

MEMORANDUM OF AGREEMENT

Between the International Longshoremen's & Warehousemen's Union and Pacific Maritime Association

On Mechanization and Modernization

October 18, 1960

A. PROVISIONS FOR EFFICIENT OPERATIONS

1. (1) The Longshore and Clerk's Agreements and local agreements (exclusive of Walking Boss Agreements) shall be revised and amended in the manner set forth herein so as to eliminate restrictions in the contract and working rules, as well as in unwritten but existing Union unilateral restrictions and arbitration awards which interfere with the Employers' rights dealing with sling loads, first place of rest, multiple handling, gang sizes, and manning scales, so as to allow the Employers to:
 - a. Operate efficiently
 - b. Change methods of work
 - c. Utilize labor-saving devices
 - d. Direct the work through Employer representatives while explicitly observing the provisions and conditions of the Agreements protecting the safety and welfare of the employees and avoiding speed up. "Speed up" shall be understood to refer to an onerous workload on the individual worker. It shall not be construed to refer to increased production resulting from more efficient utilization and organization of the work force, introduction of labor-saving devices, or removal of work restrictions.
2. (2) It is the intent of this document that the contract, working and dispatching rules shall not be construed so as to require the hiring of unneces-

sary men. The question of whether or not men are necessary shall be based on a determination of the number of men required to perform an operation in accordance with the provisions of paragraph A (1). Such determination shall take into account the contractual provisions for relief, the fact that during many operations all men will not be working at all times due to the cycle of the operation, but this shall not be construed to sanction such practices as *four-on four-off* or variations thereof.

3. The Employer may seek through the provisions of the contract machinery to change only those contract provisions, working and dispatching rules which are in conflict with the provisions and intent of this document. Where changes are agreed upon at the Coast Committee level they shall go into effect. Where changes remain in dispute they shall be resolved by the contract machinery.

SLING LOAD LIMITS

4. *The sling load agreement shall be amended to provide as follows:*
5. 1. The sling load agreement shall continue to apply to all loads built by longshoremen where conditions, number of men on the dock and in the ship, and the method of operation are the same as when the sling load agreement was negotiated.
6. 2. In the case of all other commodities or operations, where operations have changed or where new commodities or operations have developed, loads shall be as directed by the Employer, within safe and practical limits and without speed up of the individual. Any dispute arising with regard to such operations shall be settled through the grievance machinery with work continuing as ordered.
7. 3. An increase in the number of men man-handling cargo or the use of machinery to move or stow cargo on the dock or on the ship shall be considered a change in operations which permits the handling of loads larger than previous standards.
8. 4. Loads built by other than longshoremen or loads built by longshoremen under 2 or 3 hereof shall be skimmed or not skimmed as ordered by the Employer.
9. 5. Nothing herein limits the Union's right to raise the issue of onerousness of work through the grievance machinery.

10. (1) There will be no multiple handling.

11. (2) Longshore work shall include the following dock work between the first and last place of rest (unless waived by the Union, in writing):

- (a) High piling or breaking down high piles
- (b) Sorting
- (c) Movement of cargo on the dock or in a terminal, or to another dock, terminal or warehouse
- (d) The removing of all cargo from longshore boards
- (e) The building of all loads on the dock.

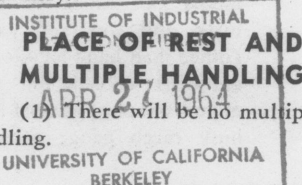
12. The above work shall be performed when ordered by the Employer. Longshore work on the dock, as outlined in this section, is left to the option of the Employer. The fact that such Employer option is provided for herein, does not require the Employer to perform such work, but Employers are hereby prohibited by this language from allowing others than Longshoremen to perform the work.

13. (3) If jurisdictional difficulties arise in the application of the above, whatever jurisdictional agreements are reached shall not result in multiple handling.

14. Section 1 of the Longshore Agreement, "Definition of Longshore Work," Paragraph (a) shall be amended by inserting the following language as a new paragraph following the words "companies parties to this Agreement.":

15. "The words 'first place of rest' in the preceding paragraph shall not be interpreted so as to require multiple handling of cargo on either discharge or loading operations or movement of cargo on the dock or in a terminal, or to another dock, terminal or warehouse, i.e., no cargo delivered to a terminal for loading on a ship, car, or barge and no cargo arriving at a terminal by ship or barge and subsequently leaving a terminal shall require multiple handling by longshoremen except as required by the Employer.

