photochromatic added as a covered benefit;
  - c. Progressive lenses added as a covered benefit;
  - d. Anti-reflective coating added as a covered benefit;
  - e. Coated and laminated lenses; clarified to polycarbonate added as a covered benefit; and
  - f. \$300 coverage per year for contact lenses including associated eye exam.

Adjust HMO vision coverage accordingly

17. HMO coverage of 24 months for new limited registrants in Choice Ports.

After July 1, 2008, new registrants and their dependents in ports with HMO coverage will, on the first of the month following registration (with no requirement for 400 hours of work for initial eligibility for coverage), be covered by the HMO programs for the first twenty four (24) months of registration. After 24 months of registration, the member will have a choice of HMO or Coastwise Indemnity Plan coverage and normal welfare plan eligibility requirements shall apply.

The Trustees of the Welfare Plan may provide on an “exception basis” that a person eligible for HMO coverage under this provision may be provided limited coverage under the Coastwise Indemnity Plan specific to any serious health condition for which they are receiving treatment when Welfare Plan coverage begins.

After July 1, 2008, new registrants and their dependents in ports without HMO coverage will, on the first of the month following registration (with no requirement for 400 hours of work for initial eligibility for coverage), be covered by the Coastwise Indemnity Plan for the first twenty four (24) months of registration and shall thereafter be subject to the Welfare Plan’s normal eligibility requirements for continuation of coverage under the Coastwise Indemnity Plan.

18. Controlled Substance Review Program: Pursuant to the 2008 PCL&CA contract negotiations, the parties agree to re-institute the Controlled Substance Review Program, under the same provisions as when the program was previously conducted.

19. Generic Drug Education Program: Pursuant to the 2008 PCL&CA contract negotiations, the parties agree to work with the Plan consultant to develop an education program for generic prescription drugs.

**IV. ILWU-PMA 401k Plan**

- A. Effective January 1, 2009, registered workers shall be permitted to choose whether to have any percentage of their vacation checks placed in their 401(k) plan.
- B. Effective July 1, 2008, there shall be a 3rd shift conversion for employer contributions into a registered worker's 401(k) account.

**V. Section 5 – Holidays**

- A. Amend Section 5.21 to read:

“Saturday” shall be added to Section 5.21 so that Section 5.21 reads as follows:

“When a holiday falls on Saturday or Sunday, the work schedule provided in Section 5.2 shall apply on Saturday or Sunday, respectively; however, the holiday shall be observed on Monday and payment as provided in Section 5.32, 5.321, and 5.322 shall apply to Monday.”

**VI. Section 9 – PCL&CA Promotions and Training**

- A. Diversity Training:

See Letter of Understanding – Diversity Training, dated July 1, 2008 – Attached.

- B. General Safety Training:

See Letter of Understanding – General Safety Training, dated July 1, 2008 – Attached.

**VII. No Discrimination**

- A. Section 13.2 Addendum shall be amended as follows:

“A panel of neutral professional labor arbitrators shall hear all Section 13.2 cases. Appeals shall continue to be filed with the Coast Appeals Officer. The use of professional arbitrators shall be subject to review and continuation upon JCLRC agreement annually.”

- B. See Letter of Understanding – Discrimination Grievances, dated July 1, 2008 – Attached.

**VIII. Section 17 – Grievance Procedures**

A. New Section 17.2611:

17.2611 Any formal decision of an Area Arbitrator over disputes regarding violations of Subsection 11.1 with which either party is dissatisfied shall immediately be referred, at the request of such party, to the Joint Coast Labor Relations Committee. Such dispute shall be processed by the Joint Coast Labor Relations Committee upon receipt (including electronic) by the Joint Coast Labor Relations Committee and moved from step to step within forty-eight (48) hours as follows:

- (a) Joint Coast Labor Relations Committee meeting within twenty-four (24) hours; and
- (b) Coast Arbitrator within twenty-four (24) hours.

Such hearing shall include all information regarding the dispute. At the request of either party, the Coast Arbitration shall be held at the site of the dispute. If such request is made, the timeline shall be extended by twenty-four (24) hours.

