

READY RESERVE FORCE 2000 AGREEMENT

DTMA -91-97-R-00002

This Document is not the result of new negotiations. There is absolutely no intent to change any previously agreed to provision or intent.



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Accompanying is RRF 2000 DTMA-91-97-R-00002 APPENDIX "A" Economic Matters



RRF FLEET
AGREEMENT

MARAD DTMA-91-97-R-00002

THIS AGREEMENT entered into by and between Pacific-Gulf Marine, Inc. (herein Company) and American Maritime Officers (herein Union), and along with all Supplements are binding upon the Parties, themselves, their successors, administrators, executors and assigns.

WHEREAS, the Parties, hereto, have met, discussed and developed a competitive and efficient program and policies which will insure a continuous, uninterrupted operation of the vessels covered herein; and

WHEREAS, the Company submitted a proposal in response to the Maritime Administration (MARAD) Request For Proposals (RFP) DTMA91-97-R-00002 "Operation and Maintenance of Ready Reserve Force (RRF)," and has been awarded a group(s) of ships to operate thereunder; and

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 by the Company as the awardee in the resultant contract by MARAD.

NOW THEREFORE THE PARTIES AGREE AS FOLLOWS:



ARTICLE I
EMPLOYMENT
INTRODUCTION:

This Agreement, throughout its duration, governs the relationship between the Parties and the covered Officers in their combined effort to operate the vessel(s) engaged in the DTMA 91-97-R-00002 "Operation & Maintenance of Ready Reserve Force (RRF)" provides, among other things, wages, benefits and other terms of employment for such Officers and, also, contains the mechanism to resolve disputes which may arise, from time to time, under the terms of this Agreement, in an equitable and expedited manner, so, that there will be no interruption, even momentary in nature, of services performed for the Maritime Administration.

Section 1 - Recognition

A. The Company recognizes the Union as the sole and exclusive bargaining representative of all licensed Officers employed on board the MARAD Ready Reserve Force vessels operated by the Company.

B. This Agreement covers all Masters, Licensed Deck Officers, Radio Officers, Chief Engineers and Licensed Assistant Engineers.

Officers shall be referred to herein as follows:

1. "Deck Officers" (includes Masters and Licensed Deck Officers).



2. "Engineers" (includes Chief Engineers and Licensed Assistant Engineers).
3. "Radio Officers"(includes Radio Officers or Electronic Technicians.)(when carried.)
4. Collectively "Officers."

Section 2 - Employment:

A. The Company shall request Officers for temporary or permanent assignment from Union's Dispatch Department.

A temporary assignment shall be made in the case of a temporary vacancy; a permanent assignment shall be made in the case of a permanent vacancy. A permanent vacancy shall be deemed to occur when a permanently assigned Officer either dies, resigns, is discharged for cause or accepts employment with another Company. A temporary vacancy shall be deemed to occur when a permanently assigned Officer leaves his position for any reason other than the foregoing.

B. If, for any reason, the Union is unable to perform its undertaking as provided for in paragraph (C) of this Section, then the Company may obtain Officers through any available source, subject to the terms provided in paragraph (D) of this section.

Nothing contained in this Agreement shall be construed as requiring the Company to discharge any Officer in good standing who is satisfactory to it, nor to prevent the transfer of any Master or Chief Engineer holding permanent Company status to another vessel manned by the Company provided the transfer is agreeable to the Officer and is cleared through the Union.



C. The Union agrees that it will furnish the Company when requested with capable, qualified and physically and mentally fit Officers when and where they are required and with the appropriate license, in ample time to prevent any delay in the schedule departure of any vessel operated by the Company. The term "physically fit" shall mean an Officer satisfactory to the Company doctor who examines applicants for employment; provided, however, if there is a disagreement between the Company's doctor and the Officer's doctor, or the Union's doctor concerning the applicant's physical fitness, the matter shall be referred for determination to the Medical Advisor to the AMO Medical Plan, and its decision shall be final. In no event shall any disagreement or dispute concerning an applicant's physical condition cause a delay in any vessel's scheduled departure.

Where an Officer is required to incur unusual transportation expenses in connection with his physical examination because of the special needs of the Company, his transportation expenses will be reimbursed.

D. All Officers, shall, on their thirty-first (31st) day of employment, become and/or remain members in good standing of the Union as a condition of continued employment. The Company has no obligation to take action under this Section until first notified by the Union that an Officer(s) has lost his good standing and that such Officer(s) has been afforded an opportunity to regain good standing status.

E. 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.



F. If MARAD has reason to be dissatisfied with the qualifications, conduct or 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.

G. 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 Masters' or other Officers' assignment shall be canceled immediately.

