

UNITED STATES MARITIME ALLIANCE, LTD.



US MX ANNUAL REPORT 2019

... to preserve and protect the interests of our members ...





UNITED STATES MARITIME ALLIANCE, Ltd.

ANNUAL REPORT 2019

TABLE OF CONTENTS

CHAIRMAN & CEO'S MESSAGE	ii
BOARD OF DIRECTORS	1
MEMBER ORGANIZATIONS	2
MEMBER RELATIONS	3
GOVERNMENT AFFAIRS	4
USMX CARRIER MEMBERS	6
MASTER CONTRACT TONNAGE/MANHOURS	18
LABOR RELATIONS	19
USMX DIRECT EMPLOYER MEMBERS	22
SAFETY	26
TRAINING	32
USMX-ILA JOINT TRUST FUNDS	34
MILA MANAGED HEALTHCARE	34
CONTAINER FREIGHT STATION	36
CONTAINER ROYALTY 5	38
MONEY PURCHASE FUND & PLAN	38
CONTAINER ROYALTY CENTRAL COLLECTION	39
USMX PORT ASSOCIATION MEMBERS	40
SIMAS	62
REPORT OF COUNSEL	63
INDUSTRY HAPPENINGS	67
CCC SERVICE CORPORATION	72
USMX OFFICERS & STAFF	73
ACKNOWLEDGMENTS	74

CHAIRMAN & CEO'S MESSAGE



A REVIEW OF 2019 THROUGH THE LENS OF A PANDEMIC

As I sit down to write my review of 2019 (for this 2019 Annual Report) it is already the middle of 2020. You may wonder why I am writing this in June, when the report is usually printed by June... but, more about that later.

As I look back on 2019, at this point it is almost hard to remember much detail, given the unprecedented events consuming us since February of 2020. As our first full year of the new 2018-2024 Master Contract, 2019 started out with minimal outstanding open issues since its implementation on October 1, 2018. Projections showed a decent 2019, foreshadowing minimal disruption and few exceptions or excitement on the horizon. Our nation's economy was humming along, and U.S. consumption was up, due to strong consumer sentiment. We did have concerns about the ongoing turbulence around the U.S.-China trade deal, but that seemed to be primarily an issue of potential impact, good or bad, on agricultural exports.

A TEXTBOOK CASE

What we saw in 2019, from a business standpoint, was a textbook case. Performance around almost every category of the business (costs, volumes, manhours, revenues from the various royalties, collections, etc.) met or slightly exceeded expectations. To the best of my recollection, we had no significant labor disruptions and safety performance stayed consistent, with some slight improvement.

I was always taught that running a business was about setting up a good plan and executing it, while minimizing surprises and minimizing exceptions through good management. A good day, week, or month at work, if everything is going according to plan, should be boring—2019 was that kind of year. That's when you have an actual opportunity to focus on where you can make incremental improvements that truly impact the business over the long term. Seemed like a great place to be...

THE NEW "NORMAL"

Now, back to 2020...the first two months of this year started out pretty much like 2019 ended. By mid-March it became obvious that it was not going to stay that way. As the coronavirus disease 2019 (COVID-19) pandemic took hold of the U.S. and the rest of the world, it became evident that this was going to be a VERY, VERY challenging and different year.

We have spent the last several months with a primary focus on maritime workforce safety and as we have navigated our way through (hopefully) the peak of the pandemic, we have been extremely fortunate to have seen what I believe is an amazing result. We are by no means out of the woods yet, but we seem to have settled into a "new normal," in terms of workforce safety. All of the "pants on fire" issues that we dealt with initially have generally been ironed out and the industry now has new processes and procedures in place to allow for a consistency that provides for that all-important workforce safety, while also providing consistent daily operations.

A TEAM EFFORT

The ability to get this far has been a tribute to the efforts of multiple parties working in tandem: the diligence of our Joint ILA-USMX Safety Committee; the incredible work of USMX's member companies and their front line management; the amazing flexibility and can-do spirit of the essential ILA workforce; the ongoing attention and support of our Port Association members; the Carriers'

continuing efforts to bring cargo to our ports; and the leadership of Direct Employer organizing. USMX and the ILA's senior leadership have done our small part in support of all the parties in any way we can. The COVID Pandemic Relief (CPR) Fund, a supplemental unemployment benefit plan to assist qualified ILA workers unable to work because of COVID-19, is a prime example of both sides pulling together to create a solution that works for both sides and is critical to successfully moving forward through this uncharted territory. We appreciate the support of counsel (The Lambos Firm for USMX and Marrinan & Mazzola Mardon for ILA) and the USMX and ILA management and staff in assisting with the quick implementation of the CPR Fund.

KEEP ON KEEPING ON

So, as I look back on 2019, I am thankful that such a "textbook" year allowed us to be prepared for 2020—a year that we simply would never have believed was possible in January, that turned impossibly urgent and industry- and life-threatening by March. I am so appreciative of all the amazing work, energy and support of the entire industry as EVERYONE leaned into the amazingly challenging circumstances. I can only hope that we continue hurdling the obstacles that this year places in front of us as well as we were able to hurdle those obstacles we've already seen. My wish is that everyone will do their utmost to keep themselves and their loved ones safe, as the nation and the world work toward a medical solution to curb the pandemic.

I hope to be writing a happier ending to all this in the 2020 Annual Report...

David F. Adam
Chairman & CEO

2019 BOARD OF DIRECTORS



David F. Adam
US Maritime Alliance, Ltd.



Roy Amalfitano
Evergreen Shipping Agency
[America] Corp.



Ian S. Cairns
CMA CGM Group



Richard C. Carthas
APM Terminals North America, Inc.



David Daly
Ocean Network Express
[North America], Inc.



Thomas Engel
Hapag-Lloyd [America], LLC



Albert V. Gebhardt
Maersk, North America



Roger J. Giesinger
Hampton Roads Shipping Assoc.



James R. Gray, Jr.
Jacksonville Maritime Assoc.



Frank Grossi
COSCO SHIPPING Lines Co. Ltd.



John J. Nardi
New York Shipping Assoc.



Christopher J. Parvin
Mediterranean Shipping
Company USA, Inc.



James Pelliccio
Ports America



John A. Walsh
SSA Atlantic, LLC

USMX MEMBER ORGANIZATIONS

ABOUT USMX

The United States Maritime Alliance, Ltd. (USMX) is a non-profit incorporated membership association headquartered in Lyndhurst, New Jersey, representing longshore industry employers on the U.S. East and Gulf Coasts, including container carriers, marine terminal operators and port associations. USMX serves as the maritime Management group's representative in Master Contract bargaining with the International Longshoremen's Association, AFL-CIO. Other responsibilities of USMX include the articulation of various industry positions on regulatory and safety issues; the oversight of coastwide safety, training, retraining, certification and recertification programs; and the administration of coastwide fringe benefit funds and programs that are part of the Master Contract.

MISSION STATEMENT

The mission of USMX is to preserve and protect the interests of its members in matters associated with the maritime industry, including all labor relations issues affecting longshore and related activities, and, in particular, in the realm of collective bargaining. The Alliance shall carry out this mission for its members and customers, with due consideration of the interests, safety and well-being of the workers and their representatives. Likewise, it understands the importance of its commitment to maintaining labor peace in order to meet and exceed the crucial demands of a global economy.



CARRIERS

Atlantic Container Line (ACL)
APL
CMA CGM Group
Columbia Group
COSCO SHIPPING Lines Co. Ltd.
Evergreen Line
Hamburg Süd North America, Inc.
Hapag-Lloyd, LLC
HMM Co., Ltd.
"K" Line
Maersk, North America
MSC Mediterranean Shipping Company, S.A.
Ocean Network Express (ONE)
Orient Overseas Container Line (OOCL)
Turkon Line
Wallenius Wilhelmsen
Yang Ming Marine Transport Corporation
ZIM Integrated Shipping Services Ltd.

PORT ASSOCIATIONS

Boston Shipping Association, Inc.
Georgia Stevedore Association, Inc.
Hampton Roads Shipping Association, Inc.
Jacksonville Maritime Association, Inc.
Midgulf Association of Stevedores, Inc.
New York Shipping Association, Inc.
Ports of the Delaware River Marine Trade Association, Inc.
South Carolina Stevedores Association, Inc.
Southeast Florida Employers' Port Association, Inc.
Steamship Trade Association of Baltimore, Inc.
West Gulf Maritime Association, Inc.

DIRECT EMPLOYERS

APM Terminals North America, Inc.
Ceres Terminals Incorporated
CP&O, LLC
GCT USA
Maher Terminals, LLC
Ports America
SSA Atlantic, LLC



ABOUT THE MEMBER RELATIONS INITIATIVE

For USMX to operate successfully at the highest level, a strong and solid exchange of information and views with and among its member entities comprising the various organizations that do business in ports along the U.S. Atlantic and Gulf coasts, is key. To ensure that a common direction emanates from USMX and that items of strategic value are recognized and shared among its membership, USMX leadership commenced an outreach initiative targeting its Port Association and Direct Employer members back in 2013.

CORE COMPONENT IN BARGAINING

This communications link has grown to become a core component of USMX's mission on behalf of its constituents. Beyond USMX's one-on-one member communications, its meetings with the Port Associations and Direct Employers help keep the membership abreast of the latest issues and concerns within USMX and the maritime industry, while gathering key member data and input. Another of the initiative's goals is to enhance members' perspectives on pertinent issues to encompass both a port-centric view (Local Contracts) and a coastal view (Master Contract), especially within the realm of collective bargaining.

MASTER CONTRACT IMPLEMENTATION

Since USMX and the ILA signed a 6-year Master Contract agreement, effective October 1, 2018 through September 30, 2024, the work of implementation of the current contract components has been ongoing, with continued collaboration with our members, particularly those participating in the various joint committees and trust funds generated by the Master Contract and administered by USMX and the ILA and covering the following areas:

- Healthcare
- Safety
- Jurisdiction
- Grievances
- Training
- Data Collection
- Money Purchase Plan
- Container Royalty 5
- Container Freight Station

FUTURE BARGAINING

The Member Relations initiative will continue to elicit communications and input from our Port Association and Director Employer members, as USMX continues implementation of the current Master Contract and prepares for bargaining of the next Master Contract. The knowledge and unique perspectives and information that our Members continue to bring to the negotiations preparation process will be invaluable as we move toward future bargaining.





United States Congress

The 2018 mid-term election results resulted in Democrats taking over control of the U.S. House of Representatives, while Republicans not only maintained, but actually increased their majority in the Senate by two seats. The combination of election defeats and voluntary retirements brought new leadership in the House and new committee chairmen. Of most interest to the maritime industry will be Oregon Congressman Peter DeFazio becoming the Chairman of the House Transportation and Infrastructure Committee; Massachusetts Congressman Richard Neal becoming Chairman of the House Ways and Means Committee; and Mississippi Congressman Bennie Thompson taking over the Homeland Security Committee. In the Senate, Senator Roger Wicker (R-MS) will be chairing the Senate Commerce Committee, Senator Charles Grassley (R-IA) will chair the Finance Committee and Senator Ron Johnson (R-WI), will chair the Homeland Security Committee.

Government Funding

2019 began with a government shutdown, but ended with an agreement to fund all departments and agencies of the federal government through the end of the fiscal year (September 2020). On December 20, 2019, President Trump signed into law the *Consolidated Appropriations Act*, which provided funding for the Departments of Transportation, Homeland Security, Maritime Administration and Federal Maritime Commission.

Trade Agreements and Tariffs

Trade issues dominated the agenda of both the Trump Administration and Congress. Paramount was the renegotiation of the North America Free Trade Agreement (NAFTA), as representatives of the United States, Mexico and Canada reached agreement on what is now referred to as “USMCA.” A major hurdle to ratification of USMCA was overcome when the Democratic House of Representatives approved the agreement in December (the Senate followed suit in early 2020). The Trump Administration also initiated tariff actions under what was previously an obscure trade law (it was last imposed in 1986) referred to as “Section 232” tariffs. Section 232 allows the federal government, or any “interested party,” to request that the Department of Commerce initiate an investigation to determine if specific import products pose a threat to U.S. national security. The Trump Administration initiated five formal investigations with most of the focus on steel and aluminum imports but later included automobiles. Finally, there were a number of continuing trade agreement negotiations with the EU and individual nations that remain unresolved.

“

“The House Transportation and Infrastructure Committee held a hearing on Short Sea Shipping and the need to rebuild America’s maritime industry.”

”

Labor Issues

Arguably, the number one labor issue on the agenda of Congress, the Department of Labor and the National Labor Relations Board in 2019 was the definition of what constitutes a “joint employer” relationship. Under long-standing interpretations, an employer would have to exercise direct control over the terms of employment of any entity (e.g., a subcontractor or franchise/franchisee) doing business with the employer. The Obama Administration took a more expansive view and asserted that “indirect” control was sufficient to establish a joint employer relationship. The Trump Administration and the independent NLRB moved to restore the traditional “direct” control standard.

Multiemployer Pension Plans

The House of Representatives early in 2019 passed H.R. 397, the so-called “Butch Lewis” Act, legislation that would authorize a federally-backed loan program for distressed multiemployer pension plans. Senate Republicans indicated no interest in considering H.R. 397 but late in the year, the Chairmen of the Senate Finance and HELP Committees – Senator Charles Grassley (R-TN) and Senator Lamar Alexander (R-TN), respectively – developed an alternative draft initiative. Identified as the “Grassley-Alexander” proposal, it would allow distressed plans to partition their unfunded liabilities (generally attributed to “orphan” beneficiaries) and transfer those liabilities to the Pension Benefit Guaranty Corporation to ensure the financial solvency

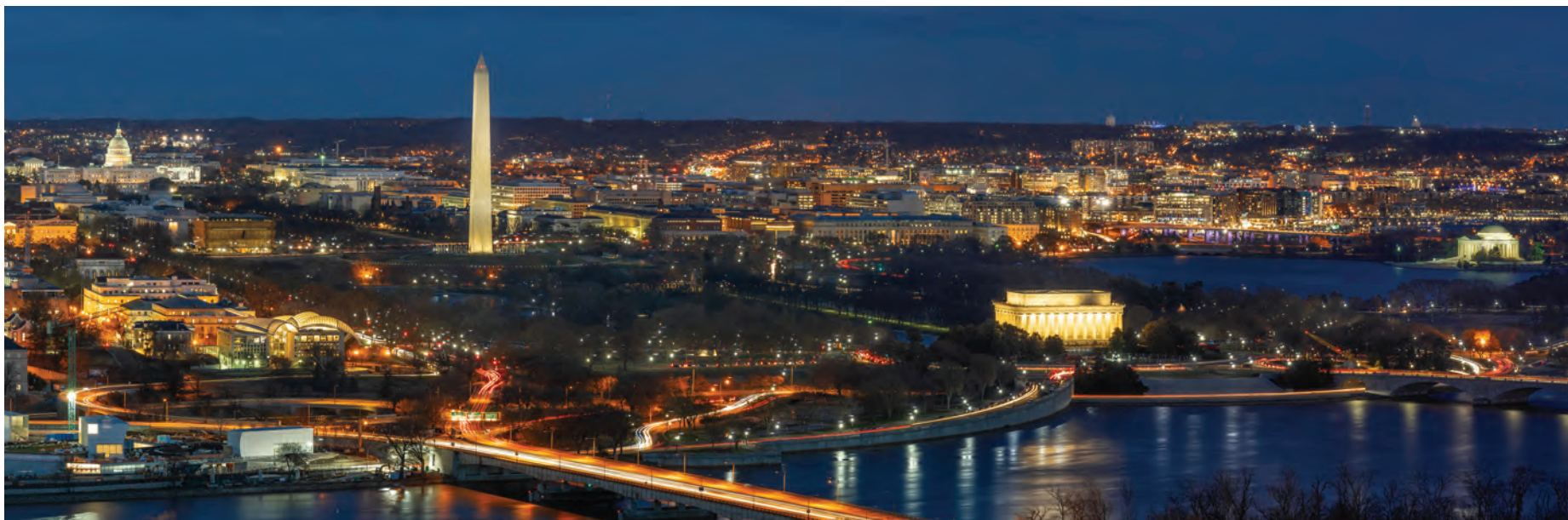
of the plans. This could lay the groundwork for an eventual compromise in 2020 of the multiemployer pension crisis that addresses the needs of financially distressed plans without putting undue burdens on more financially stable plans.