B. New Section 17.631:

17.631 Formal area arbitration hearings on disputes regarding violations of Subsection 11.1, conducted in accordance with Section 17.63, shall be heard within twenty-four (24) hours following the issuance of the interim ruling to both parties by the Area Arbitrator. The formal decision shall be rendered within twenty-four (24) hours after receipt of the transcript of the hearing.

C. Section 17 Letters of Understanding:

- 1. See Letter of Understanding – Strike, Lockout, and Work Stoppage Accelerated Grievance Procedure, dated July 1, 2008 – Attached.
- 2. See Letter of Understanding – Special Grievance Machinery – M&R Registered Mechanics, dated July 1, 2008 – Attached.
- 3. See Letter of Understanding – Coast Arbitration Procedures, dated July 1, 2008 – Attached.
- 4. See Letter of Understanding – Semi-Annual Arbitrators’ Conferences, dated July 1, 2008 – Attached.

- D. Amend Section 17.8 and 17.82 by adding the term “gross misconduct.”

Section 17.8 shall read:

“Penalties for work stoppages, assault, gross misconduct, pilferage, drunkenness, drug abuse and peddling, safety violations and other offenses.”

Section 17.82 shall read:

“The Joint Port Labor Relations Committee has the power and duty to impose penalties on longshoremen who are found guilty of stoppages of work, assault, gross misconduct, refusal to work cargo in accordance with the provisions of this Agreement, or who leave the job before relief is provided, or who are found guilty of pilfering or broaching cargo or of drunkenness or who in any other manner violate the provisions of this Agreement or any award or decision of an arbitrator. In determining penalties, neither the parties nor the arbitrators shall consider offenses that predate by 5 years or more the date of a current offense.”

**IX. Maintenance and Repair**

- A. Replace, “(See Section 1.8)” to state, “(See Section 1.81)” in Sections 1.7 and 1.71, renumber current Section 1.81 to 1.811, delete current Section 1.82 in its entirety, and renumber current Section 1.83 to 1.82.

- B. New Section 1.72:

1.72 It is recognized that the introduction of new technologies, including fully mechanized and robotic-operated marine terminals, necessarily displaces traditional longshore work and workers, including the operating, maintenance and repair, and associated cleaning of stevedore cargo handling equipment. The parties recognize robotics and other technologies will replace a certain number of equipment operators and other traditional longshore classifications. It is agreed that the jurisdiction of the ILWU shall apply to the maintenance and repair of all present and forthcoming stevedore cargo handling equipment in accordance with Sections 1.7 and 1.71 and shall constitute the functional equivalent of such traditional ILWU work. It is further recognized that since such robotics and other technologies replace a certain number of ILWU equipment operators and other traditional ILWU classifications, the pre-commission installation per each Employer's past practice (e.g., OCR, GPS, MODAT, and related equipment, etc., excluding operating system, servers, and terminal infrastructure, etc.), post-commission installation, reinstallation, removal, maintenance and repair, and associated cleaning of such new technologies perform and constitute the functional equivalent of such traditional ILWU jobs. (See Section 1.81 and Letter of Understanding - Clarification and Exceptions to ILWU Maintenance and Repair Jurisdiction.)

C. New Sections 1.73 and 1.731:

1.73 The scope of work shall include the pre-commission installation per each Employer's past practice (e.g., OCR, GPS, MODAT, and related equipment, etc., excluding operating system, servers, and terminal infrastructure, etc.), post-commission installation, reinstallation, removal, maintenance and repair, and associated cleaning of all present and forthcoming technological equipment related to the operation of stevedore cargo handling equipment (which term includes containers and chassis) and its electronics, that are controlled or interchanged by PMA companies, in all West Coast ports. (See Section 1.81 and Letter of Understanding - Clarification and Exceptions to ILWU Maintenance and Repair Jurisdiction.)

1.731. In accordance with Sections 1.7, 1.71, 1.72, and 1.73, the maintenance and repair work on all new marine terminal facilities that commence operations after July 1, 2008, shall be assigned to the ILWU. New marine terminals shall include new facilities, relocated facilities, and vacated facilities. (See Section 1.81 and Letter of Understanding - Clarification and Exceptions to ILWU Maintenance and Repair Jurisdiction.)