H. Where a dispute arises relative to item G 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.

I. Where a dispute arises relative to the patriotism of an Officer, item G above, that dispute shall be submitted for immediate arbitration, nevertheless, the concerned Officers 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.

J. All Officers to be assigned shall:

1. be U.S. citizens (which is a requirement in order to obtain a USCG license);
2. meet requirements of the USCG and possess current, valid USCG licenses, including Radar Observer Endorsements and a GMDSS certification for Deck Officers;
3. possess a valid U.S. passport;
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 this RFP.
6. shall participate in all sea trials and emergency sorties;
7. possess security clearance as required; and
8. and be trained in accordance with IMO STCW convention as ratified and in the subject matter and manner required by this RFP.

K. 1. Whenever possible graduates of state and federal maritime academies shall be given equal employment opportunities when filling any vacancy in the employment of these vessels.

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

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

M. AMO realizes, to the fullest, the purpose of the RRF. Should activation of RRF vessels occur, all Union required shipping procedures shall be waived. The Union will assign or approve assignments of any qualified Officer regardless of registration, membership or lack thereof, vacation status or permanent assignments to other contracted vessels. Traditional shipboard jurisdiction shall be waived. Length of assignments shall be waved.

N. We will coordinate with all contracted companies, who are awardees under this RFP, an ongoing program to establish and maintain a pool of Officers familiarized with



these vessels. This includes utilizing vessels awarded to contracted companies for familiarizing members and non-members.

O. We will be receptive to, and actively work towards, the pooling of manpower from all sources in order to effectively crew groups of vessels when activated during an emergency(ies).

P. Unless specifically approved in writing, the vessels, covered herein, will not carry spouses, dependents, friends or guests of Officers.

Section 3 - Discharge For Cause

An Officer who is discharged for cause shall be given a written statement containing a detailed explanation of the reason(s) for the discharge before leaving the vessel. Failure to furnish such written statement will presumptively establish that the Officer is discharged without just cause. Such statement must be immediately furnished to the Union Headquarters if the Officer is not available.

Offenses for which an Officer is subject to immediate discharge include:

- Direct disregard of a lawful order;
- Negligence or misconduct resulting in bodily injury or loss of life, or damage to the vessel, cargo and/or the environment; and
- Violation of Company policy safety policies or repeated violation of other Company policy. The Union has the right to appeal such discharge within the terms of the Grievance Procedures set forth in this Agreement.



Section 4 - Recovery of Wages

Officers, who are entitled to recovery of wages in cases of improper discharge as provided for in applicable Federal Law, or, who are entitled to wages as a result of improper continuance of a voyage after the expiration of Articles, pursuant to applicable Federal Law, shall be entitled to pursue their remedies under the arbitration provisions of this Agreement, provided, that each Officer involved agrees, in writing, that the Arbitration Award shall act as a complete and final substitution for any claim arising under those provisions. It is further agreed that the statutes and the interpretation thereunder shall be applied in the arbitration proceedings.

Section 5 - Discrimination

A.1. Neither Party shall discriminate against any Officer because of race, color, sex, age, religion, national origin, status as a qualified individual with a disability nor Union membership. This nondiscrimination policy shall include, but not be limited to, the following: employment, promotion, upgrading, transfer, layoff, demotion, termination, rates of pay and forms of compensation.

2. Reference, herein, to the masculine gender also means the feminine gender.

B. The Company and the Union strongly believe that no Officer should be subjected to sexual harassment. Sexual harassment will not be tolerated. Sexual harassment is defined as unwelcome sexual advances, requests for sexual favors, or other verbal or physical conduct of a sexual nature when: (1) submission to such conduct is made either explicitly or implicitly a term or condition of employment; (2) submission to or rejection of such conduct is used as the basis for employment decisions; or (3) such conduct has the purpose or effect of unreasonably



interfering with an individual's work performance or creating an intimidating, hostile or offensive work environment.

Complaints of an Officer's conduct, which could be considered sexual harassment in nature, shall be brought directly and immediately to the attention of the Company, after which, with Union participation, a full investigation will be conducted and appropriate disciplinary action taken against the offender(s).

Section 6 - Shipping Rules & Shipping Articles

A. Shipping Rules, promulgated by the Union, which are not inconsistent with the terms of this Agreement, shall be deemed part of and incorporated into this Agreement.

B. The Parties agree that the provisions of this Agreement shall be and be deemed to be, incorporated in and part of the Shipping Articles covering voyages of vessels covered by this Agreement and further agree that appropriate notation thereof be made on the Shipping Articles. No Shipping Articles shall be for a duration in excess of twelve (12) months without prior written consent of the Union.