Congressional Oversight

Following enactment of the comprehensive *Frank LoBiondo Coast Guard Authorization Act* in 2018, Congressional focus turned to oversight of maritime programs and the maritime industry. Throughout 2019, various Congressional committees held oversight hearings. Early in the year, the House Armed Services Committee held a hearing on the “State of Mobility Enterprises” and the important role the maritime industry plays in supporting the Department of Defense. The House Transportation and Infrastructure Committee held a hearing on Short Sea Shipping and the need to rebuild America’s maritime industry. Finally, the Senate Commerce Committee held a hearing on ensuring a safe, secure and competitive future for the maritime industry.

Federal Maritime Commission

2019 saw the swearing in of two new FMC Commissioners: long-time Senate Commerce staffer Carl Bentzel and former Commissioner of the Florida Board of Pilots Commissioners, Louis Sola. Additionally, Commissioner Daniel Maffei was renominated by President Trump and confirmed by the Senate for his second term. President Trump also designated Commissioner Michael Khouri as the Chairman.



USMX CARRIER MEMBERS





ABOUT ATLANTIC CONTAINER LINE (ACL)

Atlantic Container Line (ACL), a Grimaldi Group Company, is the most experienced carrier of Containers and Roll-on/Roll-off cargo with four transatlantic services each week. ACL operates the world's newest, greenest and largest CONRO vessels which offer 100% cell-guides for containers, both above and below deck and 100% underdeck RORO stowage. ACL's unique ships can accommodate any size, weight or shape of oversized cargo to just about any place in the world. The Company is headquartered in Westfield, New Jersey with offices throughout Europe and North America.



ABOUT APL

APL, one of the world's leading ocean carriers, offers more than 120 weekly services and calls ports in over 70 countries worldwide. We provide container transportation through our international shipping network which combines high-quality intermodal operations with advanced technology, equipment and e-commerce.

Supporting APL's container shipping business is our Shared Service Centre (SSC) which provides support in the critical shipping processes of Customer Service, Operations, Finance and Accounting. SSC operates through four major hubs including Heredia, Costa Rica, Tallinn Estonia, Chongqing, China and Kuala Lumpur, Malaysia.

APL is part of the CMA CGM Group, a leading worldwide shipping group founded in 1978 by the late Jacques R. Saadé. CMA CGM has a global presence thanks to its numerous vessels calling various ports all over the world. CMA CGM has grown continuously, and has been constantly innovating to offer its clients new sea, land and logistics solutions. Headquartered in Marseille, the Group has employees all over the world in hundreds of agencies.

With over 170 years of experience, APL has the knowledge and the expertise to help our customers grow their businesses and negotiate in an increasingly complex and ever-changing global marketplace – whether that is venturing into new territories or growing in already developed markets.

With our highly competitive transit times, reputation for service reliability and excellence and commitment to sustainable global trade, shippers the world over place their trust in us to provide them the value they need to compete in today's global economy.



USMX CARRIER MEMBERS



ABOUT CMA CGM GROUP

A World Leader and Major Economic Player: CMA CGM was founded in 1978, and is currently headed by Rodolphe Saade, from its base in Marseille, France. With a presence in 180 countries through 755 agencies, 750 warehouses with 9 million square meters of space, 110,000 employees, and a wide fleet of 502 vessels, CMA CGM serves 420 of the world's 521 commercial ports and operates 285 shipping lines.

Global Brands & Subsidiaries include: APL in Singapore; ANL in Oceania; CNC in the Intra-Asia market; Containerships in Europe; Comanav in North Africa; Mercosul in South America; CMA Ships for vessel and crew management; CMA Terminals & Terminal Link; and CEVA LOGISTICS

Logistics Services: Through our logistics partner, we provide customers with freight management and contract logistics services and solutions seamlessly designed and customized to order. Key logistics figures include:

- 1.9 million tons of ground freight
- 0.5 million tons of air freight
- 1.1 million TEUs (3PL & NVO ocean volumes)
- 0.5 million cubic meters LCL

Shipping: Our young and diversified fleet operates on every one of the world's seas. Our global presence and efficient ships enabled CMA CGM Group to transport a volume of 21.6 million TEUs in 2019, with a fleet slot capacity of 2.705 million TEUs, and global revenue of \$30.3 billion (USD).



ABOUT COLUMBIA GROUP

The Columbia Group of Companies was founded in 1990 with its successful all-water container barge service, Columbia Coastal Transport. The company began with one barge and one service operating between New York and Boston. Over 30 years later, the company is recognized as the premier container barge feeder operator in the United States, and the greenest and most efficient mode of container transportation available today. In addition, the company has expertise in handling project, government and military cargoes. Presently, the company operates three U.S. flag barges engaged in services in the New England, Mid-Atlantic and Chesapeake regions.





ABOUT COSCO SHIPPING LINES CO. LTD

COSCO SHIPPING Lines Co. Ltd. is a fully integrated ocean carrier and logistics provider serving every continent in the world. COSCO SHIPPING Lines has a total of 403 container vessels, with a total capacity of 2.2 million TEUs, ranking 3rd place in the world, and 1st place in Asia. COSCO SHIPPING Lines continuously works to bring the quality standards of ocean shipping to even higher levels by expanding upon the widest ranging coverage to offer even better end-to-end logistics solutions and by accelerating the pace of digitalization through the use of evolving technology. Our commitment to our customers, that *We Deliver Value*, is made possible and measurable by remaining transparent and adaptable to the constantly changing qualities of commerce.



EVERGREEN LINE

ABOUT EVERGREEN LINE

A leading member of the Ocean Alliance, Evergreen Line operates some 200 container vessels that provide a total capacity of approximately 1.27 million TEUs. As North American agent for the Taiwan-based global ocean carrier, Evergreen Shipping Agency (America) Corporation represents the U.S. East and Gulf Coast concerns so vital to USMX members, and supports the full complement of world-wide services Evergreen provides its North American shippers.

Founded in 1968, for more than 50 years Evergreen has been providing responsible, reliable service with a commitment to the issues that impact the economic and environmental well-being of the port communities it calls. Along with new service enhancements that broaden opportunities between Asia, the Caribbean and the US Gulf, the company currently serves six continents and a full-range of North American ports.

As a recognized leader in e-commerce, Evergreen has been an industry pioneer in providing tools such as GreenX, i-B/L and i-Dispatch, each geared toward streamlining service interactions and offering delivery efficiencies for customers. Combining technology such as these with exemplary customer service and a continually enhanced, modern fleet, Evergreen has positioned itself among the top container transportation companies in the world.



USMX CARRIER MEMBERS



ABOUT HAMBURG SÜD NORTH AMERICA, INC.

Since December 1, 2017, Hamburg Süd belongs to A.P. Moller - Maersk, and is, therefore, part of the global market leader. This offers many advantages to customers of the Hamburg Süd Group: the most extensive global network, an enlarged geographical scope, the largest fleet in the world, and a state-of-the-art equipment pool to ensure complete coverage of supply chain requirements and availability where needed. Within the shipping industry, Maersk stands for strategic vision and a strong financial basis. At the same time, Hamburg Süd will remain a commercially independent company with its own brand values. The Hamburg Süd brand will continue to represent quality, reliability, and flexibility, in addition to providing a specific service offering with outstanding local expertise and personal contacts in over 250 offices worldwide.



ABOUT HAPAG-LLOYD, LLC

As a truly global company with 13,000 employees in 129 countries, Hapag-Lloyd is one of the leading carriers for Transatlantic, Latin-American and Intra-American trade. Equipped with 248 modern ships and a total capacity of 1.7 million TEU, the company transports 12 million TEU annually calling over 600 ports on their 122 liner services. The fleet of own ships provides an average capacity of 9,378 TEU per vessel. Hapag-Lloyd offers one of the most modern reefer container fleets in the world and a stock of over 2.6 million containers in total.

Founded in 1970 following the merger of Hamburg-America Line (HAPAG) and Norddeutscher Lloyd (NDL), Hapag-Lloyd's history goes back well into the 19th century. In the last decade, after completing mergers with CSAV and UASC, Hapag-Lloyd has become the fifth largest container liner shipping company in the world. With its Strategy 2023, the company aims to increase its profitability and become market leader in terms of quality. Hapag-Lloyd is constantly digitalizing their business to offer their customers information that is transparent and conveniently available.





ABOUT HMM CO., LTD.

HMM is a global integrated logistics company providing the best transport services. Our professionally skilled and experienced staff provide customers with world-class transportation services via more than 100 state-of-art vessels and various logistics facilities that span a worldwide network of ports together with industry-leading IT systems.

HMM provides many types of shipping services. Since launching our first service with three VLCCs (Very Large Crude Carriers) in 1976, HMM has substantially expanded into the world-class integrated logistics service provider by adding various types of vessels – container ships, bulk carriers, trampers, heavy lifts, and special product carriers.

HMM has a vast global network supported by three regional headquarters, 23 subsidiaries, 58 branch offices and three container terminals. Backed by these competencies, HMM is leading the global shipping markets, where cross-border competition intensifies each day.

HMM plays a pivotal role in Korea's economy, generating more than USD 4 billion annually. Pursuing to become the world's top integrated logistics service provider delivering shareholder values, achieving customer satisfaction, and instilling pride in its employees, HMM continuously invests in expanding our vessel fleet, securing container terminals and inland logistics facilities around the world, and investing in the development of customer-oriented IT systems.



ABOUT “K” LINE

Kawasaki Kisen Kaisha (“K” Line) is a diversified ocean shipping company operating a fleet of 410 vessels, including car carrier ships and bulk ships, as well as LNG, LPG and crude oil tankers in global trade. It is “K” Line's vision to provide reliable and excellent services, while doing business in a fair way, respecting humanity, and relentlessly pursuing innovation.



USMX CARRIER MEMBERS





USMX CARRIER MEMBERS



ABOUT MAERSK

Maersk is an integrated container logistics company working to connect and simplify our customers' supply chains. Our family of brands includes Maersk — the largest containership line in the world, Safmarine — an African regional line, Sea-Land — an Intra-Americas regional line, Hamburg Süd, APM Terminals and Svitzer Towage — that all work together to offer seamless shipping.

Our team of professionals operates in 130 countries with 70,000 people focused on providing end-to-end solutions that make shipping and logistics easier, faster and more reliable.

Customers are looking for more digital solutions to manage their supply chain so we are continuously improving our 24/7 online capabilities to enable faster decision-making and better cargo visibility.

Shipping is a repeat business and our goal at our ports is to work closely with our Labor Partners to make the shipping process safer, more productive, more cost-efficient and more sustainable to the environment. We take great pride in our people who define our service level every day to our customers and the importance our industry plays in lifting global commerce.

With our One Company approach to customers we are transforming the industry to make global supply chains perform better through our world-class ports and the strength of our Labor Partnerships. www.maersk.com



ABOUT MSC MEDITERRANEAN SHIPPING COMPANY S.A.

MSC Mediterranean Shipping Company (MSC) has been headquartered in Geneva, Switzerland, since 1978.

A world leader in container shipping, MSC has evolved from a one vessel operation into a globally respected shipping and logistics business with over 550 container ships and 70,000 staff. MSC's wide range of operations covers 155 countries across five continents, where MSC provides timely delivery of goods and services to local communities, customers and international business partners.

MSC calls at 500 ports on 200 trade routes, carrying some 21 million TEUs (twenty-foot equivalent units) annually, via one of the most modern and environmentally-friendly fleets.

The Company's international headquarters supervise a worldwide network of offices with each having responsibility for commercial and operational activities in their respective countries.

Over the years, MSC has invested in several initiatives, such as operational strategic alliances, and has further diversified its business-related activities.

The Company has seen exponential growth in terms of both volume and fleet capacity, and now serves millions of customers globally, with a 365-days-a-year operation. Today, our focus remains true to our roots, building and retaining long-term trusted partnerships with customers of all size and scale.





ABOUT OCEAN NETWORK EXPRESS (ONE)

OCEAN NETWORK EXPRESS (ONE) was established on July 7, 2017 by the integration of the containership business sectors of “K” Line, MOL and NYK. The Holding company was set up in Japan on July 7, 2017 and simultaneously a business management company was established in Singapore. Regional headquarters were also established in Singapore, Hong Kong, London, Sao Paulo, and Richmond, Virginia, and services commenced in April 2018.

In April 2017, “K” Line, MOL and NYK, started services as “THE Alliance” with other major shipping companies. Ocean Network Express continues to provide services as a member of this alliance.

In addition to this alliance, we are continuing to further strengthen our services to Asia, Latin America and Africa regions.

We will further expand the number of ports in the future to Asia, North America, Europe, the Mediterranean Sea and the Middle East, also planning to expand our direct calls to perform a wide service coverage.

As a result of the integration, our fleet size is 1,590,000 TEUs, the 6th largest in the world (as of January 2020). Operations are performed through a fleet of 224 vessels, including 31 super-large ships, such as the world’s largest 20,000-TEU container ships, in a service network covering over 120 countries around the globe. AS ONE, WE CAN.



ABOUT ORIENT OVERSEAS CONTAINER LINE (OOCL)

“Orient Overseas Container Line” and “OOCL” are trade names for transportation provided separately by: Orient Overseas Container Line Limited (“OOCL”) and OOCL (Europe) Limited respectively and both are wholly-owned subsidiaries of Orient Overseas (International) Limited, a public company [0316] listed on the Hong Kong Stock Exchange. OOCL is one of the world’s largest integrated international container transportation and logistics companies. As one of Hong Kong’s most recognized global brands, OOCL provides customers with fully-integrated logistics and containerized transportation services, with a network that encompasses Asia, Europe, the Americas, Africa and Australasia.

OOCL is well respected in the industry with a reputation for providing customer-focused solutions, quality services and continual innovation. OOCL is one of the leading international carriers serving China, providing a full range of logistics and transportation services throughout the country. It is also an industry leader in the use of information technology and e-commerce to manage the entire cargo process.



USMX CARRIER MEMBERS



ABOUT TURKON LINE

Turkon Line, established in 1997, is the first dedicated Turkish Company providing container transportation and logistics services between Turkey and the USA, North Europe and the Mediterranean, as well as direct service to/from Turkey, Egypt and the USEC with eight connecting services operated in several intra-Mediterranean, Black Sea and North Europe trades. Turkon Line is in 28 countries with 500 employees and 43 offices and agencies and is a well-known container line located in the East Mediterranean. Turkon Line's USA Headquarters for commercial and operations, is in Secaucus, New Jersey, with branch offices in Norfolk and Savannah.



ABOUT WALLENIUS WILHELMSEN

We're Wallenius Wilhelmsen, a market leader in RoRo shipping and vehicle logistics, managing the distribution of cars, trucks, rolling equipment and breakbulk to customers all over the world.

We are 9,400 dedicated employees in 29 countries worldwide, headquartered in Oslo, Norway (DEX: WALWIL). Our main brands are Wallenius Wilhelmsen Ocean, Wallenius Wilhelmsen Solutions, EUKOR, ARC and Armacup. Total income for 2019 was USD 3.9 billion.

