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 December 14, 1983. 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-80, 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. On December 24, 1983, Federal Maritime Commission Agreement LM-80 will be cancelled, and this Agreement will operate in its place. Federal Maritime Commission Agreement LM-81, which governs the CFS Program allocations, continues.

2. **Employee Benefits**

   "ILWU" refers to the International Longshore and Warehouse Union. "Employee benefits" refers to benefits provided by plans which were established under, and became a part of, the ILWU-PMA Pacific Coast Longshore and Clerks’ Agreement or the ILWU-PMA Coast Walking Bosses' and Foremen's Agreement. The plans include:

   (1) the ILWU-PMA Pension Plan,
   
   (2) the ILWU-PMA Welfare Plan,
   
   (3) the Vacation Plan,
(4) the PMA Paid Holiday Plan,
(5) the PMA Longshore & Clerk Pay Guarantee Plan,
(6) the Industry (Voluntary) Travel Plan,
(7) the PMA Walking Bosses & Foremen's Pay Guarantee Plan,
(8) the COVID-19 Sick Leave Plan.

3. **Assessment Rates**

Assessments per man-hour and assessments per ton will, in the normal course, be calculated and published periodically. Assessment rates will be calculated and be made effective as described below.

4. **Estimate of Benefit Plan Costs**

Each calculation of assessment rates will be based on an estimate of benefit plan costs for the period during which the rates will be in effect.

5. **Calculations**

Calculations described below for man-hours (as of July 34, 20210) and tonnage (as of July 1, 20210, but for those described in Section 8, which are as of January 1, 2020) are illustrated in Appendix 1.

6. **Man-Hour Assessment Rate**

The Man-Hour Assessment will be the amount obtained when estimated total annual benefits plans cost is divided by $41,701,081,456,755$.

7. **Steady Foremen Incentive Pay Supplemental Assessment**

In addition to the Man-Hour Assessment rate provided by Section 6 above, there shall be a Steady Foremen Incentive Pay Supplemental Assessment on the hours worked by foremen who are hired as regular or “steady” employees (i.e., not through the dispatch hall) (“steady foremen hours”). The purpose of this supplemental assessment on steady foremen hours is to replace the lost assessment revenue caused by implementation of the Letter of Understanding regarding Walking Bosses/Foremen’s Steady Pay Guarantee, dated July 1, 2014 (the “Steady Foremen Incentive Payment”) and replacement of the previous steady guarantee arrangement established pursuant to Joint Foremen’s Labor Relations Committee Meeting No. 01-10 (the “Previous Steady Foremen Guarantee”). This Steady Foremen Incentive Pay
1. In the fiscal year ending June 30, 2016 (FY2016), the Steady Foremen Incentive Pay Supplemental Assessment will be calculated by:
   - Determining the number of steady foremen guarantee hours assessed under the Previous Steady Foremen Guarantee during the fiscal year ending June 30, 2015;
   - The total number of steady foremen guarantee hours assessed will be annualized and multiplied by the projected Man-Hour assessment rate for FY2016 to project the amount that would have been assessed under the Previous Foremen Guarantee in FY2016;
   - That amount will then be divided by the projected number of steady foreman hours in FY2016 to determine the Steady Foremen Pay Supplemental Assessment amount, to be applied only to steady foremen hours in FY2016;
2. In fiscal year ending June 30, 2017, and in all subsequent years, the amount of Steady Foremen Incentive Payment paid in the then-current fiscal year will be annualized and used to project the amount for the then-subsequent year;
3. The total dollar amount will be divided by $200, which is the daily pay guarantee for each shift worked up to a maximum of five (5) shifts under the Steady Foremen Incentive Payment, to establish the number of shifts that would have been subject to the Previous Steady Foremen Guarantee;
4. The number of shifts will be multiplied by two (2) to establish the total hours that would have been assessable under the Previous Steady Foremen Guarantee (“Lost Hours”);
5. The Lost Hours will continue to be included in the rate calculations under Sections 9 and 10 so as not to increase artificially the man-hour and tonnage rates;
6. The projected Man-Hour Assessment rate will be multiplied by the total Lost Hours to determine the assessment revenue shortfall amount;
7. The shortfall amount will be divided by the projected number of steady foremen hours for the subsequent fiscal year to determine the Steady Foremen Pay Supplemental Assessment amount, to be applied only to steady foremen hours.