Section 7 - Indemnification

The Union shall protect and indemnify the Company in any cause of action based on improper application by the Union of the employment provision of ARTICLE I Sections 2 and 5 of this Agreement. The Company shall protect and indemnify the Union in any cause of action based on improper application by the Company of the provisions of ARTICLE I Sections 2 and



5, Article I Section 9 "Substance Abuse Policy" and Article II Section 21 "Physicals and Drug Testing" contained in this Agreement.

Section 8 - Separability

All provisions of this Agreement are subject to applicable law(s) and if any such provision(s) is in conflict therewith, such provision(s), to the extent thereof, shall be deemed severed from this Agreement. All remaining provisions of this Agreement shall remain in full force and effect.

Section 9 - Substance Abuse Policy

The Parties agree that abuse of illegal drugs, alcohol, controlled substances or any other chemical is a problem of great concern. The Union supports any legally acceptable Substance Abuse Policy adopted by the Company.

Section 10 - RFP Bidding

The Company agrees, when responding to a Request For Proposal (RFP) issued by a Government agency or on a commercial basis where other Union contracted companies are competitors, to include the wage and fringe benefit package developed by the Union. The Union agrees not to provide other contracted companies, competing in the same RFP, a wage and fringe benefit package more favorable than the wage and fringe package provided to the Company to be used in its submittal to the same RFP.



Section 11- USCG Licenses

In the event the U.S. Coast Guard during the term of the Agreement alters the type of licenses so that the new license shall cover two (2) or more of the present rating, the holder of the new license shall be entitled to the compensation applicable to the higher rating if the Officers is assigned the performance of the duties of the said rating.

Section 12 - Pollution

If legislation is hereafter enacted under which Officers are held liable for oil pollution, then in the absence of willful or gross negligence on their part, the Company shall be obligated to pay all costs of litigation in which the Officer(s) is involved, reimburse the Officer(s) for any fines or other levies which may be imposed and for all lost wages resulting from being involved in the any such proceedings.

Section 13 - War Zones

In case any vessel of the Company traverses waters adjacent to or in the proximity of a declared or undeclared war or state of hostilities, it is hereby agreed that a petition on the part of the Union for the opening of negotiations for added enumeration, bonuses, and/or insurances, shall in no way be deemed cause for the termination of this Agreement. It is further agreed that no sailing shall be delayed because of failure to reach an Agreement.



Section 14 - Vessel Out of Commission

When a vessel lays-up and Officers are laid off such Officers shall receive transportation back to their home. In the event an Officer returns to the vessel after the layoff, such Officer shall receive transportation back to the vessel.

Section 15 - Full Complement While Cargo is Being Worked

No Officer shall be laid-off without pay over Saturday, Sunday or a holiday, and a full complement shall be employed at all times while the vessel is working cargo, except when a vacancy occurs other than through the temporary laying off of an Officer without pay.

ARTICLE II
GENERAL RULES

Section 1 - Grievances:

No claim of an alleged contract violation by the Company by an Officer, including but not limited to, non-payment of overtime or other remuneration payments, or, for wrongful termination, will be entertained after payoff unless within fifteen (15) days thereafter, a written claim, by letter or otherwise, from the Officer or by a Union representative, acting on behalf of the grieving Officer, is filed with the Company, provided however that, when proper filing 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 seven (7) 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 mutual consent of the Parties. Noncompliance of the time limitations set forth herein by the Company or the Union, including any mutually agreed upon extended time limitation, shall result in said issue(s) being considered resolved in favor of the party that did not violate such time limitations.

Section 2 - Grievance Procedure & Arbitration

Grievance Procedure: (NOTE: All time limitations noted, herein, exclude Saturdays, Sundays and recognized holidays and may be extended by written mutual consent of the Parties.)

The Parties agreed to the concept of an "Expedited Arbitration Procedure" on a non-mandatory case by case basis.

STEP I

Shipboard disputes must be brought to the attention of the Master within three (3) days of the incident giving rise to such dispute. The Master has three (3) days to resolve the dispute after which the Master must notify the Company and the Union of the existence of an unresolved dispute.



STEP II

The Parties shall establish a Grievance Committee, which shall meet at a mutually agreed upon location, consisting of one (1) representative each from the Union and the Company. It shall be the duty of the Grievance Committee, whose majority decision will be binding upon the Parties, to meet in person or by telephone, consider all the facts and make a bona fide effort to resolve the pending grievance within five (5) days of being notified that a grievance exists. In the event the Grievance Committee cannot mutually agree upon a resolution, the unresolved grievance may be submitted by the Union to final and binding arbitration within seven (7) days of the Grievance Committee's determination that a mutually agreed upon resolution is not achievable.