D. New Section 1.74:

1.74 PMA members and their affiliated companies shall not engage in subterfuge to avoid their maintenance and repair obligations under this Agreement to the ILWU. Containers and chassis, owned, leased, or interchanged by a carrier controlling, controlled by or under common control with an agency company that is a PMA member shall be deemed to be owned, leased or interchanged by that PMA member company when that equipment is on a dock.

E. New Section 1.75:

1.75 All on dock activities associated with the plugging and unplugging of vessels for cold ironing or its equivalent shall be performed by ILWU Longshore Division employees, except for US Flag vessels and crews as to their work on the vessel, as may be contractually assigned to them as of July 1, 2008. (See Section 1.81 and Letter of Understanding - Clarification and Exceptions to ILWU Maintenance and Repair Jurisdiction.)

F. New Section 1.76:

1.76 The Employers shall assign work in accordance with Section 1 provisions and as may be directed by the CLRC or an arbitration award, which the Employers shall defend in any legal proceeding. PMA shall participate along with the individual Employers assigning the work in any legal proceeding.

- G. Amend Section 1.8 by removing reference to sections 1.7 and 1.71:
- 1.8 Any type of work assigned herein in Sections 1.43, 1.44, and 1.6 to longshoremen that was done by nonlongshore employees of an employer or by subcontractor pursuant to a past practice that was followed as of July 1, 1978, may continue to be done by nonlongshore employees of that employer or by subcontractor at the option of said employer.
- H. New Section 1.81:
- 1.81 ILWU jurisdiction of maintenance and repair work shall not apply at those specific marine terminals that are listed as being "red-circled" in the July 1, 2008 Letter of Understanding on this subject. Red-circled facilities, as they are modified/upgraded (e.g., introduction of new technologies), or expanded, while maintaining the fundamental identity of the pre-existing facility, shall not result in the displacement of the recognized workforce and shall not be disturbed, unless as determined by the terminal owner or tenant.
- 1.811 Current Section 1.81 (language) is re-numbered as Section 1.811.
- I. 1.82 Delete current Section 1.82 language in its entirety and place Section 1.83 language here.
- J. M&R Letters of Understanding:
1. See Letter of Understanding – Clarification and Exceptions to ILWU Maintenance and Repair Jurisdiction, dated July 1, 2008 – Attached.
  2. See Letter of Understanding – Warranty Definition, dated July 1, 2008 – Attached.
  3. See Letter of Understanding – Mechanics’ Boards, dated July 1, 2008 – Attached.
  4. See Letter of Understanding – M&R Training, dated July 1, 2008 – Attached.
  5. See Letter of Understanding – M&R Training Requirements for Steady Mechanics, dated July 1, 2008 – Attached.
  6. See Letter of Understanding – Special Grievance Machinery – M&R Registered Mechanics, dated July 1, 2008 – Attached.
  7. See Letter of Understanding – New Terminal Facilities, dated July 1, 2008 – Attached.
  8. See Letter of Understanding – Intraport Transfer of Mechanics, dated July 1, 2008 – Attached.



9. See Letter of Understanding – M&R Work “Contract Stevedore” and Bulk Facilities, dated July 1, 2008 – Attached.

**X. Section 20 – Pay Guarantee Plan, Rules, and Administration**

- A. For each year of the Agreement, the Employers will have a contingent liability for the PGP Plan for the following amounts:

1st Year	(07/01/2008 – 06/30/2009)	\$24,960,000
2nd Year	(07/01/2009 – 06/30/2010)	\$20,020,000
3rd Year	(07/01/2010 – 06/30/2011)	\$20,020,000
4th Year	(07/01/2011 – 06/30/2012)	\$24,960,000
5th Year	(07/01/2012 – 06/30/2013)	\$20,020,000
6th Year	(07/01/2013 – 06/30/2014)	\$20,020,000

- B. PGP will reflect any increases in the basic longshore rates.

