



International Organiza

Masters, Mates & Pilots

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TIMOTHY A. BROWN
International President
JAMES T. HOPKINS
International Secretary-Treasurer

*****VIA FACSIMILE & OVERNIGHT*****

January 13, 2000

Capt. Saunders A. Jones, Vice President
American Ship Management, LLC
2175 N. California Blvd., Suite 1000
Walnut Creek, CA 94596-3579
Fax: 925-296-2320

RE: MARAD RFP DTMA 91-97-R-00002

Dear Capt. Jones:

The International Organization of Masters, Mates & Pilots (IOMM&P), being fully knowledgeable of the provisions and requirements stipulated in subject RFP, agrees to provide the required personnel to American Ship Management, LLC (herein "ASM" or "Company") in accordance with the Collective Bargaining Agreement between the parties should the Company be awarded subject RFP.

The mutual commitment between the Company and the IOMM&P, in accordance with the terms and conditions of the subject RFP, includes:

1. Compliance with the no-strike, no work stoppage provision required by the RFP upon mutual agreement and understanding that the Collective Bargaining Agreements between the parties, as they relate to vessels operating under the subject RFP, shall not be shorter than the period of the contract award and any extensions thereto, should ASM be selected under the terms of the RFP;
2. Compliance with the wage, benefit and manning provisions agreed to by the parties as they may amend the current terms of the Agreement covering Licensed Deck Officers;

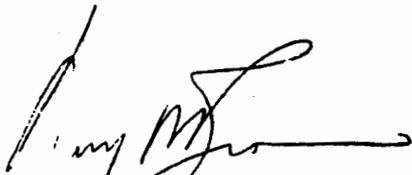
Capt. Saunders Jones
American Ship Management, LLC.

January 13, 2000
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RE: RFP DTMA91-97-R-00002

3. Compliance and assistance with whatever training requirements, if any, may be set forth by the subject RFP;
4. Compliance with all other requirements and rules necessary to satisfy the provisions of the RFP; and,
5. Understanding that any provisions included in the Master Collective Bargaining Agreements with the Company inconsistent with the above shall not be applicable to this RFP.
6. Understanding that the duration of the Collective Bargaining Agreements with the Company and any extensions thereof, as they relate to vessels operating in commercial service are separate and distinct from the duration of the Collective Bargaining Agreements and any extensions thereof, as they relate to vessels operating under the subject RFP as set forth in item number 1., herein.

Very truly yours,



Timothy A. Brown
International President

MEMORANDUM OF UNDERSTANDING

MEMORANDUM OF UNDERSTANDING (this "Memorandum") as of January 10, 2000 between **American Ship Management, LLC** ("Company") and the **International Organization of Masters, Mates & Pilots, ILA, AFL-CIO** ("Union") regarding the terms and conditions of employment of "Licensed Maintenance Mates" for the operation of certain vessels under MARAD RFP DTMA 91-97-R-00002 ("RFP").

WHEREAS, this Memorandum of Understanding supercedes any and all of the memorandum(s) executed by the parties concerning the above-referenced RFP; and

WHEREAS, the parties have collective bargaining agreements covering the Company's vessels; and

WHEREAS, the Company will bid on contracts to maintain and periodically operate certain vessels in the Ready Reserve Fleet under the above-referenced RFP; and

WHEREAS, the parties in recognition of the need for continuous officer coverage of the RRF vessels, recognize the position previously established as "Licensed Maintenance Mates;" and

WHEREAS, the parties agree to all terms of the RFP.

THEREFORE, IT IS AGREED THAT:

All wages, benefits, contributions and other terms and conditions of employment contained in the applicable deep-sea vessel agreements as amended and supplemented, in effect at the commencement of this Agreement, and all amendments and supplements thereto negotiated during the term of this Memorandum ("Agreements"), shall apply to the above-referenced vessels, except as amended or modified herein:

A. FULL OPERATING STATUS (FOS)

1. The provisions of this Section A shall apply to all RRF vessels while in FOS status regardless of the location of the vessels. Economic matters including, but not limited to, daily wage rates, overtime, vacation and holiday entitlements, transportation, subsistence and lodging as well as various work rules and manning requirements shall be as set forth in the attached Appendix "A" ("Economic Matters"). Contribution rates to MM&P benefit plans while in FOS shall be as set forth in the attached Appendix "B" ("Fringe Benefit Contributions - FOS").

