

GENERAL DYNAMICS

American Overseas Marine

Robin H. Booth
RRF Program Manager

May 7, 2002

Mr. Frank Bajowski *09 MAY 02*
U.S. Department of Transportation
Maritime Administration
Office of Acquisition
Code MAR-380, Room 7310
400 Seventh St., SW
Washington, DC 20590

Subject: Collective Bargaining Agreements

Reference: MARAD Letter Dated 4/30/02 Requesting Most Current Collective Bargaining Agreements

Dear Mr. Bajowski:

Per your request, please find enclosed the Collective Bargaining Agreement between American Overseas Marine and American Maritime Officers dated 11 May 2000. Also enclosed is the Collective Bargaining Agreement between American Overseas Marine and Seafarers International Union of North America dated August 2000, signed 25 September 2000.

Sincerely,



Robin H. Booth

116 East Howard Street
Quincy, MA 02169-8712
Tel 617-376-8459
Fax 617-471-6357
rbooth@gdamsea.com

MEMORANDUM OF UNDERSTANDING
AMSEA/AMO
2000 SUPPLEMENT
RRF Fleet

THIS MEMORANDUM OF UNDERSTANDING entered into by and between American Overseas Marine (herein Company) and American Maritime Officers (herein Union) and is binding upon themselves and their successors and assigns.

WHEREAS, the Parties, hereto, have outstanding a collective bargaining agreement, as amended from time to time, through negotiations or arbitrations (herein Agreement) covering Licensed Officers employed aboard Company owned or operated U.S. flag vessel or, the Company has recognized the Union as the sole and exclusive collective bargaining representative of such Officers; and

WHEREAS, the Company is submitting a proposal in response to the Maritime Administration (MARAD) Request For Proposals (RFP) DTMA91-97-R-00002 "Operation and Maintenance of Ready Reserve Fleet (RRF)."

WHEREAS, the Parties wish to memorialize their agreement as to wages, benefits and terms and conditions of employment to be enjoyed by Officers to be employed if the Company is the awarded the resultant contract by MARAD.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

I. This MOU shall become a Supplement to the Agreement effective the first of operation of the subject vessels by the Company:

A. 1.) To the fullest extent possible, all Officers shall be permanently assigned and permitted to return to work after periods of absence for vacation, sick leaves, leaves of absence or any other authorized leave.

2.) The Company shall have the right to select any applicant furnished by the Union and those so selected shall remain in continuous employment unless terminated by the Company or self. It is further understood that assignments of Master, Chief Officers, Chief Engineers, First Assistants and their replacements are subject to MARAD approval, which shall not be unreasonably withheld and shall be in writing.

3.a) If MARAD has reason to be dissatisfied with the qualifications, conduct or



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performance of any Officer, MARAD will provide written particulars to the Company who will promptly

notify the Union. Jointly, they will investigate same and take appropriate action.

b) If MARAD notifies the Company that the employment or continued employment of the Master or any other Officer is prejudicial to the interests or endangers the security of the United States of America, the concerned Master's or other Officers' assignment shall be canceled immediately.

c) Where a dispute arises relative to item 2 above, that dispute shall be submitted for immediate arbitration, nevertheless, the concerned Officer shall be removed from the assignment immediately. The arbitrator shall be instructed that where unjustifiable termination is decided, the settlement can only be in cash form. Officers once terminated shall not be reassigned again.

B. The "Restrictions," "Sales and Transfers," "Parity" and "Severance" provisions of the Agreement shall not apply to any vessel(s) awarded as a result of the subject RFP.

1.1.2. A. All Officers to be assigned shall:

- (1) be U.S. citizens (which is a requirement in order to obtain a USCG license), and possess experience for their rating as required by the RFP;
- (2) possess current, valid USCG licenses, including Radar Observer Endorsements for Deck Officers;
- (3) possess a valid U.S. passport which shall be valid for the entire assignment period;
- (4) possess Federally Required Test certificate(s);
- (5) be certified by the Company designated licensed physician to be fit for duty in accordance with the requirements of said RFP;
- (6) possess security clearance as required; and
- (7) be trained in the subject matter and manner required by the RFP or applicable law.

B. Officers who report aboard without the required documents, and certificates, as noted above, shall be replaced immediately with the replacement's travel costs borne by such terminated Officer.