**XI. CFS Supplement – Amend Section 2.42**

- A. Section 2.42 of the CFS Supplement shall read:

“At the option of the Employer, 1 or more CFS longshore/clerk utilitymen may be ordered to report for work either one-half hour or 1 hour in advance of the start of a work shift for the purpose of performing preparatory work such as gassing equipment, opening doors, etc. Such additional work prior to the standard work shift shall be paid for at the overtime rate. (Such preparatory work may include physical cargo handling of any type, and cargo may be received and/or delivered.)”

**XII. Supplement IV – Industry Travel System**

- A. Amend Section 4.5 of the PCL&CA to provide that lodging shall be increased from \$80 to \$90 per night in the first year of the Contract; from \$90 to \$95 in the second year of the Contract, from \$95 to \$100 in the third year of the Contract; from \$100 to \$110 in the fourth year of the Contract; from \$110 to \$115 in the fifth year of the Contract; and from \$115 to \$120 in the sixth year of the Contract.
- B. Amend Section 4.51 of the PCL&CA to provide that meal subsistence shall be increased from \$20 per meal to \$25 in the second year of the Contract, and from \$25 to \$30 in the fifth year of the Contract.

- C. The Parties discussed the Union's issue that locals and/or individuals may refuse mandatory industrial travel on first shift of the stop work meeting date and the first shift of the following day without the loss of availability for holiday and PGP purposes, and agreed to refer the issue to the local area.
- D. All registrants dispatched from San Francisco to work in the East Bay shall receive the \$4.00 Bay Bridge toll. This toll allowance shall be increased with any increase in the Bay Bridge toll.

**XIII. Miscellaneous**

- A. Five (5) Berth Agents in Portland and Vancouver employed by MTC shall be transferred with their jobs into the PCL&CA bargaining unit and granted Limited (Class B) Clerk registration.

See Letter of Understanding (Local 40A Berth Agent Registration Agreement) attached.

**XIV. Tax Approvals**

Pension and Welfare Plan revisions are all subject to and conditioned upon receipt of satisfactory tax rulings, if such are necessary, from appropriate Federal and state agencies. If unsatisfactory rulings are received, the Parties will meet to make required changes in the Plan(s) to comply with the rulings.

**XV. Term of Agreement**

Amend Section 22.1 of the Agreement by changing the termination date therein to 5:00 P.M., July 1, 2014.

Dated: 07/28/08

Dated: 07/28/08

PACIFIC MARITIME ASSOCIATION  
(on behalf of its members)

INTERNATIONAL LONGSHORE and  
WAREHOUSE UNION  
(for and on behalf of itself and all longshore and  
clerk locals in California, Oregon and  
Washington)

/s/ James C. McKenna

/s/ Robert McEllrath

/s/ Craig Epperson

/s/ Ray Ortiz, Jr.

/s/ Steve Hennessey

/s/ Thomas Edwards

**Attachments**

Letters of Understanding:

- Wage Schedule
- Contractual Obligations
- ILWU-PMA Pension Plan
- ILWU-PMA Pension Plan and Supplemental Welfare Benefit Plan
- Recommended Dependent Enrollment Rules for the ILWU-PMA Welfare Plan
- Long-Term Care
- Dental Implants
- National Health Care Policy
- Semi-Annual Arbitrator's Conference
- Discrimination Grievances
- Strike, Lockout, and Work Stoppage Accelerated Grievance Procedure
- Coast Arbitration Procedures
- Non-Container Work Development/Small Ports Work Development
- Subsistence and Mileage Reimbursement
- Diversity Training
- General Safety Training
- Drug and Alcohol Testing Policy and Procedures
- Clarifications and Exceptions to ILWU Maintenance and Repair Jurisdiction
- Maintenance and Repair – Warranty Definition
- Maintenance and Repair – Mechanics' Boards
- M&R Training
- M&R Training Requirements for Steady Mechanics
- Special Grievance Machinery – M&R Registered Mechanics
- New Terminal Facilities
- Intraport Transfer of Mechanics
- M&R Work "Contract Stevedore" and Bulk Facilities
- California Crane Operators
- Local 40A Berth Agent Registration Agreement
- Amnesty
- Marine Diesel-Cleaner Burning Fuels