Arbitration:

Only the Parties, hereto, can invoke, proceed to and prosecute an arbitration. In the event the Parties cannot agree on the selection of an impartial arbitrator, an arbitrator will be selected pursuant to the Labor Arbitration Rules of the American Arbitration Association (AAA). Fees and expenses for the Arbitrator shall be shared equally by the Parties, provided that, each Party shall bear its own arbitration expenses.

The jurisdiction and authority of the Arbitrator and his opinion and award shall be confined exclusively to the interpretation and/or application of the express provision(s) of this Agreement at issue between the Union and the Company. He shall have no authority to add to, detract from, alter, amend, or modify any provision of this Agreement. The written award of the



Arbitrator regarding any grievance adjudicated within his jurisdiction shall be final and binding on the grievant, the Union and the Company.

The Parties hereby designate Mr. Alan Viani, as contract arbitrator and Howard Edelman, Esq., as alternate contract arbitrator. The arbitrators designated herein shall serve at the pleasure of the parties and may be terminated by either party on any anniversary date of this Agreement.

Section 3 - Internal Appeals

During the period of a collective bargaining relationship, both Parties have acknowledged the desirability of ensuring prompt, fair and final resolution of the Officer's grievance arising under our Agreement. The Parties also recognize that the maintenance of a stable, effective and dependable grievance procedure is necessary to implement the foregoing principle to which both subscribe. Accordingly, the Parties view an attempt to reinstate a grievance properly disposed of as contrary to the purpose for which the grievance procedure was established and violative of the fundamental principles of collective bargaining.

However, in those instances where the American Maritime Officers (AMO) Executive Board has reviewed the disposition of a grievance and found that such disposition was improperly affected by the Union or a Union representative involved, then AMO may inform the Company in writing that such grievance is reinstated in the grievance procedure at the step at which the original disposition of the grievance occurred.

It is agreed, however, that the Company will not be liable for any claims for damages, including back pay claims, arising out of the grievance that either are already barred under the



provisions of our Agreement or at the time of the reinstatement of the grievance or that relate to the period between the time of the original disposition and the time of the reinstatement as provided herein. It is further agreed that the reinstatement of any such grievance shall be conditioned upon the prior agreement of AMO and the Officer(s) involved that none of them will thereafter pursue such claims for damages against the Company in the grievance procedure, or in any court or before any federal, state, or a municipal agency.

Notwithstanding the foregoing, a decision of the contract Arbitrator or any other arbitrator on any grievances shall continue to be final and binding on AMO and its members, the Officer(s) involved and the Company and such grievance shall not be subject to reinstatement.

This provision is not to be construed as modifying in any way either the rights or obligations of the Parties under the terms of this Agreement except as specifically limited herein, and does not affect sections thereof that cancel financial liability or limit the payment or retroactivity of any claim including claims for back wages, or that provide for the final binding nature of any decision by the contract or other by the contract or other Arbitrator or other grievance resolutions.

In addition to the foregoing, the Parties also agree that if a disciplinary grievance has been resolved by the Parties at a step in the grievance procedure prior to arbitration in a manner favorable to an Officer, and the Company, within sixty (60) days of the resolution of the grievance, subsequently acquires newly discovered evidence which would demonstrate that the Company would not have resolved the said grievance in a manner favorable to the Officer, the



Company shall, upon written notice to the AMO at its Headquarters and to the Officer at said Officer's home address, have the right to withdraw from or rescind the resolution and move the grievance to arbitration with any intermediate steps subject to waiver by agreement of both the Union and Company. In such circumstances, the Union shall have the right to claim before the Arbitrator that the newly discovered evidence did not demonstrate that the Company would not have resolved the said grievance in a manner favorable to the Officer.

Any moneys paid to the Officer or in behalf of said Officer, in the interim, shall be held in trust by the Officer of the Union, as the case may be, pending the outcome of the arbitration or settlement at any intermediate step.

If the Company proceeds to arbitration or the grievance is again settled prior to arbitration in a manner favorable to the Officer, the Arbitrator shall award or the Company shall pay the Officer two (2) months base wages as a remedy in excess of any other lost wages and fringe benefits.

In order for either Party to reopen a resolution of a grievance as provided herein, such notice to reopen must be given in writing to the other Party within sixty (60) days of the original resolution.