16. "Cargo received on pallet, lift, or cargo boards, or as unitized or packaged loads, shall be considered as having fulfilled the 'first place of rest' requirement when unloaded from the carrier at a place designated by the Employer, and shall not be re-handled before moving to ship's tackle unless so directed by the Employer. Cargo received for shipment but neither palletized nor received as unitized or packaged loads and to be palletized before delivery to ship's tackle shall be palletized by longshoremen only,



(unless waived by the Union, in writing). Cargo discharged from a vessel on pallet, lift, or cargo boards or as packaged or unitized loads shall be considered as having fulfilled the 'last place of rest' requirement, when it is dock stored just as it left the hatch. It may be removed by the consignee or his agent, without additional handling, unless de-palletizing is ordered or sorting is required by the Employer prior to such removal. After cargo has been placed on the dock after discharge from the vessel, any movement of the cargo to a railway car, any sorting on the dock, and any building of loads on pallet boards on the dock shall be done by longshoremen. This will permit the teamsters to load their trucks piece by piece from cargo boards after longshoremen have broken down piles and set loads to the tailgate, floor or loading platform.

17. "Longshoremen will load or discharge trucks only when directed to do so.
18. "High piling or breaking down high piles is longshore work. Outbound loads will be set down one lift high on the docks and then may be high piled only by longshoremen, if so required by the Employer. Inbound loads will be set down by longshoremen in lift loads suitable for placement on trucks."

GANG SIZES AND MANNING

19. Section 9 of the Pacific Coast Longshore Agreement, shall be amended to read as follows:
20. The minimum basic ship general *break bulk cargo gangs* shall consist of men as follows:
 - A *gang boss* (in ports where such are used)
 - A *winch driver* (two on single winches)
 - A *hatch tender*
 - Two (2) *sling or front men*
 - Four (4) *holdmen* (including *siderunners*)
21. Except as hereinafter provided: (1) On loading operations the basic gang can be the minimum number of men for all operations when the loads are being landed in the vessel at their place of rest or being stowed thereafter by mechanical equipment.
22. (2) On discharge operations this basic gang can be the minimum number of men when the loads are being moved to the point of removal from the vessel by mechanical equipment or are ready for slinging without additional handwork except the placement of slings or similar devices.

23. When cargo is to be hand-handled, then two *swing men* shall be added to the basic gang for all discharge operations, and four swing men shall be added for all loading operations. *Exception:* When space and safety are the factors that dictate that only one load can be handled at a time, prior to the handling of the second load, then the basic gang can perform such handling providing it is to last for one hour or more.

24. When the cargo handling operation to be performed requires only a minimum basic gang, that gang may be used to rig, uncover and cover hatches without additional men, so as to avoid deadtime under the eight hour guarantee.

25. The flexibility to apply to such swing men as are called for herein (and to the second winch driver) shall be the same flexibility set forth in the August 10, 1959 Memorandum in connection with the 8-hour guarantee. Swing men, skilled or unskilled, and the second winch driver, shall not be added to the basic gang complement in order to have ship's time guaranteed. They shall have the 8-hour guarantee and the right to callbacks without favoritism. They may be released at the end of any shift when they are not needed to start the next shift.

26. The minimums set forth above can be supplemented in any numbers as ordered by the Employer, while needed, without precedent.

27. Other longshore work in connection with loading and discharging is to be performed as ordered.

28. The Employer shall be permitted to bring machinery and machine drivers into the hold and to swing out an equivalent number of hold men, provided four basic hold men are retained at all times.

29. If loads above contractual limits are to be moved manually, and additional men or machines are required to guarantee against onerous individual workload, and to maintain safety standards, they will be provided.

30. Manning for existing operations shall continue with the Employer having the right to ask for review of such manning through the contract machinery in the following situations:

31. 1. Where existing manning for general cargo operations, including packaged lumber and mixed operations of break bulk and unitized cargo, (other than hand-handled operations) exceed the minimum basic ship general break bulk cargo gang; provided,

however, that such review shall not seek to reduce the manning below said minimum basic ship gang, and shall be based on a determination of necessary men as hereinabove defined.

32. 2. In the case of other existing operations, such review shall be based on a determination of necessary men as hereinabove defined, and shall not be limited by the minimum basic ship general break bulk cargo gang structure.