C. All Officers shall study and fully comply with any "Physical Security Plan/Security Bill" posted by the Master.

D. The Company shall have the right to require Officers to wear uniforms and to establish and enforce appropriate dress and grooming standards for Officers.

1.1.3. Should the Union be unable to supply a qualified Officer(s) whenever and wherever requested by the Company, the Union shall notify the Company within twenty-four (24) hours after the request is made, which shall have the right to acquire same from any source and must immediately so advise the Union.

1.1.4. Cadet Training will be allowed.

1.2. No Strike

There shall not be any strikes, lock-outs, concerted slowdowns or any other interferences for any reason whatsoever with the operation of the subject vessels during the resultant contract between the Company and MARAD. Any Officer(s) taking part in any such action shall be immediately terminated and replaced at no additional cost to the Company or Government. The Company shall operate the ship(s) to support all MARAD requirements which shall have precedence over any and all terms of this Agreement.

2.1. Economic Matters are provided in Appendix "A" attached hereto.

2.2. The manning scale shall be as agreed upon between MARAD and the Company as long as it is in accordance with USCG requirements. For guidance, this commitment is valid when any vessel, covered herein, receives an ACCU Certificate issued by the USCG.

3.1. The Company agrees to become and/or remain party to the various AMO Plans, entities and committees and to make contributions thereto for all days of "covered" employment which includes the duration for which earned or unearned wages are paid, in the amounts noted in the confidential "Contribution Letter" which is made part of this Agreement.

3.2. There shall not be any duplication of contributions to the various benefit plans, entities and committees. When processing an application for vacation benefits, the Vacation Plan shall deduct one day of covered employment before calculating the benefit payable. Such deduction shall be per non-continuous pay periods.



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3.2.1. The Company agrees to become/or remain a party to a noncontributory 401(k) Plan.

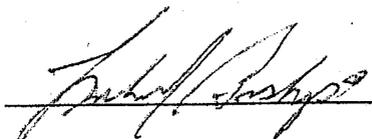
4. Grievances:

No claim by an Officer of an alleged contract violation by the Company, including but not, limited to, non-payment of overtime or other remuneration payments, or for wrongful termination, will be entertained after payoff of said Officer unless within fifteen (15) days thereafter, a written claim, by letter or otherwise, by the Officer or by a Union representative acting on behalf of the grieving Officer, is filed with the Company at its corporate office. If a claim is filed by the Officer with the Company, a copy of said claim shall be sent to the Union Vice President, Deep Sea, at Union Headquarters in the same manner as the claim is presented by the Officer to the Company. However, if filing within fifteen (15) days after payoff is prevented by some cause beyond the control of the Officer, such time limitation shall be automatically extended for an additional fifteen (15) days. Whenever a properly presented claim is disputed by the Company, the Company shall, within fifteen (15) days of receipt of same, provide written notice setting forth the reason(s) for denial to the Union Vice President, Deep Sea, at Union Headquarters. Thereafter, discussions between the Union and the Company shall take place in a good faith effort to resolve the issue(s). If no satisfactory resolution is achieved within fifteen (15) days after the commencement of discussions, the Arbitration procedures contained in the Agreement may be invoked by either the Company or the Union. Time limitations noted herein are in calendar days, which may be extended only by written mutual consent of the Parties. Noncompliance with the time limitations set forth herein by the Company or the Union, including any mutually agreed upon extended time limitations, shall result in said claim(s) being considered resolved in favor of the party that did not violate such time limitations.

5. Any provisions of the Agreement not specifically modified herein remain in full force and effect. This Supplement shall be in force and effect for the duration of its resultant agreement between the Company and MARAD and binding upon the Parties, their successors and assigns.

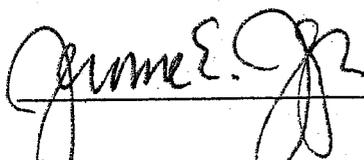
AGREED TO THE 11th DAY OF MAY 2000.

