

PORT OF HOUSTON
MEMORANDUM OF UNDERSTANDING
Houston General Break Bulk Cargo
April 3, 2013

This Memorandum of Understanding is made and entered into by and between the West Gulf Maritime Association on behalf of its regular and associate members who operate in Harris County, Texas, and the South Atlantic and Gulf Coast District, International Longshoremen's Association on behalf of all of its affiliated locals in Harris County, Texas.

All of the current collective bargaining agreements between the Parties shall continue in existence through September 30, 2016, and that the terms and conditions of those collective bargaining agreements are adopted under this Memorandum of Understanding and shall continue to cover all terms and conditions of employment not modified under this Memorandum of Understanding.

1. Core Gangs/Dedicated Workers—See Attached

2. Wages:

- a. Entry Level Rate of Pay: \$10.00 hour
- b. The contract will be open for negotiation of wages and benefits October 1, 2013 pending on agreed improvements of the core gang system and core gang foremen.
- c. Workers will qualify for the trained rate (\$12.50) if they successfully complete the required training as applicable for their craft [Eg. Longshore 1; forklift; lashing].

3. Flexibility Within Gangs:

If the manning requirements of a gang change [e.g. A change in a commodity], workers over the minimum gang size [with the exception of the winch/crane operators] may be shifted to another gang on the same vessel. The shifted worker may remain in the adopted gang if worker is not required to return to the original gang due to manning requirements. The shifted worker will work at least as long as the guarantee of the original gang the worker came from. If shifted from a dock position to a position in the hold, the shifted worker may only work as a driver in the hold.

4. A worker that has achieved top wage status will be paid the dedicated worker rate of pay when working under the Houston general break bulk cargo contract.
5. Fringe Contribution rate be increased by \$.505 per work hour effective the first pay period of the month of ratification. The current container royalty

contribution of \$.10 per work hour by direct employers is to be redirected to PV&W [Fund to be determined]. An increase of \$.50 per work hour effective October 1, 2014.

6. Workers who worked one thousand two hundred (1200) or more hours between October 1, 2011 and September 30, 2012 will be considered as "Previously Employed" [regular workers in the benefit system] for all basic wages as set forth in the Agreement(s) between the Parties effective upon ratification and will become eligible to qualify for the general industry fringe benefit system (MILA) on October 1, 2013.
7. Workers who have worked three thousand (3000) or more hours between October 1, 2009 and September 30, 2012 will be moved to regular worker status and become eligible to qualify for the general industry fringe benefit system (MILA) in effect at that time. Any "New Entry/New Worker" who works three thousand (3000) or more qualified hours in any three (3) contiguous contract year period will be moved to regular worker status and become eligible to qualify for the general industry fringe benefit system (MILA) in effect at that time starting on the new contract year they qualify.
8. Workers who work one thousand five hundred (1500) or more hours in any contract year [commencing with October 1, 2012] through the life of this contract, will be moved to regular worker status and become eligible for the general industry fringe benefit system (MILA) in effect at that time starting on the next contract year.
9. Grievance Procedure—See Attached.
10. The Parties agree to a mutually agreed progressive discipline system.
11. Drug Policy – The Parties will meet to mutually agree on revisions to the drug policy prior to October 1, 2013.
12. The Parties will work jointly to create a system providing the West Gulf Maritime Association with information on workers seeking employment and those workers who were offered employment; and requiring workers on unemployment to seek employment.
13. Training, etc. -- See Attached regarding "Providing Qualified and Efficient Personnel"
14. With a minimum of thirty (30) days notice, as soon as practical, the payroll week begins at 6 AM on Tuesday with the payday to remain on Friday. The payroll computer program will be implemented to all hours worked (including

overtime hours) during the payroll week to be included on the paycheck for the same payroll week.

