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MEMORANDUM AGREEMENT
OF JUNE 3, 2003
CONCERNING ASSESSMENTS TO PROVIDE
ILWU MARINE CLERK WORK OPPORTUNITY

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The members of Pacific Maritime Association ("PMA"), acting pursuant to the Articles of Incorporation and the Bylaws of the Association, agree as follows:

1. Effective Date

This Agreement will become effective June 3, 2003. There are presently two PMA Membership Agreements which govern determination and collection of assessments to pay ILWU-PMA employee benefits:

- (1) Federal Maritime Commission Agreement LM-84, which governs all but the CFS Program assessments; and
- (2) Federal Maritime Commission Agreement LM-81; the CFS Program agreement which further allocates certain employee benefit costs between those who perform CFS-type operations and those ship and barge operators who load or discharge containers. Federal Maritime Commission Agreement LM-84, which governs all but the CFS Program assessments, and LM-81, which governs the CFS Program allocations, continue.

2. Marine Clerk Work Opportunity

"ILWU" refers to the International Longshore and Warehouse Union. "Marine Clerk Work Opportunity" refers to a guarantee that all registered marine clerks covered

under the Pacific Coast Clerks' Contract Document (PCCCD) will be afforded work opportunity as marine clerks pursuant to Technology Framework Item VI, Section A.(1) of the ILWU-PMA Pacific Coast Longshore and Clerks' Agreement Memorandum of Understanding dated November 23, 2002.

3. Assessment Rates

Assessments will be based upon a rate per assessable Container Revenue Unit (RU) and will, in the normal course, be calculated and published periodically. The assessment rate will be calculated and be made effective as described below.

4. Cost Estimate of Marine Clerks Work Opportunity Program

Each calculation of the assessment rate will be based upon an estimate of the cost of the Marine Clerks Work Opportunity program for the period during which the rate will be in effect.

5. Calculation

The calculation described below is illustrated in Appendix 1.

6. Container Revenue Unit

Container Revenue Units shall be reported by PMA members and assessed in accordance with PMA rules respecting the method for reporting tonnage to the Association. The geographic range in which tonnage moves classifies it for reporting purposes. Tonnage is reported



as either "Offshore & Intercoastal" or "Coastwise."
Offshore & Intercoastal Tonnage is cargo transported by water that is either destined for or leaves from a California, Oregon or Washington port and does not have as its origin or destination another California, Oregon or Washington port. Coastwise Tonnage is cargo that is loaded in a California, Oregon, or Washington port for discharge in a California, Oregon, or Washington port.

7. Assessment Rate per Revenue Unit

The assessment rate per Revenue Unit (RU) will be the amount obtained when the cost of the Marine Clerks Work Opportunity program is divided by the sum of the total Container Revenue Units projected to be worked during the assessment period.

8. OFFSHORE & INTERCOASTAL RU RATE

The Offshore & Intercoastal RU rate will be the cost of the Marine Clerk Work Opportunity program divided by the sum of

- (a) Container Revenue Units; and
- (b) Coastwise RU's multiplied by 0.705891.

9. COASTWISE RU RATE

The Coastwise assessment rate per container Revenue Unit will be the Offshore & Intercoastal assessment rate for a Container Revenue Unit multiplied by 0.705891. Assessments on Coastwise RU's will be paid only upon



discharge of the cargo. No assessment will be payable for loading of coastwise cargo.



APPENDIX 1

ILLUSTRATIVE MARINE CLERK WORK OPPORTUNITY PROGRAM COST AND
CONTAINER REVENUE UNIT (RU) ESTIMATES

MARINE CLERK WORK OPPORTUNITY PROGRAM COST \$3,193,624

REVENUE UNIT ESTIMATES

Offshore & Intercoastal 11,208,995
Coastwise 261

Per RU

Offshore & Intercoastal Rate Calculation

Per Revenue Unit \$0.28

\$3,193,624/

(11,208,995 x 1.000000) [Offshore & Intercoastal RU's]

+(261 x 0.705891) [Coastwise RU's]

Coastwise Rate Calculation

Per Revenue Unit \$0.28 x 0.705891 \$0.20



CERTIFICATION

I, JOSEPH N. MINIACE, President of Pacific Maritime Association, certify that at a Special Meeting of the Membership of Pacific Maritime Association held at the principal office of said Association in San Francisco, California, on June 3, 2003, duly called by order of the President pursuant to the Association's Bylaws, the members of Pacific Maritime Association, acting pursuant to the Articles of Incorporation and the Bylaws of said Association, adopted the MEMORANDUM AGREEMENT OF JUNE 3, 2003, CONCERNING ASSESSMENTS TO PROVIDE ILWU MARINE CLERK WORK OPPORTUNITY.

DATED, this 3rd day of June, 2003, at San Francisco, California.

PACIFIC MARITIME ASSOCIATION


Joseph N. Miniace
President



CERTIFICATE

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