Company:



American Overseas Marine

Union:





APPENDIX "A"
(ECONOMIC MATTERS)
(DTMA91-97-R-00002)
RRF FLEET
May 11, 2000

I. Full Operating Status (FOS)

A) Wages:

The Monthly Base Wages, NWA's and Hourly Overtime Rates to be paid to Officers employed on a vessel is FOS are as follows:

Effective the first day of operation:

	<u>Monthly Base:</u>	<u>*Monthly NWA:</u>	<u>Hourly O/T Rate:</u>
Master	\$9,124.30	\$1,845.23	\$1,950.00**
Chief Engineer	8,901.74	1,800.23	1,950.00**
C/O; 1A/E	5,634.37	1,139.46	40.64
RO; ET	5,271.97	1,066.17	38.04
2/O; 2A/E	4,909.56	992.88	35.42
3/OM; 3A/E	4,277.12	864.98	30.86

Port Relief Rate: \$33.28 per hour
Premium/Penalty Rate: \$12.43 per hour
Engine Room Standby at Sea: \$25.00 per tour (unattended E.R. vessels)
Engine Room Standby in Port: \$12.43 per hour (unattended E. R. vessels)

* NWAs shall be added to the Base Wages for the purposes of calculating Vacation and MPB benefits for all Officers and also included for Masters and Chief Engineers when employed aboard ship.

** Monthly payment (prorated) in lieu of all other forms of additional compensation unless otherwise provided.

B) FOS Officers:

1. Penalty Rate: The Penalty Rate shall be payable for "Delayed Sailing" in United States ports for all hours between two (2) hours after the posted time and one (1) hour



before the letting go of the first line, unless the sailing board is changed within four (4) hours prior to departure. Penalty Rate is also payable when an Officer performs "dirty work" and/or "unlicensed work."

2. Port Relief Rate: The Port Relief Rate shall be paid for all hours Port Relief Officers are employed. Port Relief Officers shall be employed on weekends and holidays when a vessel is in FOS in a United States port or whenever otherwise requested by the Company. Weekends shall commence at 1700 hours Friday and end at 0800 hours Monday. Holidays shall commence at 1700 hours on the eve of the holiday and end at 0800 hours the day after the holiday. When Port Relief Officers are required but not employed, the applicable overtime rate shall apply for the shipboard Officer.

3. Overtime: For all hours of work performed in excess of eight (8) hours in any one (1) day on weekdays and for all hours of work performed on weekends and holidays, Officers (except Masters and Chief Engineers) shall be paid at their overtime rate.

4. Overtime Rule: When overtime is performed, such work shall be paid at one half (1/2) hour increments except of the first hour, which shall be a full hour. There shall be no pyramiding of overtime.

5. Vacation: Masters, Chief Engineers, Chief Mates, and First Assistant Engineers shall be entitled to thirty (30) days of paid vacation for each thirty (30) days of "shipboard employment." All other Officers shall be entitled to twenty-six (26) days of paid vacation for each thirty (30) days of "shipboard employment."

6. GMDSS: When a Radio Officer (RO) or Electronics Technician (ET) is not employed, an Officer who is properly GMDSS certified and actually performs communication duties, shall be compensated by an additional payment of \$1,800.00 per month, prorated when



appropriate and allocated when more than one (1) qualified Officer performs such additional work.

II. Reduced Operating Status (ROS) & Repair Availability Status (RAV)

A) Wages:

The Weekly Base Wages and Hourly Overtime Rates to be paid to Officers employed on a vessel in ROS & RAV are as follows:

Effective on the first day of operation:

	<u>Weekly Base</u>	<u>Hourly Overtime</u>
Master	\$2,040.01	\$49.22
Chief Engineer	1,874.67	45.92
C/O; 1A/E	1,591.17	37.50
RO; ET	1,488.80	34.54
2/O; 2A/E	1,386.42	31.58
3/O; 3A/E	1,228.50	27.56

Premium/Penalty Rate: \$12.43 per hour

B) ROS/RAV Officers:

1. Work Week: The week shall be Monday through Sunday, during which Officers shall work Monday through Friday (0800-1700) with a mutually agreed upon rotating overnight, weekend and holiday watches or security checks as required. Weekly wages shall be divided by seven when determining earnings for Officers who work less than a full week; provided, however, that no Officer shall receive less than the above noted weekly rate of pay when such Officer works Monday through Friday and the vessel remains in ROS throughout the subsequent weekend.