15. Work on Christmas Eve: Gangs that order for 7 am or 8 am will knock off at noon on Christmas Eve unless a vessel is finishing and gangs will be required to work straight through on double-time or whatever rate may apply depending on time worked.
16. Work on Labor Day to be paid at triple time 12 am to 6 am.
17. Delete current language regarding stand by for ½ time for rain after guarantee [2007 Memo, Page 9, 3rd paragraph].
18. Winch operators: The Parties will form a small committee to assure an enhanced winch training program.
19. The Parties may allocate fringe payment to PV&W so that as much can be paid into the Retirement Plan as possible while still meeting the obligations of the other plans.
20. Term of contract is four years [October 1, 2012-September 30, 2016].
21. In-Town Ro-Ro: (separate agreement)
 - a. A direct employer may have up to 30% dedicated work force. The practice regarding Local 1351 shall continue.
 - b. Gang foremen may be directed to flag for a short period of time. *NE-16.00*
 - c. The basic hourly wage rate effective upon ratification is \$21.50. *20.50*
 - d. Effective October 1, 2014 the basic hourly wage rate is \$22.50. *21.50*
 - e. Effective October 1, 2015 the basic hourly wage rate is \$23.50 *22.50*
 - f. Fringe increase effective upon ratification is \$0.505 per work hour and \$0.50 effective October 1, 2014.
22. Auto: (separate agreement)
 - a. Gang foremen may be directed to flag for a short period of time.
 - b. An hourly wage increase of \$1.00 effective October 1, 2013 (\$21.50). *NE 17.50*
 - c. An hourly wage increase of \$1.00 effective October 1, 2015 (\$22.50).
 - d. Fringe increase effective on October 1, 2013, is \$0.505 per work hour and \$0.50 effective October 1, 2014.
23. Cruise Lines: (separate agreement)
 - a. Gangs may be reduced by 30% of manning after 3 PM.
 - b. Dress Code-Shirts are to be provided by the workers.
 - c. Direct Employer will provide carts.
 - d. Porters may not solicit for tips.
 - e. An hourly wage increase of \$1.00 effective October 1, 2013.
 - f. An hourly wage increase of \$1.00 effective October 1, 2015.

- g. Fringe increase effective upon ratification is \$0.505 per work hour and 0.50 effective October 1, 2014.

24. Shoreside Crane: (separate agreement)

- a. Four year agreement expiring September 30, 2016.
- b. Wages - \$26 following ratification; \$27 on October 1, 2013; \$28 on October 1, 2015.
- c. Eight hour guarantee on all Saturday and Sunday starts. Saturday and Sunday hours are all overtime rate hours.
- d. The company may elect to either provide transportation on the dock, or pay an extra \$.50 per hour.
- e. Working through the meal is paid double time for the meal hour, reverting to the prevailing rate (straight time 8 to 5 Monday through Friday, otherwise overtime).
- f. Fringe will remain the same but is subject to negotiation prior to October 1, 2013.
- g. All other contract provisions remain the same.

25. Gearmen and Mechanics: (separate agreement)

- a. Four year agreement expiring September 30, 2016.
- b. Wages: \$19.50 effective October 1, 2013; \$20.00 effective October 1, 2015.
- c. Fringe will remain the same but is subject to negotiation prior to October 1, 2013.
- d. All other contract provisions to remain the same.

DEDICATED WORKERS

1. Direct employers must provide the Local with a current mutually agreed list of dedicated workers. The Local must be notified in advance and review any changes to a direct employer's dedicated list.
2. The direct employer must notify the Local pursuant to Rule 23 of the individual dedicated workers to be utilized the following day. The notification may be by facsimile or email, but must be in writing.
3. If dedicated individuals on the direct employer's work order are not available, the remainder of the work order will be completed from the dedicated worker lists of other direct employers. If there are an insufficient number of workers available from the direct employers' dedicated worker list, the remaining workers needed to complete the work order will be selected in accordance with the Local's hiring procedures. The work opportunities for the direct employer's dedicated workers shall be equalized as much as possible, with required qualifications and/or certifications being considered.
4. A direct employer will not improperly place a worker on the direct employer's dedicated worker list or improperly hire a worker not on the direct employer's dedicated worker list. The direct employer may not engage in any side ordering of workers [not utilizing the Local] without approval of an appropriate Local Union official. Any disputes may be submitted to the grievance procedure.
5. The Joint Productivity Review Committee shall review the dedicated worker guidelines and review the hiring system on a regular basis.

certification as forklift and heavy lift operators for Core Gang members. Minimum gang sizes as required by the Collective Bargaining Agreement and Memoranda of Understanding will apply.