8. **Passenger Sector Supplemental Assessment**

   In addition to the Man-Hour Assessment Rate provided by Section 6 above, there shall be a Passenger Sector Supplemental Assessment on the employers servicing the passenger/cruise line sector. The purpose of this supplemental assessment is to replace the lost assessment revenue resulting from the addition of labor to accommodate passenger cruise line operations, and the absence of current tonnage assessments on employers servicing the passenger/cruise line sector while employers serving other sectors are assessed tonnage assessments in addition to the standard man-hour assessments. This Passenger Sector Supplemental Assessment shall, effective January 1, 2020, be calculated as follows:

   1. The Passenger Sector Supplemental Assessment Rate will be developed based on the shortfall in tonnage assessments paid by employers servicing the passenger/cruise line sector.
2. This shortfall will be determined by multiplying the average tonnage assessment rate paid per assessable hour by all cargo sectors times the projected number of assessable passenger sector hours.

3. The resulting shortfall will be divided by the total number of projected coastwide passengers.

9. **Portion of Benefits Cost Assessed on Tonnage**

   The "Tonnage Portion" of benefits plans costs will be the amount obtained by multiplying the Man-Hour Assessment Rate by estimated annual man-hours (adjusted as provided by Section 7(5)) and subtracting the result from estimated total annual benefits plans cost.

10. **Tonnage**

    Tonnage shall be reported by PMA members and assessed in accordance with PMA rules respecting the method for reporting tonnage to the Association. Tonnage is classified by the geographic range in which it moves. 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. Noncontainerized Lumber & Logs and General Cargo inbound from British Columbia, Canada are also classified as Coastwise Cargo.

11. **Assessment Rate per Revenue Unit**

    The assessment rate per Revenue Unit (RU) will be the amount obtained when the Tonnage Portion is divided by the sum of:

    (a) Container Revenue Units,

    (b) General Tonnage multiplied by 0.058824,

    (c) Lumber & Log Tonnage multiplied by 0.058824,

    (d) Automobile & Truck Tonnage multiplied by 0.004764,

    (e) Bulk Dry Tonnage multiplied by 0.001165,

    (f) Coastwise RU's multiplied by 0.705891,

    (g) Coastwise General Cargo multiplied by 0.024258,

    (h) Coastwise Lumber/Logs multiplied by 0.024258,

    (i) Coastwise Autos/Trucks multiplied by 0.004764 x 0.412383,
(j) Coastwise Bulk Dry multiplied by 0.001165 x 0.412383.

12. OFFSHORE & INTERCOASTAL TONNAGE ASSESSMENT RATES

(a) General Cargo. The assessment rate per ton of General Cargo will be the assessment rate per Revenue Unit multiplied by 0.058824.

(b) Lumber & Logs. The assessment rate per ton for Lumber & Logs will be the assessment rate per Revenue Unit multiplied by 0.058824.

(c) Automobiles & Trucks. The assessment rate per ton for Automobiles & Trucks will be the assessment rate per Revenue Unit multiplied by 0.004764.

(d) Bulk Dry Cargo. The assessment rate per ton for Bulk Dry Cargo will be the assessment rate per Revenue Unit multiplied by 0.001165.

13. COASTWISE TONNAGE ASSESSMENT RATES

(a) Container Revenue Unit. The Coastwise assessment rate per container Revenue Unit will be the Offshore & Intercoastal assessment rate for a Container Revenue Unit multiplied by 0.705891.

(b) General Cargo. The Coastwise assessment rate per ton of General Cargo will be the Offshore & Intercoastal assessment rate for General Cargo multiplied by 0.412383.

(c) Lumber & Logs. The Coastwise assessment rate per ton of Lumber & Logs will be the Offshore & Intercoastal assessment rate for Lumber & Logs multiplied by 0.412383.