2. Security Watches: Security checks/watches shall be shared equally by all shipboard Officers. There shall be no additional compensation for routine security watch standing;



provided, however, that Officers, who are required to perform work during security checks/watches shall be paid at their overtime rate for all such hours. Merely answering an alarm or making routine rounds while standing such watches, is not considered "work performed."

3. Overtime: For all hours of work performed in excess of eight (8) hours in any one (1) day Monday through Friday and for all hours of work performed on weekends and holidays, all Offices shall be paid at their overtime rate. There shall be no pyramiding of overtime.

4. Penalty Rate: The Penalty Rate is payable when an officer performs "dirty work" and/or "unlicensed work."

5. Call Back: It is understood and agreed that on holidays in port, the Security Watch Officers on all vessels and/or the Duty Engineers on unattended engine room vessels shall receive eight (8) hours of pay at their overtime rate. All other Officers called back to work on Saturdays, Sundays and holidays shall receive a minimum of four (4) hours of pay at their overtime rate.

6. Compensatory Time: Officers who elect to take compensatory time off instead of overtime payment will be entitled to hour for hour time off with pay. Compensatory time may be taken in conjunction with vacations.

7. Vacation and Sick Days: Officers shall earn one and a half (1.5) days of paid vacation and one (1) day of paid sick leave for each thirty (30) days on the payroll. Pay in lieu of time off for earned vacation days is permissible. Pay for vacation and sick days shall be paid directly by the Company.

8. Routine Tour: Officers assigned to a vessel when in ROS/RAV must remain aboard for at least one (1) Routine Tour, in the Officer's ROS capacity or higher, when such vessel is put into FOS.



9. Probationary Period: Officers assigned to a vessel when in ROS/RAV shall be considered probationary for the first sixty (60) days of employment. During this probationary period, the Company may terminate employment for any lawful reason and there shall be no recourse through the grievance procedure contained in the Agreement.

III. FOS and ROS/RAV Miscellaneous

A) Wage Increases and Commencement of Wages:

1. There shall be an increase of three percent (3%) of Total Labor Cost (TLC) for Officers effective each anniversary date for the duration of this Agreement commencing with the second anniversary date. TLC is defined to include all rates of pay (Base Wages and NWAs), overtime, all other forms of compensation paid and all benefit contributions. TLC excludes feeding, transportation, overlap costs and taxes.
2. Wages shall commence no later than the day the Officer actually "turns-to" aboard the vessel.
3. All wages and benefits shall apply as specified herein regardless of vessel location.

B) Transportation, Subsistence and Lodging:

1. Transportation:

- a) Launch service to and from a vessel shall be provided, when necessary, at Company's expense.
- b) For air travel, unless otherwise provided, between home and ship and vice versa, and from one Company ship to another Company ship, Officers shall receive economy class air transportation and be reimbursed for reasonable expenses associated with such travel. For other travel, Officers' travel expenses shall be reimbursed in accordance with the government's Joint Travel Regulations (JTR) for the area in which the travel occurs.



c) A "travel per diem" equal to the Daily Base Wage (Monthly Base divided by 30 for FOS, or Weekly Base divided by 7 for ROS/RAV) shall be paid to Officers required to join a vessel outside the Continental United States, nearby foreign and the State of Hawaii (fringe benefit contributions are not required), starting the day the Officer flies out or is scheduled to fly out directly to the vessel and ending the day the Officer boards the vessel. For travel between one Company ship to another Company ship, covered herein, Officers' wages shall continue at the rate the Officers are employed and all benefit contributions shall be made by the Company.

2. Subsistence and Lodging:

a) Officers shall, at all time, be housed and fed aboard the vessel upon which employed or another Company vessel that is "nested" alongside.

b) Subsistence and lodging expenses incurred because housing and/or properly prepared hot meals are not provided aboard ship or the nested vessel shall be reimbursed in accordance with the government's Joint Travel Regulation (JTR) for the area.

C) HOLIDAYS

1. There shall be ten (10) paid holidays for all Officers as follows:

- a) New Years Day
- b) Martin L. King Birthday
- c) President's Day
- d) Memorial Day
- e) Independence Day
- f) Labor Day
- g) Columbus Day
- h) Veterans' Day
- i) Thanksgiving Day
- j) Christmas Day

2. Recognized holidays shall be celebrated on the day proclaimed by the Federal Government otherwise on the day that they occur



or on the subsequent Monday if occurrence is on a Saturday or Sunday.