4. Attendance:

- a. Members of Core Gangs, including the Core Gang Foreman, must be available for Core Gang work assignments.
- b. The Hiring Hall places the order and notifies the Core Gang Foreman and associated Core Gang members.
- c. Core Gang members must be notified the night before all 7:00 and 8:00 a.m. starts by the Hiring Hall (recorder or otherwise).
- d. If a Core Gang member is unavailable for any job, the Hiring Hall will work with the Core Gang Foreman to replace that worker. The Hiring Hall must first attempt to replace by seniority. Within a seniority class, Core Gang workers will be chosen first. After Core Gang members are selected within a seniority class, the Hiring Hall may replace with other members of that seniority class. If there are no workers available or willing to accept the job within that seniority class, the Hiring Hall will go to the next seniority class and repeat the process. No casual workers may be used to replace a Core Gang worker. If there are no workers available with seniority, the Hiring Hall will notify the direct employer, and the direct employer may use dedicated workers to replace the Core Gang workers unavailable on that day. If the direct employer does not have a dedicated worker who can take the position, the direct employer may notify the Hiring Hall to replace the Core Gang member with a casual worker.
- e. A Core Gang member must be available for all 7:00 a.m. and 8:00 a.m. starts. For 10:00 a.m. or later starts, a Core Gang member cannot be penalized if at that point, he or she is currently working.
- f. Members of the Core Gang, including the Core Gang Foreman must be available for Core Gang work at all times. Any Core Gang member or Core Gang Foreman may request a total of 25 days off. During any time off, members of a Core Gang, including Core Gang Foreman, will not be allowed to take any other jobs within the industry. If a Core Gang member intends to take vacation, a personal day, or otherwise will not be in attendance on any given day, that member must notify the Gang Foreman of his or her absence as soon as possible. Vacation must be requested at least one day in advance.
- g. Core Gang Foremen are required to write at the bottom of the gang sheet the men's names that are missing, reason why the Core Gang member is not present (sick, doctor's appointment, etc.) and must notify the Hiring Hall with this information.

7. All Core Gang members, including the Foreman, along with any individuals added to the Core Gang may be ordered back by the direct employer for night work and may be ordered back by the direct employer from day to day to complete operations. The direct employer will determine if a Core Gang will be brought back for night work prior to the night work ordering deadline. The direct employer must let Core Gang Foremen know by 3:30 p.m. if they want the gang to return at 7:00 p.m. If the Core Gang Foreman and individual Core Gang members accept the order, they will return at 7:00 p.m. The direct employer can cancel up to 5:00 p.m. If the Core Gang members and the Core Gang Foreman refuse to accept the call back order, they will not be allowed to accept any other job until 6:00 a.m. the following day. (A Core Gang member may still accept even if the Core Gang Foreman does not plan to return). If a Core Gang member replaces him or herself, that worker will also not be allowed to accept any other job until 6:00 a.m. the following day.

8. Core Gangs may be ordered by the direct employer for all cargo work excluding Barbours Cut Terminal, Bayport Terminal, fully automated container operations, straight container operations, and all bulk operations. This provision will be modified to include automobiles and RO-RO absent a separate agreement on automobiles and RO-RO operations.

9. Orders for Core Gangs for 3:00 p.m. will be placed by the direct employers by 12:00 noon and cannot be cancelled after 12:00 noon.

10. Any Core Gang member or Core Gang Foreman who quits his job must continue working until the replacement arrives. A Core Gang member must notify the Core Gang Foreman and the Foreman must then notify the Walking Foreman or superintendent that the Core Gang member (or the Foreman) needs a replacement before calling the Hiring Hall for a replacement. Replacements may only be obtained by utilizing the Hiring Hall. The individual must also provide notification when the replacement arrives before leaving the job.