Section 4 – No Strike



A. 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.

Section 5 - Expedited Arbitration

In the event of an alleged violation of Article II, Section 4 of the Agreement arising out of a matter not subject to resolution pursuant to the grievances and arbitration procedures set forth in Article II, Section 1 and Article II, Section 2 of this Agreement, the Company may institute expedited arbitration proceedings regarding such alleged violation by delivering written (which may be via fax) notice thereof to the Union and to the designated Impartial Arbitrator or the American Arbitration Association in the event of the Arbitrator's unavailability. Immediately upon receipt of such written notice, the American Arbitration Association shall appoint an arbitrator to hear matter. The arbitrator shall determine the time and place of the hearing, give written notice thereof, and hold the hearing within twenty-four (24) hours after his appointment. The fee and other expenses of the arbitrator in connection with this expedited arbitration proceeding shall be shared equally by the Union and the Company. The failure of either Party or any witness to attend the hearing, as scheduled and noticed by the arbitrator, shall not delay the hearing, and the arbitrator shall proceed to take evidence and issue an award and



order as though such party or witness were present. The sole issue at the hearing shall be whether a violation of Article II, Section 4 of this Agreement has occurred, is occurring or is threatened. If the arbitrator finds that a violation of Article II, Section 4 is occurring, has occurred, or is threatened, he shall issue a cease and desist order with respect to such violation. The arbitrator's written opinion, award and order shall be issued within twenty-four (24) hours after the close of the hearing. Such award and order shall be final and binding on the Union and the Company.

In the event of an alleged violation of Article II, Section 4 of this Agreement to which this Section 5 is applicable, the Company may immediately apply to the United States District Court for injunctive relief, including a temporary restraining order, prohibiting the continuation of such alleged violation pending submission of the matter to arbitration and the issuance and enforcement of the arbitrator's order.

Section 6 - Authority of Master and Obedience of Crew

Nothing in this Agreement is intended to nor shall be construed to limit in any way the authority of the Master or other Officers, or lessen the obedience of any members of the crew to any lawful order.

Section 7 - Commencement of Employment; Calendar Day

Pay for Officers shall start on the day the Officer actually "turns to" aboard ship.

The calendar day shall be reckoned from midnight to midnight.



Section 8 - Statement of Earnings

A. Officers shall be given a complete record of all earnings and deductions for the voyage not later than at time of payoff.

B. Earnings shall be reported on the Officer's W-2 form so that income earned during a calendar year will be credited in the calendar year earned.

Section 9 - Customary Duties

For the safety of the crew, passengers, cargo and vessel, Officers on watch shall not be permitted to perform any duties other than the regular duties of an Officer on watch at sea or in port. It is the intent of this Section to define the work of an Officer to be including such work as is necessary for the safe navigation and operation of the ship and the supervision of loading and/or discharging operations and fueling the ship, and supervision of other work performed for maintenance and the safety of upkeep of the vessel and the convenience and comfort of the passengers.

Section 10 - Medical Treatment

Medical treatment will not be provided except that which is available aboard the vessel, if the cause of the illness is the fault of Officers, such as, venereal diseases, herpes. and other related diseases and those illnesses or injuries which are obviously self-inflicted.

Section 11 - Maintenance and Cure

A. When an Officer is entitled to Maintenance and Cure under Maritime Law, he shall be paid maintenance at the rate of eight dollars (\$8.00) for each day, or, part thereof. The



payment due hereunder shall be paid weekly and made regardless of whether or not the Officer retained an attorney, filed a claim for damages, or taken any other steps to that end and irrespective of any insurance arrangement in effect between the Company and any insurer.

B. When entitled to unearned wages under Maritime Law, Officers shall be paid unearned wages (benefit/base wages only) for the remainder of the then current voyage.

Section 12 - Loss of Clothing

A. In the event a covered ship is lost, Officers shall be recompensed for the loss of clothing in the amount of seven hundred and fifty dollars (\$750.00).

B. In the event that personal effects of an Officer are damaged due to a marine casualty, Officers shall be compensated for the loss in the amount of such loss but not to exceed five hundred dollars (\$500.00).

Section 13 - Emergency Duties and Drills

Any work necessary for the safety of the vessel, passengers, crew or cargo or for the saving of other vessels in jeopardy and the lives thereon, shall be performed at any time and such work shall not be considered overtime. In an emergency, such as the above, it is not necessary for the Master to call out all hands for this subsection to apply.

Section 14 - Safe Working Conditions

Officers shall not be required to work under unsafe conditions. Ordinary hazards of the sea shall not be considered unsafe conditions in applying this section.



Section 15 - Uniforms

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

Section 16 - Sailing Board

The sailing time shall be posted at the gangway on arrival when the vessel's stay in port is twelve (12) hours or less. When the stay exceeds twelve (12) hours, the sailing time shall be posted eight (8) hours prior to the scheduled sailing, if before midnight. Officers will be aboard the vessels one hour prior to departure.