We control 126 vessels servicing 15 trade routes to six continents, together with a global inland distribution network, 120 processing centers, and 11 marine terminals. Our purpose is to build sustainable supply chains, imagining new, more efficient solutions for the changing world of mobility and transport on land and sea. Our goal is a zero-emission full-lifecycle supply chain for vehicles; working in partnership with customers and business partners, we can get there!

The world will keep surprising us, and we will take an active role in defining the future of sustainable logistics.





ABOUT YANG MING MARINE TRANSPORT CORPORATION

Yang Ming Marine Transport Corp. [Yang Ming] was established on December 28, 1972 and headquartered in Keelung City, Taiwan. With decades of maritime transport experience and the focus on the container shipping business, we provide 107 weekly services worldwide. Being an international shipping service provider, we service our global customers in a selection of 241 subsidiaries in 100 countries. In order to effectively respond to local markets and closely connect to our customers, we have regional centers strategically set up in USA, Panama, Germany, Greece and Dubai.

At the end of March 2020, we have 94 full-container vessels with a total capacity of 640,000 TEUs deployed in our global service network. Through continuous service improvement and the strategic partnership in THE Alliance, we have expanded services and shortened transit time greatly. Being committed to customer satisfaction has enabled Yang Ming to deliver top-notch transport experience and continue to provide a reliable and comprehensive service network to our customers around the world.



ABOUT ZIM

In the fast-changing shipping world, ZIM Integrated Shipping Services has set itself apart as an independent carrier with a fresh, unique approach.

ZIM's strategy as a global niche carrier offers distinctive advantages to customers worldwide. We have created a smart, efficient network that ensures stable, reliable services; and we have made it our mission to focus on the needs of our customers, which stand at the heart of all our decisions.

ZIM operates in select trades, where it has a competitive advantage and where it can provide superior service. In these trades, ZIM is a significant player with a sizable market share.

We make the most of our flexibility and creativity to provide premium services and solutions adapted to our customers' evolving needs. Our professionalism is built on decades of experience and skill, and a history as trailblazers in the container shipping business.

ZIM's Vision, "Innovative Shipping dedicated to You," reflects the company's focus on Customer Experience along with the constant effort to offer advanced digital tools, making it is easy to do business with ZIM. Our Innovative spirit, agility and can-do approach and our sustainability efforts maintain our position as a top industry performer dedicated to efficiency and profitability, as we continue to deliver exceptional service to our customers.

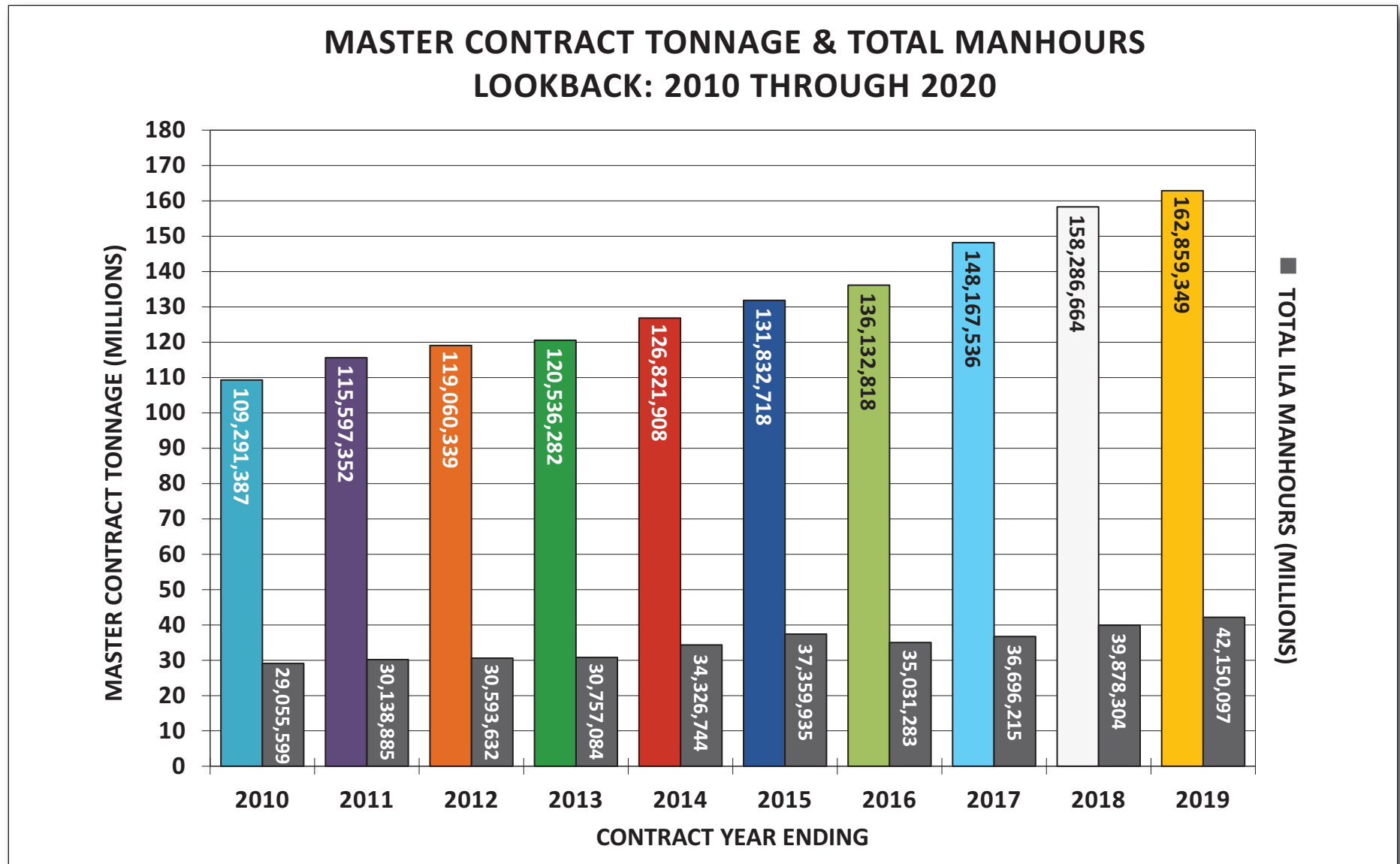


MASTER CONTRACT TONNAGE & MANHOURS

DATA LOOKBACK: 2010 THROUGH 2019

Total Master Contract tonnage in the USMX member Ports from Maine to Texas has steadily increased over the last decade. Contract year 2019 saw an increase of 3%, which was in line with forecast, reaching an all-time high of over 162 million tons.

Since manhours are inclusive of all MILA-eligible ILA manhours, the trends do not always follow the same path as container tonnage. In 2019, manhours surpassed the 40 million mark with around 42 million manhours worked. The overall increase was predominantly driven by New York/New Jersey and Houston ports.



IMPLEMENTATION OF THE 2018-2024 MASTER CONTRACT

Over the course of 2019, we saw the successful implementation of the new Master Contract, which became effective on October 1, 2018 and will run through September 30, 2024. USMX and the ILA (the parties) worked through the execution of several key components of the new contract:

Money Purchase Plan (MPP)

- For the first time, the parties created a coastwise money purchase plan for qualified employees working hours under the Master Contract in ports that do not have local money purchase plans
 - ▼ This was the first ever \$1 put into an MPP by the Master contract
 - ▼ In 2019, a Master Contract MPP was created in the ports of Charleston and Tampa, with more participating ports expected in 2020

Data Collection Initiative

- For the first time, the parties, in conjunction with all ports on the U.S. East and Gulf Coasts where employees are receiving benefits provided by the Master Contract, shall jointly collect data related to implementation and administration of the Master Contract and the negotiation of future agreements

Port of Discovery (POD)

- The parties agreed to continue the joint Jurisdiction Committee's evaluation of the POD program in each Master Contract port
 - ▼ To be recognized as a valid POD program by the Jurisdiction Committee, each port's system must be able to do the following:
 - i. Identify major damage;
 - ii. Track the movement of equipment identified with Major Damage; and
 - iii. Record and validate the repair of the equipment
- The parties worked to create and test a NAVIS Training module over the course of 2019, with coastwise rollout expected in 2020
- USMX was invited to attend the ILA's 55th Quadrennial Convention in August of 2019, which marked the re-election of ILA International President Harold J. Daggett and his entire Executive Council for another four years

USMX-ILA INDUSTRY RESOURCE COMMITTEE (IRC) TOPICS

Throughout negotiations in 2018 on a variety of Master Contract topics, the ILA continued to keep several key issues at the forefront for consideration by the IRC. Because of the complex nature of these issues, the parties agreed to keep these items open and address them through the IRC in 2019. This involved a continued deep dive into these issues over the course of the year, with consideration from both legal and practical standpoints. The ultimate intention, now that further details and clarification of the following issues have come to light, is to address them via the IRC meetings in 2020:

- Definition of the word "control"
- Port of Discovery (POD) in all Ports
- Implementation of carrier equipment technology, such as smart reefers and dry boxes
- Assessment of all jobs created by technology
- Possible changes coming in the Carrier genset model

MASTER CONTRACT & LOCAL NEGOTIATIONS

USMX and the ILA started off 2019 with a ratified Master Contract. However, negotiations for local agreements were still taking place. By year's end two ports (Charleston and Mobile) had not reached agreement on their local contracts; however, they continued to work without disruption. Hopefully, a local contract will be negotiated in 2020, with no labor disruption.

2019 USMX MEMBER PORT LABOR RELATIONS UPDATE

Following are 2019 labor relations updates for each USMX member port, along with additional material covered in the USMX PORT ASSOCIATION MEMBERS section, starting on Pg. 40 of this report.

Port of Boston

- At the end of 2019, a dispute over technology arose; the parties are working to settle the issue
- For further information on Boston Shipping Association (BSA) and this port, see PORT OF BOSTON, Pg. 40

Port of New York & New Jersey

- New York Shipping Association (NYSA) implemented weekend hiring in 2019, as part of its local contract with the ILA
- For further information on NYSA and this port, see PORT OF NEW YORK & NEW JERSEY, Pg. 42

LABOR RELATIONS YEAR IN REVIEW

Ports of the Delaware River

- Ports of the Delaware River Marine Trade Association (PMTA) concluded local bargaining in 2019
 - ▼ USMX and the ILA worked toward concluding the issues of Jurisdiction and New Technology
- For further information on PMTA and its ports, see PORTS OF THE DELAWARE RIVER, Pg. 44

Port of Baltimore

- In 2014, an arbitration award in favor of the Steamship Trade Association of Baltimore (STA) called for fines against the local ILA; the fines were held in abeyance pending no further issues, and were vacated in September 2019
- In January 2016, the Jurisdiction Committee's ruling in favor of the local ILA called for fines against STA; the fines were held in abeyance pending no further issues, and were vacated in September 2019
- For further information on STA and this port, see PORT OF BALTIMORE, Pg. 46

Port of Virginia

- Hampton Roads Shipping Association (HRSA) successfully implemented an electronic hiring system in 2019
- The ILA organized two groups in 2019
 - ▼ Crane Mechanics group
 - ▼ Facility Maintenance group
- For further information on HRSA and this port, see PORT OF VIRGINIA, Pg. 48

Port of Wilmington, NC

- Wilmington saw an increase in volume

Port of Charleston, SC

- South Carolina Stevedores Association (SCSA) has been negotiating and continued in 2019 to negotiate a separate contract with the ILA longshore local
- Talk of a single consolidated stevedore in the Port of Charleston began in late 2019
- Development of the Hugh K. Leatherman Terminal intermodal facility by the SC State Ports Authority continues to be a topic of concern for the ILA
 - ▼ Manning of the facility (state workers vs. ILA workers) is the main issue of contention
- For further information on SCSA and this port, see PORT OF CHARLESTON, Pg. 50

Port of Savannah

- In 2019, Georgia Stevedore Association (GSA) settled several "ghosting" allegations made by the local ILA
- As talks around a single consolidated stevedore in the Port of Georgia began to "heat up" in 2019, a Shifting issue arose
- A continuous grievance by the local ILA M&R craft to man the gates continued in 2019
- The local ILA continues to insist that there is no Port of Discovery program in place in the Port of Savannah
- For further information on GSA and this port, see PORT OF SAVANNAH, Pg. 52

Port of Jacksonville

- The ILA locals of Jacksonville filed a grievance against Jacksonville Maritime Association (JMA) challenging their Container Royalty payouts
 - ▼ The grievance was rejected and no changes were made
- In late 2019, the Jurisdiction Committee co-chairs heard Deck & Dock issues in the port
- For further information on JMA and this port, see PORT OF JACKSONVILLE, Pg. 54

Ports of Southeast Florida (Miami)

- The Southeast Florida Employers' Port Association (SEFEPA) notes that USMX carriers calling Southeast Florida continue to find the local ILA M&R rules "Point of Discovery" burdensome
- For further information on SEFEPA and its ports, see PORTS OF SOUTHEAST FLORIDA, Pg. 56

Port of Tampa

- Tampa continues to see growth and expansion of its container services and terminal facilities in 2019

Port of New Orleans

- In 2019, the Jurisdiction Committee met with the local ILA and Midgulf Association of Stevedores (MAS) on the topic of non-compliance with the identification of Major Damage containers
- For further information on MAS and this port, see PORT OF NEW ORLEANS, Pg. 58

Port of Mobile

- The clerks and checkers' local in Mobile concluded local bargaining in 2019
- The longshore local did not conclude local bargaining by the end of 2019, but continued negotiating and working with no disruptions

Ports of the West Gulf

- In 2019, the ILA M&R local invoked the Master Contract and challenged work being done by non-ILA workers within the "port area."
 - ▼ The ILA prevailed; USMX Carriers were reminded that repairs being done within the port area must be performed by the ILA
- For information on West Gulf Maritime Association (WGMA) and its ports, see PORTS OF THE WEST GULF, Pg. 60

LABOR NOTES

Several topics remained at the forefront of the ILA's labor relations efforts throughout 2019, with agreement by the parties to meet formally via the Industry Resource Committee (IRC) to discuss and move the issues forward:

- Status of the Port of Discovery (POD) program from Maine to Texas
- ILA's previous request for the definition of the word "control" as it pertains to the Master Contract
 - ▼ Several carriers were interviewed with counsel and the interviews will continue through 2020



USMX DIRECT EMPLOYER MEMBERS





ABOUT APM TERMINALS NORTH AMERICA

APM Terminals North America has four terminals serving the US Market: APM Terminals Elizabeth at the Port of New York/New Jersey; South Florida Container Terminal at the Port of Miami, Florida – a joint-venture with Terminal Link; APM Terminals Mobile at the Port of Mobile, Alabama; and APM Terminals Pier 400, Los Angeles, California.

Our Port Labor Partnerships play a vital role in our company with a tremendous emphasis on our working relationships nationally and locally with the ILA Leadership and membership. The Safety of our Labor force is essential. We have a tremendous emphasis on safe operations at all our terminals to ensure our Port Labor is safe and protected – as well as the users of our terminals who visit us every day.

All of our terminals are being modernized to keep pace with infrastructure demands, safety and customer experience expectations. The 350-acre APM Terminals Elizabeth terminal – the largest APM Terminals facility on the U.S. East Coast – has undergone a \$200 million upgrade with new cranes, new gates and a new truck appointment system. Similar infrastructure investments are taking place at APM Terminals Mobile, Alabama, with the recent berth extension completion. At the Port of Miami, the South Florida Container Terminal has received six new zero-emissions, electric RTG cranes as part of a terminal densification project. APM Terminals Pier 400 Los Angeles – the largest privately-operated terminal in North America is replacing diesel equipment with electric equipment to create a safer, cleaner and quieter terminal.