11. The Core Gang Committee referred to herein shall be comprised of members of the WGMA and Union officials (with a minimum of two members from each side). All questions of interpretation of these Core Gang Rules shall be referred to this Committee for a final and binding decision. Each side will have equal votes. In the event of a deadlock on any question presented to the Committee, the question shall be referred to a **grievance**.

12. All questions of discipline and/or disqualification of any Core Gang member (including the Core Gang Foreman) should be referred to the Joint Productivity Review Committee.

The Step 1 hearings will be coordinated by the West Gulf Maritime Association, and a regular time will be set for the hearings. The Step 1 hearing time may be scheduled to accommodate witnesses' schedules. All evidence and testimony the Parties deem relevant is to be presented at the Step 1 hearing. The Step 1 hearing will be heard by at least one employer who is not involved in the dispute. If the dispute affects all employers, the Step 1 hearing will be heard by at least two employers. The West Gulf Maritime Association will prepare a Step 1 report describing the evidence presented and a recommended decision. The parties have 14 days from receipt of the Step 1 report to respond in writing to correct any omissions or mischaracterizations of any evidence given at the Step 1 hearing. The recommended decision is final and binding on the parties if there is no Step 2.

4. Step 2

The employer may not appeal a Step 1 report recommended decision. The District, on behalf of the ILA local, may appeal a Step 1 report recommended decision by written notice to the West Gulf Maritime Association within 30 days of day the Step 1 report is sent to the union.

The South Atlantic and Gulf Coast District, International Longshoremen's Association, and the West Gulf Maritime Association will use two mediators who are acceptable to both Parties. Mediators will serve at the discretion of the Parties throughout the term of the various Agreements between the Parties.

The Step 2 Appeals Committee is composed of one official of the I.L.A. District Office, one official of the West Gulf Maritime Association, and one mediator selected at random by the Parties. The mediator selected shall then schedule a Step 2 meeting as soon as possible, and will chair the Step 2 meeting. The parties to the dispute have a right to be heard at the Step 2 meeting. The meeting is in the nature of an appeal. The Appeals Committee is limited to a review of the evidence submitted at the Step 1 hearing as set forth in the Step 1 report. If there is a claim of new evidence or an incomplete record at the Step 1, the Step 2 Appeals Committee may remand the claim to the Step 1 committee to complete the hearing. Neither member of this committee may be directly involved in the dispute or have served in Step 1 of the grievance procedure.

If the official of the I.L.A. District Office and the official of the West Gulf Maritime Association agree on a decision, the decision will be signed by the ILA District Office and the West Gulf Maritime Association, and will be a final and binding decision.

If the official of the I.L.A. District Office and the official of the West Gulf Maritime Association do not agree on a decision, each will prepare a proposed decision and submit those decisions to the mediator. The mediator must sign one of the decisions submitted. The decision signed by the mediator will be immediately implemented and observed.

Providing Qualified and Efficient Personnel

The Parties recognize the need for an efficient, progressive and updated training. The representatives of the Locals to use every effort to provide persons qualified and efficient for the class of work for which they may be ordered.

Any person entering the industry as a longshoreman will be required to attend a safety course/longshore training/hazmat not exceeding sixteen (16) class room hours during the first three months of his/her employment. Such safety/training courses shall be determined and administered by the West Gulf Maritime Association; any changes and programs to be administered in collaboration with the ILA District and Locals. Powered Industrial Truck [PIT] Refresher Training developed with the ILA will be updated as necessary.

All workers must wear OSHA-approved footwear, vests and hard hats. The current practice of the employer providing rain gear shall continue.

The Parties will establish a Joint Committee to review and mutually determine appropriate measures to reduce accidents due to fatigue. Furthermore, the Joint Committee shall review and evaluate a joint selection process for new workers prior to commencing employment by any direct employer, including I-9 paperwork, physical exams/pre-employment exams [paid by employers], pre-employment drug test.

Lifting requirements per job may be mutually agreed to by the Parties.