D) Status and Manning Scales:

1. "ROS", "RAV" and "FOS" shall be defined in the resultant agreement between MARAD and the Company.
2. While in ROS/RAV, the manning scale shall be agreed upon between MARAD and the Company.
3. While in FOS, the manning scale shall be agreed upon between MARAD and the Company.
4. The manning scales in sub-sections D2 and D3, herein and directly above, shall be adjusted only in accordance with the provisions of the Agreement between MARAD and Company; provided, however, that the manning scale shall always be no less than that required by the Certificate of Inspection issued by the United States Coast Guard.

E) Unattended Engine Rooms:

1. For unattended engine room at sea or in port, the number of routine tours of the engine room to be conducted during weekdays, weekends and holidays shall be determined by the Company and Chief Engineer.
2. In port, when a Duty Engineer is required to remain aboard the vessel between the hours of 5 P.M. and 8 A.M. on weekdays and all hours on Saturdays, Sundays, and holidays, such Engineer shall be paid at the Engine Room Standby in Port hourly rate of pay for all such hours; provided, however, that such Duty Engineer shall be paid, in lieu of the Engine Room Standby in Port hourly rate of pay, overtime for all hours of work performed during such hours.
3. At sea, for each routine tour of the engine room, the Duty Engineer shall receive the Engine Room Standby at Sea rate of pay and be paid overtime for all hours of work performed between the hours of 5 P.M. and 8 A.M. on weekdays and all hours on Saturdays, Sundays and holidays.



4. In port or at sea, no additional compensation shall be paid to the Duty Engineer who merely answers an alarm.

F) Benefit Contributions:

1. The Company agrees to become and/or remain party to the various benefits plans and entities and to make contributions thereto in accordance with the Confidential Contribution Letter attached and made part hereof.

2. Except as may be otherwise provided, all benefits contributions shall be made on a day for day basis, that is, when a vessel is in ROS/RAV such contributions shall be made monthly on a seven day week basis (daily contribution rate multiplied by 365 then divided by 12). When a vessel is in FOS such contributions shall be made on the well-established practice of monthly payments within the Rules and Regulations of the various benefit plans.

IV. Bonus Payments

V.

A) Dangerous Cargo Bonus:

1. When carrying "Dangerous Cargo" of fifty (50) long tons or more, Officers shall be paid an additional ten percent (10%) of their Base Wages commencing the day of commencement of loading through the day of discharge of such cargo.

2. For this purpose, "Dangerous Cargo" is defined as Class "A" munitions or dangerous explosives in accordance with the Interstate Commerce Commission's classification, such as:

- a) Ammunition for cannons of 27 mm (1.5 in) caliber or larger;
- b) Ammunition for cannons with explosive projectiles;
- c) Projectiles, grenades, bombs, mines, torpedoes;
- d) Black powder or low explosives;



- e) Ammunition with explosive bullets;
- f) Ammunition with explosive chemicals;
- g) High explosive such as dynamite, etc.;
- h) Initiating or priming explosives such as blasting caps; and
- i) Nuclear explosives.

3. This section shall not apply to small arms, ammunition, signaling devices, etc., carried for the protection of the ship.

B) War Zone and Imminent Danger Zone Bonuses:

1. While a vessel is being operated in or traversing waters described as being a "War Zone" by an appropriate U.S. Government Agency, all Officers shall receive a bonus equal to one hundred percent (100%) of Base Wages on a day for day basis.

2. While a vessel is being operated in or traversing waters described as being an "Imminent Danger Zone" by an appropriate U.S. Government Agency, all Officers shall receive a daily bonus equal to the bonus paid to U.S. Military Personnel assigned to the area, or, civil mariners, whichever is higher.

3. For B1 and B2 herein and directly above, the appropriate bonus shall be paid effective the day the vessel enters the "zone" and shall terminate effective the day after the vessel departs the "zone," or effective the day the respective "zone" designation is withdrawn by the appropriate U.S. Government Agency, whichever occurs first.