2. ACTIVATION

(a) During a vessel activation, either for exercise or operation, a Licensed Deck Officer assigned to a vessel when in ROS("Reduced Operating Status")/RAV("Repair Availability Status") must remain aboard for at least (1) routine tour, in the LDO's ROS/RAV rating or higher. A routine tour shall be defined as at least sixty (60) days of FOS employment terminating in a U.S. port. Thereafter, said LDO shall be deemed a permanent ship's Licensed Deck Officer under the terms of the Agreements pertaining to the vessel.

(b) Additional Licensed Deck Officers required to sail the vessel may be transferred to the activated vessel from other vessel ROS crews or be hired from the Union's employment pool through the hiring halls in which case cross shipping rules established by the Union shall apply.

(c) If the Company transfers a Licensed Deck Officer from another vessel's ROS crew, that Officer will revert back to his/her original vessel and rating upon deactivation.

(d) Any transfer of a Licensed Deck Officer from ROS/RAV to FOS and vice versa shall not constitute a break in continuous employment.

(e) Due to the operational requirements of these vessels whereby they may operate in remote and hostile environments, it is recognized that there may be instances whereby vessel personnel may be restricted from shore leave by order of the appropriate military authority. Orders restricting personnel to the vessel shall be documented and posted at a conspicuous location aboard the vessel; the duration of the restriction as well as the military authority requiring the restriction shall be specified. In such instances, sections of the Agreements relating to confinement to vessel shall not be applicable. It is to be understood that the company or the Master acting on behalf of the Company shall not abuse this provision. In the event of a

restriction to the vessel, if it is to extend more than seventy-two (72) hours, the Company shall notify the Union within the first seventy-two (72) hours of the restriction.

B. REDUCED OPERATING STATUS (ROS)

1. LICENSED MAINTENANCE MATE

It is the intent of the parties that the category of "Licensed Maintenance Mate" shall be assigned to perform routine maintenance work as directed by the Company or Chief Maintenance Engineer aboard the RRF vessels while in Reduced Operating Status (ROS) or Repair Availability Status (RAV). The provisions of this Section B shall apply to all RRF vessels while in ROS or RAV phase regardless of the location of the vessels. Economic matters including, but not limited to, daily wage rates, overtime, vacation and holiday entitlements, transportation, subsistence and lodging as well as various work rules and manning requirements shall be as set forth in the attached Appendix "A" ("Economic Matters"). Contribution rates to MM&P benefit plans while in ROS or RAV shall be as set forth in the attached Appendix "C" ("Fringe Benefit Contributions - ROS/RAV").

2. CONDITIONS OF EMPLOYMENT

(a) It is understood that the Company shall have the right of selection regarding all Maintenance Chief Mates provided that they are members of the Union. Only those Maintenance Chief Mates in Class "A" membership status shall be eligible for permanent assignment. Permanent assignments of Maintenance Chief Mates shall be made to each vessel requiring said Officer, provided the membership status requirement described above is met and provided said Officer successfully completes the probationary period described in attached Appendix "A." All other Licensed Maintenance Mates shall be obtained through the Union's hiring halls.

(b) All Licensed Maintenance Mates must clear through a MMP hiring hall, unless permission from the Union is granted otherwise. Cross shipping rules established by the Union shall apply.

(c) Whenever possible, subject to Company approval, Licensed Maintenance Mates who seek additional training shall be granted an unpaid leave of absence to attend approved courses. It is understood that if other training is required, the provisions of the RFP will prevail.

3. **HOURS OF LABOR, WAGES & FRINGE BENEFITS**

(a) While the vessel is in the Maintenance (ROS) Phase, the work week shall be as described in attached Appendix "A." However, it is understood that the Monday through Friday (0800-1700) work schedule described in Appendix "A" may be varied due to launch and/or other transport schedules to or from the vessel. The time spent traveling on the launch and/or other transport shall be included in the eight (8) hour day. It is not the intent to include in the eight (8) hour day, time spent traveling from the Licensed Maintenance Mate's home to the general area of the vessel.