If the scheduled sailing is between midnight and 8:00 AM, the sailing time shall be posted not later than 5:00 PM.

Section 17 - Meal Hours - Relieving for Meals

Meals for Officers shall be served over a one-hour (1) period and a reasonable time of at least one-half (½) hour shall be allowed for each meal in all cases where the Officer is late not due to his own fault or on watch.

Section 18 - Quarters

A. Officer's quarters shall be kept separate from those furnished for other members of the crew except where otherwise mutually agreed upon by the Parties. Each Officer shall have his own individual stateroom. All Officer's quarters shall be properly equipped with an adequate supply of clean linen, fresh water, cleaned, heated and lighted at all times during occupancy.



- B. Officers shall have access to a library and their own electric washer and dryer, refrigerator, and television set which shall be kept in good working order at all times.

Section 19- Transportation

- A. Officers are entitled to economy air transportation from their home to the ship and back to their home. No Officer shall be entitled to transportation home when fired for cause, or signs off by "mutual" consent prior to the completion of the assignment duration when in FOS. The normal assignment period shall be one hundred and twenty (120) days.
- B. When a vessel is not in FOS transportation shall be paid in accordance with the appropriate provisions contained in the RFP.
- C. Officers who do not complete the full assignment period because of termination for cause or by "mutual consent" are not entitled to transportation reimbursement and shall pay transportation costs of their replacement Officers. (This subsection does not apply in cases of personal emergencies).
- D. Such allowances for traveling to and from required training courses and/or programs shall be agreed upon on a case-by-case basis in instances where payment is already being made.

Section 20 - Officers Employed on the Vessel

- A. The Parties agree that the Officers covered under this Agreement, including Masters, Licensed Deck Officers, Licensed Engineer Officers and Electronic Technicians (ET),



are supervisors within the meaning of Section 2 (11) of the Labor Management Relations Act of 1947, as amended.

B.1. Electronic Technician referred by the Union for employment on a Company vessel shall possess all licensed and certifications required under the laws of the United States and the regulations of all U.S. Government agencies promulgated thereunder.

2. The Electronic Technician shall have overall responsibility for the customary work and jurisdiction of Electronic Technicians on ships covered by this Agreement.

3. The Electronic Technician shall have the authority to assign and direct unlicensed crew members with electrical skills to assist in properly repairing or maintaining any equipment within the jurisdiction of the Electronic Technician.

Such assignment and direction shall be with the consent of the concerned Department Head, which consent shall not be unreasonably withheld, and shall include the authority to direct, discipline, or effectively recommend discipline, recall, and award premium or overtime compensation as the Electronic Technician determines that such assignment or direction is required to repair or maintain any equipment within said jurisdiction.

Section 21 - Physicals and Drug Testings

The Company may require all Officers to undergo a pre-employment and re-employment physicals including drug testing which, in absence of an agreement to the contrary, the Company shall pay for such testing. In addition, the Company may require Officers to submit to random and post accident testing to ascertain compliance with the Company's alcohol and substance



abuse policies and standards, which may contain provisions which exceed U.S. Coast Guard, or other agencies having jurisdiction, requirements. Subject to the grievance procedure and arbitration provision, failure of an Officer to take or pass the required physicals and testing will be a cause for discharge.

Section 22 - Riding Crew

The Company may employ, with prior written notice given to the Union, a riding crew to assist the ship's Officers for specific projects.

Section 23 - Legal Support

If action is taken by any person or governmental agency against any Officer as a result of that Officer's shipboard employment, in the absence of willful misconduct or negligence on the part of the Officer, the Company shall pay all costs of litigation in which the Officer is involved, reimburse the Officer for any fines or other levies which may be imposed and for all lost wages resulting from being involved in such proceedings.

Section 24 - Money Draws and Allotments

Money Draws:

Money tendered for draws in foreign ports shall be made in United States currency failing which, travelers' checks shall be issued at the Company's expense, except where currency laws established in foreign countries prohibit such issuance.



When American money is aboard, the Master will put out draws and cash Company payroll and travel checks the day of arrival in port. Such draws shall be made available to the Officers not later than 4:00pm. Upon request, the Officer shall be granted draws at least once every five (5) days, except on Saturdays, Sundays and holidays, while the vessel is in port. Payable overtime shall be included in computing the amount upon which the Officer may draw.

Allotments:

Procedures shall be established on all vessels while on foreign or inter-coastal articles whereby allotments may be made, at the behest of the Officer, not less frequent than once a month.

Section 25 - Fair Credit Reporting Act

AMO members/applicants referred by the Union, or Officers obtained from other sources, in accordance with this Agreement, for employment by the Company and who refuse or fail to execute the authorization required by the amendment to the Fair Credit Reporting Act may be denied employment until such authorization is signed.