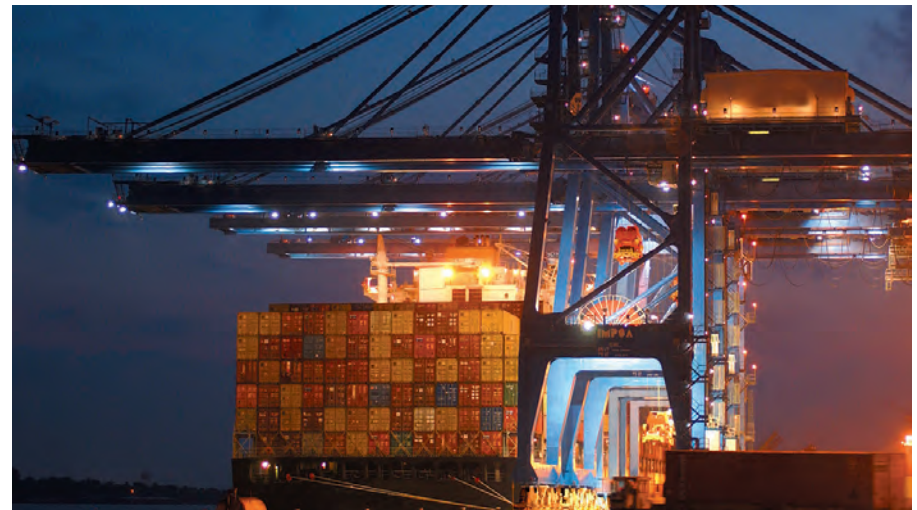


ABOUT CERES TERMINALS INCORPORATED

Ceres Terminals Incorporated is one of North America's premier stevedoring and terminal operating companies. The Company's strong reputation is based on determination and commitment to excellence and reinforced by the people of Ceres who make customer satisfaction a daily objective.

Ceres established its corporate headquarters in Nashville, Tennessee and achieved strength through diversification. It has experienced rapid growth in both the cargo handling and cruise sectors. Most of Ceres' business consists of Containers, RORO, Automobiles, Breakbulk, Bulk and Project cargoes as well as managing world class container terminals throughout North America.

Ceres Terminals Incorporated has developed a distinguished, quality track record that is unsurpassed in the Transportation Industry. The Company is a member of Green Marine, an environmental certification program for the North American marine industry as well as a participant in the U.S. Customs & Border Protection's C-TPAT Program.



USMX DIRECT EMPLOYER MEMBERS



ABOUT CGT USA

GCT USA operates two award-winning facilities: GCT New York on Staten Island, New York, and GCT Bayonne in Bayonne, New Jersey.

GCT New York is the primary terminal in New York state. The full-service container terminal is exceptionally customer-focused, boasting the fastest truck processing times in the harbor, and housing the only terminal-affiliated customs exam station in the port. GCT New York has operated the ExpressRail Staten Island on-dock rail facility, consisting of 9,200 linear feet of working track, for over 10 years. The ramp offers full connectivity to both the CSX and Norfolk Southern rail networks.

International award-winning, semi-automated GCT Bayonne is one of the most advanced terminals in North America. Strategically located at the harbor entrance, the big ship ready, high productivity facility handles the largest ships calling the Port of New York and New Jersey. Opened in January 2019, GCT Bayonne's near dock rail facility (ExpressRail Port Jersey) has 9,600 linear feet of working track and also offers full connectivity to both the CSX and Norfolk Southern rail networks.



ABOUT MAHER TERMINALS LLC

Maher Terminals LLC is one of the largest privately held multi-user container terminal operators in the world. As a vital link in the container cargo movement chain, we are responsible for helping our customers effectively compete in the global marketplace by handling their cargo as expeditiously and economically as possible. We take this responsibility very seriously and have developed North America's largest marine container terminal in the Port of New York and New Jersey.

This highly-efficient container terminal operation, strategically located in the heart of one of the world's most affluent consumer markets, provides ample container throughput capacity to efficiently meet and exceed the current and longer-term operating requirements of our ocean carrier customers. The scope and flexibility of our marine terminal operation truly makes our facility a "Port within a Port." This is best supported by the many ocean carriers that have been utilizing our facilities for decades, ranging from single trade lane operators to the world's largest global alliances.





ABOUT PORTS AMERICA

Ports America is the largest American terminal operator and stevedore with operations in 42 ports and 80 terminals within the United States. With a highly skilled and trained labor force, Ports America has the experience and expertise to manage all types of cargo handling. Having handled more than 13.4 million TEUs, 2.5 million vehicles, 10.1 million tons of general cargo and 2.1 million cruise ship passengers annually, Ports America has operations ranging from pure container terminals to "under-the-hook stevedoring." Operations also include container, bulk, breakbulk, military, project and RoRo cargo handling; cruise terminal operations; intermodal facilities; and maintenance and repair.



ABOUT SSA ATLANTIC, LLC

SSA Atlantic is a wholly owned subsidiary of SSA Marine, the world's largest independent, privately held marine terminal operator, with activities at more than 250 terminal facilities and rail operations throughout geographies in the U.S., Canada, Latin and South America, Asia, New Zealand and South Africa. Established in 1949 by the Smith/Hemingway family and headquartered in Seattle, SSA Marine is a premier operator in terminal management, efficiency, and throughput. SSA Marine subsidiaries have long-term marine terminal concessions in key strategic ports on the U.S. East and West Coasts, Latin American gateway countries of Panama, Mexico, Chile, and Colombia, and in Vietnam.



ILA - USMX JOINT SAFETY COMMITTEE

2019 ILA-USMX JSC OSH CIRCULARS AND ALERTS

A mainstay of the ILA-USMX Joint Safety Committee (JSC) continues to be the production, development and distribution of its occupational safety and health circulars. Having started in April of 2014, the JSC OSH Circular program was the initial undertaking of the then newly-formed Committee, and has grown over the years to be one of its most significant accomplishments. The circulars continue to be widely distributed each and every month to our USMX member ports and serve as vital reminders about workplace health and safety for the workforce as well as for our management teams. From 2017 to present, the JSC has supplemented the successful monthly OSH Circular Program with an additional program of 32 Urgent OSH Alerts that highlighted for our maritime audience those urgent safety topics that require immediate dissemination and attention.

The ILA and USMX have a broad network of distribution for both the circulars and alerts via workplace postings and handouts, ILA and USMX websites, social media distribution, email blasts, and constant face-to-face presentations and discussions by the JSC at ILA safety meetings and industry conferences. This broad distribution network is the cornerstone to ensuring the most effective ways to get the latest safety news and topics out to our local USMX member ports, workplaces and ILA workforce from Maine to Texas. The JSC continues to receive positive feedback from our USMX management members and ILA workforce as the two programs continue to morph and grow in response to real-time safety challenges and identified safety hotspots. Successful JSC programs like the circulars and alerts are testament to the JSC's purpose and commitment with regard to occupational safety and health. Ultimately, improving long-term incident frequency rates and workplace safety for all sectors of the maritime industry will always remain at the forefront of the purpose and mission of the JSC.

Samples of the OSH circulars and alerts programs produced in 2019 can be viewed on Pg. 27.

OSH Circulars

In 2019 the ILA-USMX Joint Safety Committee produced and distributed 12 OSH Circulars covering the following topics: OSHA Training Regulations; Overhead Loads; Compromising Peripheral Loads; Recognizing Overwidth Loads; Distracted Driving; Heat Stress; Safe Access for Lashers; Providing AC in Terminal Vehicles; Rules of the Road on Marine Terminals; Emergency Stop Features in Lifting Appliances; Distracted Driving at Marine Terminals; and Commercial Vehicle Operators at Marine Terminals.

Urgent OSH Alerts

In 2019 the JSC produced and distributed the following 15 Urgent OSH Alerts: Increasing OSHA Civil Monetary Penalties; Posting of Injury & Illness Data; Electronic Reporting of Injury & Illness Data to OSHA; Requested Information on Trucks by OSHA; USCG Container Inspection Manual; Seafarer Safe Access to Marine Terminals; Fall Protection Harness "D" Ring Defects; Inspection/Servicing Industrial Tire Rim Wheels; Hurricane Season Warnings; Recall of Self Retracting Lifelines by 3M; USCG Revision of Mandatory Marine Casualty Forms; Guidance for Servicing Industrial Sized Tires; Contesting OSHA Fines; Crosby Shackle Removed from Service Notice; and Deadlines for Electronic Reporting of OSH Data.

Further Development of the JSC in 2019

The JSC was created in 2014 from the ILA-USMX Joint Resolution on Port Safety and Health, issued by the Chairman of USMX and the President of the ILA. The document empowered the JSC to carry out its mission and message of coastwise safety awareness, while working in conjunction with management and the rank and file on all pertinent OSH matters. From terminals and depots, union halls, local safety meetings, conferences and national safety meetings, the JSC will continue moving forward to meet and exceed its goal of reducing workplace accidents and fatalities in the maritime industry.

JSC Guidance and Interpretation

Over the course of the year, member companies and rank and file come to the JSC for guidance, advice and interpretation of OSH-related issues. The JSC does everything possible to respond accurately and timely to all calls. Here are just some of the issues addressed by the JSC in 2019: OSHA Electronic Reporting on Injuries & Illness; FMCSA Inspection Training for Chassis; PIT Cert & Recert; Hazardous Material Placarding & Training; Handling of Interlocked Containers and Flat Racks; Handling of Tank Containers on Bomb Carts; and Federal Railroad Safety Inspections.

Joint Safety Committee Activities in 2019

- Presented at the ILA/ACD Meetings in Tampa; Dock & Marine quarterly meetings in Atlanta; the Blue Ribbon Panel meeting in the SAGCD; the HRSA Annual Safety Dinner; and the ILA Convention in Hollywood, Florida
- Visited Ports of NY/NJ, Savannah, Norfolk, Baltimore, Charleston, Mobile, New Orleans, Houston and Miami to discuss various safety issues, attend local safety meetings and conduct safety audits
- Attended the NMSA Annual Meeting in Montreal and Technical Meetings in Mobile, Montreal, Long Beach and Portland
- Developed 12 OSH Circulars, 15 OSH ALERTS and Quarterly Committee Activity Reports in 2019
- Produced & distributed the first of four JSC Safety Posters & Infographics (Distracted Driving)

“

“The JSC will continue moving forward to meet and exceed its goal of reducing workplace accidents and fatalities in the maritime industry.”

”

SELECT 2019 ILA-USMX JSC OSH CIRCULARS & ALERTS

ILA-USMX JOINT SAFETY COMMITTEE
OSHA Circular 2019-03 (14 February 2019)

Don't Be Caught Under One of These!

While not necessarily new, the following hazards are still common in the workplace. These hazards can be avoided by taking the following steps:

- 1. **Don't be caught under a falling load.** This is a common hazard in the workplace. To avoid this hazard, workers should always be aware of their surroundings and should never stand under a load that is being moved or lifted.
- 2. **Don't be caught in a moving vehicle.** This is another common hazard. To avoid this hazard, workers should always be aware of their surroundings and should never stand in the path of a moving vehicle.
- 3. **Don't be caught under a falling object.** This is a third common hazard. To avoid this hazard, workers should always be aware of their surroundings and should never stand under a load that is being moved or lifted.
- 4. **Don't be caught under a falling load.** This is a fourth common hazard. To avoid this hazard, workers should always be aware of their surroundings and should never stand under a load that is being moved or lifted.

Working Together For The Benefit Of All

ILA-USMX JOINT SAFETY COMMITTEE
OSHA Circular 2019-04 (14 March 2019)

Fashion Statement or Deadly Hazard?

Early last year, a longshore worker was fatally injured in an industrial accident. The worker was wearing a hoodie with the hood up, which was the primary cause of the accident. The worker was not wearing a hard hat, and the hood was in the way of the worker's vision.

As you can see from the photograph above, some clothing items (paired with a high-visibility vest or jacket) can effectively block out the peripheral vision that longshore workers may depend on to work safely. Unfortunate circumstances.

When working or around the types and sizes of cargo-carrying equipment found in the marine terminal workplace environment, it is often said by many of us that we cannot see "over the hood of our hood." There's a lot of truth in that statement.

And while that's certainly a legitimate safety issue, we would plead with you not to allow your sense of fashion to contribute to the cause of a fatal accident that we will see too often in our industry.

Working Together For The Benefit Of All

ILA-USMX JOINT SAFETY COMMITTEE
OSHA ALERT 2019-07 (14 April 2019)

Inspection Notice - IMMEDIATE ACTION REQUIRED

3M & DBI-SALAS ExoFLEX Harness

The manufacturer of the 3M & DBI-SALAS ExoFLEX protection harness has distributed a product notification, advising users of a potential "Y" ring defect.

Should you fall protection system incorporate the use of the 3M & DBI-SALAS ExoFLEX harness, you are urged to take immediate action to replace the harness with a new one.

Working Together For The Benefit Of All

ILA-USMX JOINT SAFETY COMMITTEE
OSHA Circular 2019-04 (14 April 2019)

How To Tell If A Container Is "Extra Wide"

The vast majority of intermodal containers are approximately eight feet (2.4 meters) wide. To qualify for the use of the intermodal container, the container must be at least 8 feet wide.

However, some containers are wider than 8 feet. These containers are referred to as "extra wide" containers. These containers are not designed to be used in the same way as standard containers.

Working Together For The Benefit Of All

ILA-USMX JOINT SAFETY COMMITTEE
OSHA Circular 2019-05 (14 May 2019)

Only on Facebook? When in P, Distracted Driving Kills

#JustDrive

At least once each year, the ILA-USMX Joint Safety Committee has a self-imposed obligation to provide a friendly face that reminds that the use of personal electronic devices while operating any vehicle constitutes an extremely dangerous, and very commonly prohibited at all marine terminals.

We greatly value the time and the well-being of every worker and manager that drives their collective thing on the waterway at our respective ports, and we urge you to do the same. Respect your fellow workers; respect yourself!

On the Job or On the Road, Don't Drive Distracted!

Working Together For The Benefit Of All

ILA-USMX JOINT SAFETY COMMITTEE
OSHA ALERT 2019-08 (24 May 2019)

Inspection & Servicing of Industrial Truck Wheel Rims

Last week, the marine terminal community was alerted by the U.S. Coast Guard to a tip leader fire explosion that claimed the life of an ILA/USMX worker in San Diego, California. The fire was caused by a defective wheel rim on a forklift.

In both cases, it appears somewhat likely that the existing cracks in the rim had developed within the structure of the wheel rim, themselves.

Working Together For The Benefit Of All

ILA-USMX JOINT SAFETY COMMITTEE
OSHA ALERT 2019-09 (14 June 2019)

Hurricane Season Begins!

As is no secret, the ILA-USMX Joint Safety Committee is prohibiting its member facilities from the beginning of June through the end of September (June 1st through September 30th).

The United States Coast Guard publishes and regularly updates mandatory safety notices for the marine terminal community. These notices are issued to the community to inform them of the latest safety information.

Working Together For The Benefit Of All

ILA-USMX JOINT SAFETY COMMITTEE
OSHA ALERT 2019-10 (14 July 2019)

OSHA ALERT 2019-10

Full Fall Protection. The manufacturer of the 3M & DBI-SALAS ExoFLEX harness has distributed a product notification, advising users of a potential "Y" ring defect.

Should you fall protection system incorporate the use of the 3M & DBI-SALAS ExoFLEX harness, you are urged to take immediate action to replace the harness with a new one.

Working Together For The Benefit Of All

ILA-USMX JOINT SAFETY COMMITTEE
OSHA ALERT 2019-12 (14 August 2019)

Tire, Wheel & Rim Servicing Guide

Taylor Machine Works has recently published a guide detailing the servicing of tires, wheels and rims. This guide is intended to provide a standard for the servicing of tires, wheels and rims.

Working Together For The Benefit Of All

ILA-USMX JOINT SAFETY COMMITTEE
OSHA Circular 2019-09 (14 September 2019)

Complying with Marine Terminal Rules of the Road

The photograph at left shows a terminal vehicle at a marine terminal. The vehicle is a white pickup truck with a red emergency stop button on the dashboard.