C) Other Bonuses:

1. A "Harbor Attack Bonus" and a "Vessel Attack Bonus" of six hundred dollars (\$600.00) and one thousand dollars (\$1,000.00), respectively, shall be paid to all Officers on a per incident basis.



2. Warning shots across the bow in compliance with International Law does not constitute an "attack" of any kind.
3. It is understood that when a "Vessel Attack Bonus" is paid, no "Harbor Attack Bonus" shall be paid for that particular harbor on that particular day.

D) Additional Insurance:

1. For the duration that a vessel is in the above described "zones," the Company shall provide to Officers, at its own cost, insurance covering loss of life, disability, including dismemberment and loss of functions, detention and loss or damage to personal effects, by a policy substantially in the form of the Second Seamen's War Risk Policy.
2. The policy amounts payable under such war risk insurance shall be the same as those described in the Second Seamen's War Risk Policy except that the benefit for loss of life shall be six hundred thousand dollars (\$600,000.00).





American Maritime Officers

A National Union Celebrating 50 Years

490 L'Enfant Plaza East SW • Suite 7204

Washington, D.C. • 20024

(202) 479-1166 • FAX (202) 479-1188

May 11, 2000



ISO 9002

Certificate #33975.2

Michael R. McKay
President

Jerome E. Joseph
Executive Vice President

Mr. Leland Bishop, President
American Overseas Marine
116 East Howard Street
Quincy, MA 02169-8712

Re: Confidential Contribution Letter
RFP MTMA91-97-R-00002
RRF - Fleet

Dear Mr. Bishop:

In connection with the Memorandum of Understanding, executed simultaneously herewith, covering Officers to be employed on board the above captioned ships as a result of the captioned MARAD solicitation, please be advised of the following required contributions rates to the various AMO Plans and entities:

Contributions are to be made for all days of "covered employment" which is defined as all days for which wages, earned or unearned, are paid.

ROS/RAV:

Effective on the First Day of Operation:

- TO: AMO Vacation Plan (for distribution to other Plans - not for the payment of the benefit) - \$29.29 PMD**
- TO: AMO Pension Plan (+) \$13.93 PMD**
- TO: AMO Medical Plan (+) \$30.36 PMD**
- TO: Money Purchase Benefits Plan (MPB) three (3%) percent of weekly rate
- TO: FRET 95¢ PMD**

** Contributions are to be made on a seven (7) day a week basis, that is, the daily rate x 365 divided by 12.

FOS:

- TO: AMO Vacation Plan:
For Group 1: 126.72%* of Base and NWA plus \$24.47 PMD (30/30 vacation benefit)
For Group 2: 112.19%* of Base and NWA plus \$24.47 PMD (26/30 vacation benefit)

THE INFORMATION CONTAINED HEREIN IS STRICTLY
CONFIDENTIAL AND CANNOT BE RELEASED, IN PART OR IN
WHOLE, WITHOUT SPECIFIC WRITTEN PERMISSION FROM
THE COMPANY AND THE UNION.

A Tradition Of Growth, Stability, And Excellence

TO: AMO Pension Plan: (+)
For Group 1: \$25.72 PMD
For Group 2: \$24.01 PMD

TO: AMO Medical Plan: (+)
For Group 1: \$42.60 PMD
For Group 2: \$40.95 PMD

TO: AMO Money Purchase Benefit (MPB):
For Group 1: Four (4%) percent of Base plus NWA
For Group 2: Three point seventy three (3.73%) percent of Base plus NWA

TO: FRET 95¢ PMD (both Groups)

*subject to FICA Fluctuations.

(+) contributions are to be made for all days for which unearned wages are paid.

Group 1 includes Masters, Chief Engineers, Chief Officers & 1st Assistants
Group 2 includes all other Officers

PMD = per man per day

NWA = Non-Watchstanding Allowance

Kindly indicate your agreement to the above by signing in the space provided below and return one (1) executed original to the undersigned.

Very truly yours,
American Maritime Officers

Jerome E. Joseph
National Executive Vice President

AGREED TO: *John W. Burdette*



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CONFIDENTIAL AND CANNOT BE RELEASED, IN PART OR IN
WHOLE, WITHOUT SPECIFIC WRITTEN PERMISSION FROM
THE COMPANY AND THE UNION.