Any AMO member/applicant referred for employment by the Union, who is denied employment because of information received as a result of signing the authorization referred to above, shall have the right to grieve such denial through the Union. In order to establish a forum for an expedited settlement of any dispute arising from the application of this Section, the Parties



shall select an impartial arbitrator who shall have the limited power to resolve disputes arising out of this Section. The Impartial Arbitrator shall serve from year to year unless one Party notifies the other, in writing, sixty (60) days prior to the end of a year, of its desire to select another arbitrator to serve in accordance with this Section. The Arbitrator shall have no power to add to, delete, ignore or modify any provision of the Agreement. After the Arbitrator conducts a formal hearing on the issue in dispute, the Party against whom the Arbitrator renders the final and binding decision shall pay the Arbitrator's fees and incurred expenses. The Arbitrator shall convene a formal hearing within ten (10) working days after being notified by one (1) of the Parties that the dispute cannot be resolved through discussions. The non-complaining party shall be notified simultaneously in writing of a request by the party seeking arbitration. The jurisdiction of the Fair Credit Arbitrator shall be confined to interpreting the propriety of the actions of the Company resulting from denial of employment because of information obtained from a member/applicant signing the authorization referred to herein. The Arbitrator shall hear any disputes arising under this Section in New York City, New York at a mutually agreed upon location unless another location is otherwise agreed upon.

The Parties herein select Mr. Michael Swayne to serve as Impartial Arbitrator for the purpose of resolving disputes arising from and in accordance with this Section.

Section 26 - Pension Wages



Effective August 1, 2000, the Monthly Benefit Base Wages used for the purpose of calculating pension benefits shall be at levels no higher than those in effect January 1, 2000.

Section 27 - Holidays

There shall be ten (10) holidays:

- | | |
|----------------------------------|------------------|
| New Years Day | Labor Day |
| Martin Luther King, Jr. Birthday | Columbus Day |
| Presidents' Day | Veterans Day |
| Memorial Day | Thanksgiving Day |
| Independence Day | Christmas Day |

When in port or at sea and a holiday falls on a Saturday, or Sunday the following Monday shall be observed.

All holidays will be observed on the days designated by the Federal Government; where not so designated, in the days customarily observed aboard the vessel. When a vessel is in an American Port on a general election day, Officers who are qualified voters of the Port in which the vessel is located, shall be afforded two (2) hours off to vote.

Section 28 - Passes

The Company agrees to issue passes to the Union officials and representatives for the purposes of contacting its members aboard vessels of the Company covered by this Agreement.

Representatives of the Union shall be permitted to board any vessel covered, hereunder,



at any time for this purpose but shall not interfere with Officers at work unless said Officers are properly relieved. (The relief shall receive no extra compensation.)

The Union shall hold the Company harmless from any claim arising as a result of an injury sustained by a Union Representative conducting official Union business on board.

ARTICLE III ECONOMIC MATTERS

Section 1 - Manning Scale, All Purpose Crews, and Wages

A. All rates of pay and overtime and vacation entitlement are provided in Appedix "A" attached hereto.

Wages shall commence on the day the Officer actually "turns to" aboard the vessel.

B. The manning scale shall be, at all times, not less than the minimum required by the U.S. Coast Guard. The Company shall pay the wages, benefit levels and make the contributions for all such Officers for the rating in which they are employed.

- (1) "ROS" and "FOS" shall be as defined in the resultant agreement between the Company and MARAD.
- (2) While in ROS, 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 B (2) and B (3) above shall be adjusted only in accordance with the provisions of the Agreement between the Company and MARAD.

Section 2 - Benefits and Contributions:

- A. The Company agrees to become and/or remain party to the various AMO Plans, entities and committees (including the MPB and the non-contributory 401 (k) Plans) and to make contributions thereto for all days of "covered" employment which includes period for which earned and unearned wages are paid, in the amount noted in the confidential "Contribution Letter" which is made part of this Agreement.
- B. There shall not be any duplication of contributions to the various benefit plans, entities and committees. When processing an application for vacation benefits earned while in "FOS", the Vacation Plan shall deduct one day of covered employment before calculating the benefit payable. Such deduction shall be per non-continuous pay periods.
- C. The Parties agree that the AMO Vacation Plan shall be the recipient Plan for contributions to the Vacation Plan, Safety & Education Plan, JEC, and AMOS. The Parties shall designate an Allocation Committee consisting of one (1) Committee Member designated by AMO contracted companies and one (1)



Committee Member designated by the Union. Except to the extent otherwise specifically required, the Allocation Committee is authorized to allocate contributions from the Vacation Plan to any other of the AMO Plans, Trusts or Committees, provided that the Vacation Plan shall retain sufficient funds to provide vacation benefits and to pay taxes and administrative costs, and to adjust and reallocate any and all future contributions from any or all of the AMO Plans, Trusts, or Committees to any or all other of the AMO plans, Trusts, or Committees, on a need basis, provided that such actions by the Allocation Committee do no increase the total amount contributed by the Company, and provided further that the authorization granted to the Allocation Committee shall not extend to contributions to the AMO Money Purchase Benefit.