33. When new methods of operation are introduced the Employer shall discuss the proposed manning with the Union. If agreement cannot be reached (at the Coast level) the Employers shall have the right to put their manning in effect, subject to final resolution through the contract machinery.

34. In existing operations, where changed methods have already been introduced which eliminate handling of cargo on a piece-by-piece basis; or which eliminate hand-handling of units (as in cases of straight runs of unitized cargo, mechanically landed, lifted and stowed and vice versa); or which eliminate the need for hold men by removal of devices, (as in the case of shutes in scrap operation), the procedure of this paragraph shall apply.

35. Dock gang units shall continue while providing for flexibility in the use of dock gangs.

36. The same safeguards with respect to speed up, safety and welfare shall apply in the case of gang size and manning as in the case of sling loads.

37. If, during a shift, a change is made from a discharge to a loading operation, and the change requires additional men under the provisions of this section, if the Employer is unable to swing in men from ship or dock from his own employees, the hold men will work without additional men for a maximum of fifteen loads but not more than one hour.

B. MODERNIZATION AND IMPROVEMENT FUND PROVISIONS

38. In return for a revised Longshore and Clerks' Agreement incorporating the provisions set forth in Paragraphs A and C "PROVISIONS FOR EFFICIENT OPERATIONS," PMA will establish a jointly trustee Fund as hereinafter provided. The administration and application of these revisions

of the contract shall be subject to the grievance procedure at the Coast level.

39. 1. The Fund shall include the \$1.5 million accumulated prior to June 15, 1960, and will be supplemented by PMA contributions of \$5,000,000 per year for a period of five and one-half years. If at any time the maximum payments per year do not provide sufficient money to meet fully the guarantees and benefits, the guarantees and benefits shall be reduced proportionately.
40. 2. The Fund shall be segregated into two parts and used for the following purposes:
41. (a) For all present fully registered longshoremen and Clerks, minus attrition; a guarantee of payment for a specified number of hours of straight-time pay per week at the then current contract rate, computed on an annual basis. Such guarantee shall become operative only when hours fall below the agreed level due to reduced work opportunity resulting from changes as provided in Paragraph A hereof, but shall not apply to a drop in tonnage due to a decline in economic activity. Details of eligibility and administration to be negotiated.
42. (b) For all present fully registered longshoremen and Clerks, minus attrition; the types of benefits provided in Union Draft of 10/4/60 Paragraph (2) (b), Paragraphs (1) to (7) inclusive. The amounts of such benefits to be determined by the Union. (See Exhibit "A," attached.)
43. In regard to the benefit entitled "Mandatory Pensioning," PMA-ILWU shall have joint control over application of early mandatory retirement. If the parties disagree, differences will be subject to arbitration.

C. GENERAL PROVISIONS

44. 1. The parties agree that they will abide by all terms and provisions of the collective bargaining agreements.
45. 2. The parties agree that should disputes arise under these agreements all men and gangs shall continue to work as directed by the Employer in accordance with the specific provisions of the Agreements and that such disputes shall be settled through the grievance machinery of the applicable contract. Only in cases of bona fide health and safety issues may a standby be justified. The Union pledges in good faith that health and safety will not be used as a gimmick.
46. 3. The Union agrees that the provisions of Section 16 (f) relating to

"Penalties for Work Stoppages, Pilferage, Drunkenness and Other Offenses" shall be observed, and that in the event of disagreement as to the imposition of penalties under the "independent procedure" at the Joint Port Labor Relations Committee level, the issue shall be processed immediately through the grievance procedure, and to the Area Arbitrator, if necessary. The hearing and investigation of grievances relating to penalties shall be given precedence, on an equal basis with discharges, over all other business before the Joint Port or Joint Area Labor Relations Committees and before the Area Arbitrator.

47. The Union further agrees that the provisions of Section 7 (b) (3) relating to removal of Hiring Hall personnel for cause shall be observed, and that any charges brought under this subsection shall be processed through the grievance procedure immediately and shall be given precedence, on an equal basis with penalties and discharges, over all other business before the Joint Port and Joint Area Labor Relations Committees and before the Area Arbitrator.
48. 4. The parties agree the basic purposes of the Fund shall be specifically incorporated in the Trust Agreement and further that either party may on 60 days notice request a joint review of the basic purposes of the Fund no more than twice during the term of the Trust Agreement, and that the initial review may not be requested prior to a date 18 months subsequent to the effective date of the Trust Agreement. If the parties cannot reach agreement at these reviews, unresolved items or disputes may be referred to the Coast Arbitrator for decision at the request of either party.
49. 5. In connection with the Modernization and Improvement Fund PMA needs to be assured that the Employer contributions to the Fund will be currently deductible for income tax purposes.
50. The Union agrees to support PMA in obtaining such assurances from the proper government agencies. Failure to obtain resolution of these problems would require renegotiation of these issues.
51. 6. Any contract provisions, working rules, dispatching rules, unilateral rules or arbitrator awards in conflict with the provisions of this document shall be nullified, or changed to the extent necessary, in order that they shall not prevent the operation of this Memorandum of Agreement. Any disputes concerning the interpretation or