(d) Automobiles & Trucks. The Coastwise assessment rate per ton for Automobiles & Trucks will be the Offshore & Intercoastal assessment rate for Automobiles & Trucks multiplied by 0.412383.

(e) Bulk Dry. The Coastwise assessment rate per ton for Bulk Dry Cargo will be the assessment rate for Bulk Dry Cargo multiplied by 0.412383.

Assessments on Coastwise Tonnage will be paid by the company responsible for the discharge of the cargo. No assessment will be payable for loading of coastwise cargo.
14. Assignment of Man-Hour and Tonnage Rates to Benefits Plans

(a) The ILWU-PMA Pension Plan cost will be paid by man-hour assessments, including the Steady Foremen Incentive Pay Supplemental Assessment provided by Section 7.

(b) The Vacation Plan benefits and related costs will be paid by man-hour assessments, including the Steady Foremen Incentive Pay Supplemental Assessment provided by Section 7. If, when added together, the total of the man-hour pension rate and the man-hour vacation rate exceed the Man-Hour Assessment Rate calculated in accordance with Section 6, the vacation rate will be reduced so that the sum of the vacation rate and the pension rate equals the Man-Hour Assessment Rate. If the vacation rate is reduced in accordance with the above, there will be paid to the vacation fund from tonnage assessments an amount equal to the amount which would have been paid to the fund by that portion by which the vacation rate was reduced.

(c) The PMA Paid Holiday Plan will be paid by man-hour assessments, including the Steady Foremen Incentive Pay Supplemental Assessment provided by Section 7. If, when added together, the total of the man-hour pension rate, the vacation rate, and the holiday rate exceed the Man-Hour Assessment Rate calculated in accordance with Section 6, the holiday rate will be reduced so that the sum of the holiday rate, the vacation rate and the pension rate equal the Man-Hour Assessment Rate. If the holiday rate is reduced in accordance with the above, there will be paid to the holiday fund from tonnage assessments an amount equal to the amount which would have been paid to the fund by that portion by which the holiday rate was reduced.

(d) The ILWU-PMA Welfare Plan will be paid by man-hour assessments, including the remaining Steady Foremen Incentive Pay Supplemental Assessment provided by Section 7, plus tonnage assessments to pay such estimated costs as are not met by the man-hour assessments.

(e) The costs of other collectively bargained fringe benefits plans which are or become subject to this Agreement, including the COVID-19 Sick Leave Plan, will be payable from the tonnage assessments provided by this Agreement, including the Passenger Sector Supplemental Assessment provided by Section 8. In addition to using tonnage assessments to fund leave benefits taken under the COVID-19 Sick Leave Plan, PMA may also utilize...
contributions of federal payroll taxes (including employer-portion Medicare tax, employee-
portion Social Security and Medicare taxes, and/or employee federal income tax withholdings) of
a Covered Employer (as that term is defined under Section 5110(2)(B) of the Families First
Coronavirus Response Act (FFCRA)), which would otherwise have been deposited with the
Internal Revenue Service on behalf of such Covered Employer but were withheld in anticipation
of the Covered Employer’s entitlement to claim a tax credit under Sections 7002 and/or 7003 of
the FFCRA.
APPENDIX 1

ILLUSTRATIVE ANNUAL EMPLOYEE BENEFITS PLANS COST, MAN-HOUR ESTIMATES, AND CARGO TONNAGE ESTIMATES, ON AND AFTER JULY 1, 2020*2021*

NET FUNDING FOR ANNUAL EMPLOYEE BENEFITS COSTS

$1,492,575,716

MAN-HOURS ESTIMATE FOR PERIOD

28,373,172

CARGO TONNAGE ESTIMATES

<table>
<thead>
<tr>
<th>Offshore &amp; Intercoastal</th>
<th>Revenue Units</th>
<th>Tons</th>
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<tr>
<td></td>
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<td></td>
</tr>
<tr>
<td>General Cargo</td>
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<td>6,247,340,901,050</td>
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<tr>
<td>Lumber &amp; Logs</td>
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<td>1,237,081,149,263</td>
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<tr>
<td>Automobiles &amp; Trucks</td>
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<td>25,095,117,853,524</td>
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<tr>
<td>Bulk Dry Cargo</td>
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<table>
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<th>Coastwise</th>
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<table>
<thead>
<tr>
<th>Tons</th>
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<tbody>
<tr>
<td>General Cargo</td>
</tr>
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</tr>
<tr>
<td>Automobiles &amp; Trucks</td>
</tr>
<tr>
<td>Bulk Dry Cargo</td>
</tr>
</tbody>
</table>