- D. The Parties hereby designate Joseph B. Cecire (Employer Designee) and Jerome E. Joseph (Union Designee) as the Allocation Committee.

Section 3 - Room and Meal Allowance

Subsistence and Lodging expenses shall be reimbursed in accordance with the government's Federal Joint Travel Regulations (JTR).

Section 4 - Restriction to Ship

If for any reason within the exclusive control of the Master, Officers who are not on watch and are entitled to shore leave are required to remain on board a vessel in a safe port or



when the is alongside the dock or at a safe anchorage, they shall receive five dollars (\$5.00) per hour for all such hours between the hours of 6:00PM and 7:00AM, Monday through Friday and on Saturdays, Sundays and holidays, that they are deprived of shore leave. When shore leave is denied by the Master, the burden of proof shall be on the Master to show that such denial was based upon reasonable cause. The intent of this Section is to prevent the arbitrary action of the Master in denying shore leave.

When a vessel has been in a foreign port where the Officers were restricted to the ship and the Company claims that this restriction was enforced by the Government of the port visited or either Federal, Military or Naval Authorities, the Master shall obtain from the restricting authority that the restriction was imposed and the reason(s) therefore. In lieu thereof, the Master may produce a proper entry in the official log book and must give sufficient notice in writing of the restriction to the Officers.

Section 5 - P & I Claims

The Parties, hereto, agree to continue an aggressive effort to establish a non-litigious program for the resolution of P & I claims filed by an Officer which will lead to an early mutually acceptable settlement between the Officer and Company.

Section 6 - GMDSS

An Officer, who is properly GMDSS certificated and actually performs communication duties, shall be compensated as noted in the appropriate Appendix or Supplement to the Agreement, prorated where appropriate. Such amount shall be increased on the same date as and



by the same percentage as increases of wages, shall represent the total obligation of the Company, on a daily or monthly basis, for the performance of such duties by the affected Officer in addition to his/hers regular duties.

Section 7 - UNATTENDED ENGINE ROOM

- A. 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.
- B. 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.



ARTICLE V

DURATION

This Agreement, effective on the day of October 1, 2000, shall remain in full force and effect for the duration of its resultant Agreement between the Company and the Maritime Administration and is binding upon the Parties, their successors and assigns.

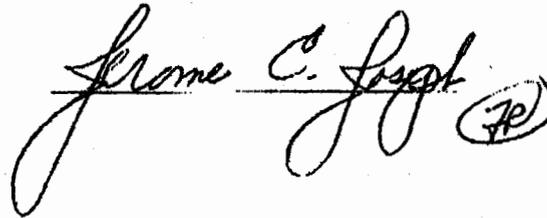
The anniversary date for the 2000 Ship Manager contracts, which were awarded 28 April 2000, is 27 April 2001.

AGREED TO THIS DAY OF , 2000

Company

American Maritime Officers







APPENDIX "A"
(ECONOMIC MATTERS)
(DTMA91-97-R-00002)
RRF FLEET
October 2000

1. 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 Officers 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 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 property 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 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.

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

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 BI 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 Seaman's War Risk Policy except that the benefit for loss of life shall be six hundred thousand dollars (\$600,000.00).





Michael R. McKay
National President

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



ISO 9002

Jerome E. Joseph
National Executive Vice President

October 20, 2000

Mr. Todd Johnson
Pacific Gulf Marine
401 Whitney Avenue, Suite 211
Gretna, LA 70053

Re: Confidential Contribution Letter
RFP DTMA 91-97-R-00002 - RRF - Fleet Supplement

Dear Mr. Johnson:

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

Confidential Contribution Letter
DTMA91-97-R-00002
RRF Fleet Supplement

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.

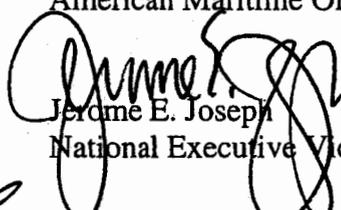
Group1 includes Masters, Chief Engineers, Chief Officers & 1st Assistants
Group2 includes all other Officers

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: 

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.