Working Together For The Benefit Of All

ILA-USMX JOINT SAFETY COMMITTEE
OSHA Circular 2019-10 (14 October 2019)

The "E" Stop

We should all be aware that when a worker is operating a piece of equipment, they should always be aware of their surroundings and should never stand in the path of a moving vehicle.

Working Together For The Benefit Of All

ILA-USMX JOINT SAFETY COMMITTEE
OSHA Circular 2019-11 (14 November 2019)

Distracted Driving Kills!

Please, Put Phones Away When Behind the Wheel

Working Together For The Benefit Of All

ILA-USMX JOINT SAFETY COMMITTEE
OSHA Circular 2019-12 (14 December 2019)

Commercial Vehicle Operators at Terminals

Working Together For The Benefit Of All

ILA-USMX JOINT SAFETY COMMITTEE
OSHA ALERT 2019-15 (14 December 2019)

Electronic Submission of Injury & Illness Data

Working Together For The Benefit Of All

2019 JSC SAFETY DATA INITIATIVE

ABOUT THE INITIATIVE

The USMX-ILA Joint Safety Committee (JSC)'s Safety Data Initiative (SDI) has been in place since 2011 and has evolved into the signature source of safety data for the ILA and USMX. The customized database, created from the collection of the Lost Time Incident Frequency Rate (LTIFR) statistics from all USMX member ports along the U.S. East and Gulf coasts, affords the JSC and USMX's member companies the ability to target high frequency areas when planning their safety and training programs. The goal of the JSC and its SDI is to provide the safest working environment for all longshore workers every day.

LTIFR incidents among the various maritime crafts, specific types of incidents and the location of these incidents in the workplace are reported by USMX's member companies bi-annually. That data is translated into customized charts that have become a staple for all JSC presentations at national and local industry conferences/meetings, as well as at local port safety meetings. The charts also see wide distribution and sharing amongst the maritime safety community: the National Maritime Safety Association, USMX Carriers, Direct Employers and Port Associations, the ILA International and District officers, and the longshore workforce.

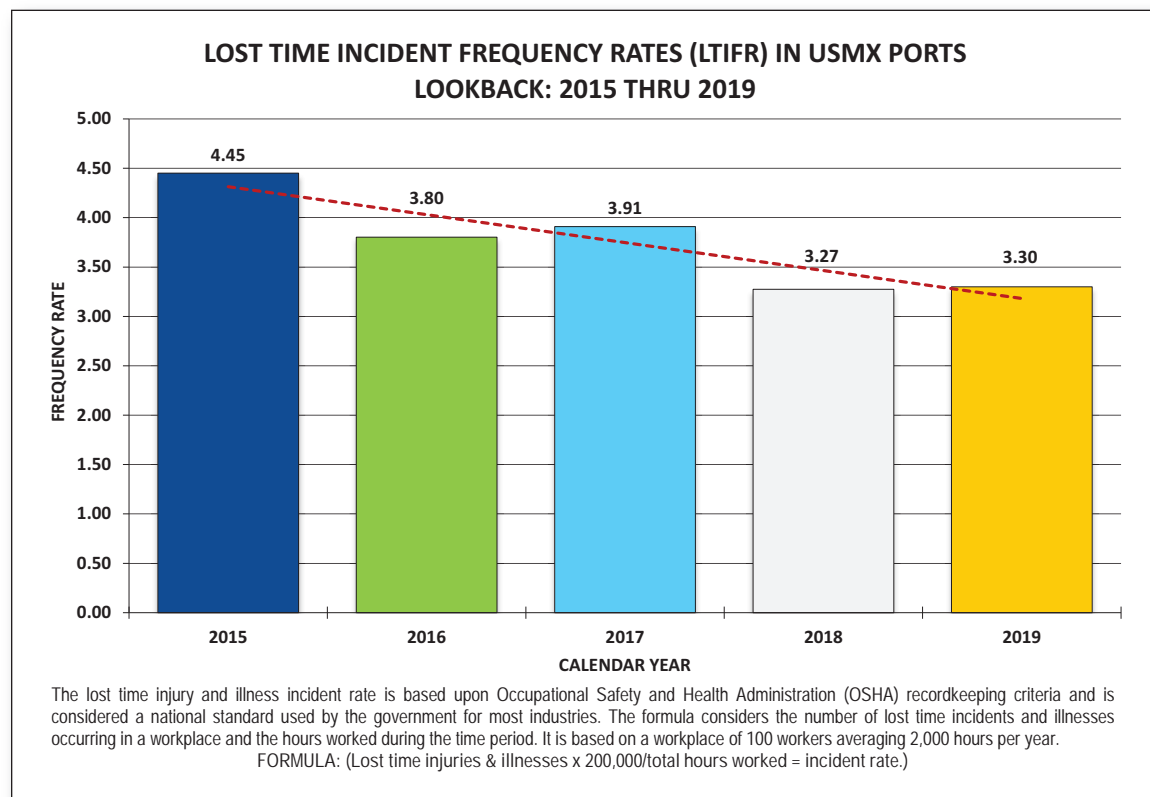
Safety Data Initiative Progress Updates

At the end of 2019, the JSC marked the close of its seventh year of collection of LTIFR data from USMX's member companies from Maine to Texas. As each year passes, the initiative continues to garner both greater cooperation and increasingly accurate data from our members, which allows the JSC and other maritime safety professionals to develop and target programs and communications to address all areas of immediate concern. One of the things that happens is it allows the JSC and others to focus on areas that are not showing improvement, even after some changes were made to help establish a safer working environment for the workforce. As evidenced by the illustrative lookback charts in this Safety Data Initiative section, the reader can see

progressive improvement from year to year in most areas, but can also pinpoint those areas where work still needs to be done by the JSC to continue to effectively improve workplace safety in our member ports and terminals.

Lost Time Incident Frequency Rates in USMX Ports Lookback 2015 thru 2019

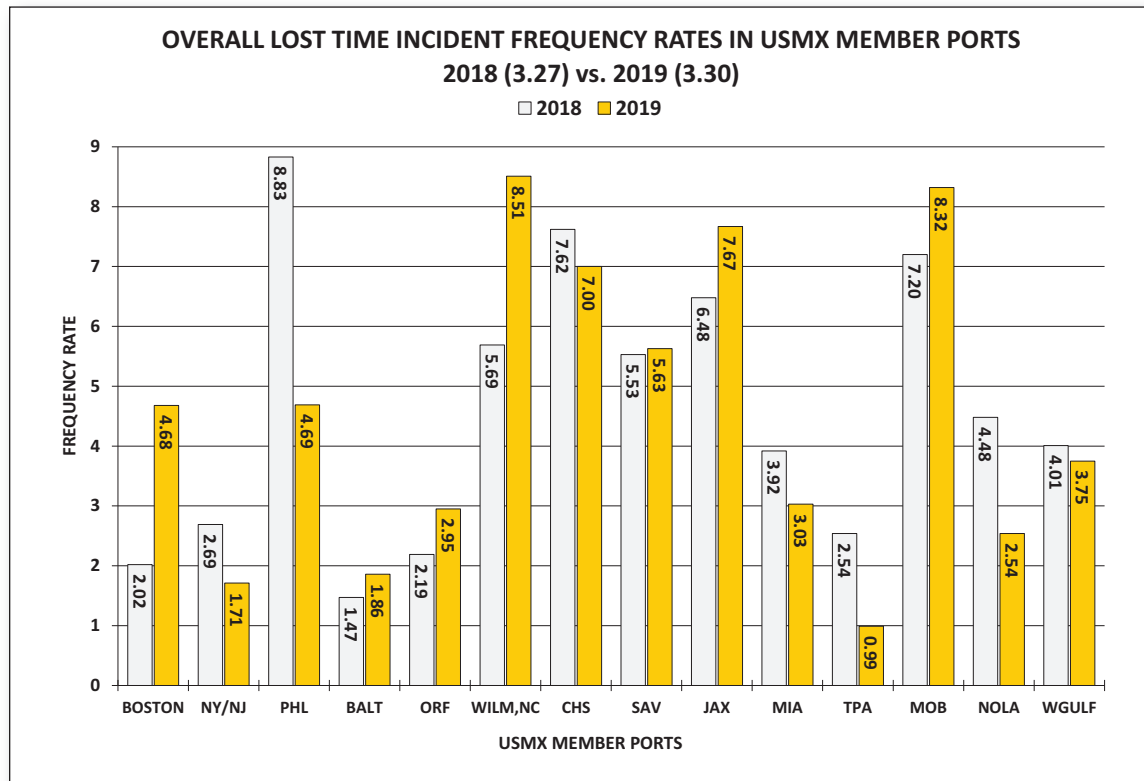
In the chart below, which tracks the total annual LTIFR in our USMX ports, the overall rate trends become immediately obvious: between 2015 [4.45] and 2016 [3.80] there was an impressive decrease of 14.6%; between 2016 [3.80] and 2017 [3.91] there was a slight increase of 2.89%; and between 2017 [3.91] and 2018 [3.27] an impressive drop of 16.4% in the LTIFR rate was posted. When comparing the newest 2019 data rate of 3.30 with 2018's 3.27, the infinitesimal (less than 1%) difference is a clear indication that the efforts put forth by our maritime safety professionals and our ILA workforce are well-established and effective. The cooperation between the ILA and our USMX member companies has been most effective in keeping our workforce and workplace safety front and center in the JSC's Safety Initiative program.



Lost Time Incident Frequency Rates for All USMX Ports 2018 vs. 2019

As illustrated in the chart below, the data shows that despite a 14.2% increase in manhours between 2018 and 2019, the overall number of lost time incidents in 2018, at 763, increased by only four incidents, or less than 1%, in 2019.

As the LTIFR continues to trend downward since safety data collection was instituted in 2013, from a high of 4.85 to the current 3.30 in 2019, this positive result continues to illustrate the value of this initiative to our industry and worker safety, which is the single most important undertaking we have at USMX with our partners at the ILA.



2019 Data Reporting Process and Results

USMX's 14 member ports (and their respective member companies) provide their LTIFR data to USMX biannually. These companies are all involved in longshore work manned by the ILA in areas such as containerized operations, roll on/roll off operations, cruise terminals, and general cargo. Additionally, safety data is also reported from every maintenance and repair company operating under USMX in five South Atlantic Ports. The local Port Associations compile and submit the LTIFR data to USMX.

This vital safety information follows a specific route from the local Ports to USMX to our employer members and our ILA workforce:

- Each local USMX Port Association member provides its respective Member companies with a standardized Lost Time Injuries Reporting Form, and requests data only for incidents/injuries that result in lost time for the worker – rather than all reported injuries
- The local USMX Port Association member next transmits the data forms to USMX
- Once received by USMX, the data is checked for accuracy, then entered into the CCC Service Corporation's Oracle System for managing and analysis
- Once analyzed, the data results are then developed in-house by USMX into reports and charts to illustrate for our employer members the various components of the LTIFR data (manhours; total incidents within each maritime craft; the type of incidents occurring; and the locations on the terminal of where those incidents occurred)
- The ongoing goal of USMX and the JSC is to encourage broad use of the data (half-year, full-year or some variation thereof) by our member companies and the ILA to track trends and to develop their local training and safety programs to target those areas requiring the greatest attention

“The cooperation between the ILA and our USMX member companies has been most effective in keeping our workforce and workplace safety front and center in the JSC's Safety Initiative program.”

JSC SAFETY DATA INITIATIVE

Total LTI Data from All USMX Ports by Craft 2016-2019

Between 2016 and 2019, the majority of the ILA manhours logged came from those workers employed in the most common maritime crafts, which include:

- Lasher
- Laborer
- Clerk/Checker
- Mechanic
- Holdman/Dockman
- Foreman
- YardTractor/Hustler Driver
- Pit Operator/Other
- Crane/RTG Operator

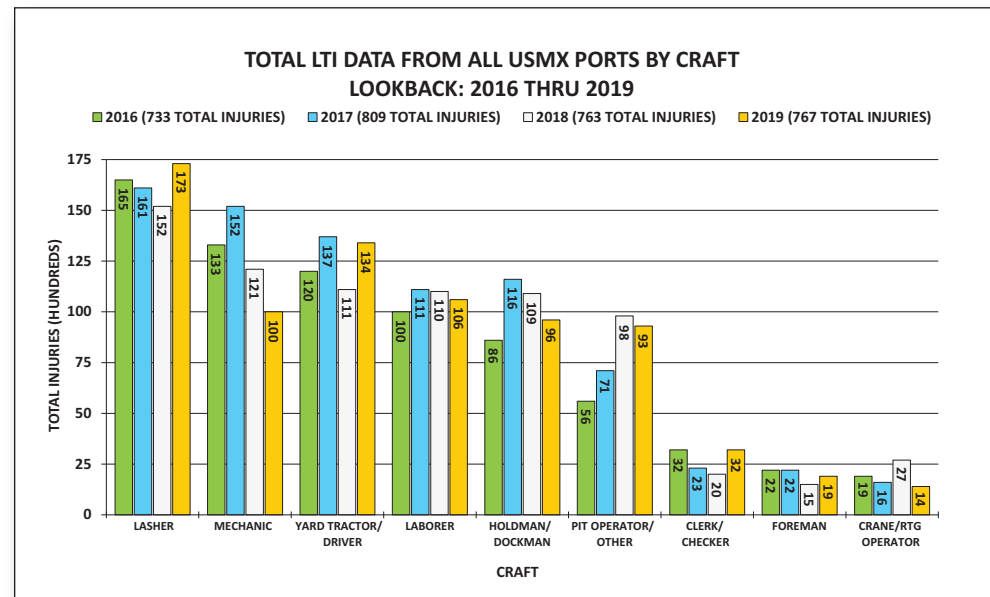
As illustrated in the chart below that examines LTIs among maritime Crafts over the period of 2016-2019, the industry reported 3,072 LTIs, with the most-often-injured crafts being the lashers and mechanics. Of that 3,072 incidents, a total of 1,157 incidents, or 38%, clearly indicate that the crafts of mechanics and lashers remain two of the most dangerous jobs in the maritime industry.

Over the past several years the JSC has addressed the injury rate in these crafts and has made all attempts to lower the amount of LTIs experienced by mechanics and lashers. Increased targeted training, combined with the production of safety videos by NMSA and the distribution

of the JSC OSH Bulletins, have proven beneficial in this effort to help lower the rates and make our local workplaces safer. Local visits and discussions with local safety officials are other ways the JSC works to fulfill its safer workforce/workplace mandate.

A look at the 2019 data shows, from high to low, the number and percentage of incidents that occur amongst all the maritime crafts:

- Lashers – 173 incidents [22.5%]
- Yard tractor/ hustler drivers – 134 incidents [17.4%]
- Laborers – 106 incidents [13.8%]
- Mechanics – 100 incidents [13.0%]
- Holdmen/dockmen – 96 incidents [12.5%]
- PIT operators – 93 incidents [12.1%]
- Clerks/checkers – 32 incidents [4.2%]
- Foremen – 19 incidents [2.5%]
- Crane/RTG operators – 14 incidents [2.0%].



One craft that warrants careful monitoring is that of the yard tractor/hustler driver. Our data indicated that in 2015 there were a reported 168 LTIs to these drivers. In 2016, we saw that number fall to 120, and by 2018, it had reached an all-time low of 111 incidents. However, the latest year [2019] of data in this yard tractor/hustler driver craft has resulted in 134 LTIs, displacing mechanics as the second most-injured craft. This large upward trend from the previous year makes this a craft on which the JSC will be focused going forward. Plans are already in the works for the development of targeted OSH Bulletins, and the JSC will also be taking a particularly deep look at the training for this craft, to best determine how to flatten this upward trend.