(b) Regular wages shall be paid semi-monthly or as otherwise mutually agreed by the parties.

4. **VACATION BENEFITS**

(a) For each thirty (30) calendar days while the Licensed Maintenance Mate is on the payroll, the vacation benefit shall be 1.5 days, payable at the daily base wage rate. Vacation contributions shall be paid to the MMP Vacation Plan.

(b) A Licensed Maintenance Mate is eligible to take vacation after thirty (30) days employment. The parties agree that the vacation period will be taken only with the mutual consent of the Licensed Maintenance Mate and the Company during the first six (6) months of an employment period. If a Licensed Maintenance Mate has not taken, or been permitted to take, his/her accrued vacation after six months of continuous employment and the requested vacation satisfies the exemption requirements set forth below, then he/she may do so upon notice to the Company. The exemption requirements state that a requested vacation after six (6) months of continuous employment may be denied in whole or in part if an activation (emergency or otherwise) or major overhaul contract has been scheduled for his/her vessel as of the date which the Licensed Maintenance Mate has requested said vacation.

(c) A Licensed Maintenance Mate may elect to file for vacation benefits earned while serving on an activated vessel and still return to his/her position in the ROS crew during the Maintenance Phase.

5. **SICK LEAVE**

Sick leave shall accrue at the rate of one day for each thirty (30) calendar days. A maximum of four (4) sick days per calendar year is permitted without a physician certification of

illness. Thereafter, all sick days must be supported by proper medical documentation. All sick days shall require the Licensed Maintenance Mate to notify the vessel via telephone or facsimile. The occurrence of singular sick days shall not be cause for notification of same to any medical and/or reporting casualty service.

C. GENERAL TERMS

1. GRIEVANCE AND ARBITRATION PROCEDURE

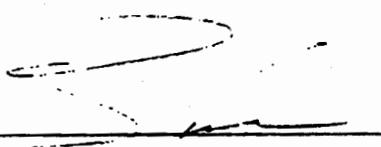
All disputes relating to the interpretation or performance of this Memorandum which cannot be resolved by the parties shall be resolved in accordance with the provisions of the Agreements.

2. DURATION

This Memorandum shall remain in full force and effect for the term of the Company's MARAD Contract awarded under the RFP and any extension thereof. In the event the contract between the undersigned Company and MARAD is terminated, then the undersigned Company is obligated to notify MMP in writing of such termination within 15 days.

American Ship Management, LLC

This Agreement is to cover Patrol Contract Services, LLC

By: 

DATE: 01/12/00

Masters, Mates & Pilots

By: 

DATE: 1/17/00

APPENDIX "A"
ECONOMIC MATTERS
(DTMA-91-97-R-00002)

I. Full Operating Status (FOS)

A) Wages:

The Monthly Base Wages, NWA's and Hourly Overtime Rates to be paid to LDO's employed on a vessel in 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 Mate	5,634.37	1,139.46	40.64
2 nd Mate	4,909.56	992.88	35.42
3 rd Mate	4,277.12	864.98	30.86

Port Relief Rate: \$33.28 per hour

Premium/Penalty Rate: \$12.43 per hour

* NWAs shall be added to the Base Wages for the purposes of calculating Vacation and IRAP benefits for all LDO's and also included for Masters 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 LDO 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 ship's LDO on watch.

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, LDO's (except Masters) 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 and Chief Mates shall be entitled to thirty (30) days of paid vacation for each thirty (30) days of "shipboard employment." Second and Third Mates 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 LDO's 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 Mate	1,591.17	37.50
2 nd Mate	1,386.42	31.58
3 rd Mate	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 LDO's 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 LDO's who work less than a full week; provided, however, that no LDO 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 LDO's shall be paid at their overtime rate. There shall be no pyramiding of overtime.

4. Penalty Rate: The Penalty Rate is payable when an LDO 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 shall receive eight (8) hours of pay at their overtime rate. All other LDO's 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: LDO's 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: LDO's 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. Payment of vacation and sick days shall be as stated in the MOU.

8. Routine Tour: LDO's 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: LDO's 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, however a terminated Officer shall be informed in writing of the reason(s) for termination.