MAN-HOUR ASSESSMENT RATE (as of July 4, 2020, 2021*)

Man-Hour Assessment Rate $1,492,575,716 / 41,701,081 = $35.79640,623,762 / 45,456,755 = $36.09 Per Hour

TONNAGE ASSESSMENT RATE

Tonnage Portion $1,492,575,716 - (28,373,172,640,623,762 - (30,774,168 x $35.79) = $477,099,819

FMC Agreement No.: 201103-016 Effective Date: Monday, May 17, 2021
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APPENDIX 1 (Continued)

Per Unit           Per Ton

<table>
<thead>
<tr>
<th>Offshore &amp; Intercoastal Rates</th>
<th>$30.032916</th>
<th>$30.032916</th>
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<tbody>
<tr>
<td>Per Revenue Unit</td>
<td>$30.032916</td>
<td>$30.032916</td>
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</tbody>
</table>

\[
\begin{align*}
\text{Offshore \& Intercoastal Rates} & \\
\text{Per Revenue Unit} & = \frac{477,099,819 - 529,984,039}{(15,267,805 - 17,639,011 \times 1.000000) + (6,247,3404 - 4,901,050 \times 0.058824) + (1,237,081 - 149,263 \times 0.058824) + (25,095,117 - 853,524 \times 0.004764) + (49,466,6424 - 661,407 \times 0.001165) + (75 \times 0.705891) + (0 \times 0.024258) + (802 \times 0.024258) + (0 \times 0.004764 \times 0.412383) + (0 \times 0.001165 \times 0.412383)}{15,267,805 - 17,639,011} \\
\text{General Cargo} & = \frac{30.032916 \times 0.058824}{15,267,805 - 17,639,011} \\
\text{Lumber \& Logs} & = \frac{30.032916 \times 0.058824}{15,267,805 - 17,639,011} \\
\text{Automobiles \& Trucks} & = \frac{30.032916 \times 0.004764}{15,267,805 - 17,639,011} \\
\text{Bulk Dry Cargo} & = \frac{30.032916 \times 0.001165}{15,267,805 - 17,639,011} \\
\text{Coastwise Rates} & \\
\text{Per Revenue Unit} & = \frac{30.032916 \times 0.705891}{15,267,805 - 17,639,011} \\
\text{General Cargo} & = \frac{1.767716 \times 0.412383}{15,267,805 - 17,639,011} \\
\text{Lumber \& Logs} & = \frac{1.767716 \times 0.412383}{15,267,805 - 17,639,011} \\
\text{Automobiles \& Trucks} & = \frac{0.143139 \times 0.412383}{15,267,805 - 17,639,011} \\
\text{Bulk Dry Cargo} & = \frac{0.035034 \times 0.412383}{15,267,805 - 17,639,011} \\
\end{align*}
\]
APPENDIX 1 (Continued)

SUPPLEMENTAL FOREMEN MAN-HOUR ASSESSMENT RATE

The Supplemental Foremen Man-Hour Assessment as of July 4, 2021 shall be $5,766.19 per
Steady Foreman Hour (125,500 Lost Hours x $35.7936 Man-Hour Assessment Rate) ÷ 780,000
Projected Steady Foremen Hours). The Assessment will thereafter be subject to adjustment as
described in the Agreement.

PASSENGER SECTOR SUPPLEMENTAL ASSESSMENT RATE

The Passenger Sector Supplemental Assessment Rate was effective January 1, 2020. For July as
of July 1, 2021 shall be $1.88 per
1, 2020 through June 30, 2021, the Passenger Sector Supplemental Assessment shall be $1.88 per
passenger. The Assessment will thereafter be subject to adjustment as described in the Agreement.