Total LTI Data from All USMX Ports by Type of Incident 2016-2019

Of the total 3,072 LTIs logged by our USMX members during 2016 through 2019, slips/trips/falls are the most frequently occurring type of incident, totaling 874 [Pg. 31 top]. Year after year, this type of incident remains the most frequent type – not only in the maritime industry, but among all industry categories throughout the United States. The JSC, through the use of OSH Bulletins and Safety Alerts and by attendance at and participation in local safety meetings and industry conferences, has made a concerted effort to develop and provide guidance and training for our member companies and the ILA workforce to decrease the number of incidents of slips/trips/falls.

A look at the 2019 data shows, from high to low, the number of each type of LTI occurring, along with the percentage of that type of incident when compared with the total of 767 for the year:

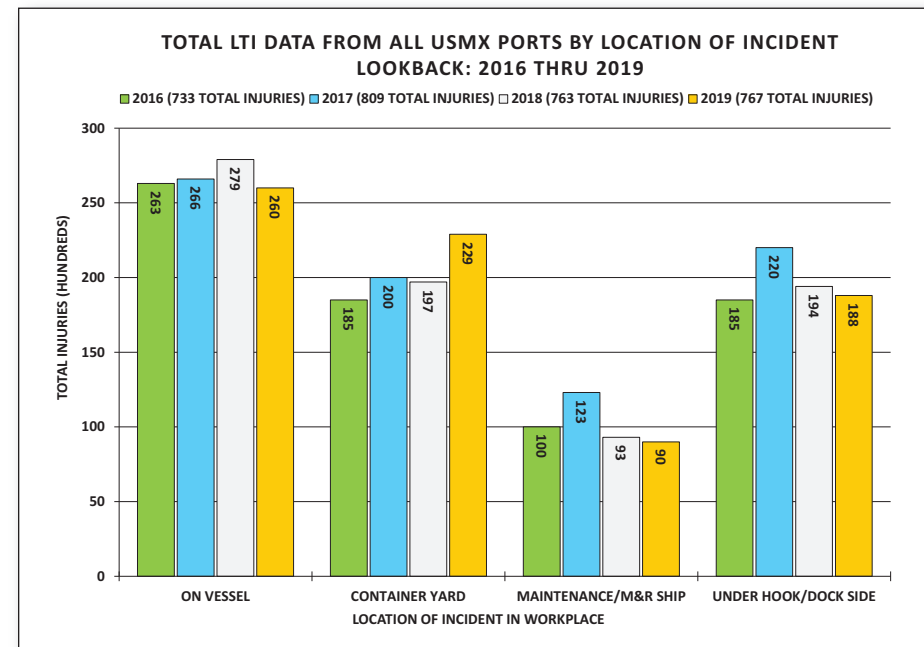
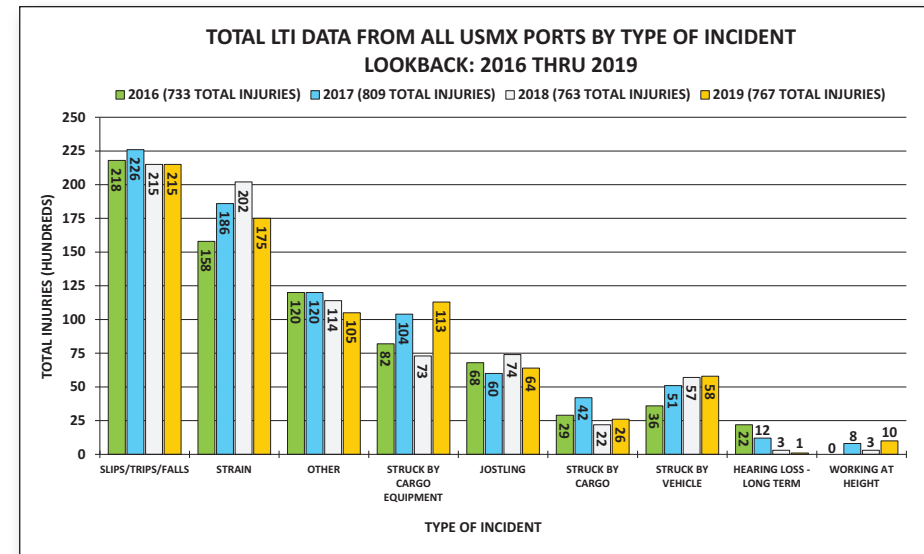
- Slips/Trips/Falls – 215 incidents (28%)
- Strain – 175 incidents (23%)
- Struck by Cargo Equipment – 113 incidents (14.7%)
- Other – 105 incidents (13.7%)
- Jostling – 64 incidents (8.3%)
- Struck by Vehicle – 58 incidents (7.6%)
- Struck by Cargo – 26 incidents (3.4%)
- Working at Height – 10 incidents (1.3%)
- Hearing Loss-Long Term – 1 incident (<1%)

Strain (injuries usually caused by lifting or climbing on/off machinery) is the second most common type of waterfront injury. The percentage of strain incidents has dropped significantly in USMX's member ports, from 26.5% in 2018 to 23.1% in 2019. This data clearly indicates that increased employer safety committee efforts and workforce implementation of local committee and JSC guidance and training, has resulted in workers mounting and dismounting equipment and handling and lifting heavy loads more carefully while at the workplace.

Total LTI Data from All USMX Ports by Location of Incident 2016-2019

As illustrated in this final chart, between 2016 and 2019, our USMX member ports reported 3,072 incidents at various locations within the waterfront workplace: on vessel – 1,068 incidents (35%); container yard – 811 incidents (26.4%); under hook/dock side – 787 incidents (25.6%); and maintenance/M&R ship – 406 incidents (13%). The order of magnitude across all locations remains virtually the same from year to year, with on vessel being the location with the most incidents and maintenance/M&R ship being the location with the least incidents.

In 2019, the on vessel location marked 260 incidents, or 34% of the total 767 LTIs, retaining the top spot as the site on the waterfront with the highest rate of incidents. The second-highest number of incidents of LTIs occurred in the container yard with 229 incidents, or 30%, followed by the under hook/dock side location with 188 incidents, or 24%, and the maintenance/M&R ship location rounding out the data at 90 incidents, or 12% of the total LTIs for 2019. As the JSC and various safety sectors of the maritime industry continue to work together to address all of these high-frequency locations, we will continue to see improvements and to meet our goal of reducing incidents and providing the safest workplaces for our maritime workforce.



TRAINING PROGRAM OVERVIEW

2019 PROGRAM OVERVIEW

Our employers in our member ports on the East and Gulf coasts have, in years past, faced the challenges of bringing new-hire workers up to speed with initial training, and 2019 was no different. Initial training is a major undertaking by employers to introduce the new workforce to the maritime industry and to get them acclimated to this safe, fast-paced and productive environment. Initial new-hire training focuses on the areas of waterfront orientation; safety; powered industrial truck (PIT) certification for forklift/yard tractor; and initial hazardous cargo regulations. After mastery of these initial areas of expertise, the workforce then starts training on the ever changing highly technical equipment used by all crafts working on today's waterfront.

New Equipment & Simulator Training

High-tech training on the new ship-to-shore cranes; next generation straddle carriers; rail-mounted gantry (RMG) cranes; rubber-tired gantry (RTG) cranes; shuttle trucks; and other stevedoring machinery is intensive, not only for new-hires, but for seasoned workers as well. One of the biggest areas of training development in recent years has been crane simulation. The USMX ports have grown dramatically in the last decade and we have seen a major increase in the number of ship-to-shore cranes in almost all ports. This growth led to a major increase in the number of cranes, straddle carriers and RTGs and a need to develop local simulator training to assist with the demand for new operators. Besides the Maritime Institute of Technology and Graduate Studies (MITAGS), our central simulation training mainstay in Linthicum Heights, Maryland, the ports of NY/NJ, Baltimore and Houston are now locally training their individual workforces on all types of new cranes that, in turn, will help the ports keep up with the current demand for operators. In 2019, these ports continue to develop extensive simulated training programs to go along with on-the-job training (OJT) in efforts to make substantial improvements in our productivity. In the end, it is our responsibility to provide a skilled workforce to all of our employers. New orders by our waterfront employers for ship-to-shore cranes, RTGs, straddle carriers and other equipment continue coastwide, so our workforce must be ready and able to properly operate this equipment.

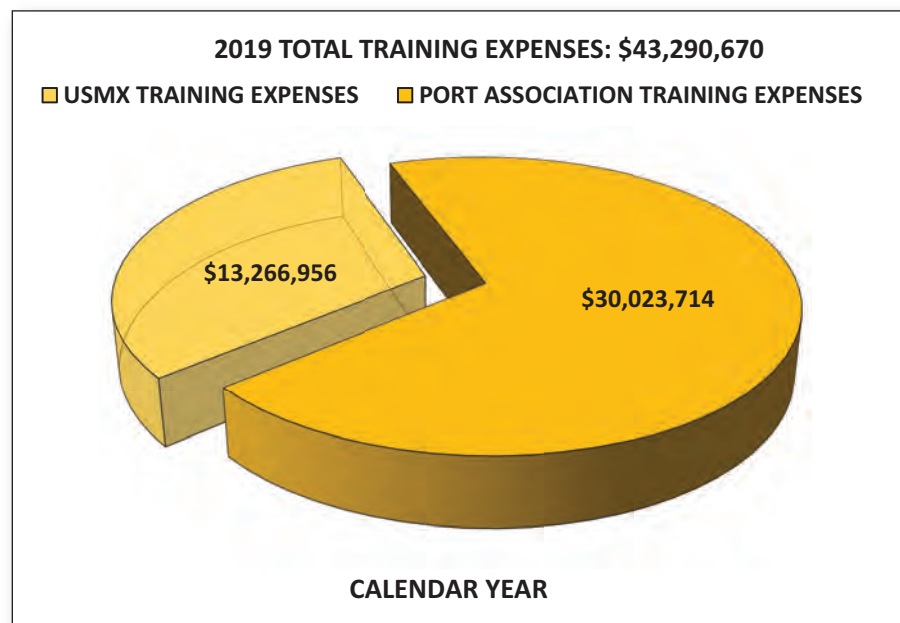
TRAINING SKILL SETS: Maintenance & Repair (M&R), Clerical, Container Refrigeration (Reefer) & Diesel Electric Generator

The mechanics in our ports are also faced with plenty of new training challenges as safety rules and regulations around chassis safety continue to evolve at the Federal Motor Carrier Safety Association (FMCSA). Ensuring that every chassis is repaired properly and to the highest standards by our M&R vendors, and the best ways to train those workers who perform those repairs, is a task faced by our employers every day. Reefer maintenance and repair is another skill set that remains a growth area for our

workforce, as is the need to keep up with the constant changes required in reefer handling. In addition to the Diesel Electric Generator and Container Refrigeration courses offered for mechanics at MITAGS, our local member ports continue to send their mechanics directly to specialized training offered by the manufacturers of today's state-of-the-art equipment. Coastwise, OJT remains a staple in the development of new mechanics to keep them up to speed with the growth in chassis and container repair and maintenance of refrigerated containers. Clerks and checkers are continuously being trained on the ever-evolving system changes at their terminals and depots, and OJT has increased in places like the South Atlantic, where hundreds of checkers continue to join the ranks of the local clerical unions. In 2019, USMX and the ILA continued working with NAVIS to develop a major terminal operating system training module, which we expect will be ready for clerical training in 2020.

USMX-ILA Funding for Training Programs

Each year, the amount of funding requested and required to achieve our members' goals of training a highly-skilled workforce increases. Training is a cooperative effort between our USMX employers and the ILA, and is funded from two separate and distinct sources: assessments paid by our Carrier members, via the Container Freight Station (CFS) Trust Fund, with our Terminal Operator/Stevedore and Port Association members making up the shortfall for local training not covered by the CFS Trust Fund, by providing facilities, equipment, fuel, insurance and training staff.



TRAINING PROGRAM OVERVIEW

USMX carriers continue to pay \$0.25 per ton of cargo to support the training, safety and CFS programs, with \$13.3 million going directly to training in 2019, and the USMX member companies' in-kind contributions of an additional \$30 million aiding the training agenda. With continued hiring of new longshore workers, clerks and mechanics expected in some of the largest USMX member ports in 2020 and beyond, the combined efforts to fund a program that produces a highly-skilled workforce will be greater than ever before.

MITAGS Training Update

The ability to train our longshore crane operators, RTG drivers and mechanics at MITAGS continues to be a main component of USMX-ILA funded training program. In 2019, 164 trainees traveled to Maryland for classes in simulated crane, RTG, diesel electric generator and container refrigeration. This 2019 total represents the second highest number of ILA trainees to train at MITAGS since 2005. Classes can run from four days for the RTG course; to five days for the experienced crane operator or refresher course; to two weeks each for the inexperienced crane operator course and two M&R courses—diesel electric generator and container refrigeration. The popularity of the M&R courses continues. Because they fill quickly and months in advance, there are now nine classes—this is the third time we have had to increase the number of classes to accommodate the demand for M&R training. Another draw of the M&R courses is the students' ability to prepare for and take the EPA certification exams

while at MITAGS. The USMX-ILA training courses offered at the facility are 100% funded by the CFS Trust, via our Carrier members' cargo assessments. That funding affords the training staff the ability to maintain all equipment and to provide for the latest in training materials and simulator technology.

USMX-ILA Joint Training Committee (JTC)

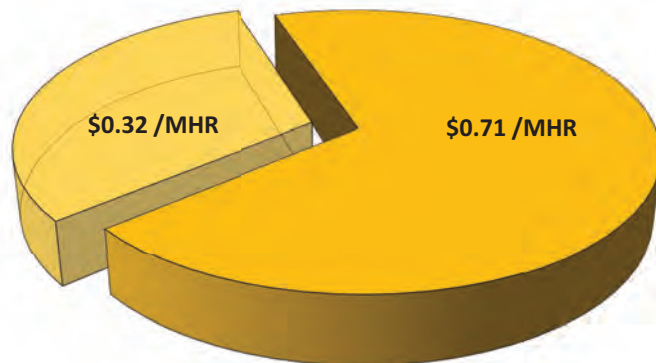
This six-person committee consists of three representatives from USMX and three from the ILA, and is tasked with streamlining and developing annual training budgets to adequately support the yearly training needs of our 14 USMX member ports.

The JTC analyzes prior years' coastwise training program budget data with the current coastwise funding requests by our Member employers, to determine proper levels of funding required for the current year's training and future training. The rules and standards established by the JTC will ensure that the member ports provide transparency with regard to explanations of any year-to-year variances in their respective training program budget requests.

In 2019, the JTC completed its fifth year of work on behalf of the USMX-ILA training program, carrying out its most important directive to ensure the continuation of ample funds for our USMX member employers to provide the ILA workforce with the training tools and programs needed to work smartly, productively and safely each and every day.

**2019 TOTAL PER-MANHOURLY TRAINING EXPENSES
BASED ON 42,077,202 MHRS @ \$1.03/MHR**

■ USMX PER-MHR COST ■ PORT ASSOCIATION PER-MHR COST

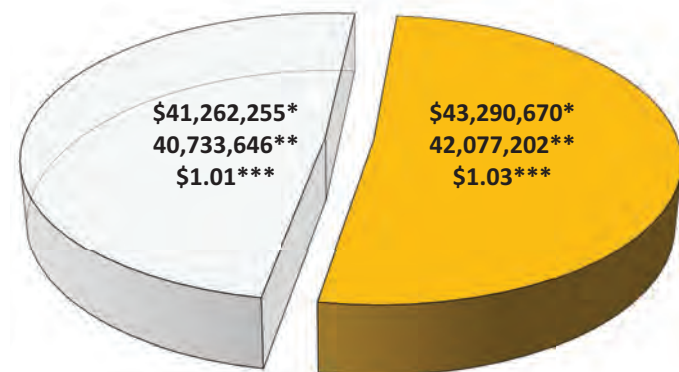


CALENDAR YEAR

CALENDAR YEAR 2018 VS 2019 TOTAL TRAINING EXPENSES

□ 2018

■ 2019



* = TOTAL TRAINING EXPENSES ** = TOTAL MANHOURS *** = TOTAL PER-MHR COST

USMX - ILA TRUST FUNDS OVERVIEW

MASTER CONTRACT TRUST FUNDS OVERVIEW

As of the implementation of the 2018-2024 USMX-ILA Master Contract, there are six trust funds that are jointly-managed by Trustees from the ILA and from USMX to ensure proper management of collected assessments. This table describes the major funds, their purpose and the pages where you can find more information about each within the context of this annual report.