application of this Memorandum of Agreement shall be determined under Coast Labor Relations Committee procedures. The parties, by agreement, may refer proposed changes which are of local significance only, to the Local area for negotiation. In the interest of uniformity, any such matter negotiated at the Area level must be approved at the Coast level before being put in operation. Any matter referred to the Area level and not resolved within 30 days thereafter shall automatically return to the Coast level, and if not resolved there shall be presented to the Coast Arbitrator for decision.

52. 7. Wherever applicable the foregoing paragraphs shall apply equally to longshoremen and clerks. The provisions of 16 (f) and 7 (b) (3) of the Longshore Agreement shall be incorporated in the Pacific Coast Master Clerks' Agreement.
53. 8. In the event that the Union or any Local fails or refuses to follow a Coast LRC or Arbitrator's ruling interpreting or applying the provisions of this document, or in the event of a work stoppage in any port or ports in violation of the provisions of this document, payments into the Fund shall be abated during the period of such failure, refusal or stoppage in the manner and amount hereinafter provided, and the total Employer obligation shall be reduced by such amount.
54. The method of determining the amount of abatement shall be as follows:

The total Employer obligation on an annual basis is at the rate of \$13,650 per day. This shall be the maximum amount of abatement per day. Within this limit, the parties shall agree as to the amount to be abated on a daily basis in each instance of failure, refusal or stoppage, whether on a Coastwide, Area, or Port basis, and failing such agreement, the Coast Arbitrator shall make such determination.

D. DURATION

55. This Agreement shall become effective upon ratification by both parties and shall run to July 1, 1966.

EXHIBIT "A"

Note: This language from the Union Proposal of October 4, 1960 sets forth the types of benefits contemplated under paragraph B 2 (b) of the October 18, 1960 Memorandum of Agreement. Specific wording will be incorporated in the Trust Agreement.

2. (b) *Early Retirement, with Vesting, and Death Benefit:* For all present fully registered longshoremen and clerks, minus attrition; the types of benefits provided below. The amount of such benefits to be determined by the Union.

(1) A death benefit, after more than 5 and less than 15 years of pension credit service of \$220 monthly for 12 monthly payments, to be paid to his beneficiary.

(2) After 15 years of pension credit service, accumulation of a vested right to a sum equal to 36×220 , and at age 65, with 25 years or more of service, the right shall be fully vested. If such a man dies or becomes disabled prior to reaching pension retirement, he shall receive, or his beneficiary, a proportionate amount, depending on years of service beyond 15, or the amount provided in (1) or (6) hereof,

whichever is greater but in case of death no more than \$5,000.

(3) Normal retirement to continue at age 65 with 25 years of service, and with payment of lump sum equivalent in whole or on a monthly basis as preferred by the pensioner.

(4) *Voluntary Retirement* can be chosen at age 62 or thereafter with 25 years of service at the rate of \$220 per month, and such early retirement will consume all or a part of a man's vested share of this Fund prior to his 65th birthday. Any residue of the individual share would be payable to the individual in a manner determined by him.

(5) *Mandatory pensioning* can be made obligatory at age 64, 63 or 62 with 24, 23, or 22 years of service and with the same

payments as in (4) above plus normal pension payments, if such mandatory retirement is mutually deemed necessary for the purpose of reducing the work force. Such mandatory requirement would of course follow mandatory retirement of men with 25 years of service and 65 years of age but not yet 68. The parties shall have joint control over application of early mandatory retirement. If the parties disagree, differences will be subject to arbitration.

(6) *For men who die after 15 years of pension credit service and prior to retirement*, beneficiaries shall receive \$5,000 in monthly payments of \$220.

(7) *For men who die while on normal or early pension* prior to the exhaustion of their vested interest herein, beneficiaries shall receive the residue in monthly payments of \$220 per month.