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 LDO's 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 LDO 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 port of dispatch to ship and vice versa, and from one Company ship to another Company ship, LDO's 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, LDO's 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) LDO's shall, at all times, 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 LDO's 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 as agreed upon between MARAD and the Company.

3. While in FOS, the manning scale shall be as 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.

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 document stated in the MOU as 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

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 he benefit for loss of life shall be six hundred thousand dollars
(\$600,000.00).

APPENDIX "B"
FRINGE BENEFIT CONTRIBUTIONS - FOS
(DTMA 91-97-R-00002)

Fringe Benefit Rates: Unless otherwise noted below, the following rates are fixed until the second anniversary date of the contract, at which time they are subject to reallocation from the annual 3% Total Labor Cost (TLC) increases provided for in Appendix "A."

Health & Benefit Plan: Master: \$43.85 per man/day plus Feinberg multiplied by factor of (270/365)
Mates: \$43.85 per man/day plus Feinberg

Pensioners Health (FPHC): \$3.00 per man/day, no Feinberg

Pension: 5% per man/day plus Feinberg of daily benefit wage; subject to trustee determination. Savings from future benefit contribution rate reductions shall be re-allocable at the sole discretion of the Union.

IRAP: 5% per man/day plus Feinberg of daily benefit wage

MATES: \$3.88 per man/day, no Feinberg

MIRAID: \$1.00 per man/day, no Feinberg

JEC: \$1.00 per man/day, no Feinberg

Drug Test: \$0.40 per man/day

***Re-Allocable:** \$37.98 per day paid to day-working Chief Mates as a daily wage supplement; this amount shall be re-allocable to the MATES program or as otherwise directed by the Union in the event the Chief Mate is a watchstander (i.e. aboard vessels with a four man LDO complement).

Vacation: Master, Chief Mate: 30 days for 30 worked. Vacation administration cost is 8.8%; subject to trustee determination. Contribution rate is 108.8% on benefit wage.
2nd Mate, 3rd Mate: 26 days for 30 worked. Vacation administration cost is 8.8%; subject to trustee determination. Contribution rate is 95.4% on benefit wage.

Feinberg Factor: Master, Chief Mate: 1.0
2nd Mate, 3rd Mate: .8667

APPENDIX "C"
FRINGE BENEFIT CONTRIBUTIONS - ROS
(DTMA 91-97-R-00002)

Fringe Benefit Rates: Unless otherwise noted below, the following rates are fixed until the second anniversary date of the contract, at which time they are subject to reallocation from the annual 3% Total Labor Cost (TLC) increases provided for in Appendix "A."

Health & Benefit Plan: \$40.54 per man/day, no Feinberg

Pensioners Health (FPHC): \$3.00 per man/day, no Feinberg

Pension: 5% per man/day plus Feinberg of daily benefit wage; subject to trustee determination. Savings from future benefit contribution rate reductions shall be re-allocable at the sole discretion of the Union.

IRAP: Chief Mate: 6.1% day plus Feinberg of daily benefit wage
Other LDO's: 5% per man/day plus Feinberg of daily benefit wage

MATES: \$6.53 per man/day, no Feinberg

MIRAIID: \$3.00 per man/day, no Feinberg

JEC: \$3.00 per man/day, no Feinberg

Drug Test: \$0.40 per man/day

Vacation: All LDO's: 1.5 per calendar month. Vacation administration cost is 0.5%; subject to trustee determination. Contribution rate is 5.5% on base.

Feinberg Factor: All LDO's: .05



International Organization
Masters, Mates & Pilots

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TIMOTHY A. BROWN

International President

JAMES T. HOPKINS

International Secretary-Treasurer

VIA FACSIMILE & U.S. MAIL

Fax #925-296-2320

January 12, 2000

Capt. Saunders A. Jones, Exec. Vice President
American Ship Management LLC
2175 N. California Bl. #1000
Walnut Creek, CA 94596-3679

RE: RRF RFPs · RAV Status

Dear Sandy:

The following is a clarification in the referenced matter:

When a vessel is in RAV status in the United States the wages, benefits and working conditions for a vessel in ROS shall apply; outside the United States the wages, benefits and working conditions for a vessel in FOS shall apply.

If you have any further questions, please do not hesitate to give me a call.

Sincerely,



Timothy A. Brown
International President

TAB/vf