USMX-ILA MASTER CONTRACT TRUST FUNDS		
TRUST FUND NAME	TRUST FUND PURPOSE	PAGE #
Management-ILA Managed Health Care (MILA)	Execution and management of health care benefits	34-35
Container Freight Station (CFS)	CFS subsidy and credit; distribution of yearly training budget	36-37
Container Royalty 5 (CR5)	Local welfare funds subsidy; based on yearly application review/approval	38
USMX-ILA Money Purchase Fund & Plan (MPP)	Centralized defined contribution retirement plan for ports without existing plan as of 10/1/18	38
Container Royalty Central Collection (CRCC)	Centralized collection of all Master Contract tonnage assessments	39

MILA MANAGED HEALTH CARE TRUST FUND 2019 UPDATE

The Management-ILA Managed Health Care Trust Fund (MILA) is a collectively-bargained, multiemployer health plan. Its Board of Trustees, with representation from both management and labor, administers the MILA National Health Plan to provide medical, dental, vision and behavioral health coverage, as well as prescription drug benefits for more than 75,000 people (active and retired ILA members, their qualified dependents, and certain other non-bargaining unit employees who pay a premium for their coverage, as established by the MILA Trustees).

2019 saw a rise in healthcare costs, mainly due to an increase in member lives. Investment income played a significant part in the funding for MILA in 2019, which offset the jump in overall exposure. With future trends continuing to be a major concern for MILA, it has recently implemented new health management programs to give its participants the tools and support they need to properly manage chronic illnesses and encourage healthy behaviors. The MILA Board of Trustees and Staff are committed to meeting and exceeding the established standards required to ensure the continued success of the MILA program.



MILA Funding

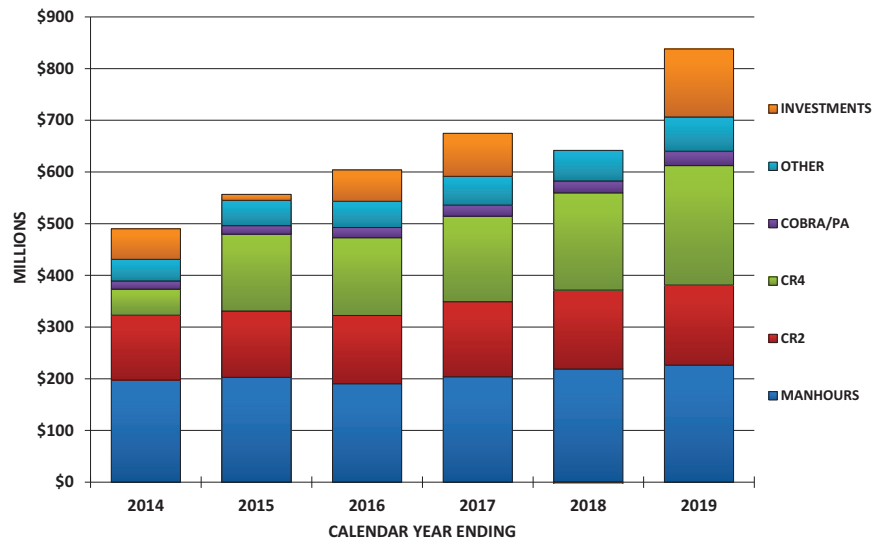
As part of the 2018-2024 USMX-ILA Master Contract agreement, MILA is funded through a \$5 per manhour assessment on all manhours worked by ILA employees, and through a \$2.50 per ton assessment (an increase of \$0.35 per ton over the prior agreement) on all containerized cargo moving through USMX member ports on the U.S. East and Gulf coasts.



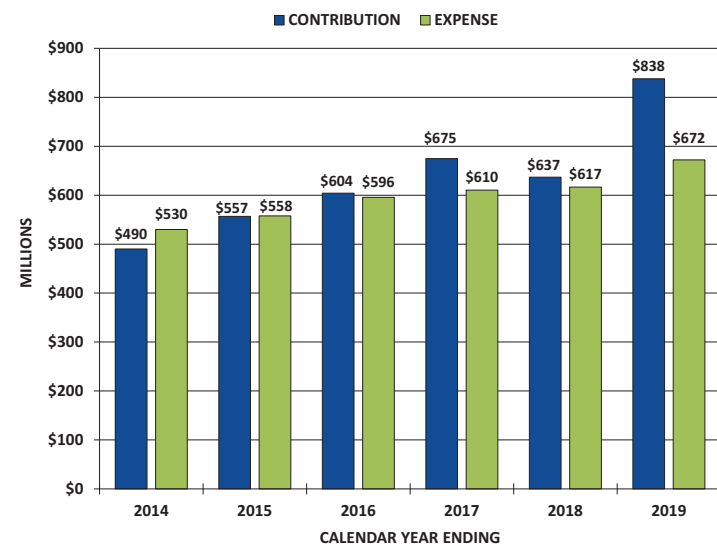
The MILA Administrative Staff are (front row, left to right): Angelina Kishore, Member Support Representative; and Sharleka Millington, Administrative Assistant & Member Support Representative; and (back row, left to right): Robin Csabon, Director of Accounting; Glenn Vanish, Receptionist; and LaVerne Thompson, Executive Director.

USMX - ILA TRUST FUNDS OVERVIEW

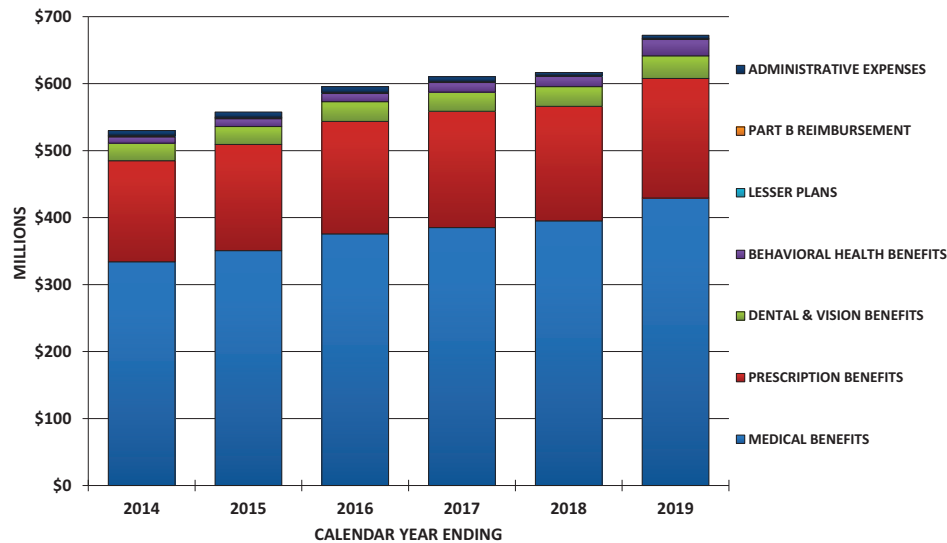
MILA CONTRIBUTION CATEGORIES
LOOKBACK: 2014 THROUGH 2019



MILA CONTRIBUTION VS. EXPENSE
LOOKBACK: 2014 THROUGH 2019



MILA EXPENSE CATEGORIES
LOOKBACK: 2014 THROUGH 2019



“

“With rising healthcare costs and future trends continuing to be a major concern for MILA, it has recently implemented new health management programs to give its participants the tools and support they need to properly manage chronic illnesses and encourage healthy behaviors.”

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USMX - ILA TRUST FUNDS OVERVIEW

CONTAINER FREIGHT STATION (CFS) TRUST FUND

The CFS Trust Fund program was implemented in 1989, and guided by the following objectives:

- to promote employment opportunities for ILA members;
- to subsidize CFS operators using ILA labor exclusively to compete with CFS operators using non-ILA labor;
- to encourage the stuffing and stripping of LCL, LTL, FCL, vendor consolidation and other cargo not presently handled at waterfront facilities by deep-sea labor;
- to open CF stations in container ports where it can be shown that such are needed;
- to create a dedicated ILA workforce in each port to productively and efficiently stuff and strip containers; and
- to conduct ongoing reviews and audits, per the CFS Trustees, of all CFS stations to ensure that every CFS operator adheres to the requirements set forth.

Though the program is charged with maintaining all stations currently operating in the USMX member ports from Maine to Texas, it is always open to new opportunities for station growth, wherever and whenever the expansion makes solid business sense.

2019 CFS Update

During 2019, at 23 CF stations, the ILA worked nearly 417,000 manhours and handled more than 65,000 containers, with \$8.6 million in expenses to the CFS Fund. Assessments collected on each ton of cargo are used to fund these CFS coastwise operations. In 2019, the assessment remained (from previous years) at \$0.25 per ton.

CFS Audits

The CFS Trustees mandate the auditing of all CF stations, in keeping with the operating guidelines of the CFS program. It continues to be the practice of the Trustees to have audits performed at the larger stations at least one time every other year, with smaller individual stations audited as needed. The implementation of the CRCCF Reporting system in 2015 has made the station auditing process much more efficient. The auditors notify the stations of the

impending audit and give them ample time to prepare for it. All stations are reminded that they: must adhere to the Audit Guidelines presented to them in the CFS Operators' Manual; must familiarize themselves with the audit requirements; and must report any and all information requested by the auditors at each visit. During 2019, three CF stations were audited.

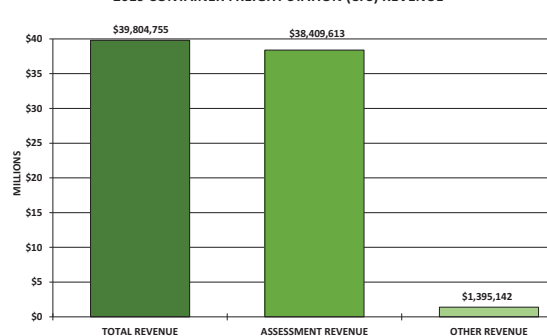
CFS Subsidy Rate

With a six-year Master Contract currently in place, the CFS subsidy rate will be \$21.00 per hour from October 1, 2018 thru September 30, 2024. The rate of reimbursement received by the stations in 2019 was calculated by multiplying the current subsidy rate of \$21.00 by the number of hours allocated per activity.

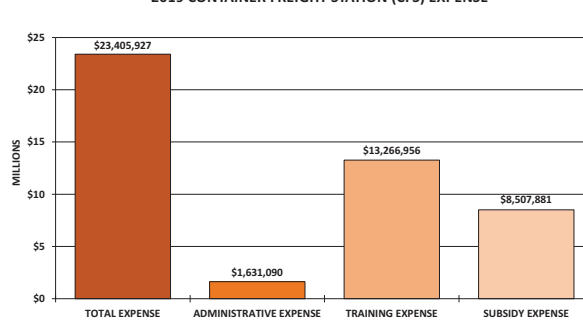
CFS Carrier Credits Rate

In the Master Contract, all containers that are stripped or stuffed at an authorized CFS station qualify for a Container Royalty credit if they were discharged or loaded from a USMX Carrier vessel. If these criteria are met, the Carrier will get a full credit. During calendar year 2019, USMX Carrier members received Container Royalty credits totaling \$7.1 million.

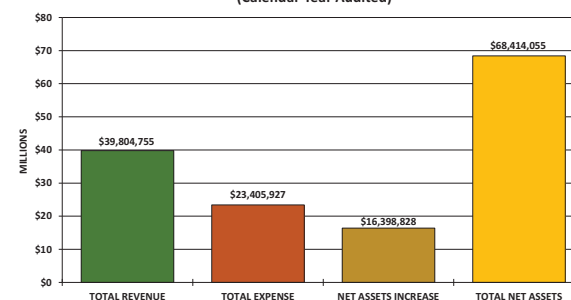
2019 CONTAINER FREIGHT STATION (CFS) REVENUE



2019 CONTAINER FREIGHT STATION (CFS) EXPENSE



2019 CONTAINER FREIGHT STATION (CFS) TOTAL REVENUE VS. TOTAL EXPENSE (Calendar Year Audited)



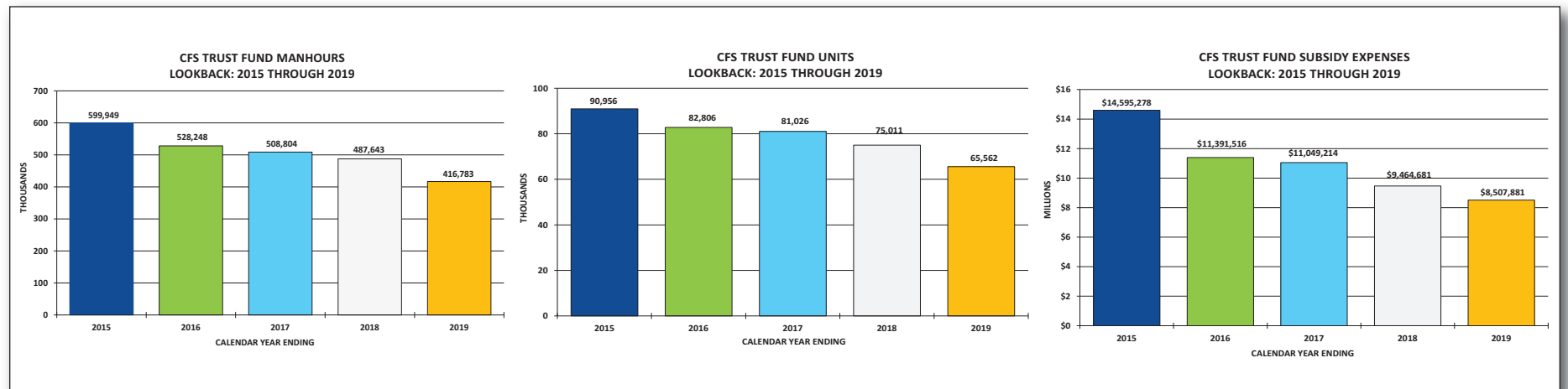
2019 CFS UPDATE

The adjacent table, CONTAINER FREIGHT STATIONS LOCATIONS/OPERATIONS, illustrates for 2019 which ports have CFS operations; how many CF stations are operating in each port; and which companies operate those CF stations.

CFS TRUST FUND LOOKBACK: (2015-2019)

We have provided the five-year lookback charts below to illustrate the CFS Manhours, Units and Expenses trends for the calendar years 2015 through 2019. When comparing the 2019 vs. 2018 YOY figures, all three areas of the CFS activity show a decline. In 2019, you can see that the CFS program logged a 14.5% overall decrease in manhours; a 12.6% overall decrease in units; and a 10.1% decrease in overall cost for the program, when compared with the 2018 data. A sharp decline in volume in Houston, due to the loss of some high-volume cargo, was the main reason for the change. Hopefully, their local CFS Stations can recapture some of the lost business or replace the volume by pursuing some new business. The CFS Trustees will also take a closer look at the non-union competition in the Houston area to see if that is a contributing factor to the recent decline.

CONTAINER FREIGHT STATIONS LOCATIONS/OPERATIONS		
PORT LOCATION	# OF CFS STATIONS	CFS STATION OPERATOR
Port of Houston/Port of Bayport	9	Ceres and Cooper-Ports America
	1	APS Stevedoring
Port of Virginia	1	Virginia International Terminals (VIT) Norfolk
	1	Virginia International Terminals (VIT) Portsmouth
	1	Virginia International Terminals (VIT) Newport News
Port of Charleston	2	SSA Atlantic
Port of New Orleans	1	Ceres
	1	Ports America
Port of New York/New Jersey	1	Global Container Terminals, LLC
Port of Miami	2	Quality Container Terminal, Inc. & Miami CFS, LLC
Port of Mobile	2	APMT & CSA Container Services
Port of Baltimore	1	Ports America



USMX - ILA TRUST FUNDS OVERVIEW

CONTAINER ROYALTY 5 (CR5) TRUST FUND

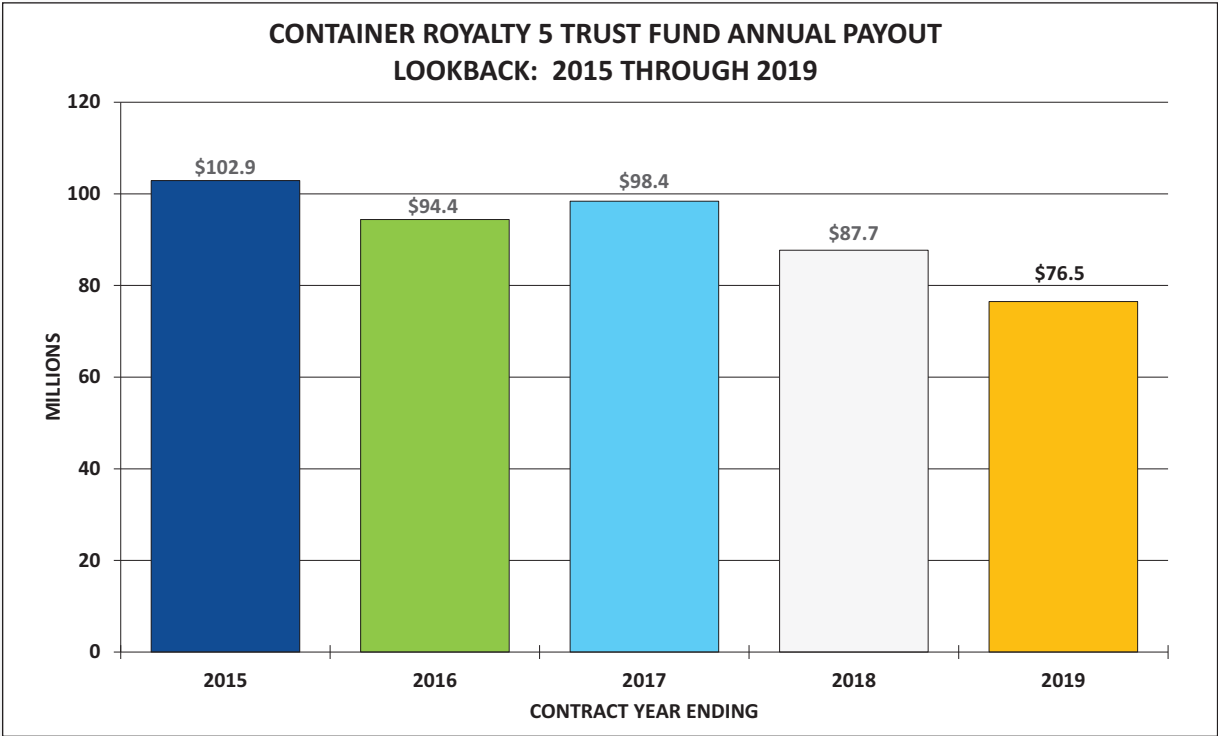
About the CR5 Trust Fund

Effective with the Master Contract extension agreement covering Contract Years 2009 through 2012, the CR5 Trust Fund was instituted to address the economic downturn that dramatically affected the ability of the local ILA benefit funds to meet their obligations under the Master Contract.

CR5 allows the Master Contract the ability to direct necessary resources, based on a list of criteria, to those local welfare funds that demonstrate a shortfall. A key criterion of CR5 restricts the application amount to be used for funding Pension funds or an increase in local benefits of any kind. Additionally, the criterion puts a

strong focus on the allocation of assessments to ensure proper distribution among local benefit funds. CR5 also replaced the automatic payments that were made to the ports under the previous Master Contract's Container Royalty CAP Program. Jointly administered by Trustees from USMX and the ILA, the CR5 Fund is financed through a \$0.70 per ton assessment paid by USMX's carrier members.

The CR5 Trust Fund is an essential resource for our member ports whose local benefit funds experience a shortfall that renders them unable to meet their Local Contract obligations. The demand for CR5 monies has varied over the years due to increases in Vacation and Holiday benefits driven by wage increases; fluctuations in investment performance of local funds; and, in some areas, stronger revenue due to volume and/or manhour increases.



2019 Update

In the Contract Year that ended on September 30, 2019, the CR5 Trust Fund paid out approximately \$13.5 million dollars in assistance applied for by our member ports, in addition to the automatic payments (approximately \$63.4 million dollars) made as required under the Master Contract. The increase in volume across all ports in 2019 provided additional funding through increased manhours for local benefits. This, coupled with another strong investment year, led to a reduced demand on CR5. The CR5 trustees remain vigilant in adhering to the criteria of the trust to ensure that funds are awarded only to the ports that experience a true shortfall.

USMX-ILA MONEY PURCHASE FUND & PLAN (MPP)

As part of the 2018-2024 Master Contract, the parties agreed to create a coastwide, centrally-managed defined contribution retirement plan for qualified employees working hours under the Master Contract in ports that do not have local defined contribution plans. Qualification thresholds and disbursements for qualified individuals were agreed upon by USMX and the ILA. The Master Contract MPP contributions shall be made as follows:

- Effective 10-1-18, qualifying employees shall receive a \$1.00 per hour contribution; and
- Effective 10-1-20, qualifying employees shall receive an additional \$1.00 per hour contribution

The centralized MPP Fund currently has three ports participating in 2019. Effective October 1, 2020, there will be a total of seven ports participating in the new fund.

CONTAINER ROYALTY CENTRAL COLLECTION FUND (CRCCF)

About the Fund

Under the terms of the 2012-2018 Master Contract, the ILA and USMX agreed to establish the CRCCF. This jointly-managed Fund was tasked with the development of a comprehensive system to automate the intake of carrier shipping reports; track carrier delivery tonnage on incoming/outgoing vessels; invoice carriers on a per-voyage basis; and collect and allocate carrier payments to appropriate funds. The Fund application is an innovative platform that benefits all areas of the Maritime Industry, created to capture actual and accurate movement of all vessel and voyage activity along the U.S. East and Gulf Coasts.

About the System

The end state is a system that processes files uploaded by USMX carrier members into a standardized electronic format and integrates them into a database; interfaces with reporting mechanisms capable of generating management dashboards from that data and analyzing it in any number of ways; prepares timely and accurate carrier invoices; and tracks and manages the Container Freight Station (CFS) Program by processing station subsidies and carrier credits.

The current system, now under the 2018-2024 Master Contract, enables the ILA and local port management to more effectively schedule and manage manpower at the ports and to define work associated with container verification on both incoming and outgoing vessels. The system also provides USMX members and affiliated

management with an auditable process that ensures invoice accuracy of carrier reporting with real checks, directly executed by members at the ports.

2019 Update

Contract year ending September 30, 2019, marked the close of the fourth full year of operations of the CRCCF system. This was a year focused on system infrastructure, improved customer support tools and further audit functionality. The CFS loader was a significant enhancement, aimed at reducing administrative costs for several of our major CF stations. CRCCF continues to roll-out system enhancements to improve the end-user experience and to ensure optimization of the platform.



Charles W. Flynn
President



Paul J. McCarthy
Exec. Vice President



Eileen M. Mackell
Vice President

USMX PORT ASSOCIATION MEMBERS



PORT OF BOSTON

Boston Shipping Association
Kelly B. Strong, Executive Director

ABOUT THE BOSTON SHIPPING ASSOCIATION (BSA)

Incorporated under the laws of the Commonwealth of Massachusetts in 1946, the Boston Shipping Association, commonly known as "BSA" was founded to administer the newly-created fringe benefits coming into Union contracts for the first time.

With a diverse membership of firms comprising those steamship owners, agents, stevedores, terminal operators, and service organizations who employ waterfront labor, years of trial and progress led to the first modern longshore contracts in 1968. These early labor agreements established grievance procedures with fixed arbitration provisions, a successful Union-run Hiring Hall, and confirmed the joint labor/management handling of pension, health and welfare funds.

The BSA is committed to working with its maritime employer members, waterfront labor, and industry stakeholders to ensure stability for workers and economic prosperity for the Port of Boston, Massachusetts and the New England region.

On behalf of its maritime employer members, the BSA carries out its mission by facilitating collaboration between its members, labor unions and maritime stakeholders and by negotiating and administering union collective bargaining agreements. Through its actions the BSA seeks to encourage the protection and growth of traditional maritime industries in the Port of Boston and emphasize the safety of those industries and their workers.

CONLEY CONTAINER TERMINAL

Conley Container Terminal is the only full-service container terminal in New England and nine of the top shipping lines in the world call upon the facility. For the fifth year in a row Conley Terminal saw record breaking growth. The Terminal's total volume for FY19 exceeded 307,000 TEUs, which is a 3% increase from FY18. Conley Terminal's economic impact to the region has doubled since 2012. More than 2,500 businesses throughout New England use the facility to export and import goods, which is a 56% increase in five years.

Plans to expand the Terminal's operational capacity include but are not limited to:

- A Massport investment of \$850 million in waterside and landside infrastructure at Conley

- New 180 feet high ship-to-shore cranes with an outreach of 22 containers wide have been ordered and were expected to arrive at Conley in 2020; however, as a result of the global pandemic, the cranes are now slated to arrive in 2021
- Construction improvements at the terminal continue and include the construction of two 50-foot berths, expanded reefer storage, and new in-and-out gate facilities

The efficiency of Conley Terminal's service to its customers remained a significant characteristic that helped it retain existing customers and attract new business. The positive collaboration between BSA, ILA and Massport continues and is a key factor behind increased productivity at the facility. The ILA workforce productivity has increased 37% over the past five years. Conley's average truck turn times from pedestal to pedestal are approximately 35 minutes and Conley is conveniently located less than two miles from two major interstate highways.



BOSTON HARBOR DREDGING PROJECT

The improvement dredging project began in the Spring of 2018. This project will deepen the Port of Boston's North Entrance Channel from -45ft to -51ft and the Main Channel from -40ft to -47ft. The project is expected to be completed in the first quarter of 2021. The maintenance dredging project designed to preserve vessel access to terminals along the Chelsea and Mystic Rivers was completed in 2017.



FLYNN CRUISEPORT AT BLACK FALCON TERMINAL

Flynn Cruiseport Boston saw 402,346 passengers and 138 cruise ships visit the terminal in 2019, representing a 3% increase over the 2018 season. Twenty different cruise lines called upon Flynn Cruiseport Boston during the 2019 cruise season. For the first time in Flynn Cruiseport's 33-year history, the cruise season started in March and ended the week before Thanksgiving, which extended the season by five weeks. Homeport itineraries included sailings to Bermuda, the Caribbean, and Canada/New England. Five ships currently homeport in Boston and they include Norwegian Cruise Lines' the Norwegian GEM; Holland America Line's Zaandam, Zuiderdam, and Veendam; and, Royal Caribbean International's Serenade of the Seas. Flynn Cruiseport generates more than \$100 million to the local economy and supports approximately 2,200 jobs throughout the travel and tourism community in Massachusetts.



PORT TRAINING AND SAFETY

Three ILA members were trained at MITAGS in 2019. The MITAGS programs were Rubber Tire Gantry crane training and ship-to-shore crane operation. The BSA assisted its member employers with receiving approximately 7,700 hours of reimbursable Safety Training. Worker safety is always an important focus in the Port of Boston. The steady reduction of Loss Time Accidents (LTA) since 2013 continued in 2019, as focus remained on prioritized training for high-risk activities.

BOSTON AUTOPORT

The Boston Autoport is located in Charlestown, Massachusetts, where it is home to nine industrial businesses that employ over 500 people. The Autoport processed over 80,000 cars in FY19 with Ports America overseeing the ILA workforce. In the spring of 2019, the BSA, Ports America and the ILA successfully reached an accord on the terms and conditions of a new export auto service resulting in a win-win for everyone — more job opportunities for ILA workers, business growth for Ports America, and an opportunity for the car service to establish itself.

SEAFOOD

The Port of Boston, specifically in South Boston, is a major U.S. hub for processing seafood for domestic and international markets. Seafood processing businesses continue to grow in South Boston and 2019 marked the first time in many years that the Boston Fish Pier's seafood processing space was at 100% occupancy.

FY2019 also saw the groundbreaking of a \$20M development project that will create a nearly 50,000 square foot state-of-the-art seafood processing plant located on a portion of a 6.5-acre Massport-controlled waterfront property. The development's owner, Boston Sword & Tuna, is a five-generation family-owned business that started at the Boston Fish Pier years ago. The company processes a wide range of fresh and frozen seafood and distributes their products domestically and internationally with regular shipments through Conley Terminal.



USMX PORT ASSOCIATION MEMBERS



PORT OF NEW YORK & NEW JERSEY

New York Shipping Association
John J. Nardi, President

2019: A YEAR OF UNCERTAINTY AND FOCUS ON PRODUCTIVITY

Under the threat of trade uncertainty due to the unknown impact of on and off tariff wars, for NYSA and our members, 2019 was a year focused on implementing our newly negotiated Collective Bargaining Agreement between the NYSA and the International Longshoremen's Association (ILA). Productivity was front and center in those negotiations. The Port of New York and New Jersey lags behind competing ports in productivity and I believe that productivity improvement is required for long-term growth to benefit our members and the stakeholders of the Port.

To resolve this issue, a process was bargained and agreed to where each gang at each individual terminal will have to increase performance on a year-on-year basis or be subject to corrective actions. In 2019, NYSA was active in establishing the benchmarks for measuring performance and worked with the marine terminal operators to ensure the provisions of the Productivity Improvement Process were fully adhered to. This includes resolving on-going absenteeism, which has a significant impact on performance. NYSA staff have been working with the respective ILA Locals to resolve the continuing issue of absenteeism. Progress is being made but the matter is nowhere near resolved. We will continue to address these matters, and specifically absenteeism, until performance reaches the levels agreed upon in our Collective



Bargaining Agreement. Along these lines, in July of last year I was pleased to be invited by the ILA to speak at their Atlantic Coast District 36th Quadrennial Convention and also at their International 55th Quadrennial Convention. In addition to reviewing the performance of NYGNJ compared to competing ports, I used the opportunity to address chronic absenteeism. It seems to me that the hot button issue of automation in our industry and absenteeism are entwined. My question and message is this: how can workers be against implementing automation, when a percentage of them do not show up and protect the work? This problematic question escapes logic and will remain one of the areas of focus going forward.

ACHIEVING PRODUCTIVITY GOALS WITH A RIGHT-SIZED WORKFORCE

Another key to achieving productivity goals is having a right-sized workforce. The Port has seen year-over-year growth of 5% or more per annum for the past 6 years and a 2% average labor attrition rate. These facts, along with offering a retirement window in 2019, where we have 30 longshoremen and a handful of checkers retire, prompted the NYSA and ILA to petition the Waterfront Commission of New York Harbor in February of 2019 to open the register to add 538 new longshore workers and 120 new checkers. The Waterfront Commission approved this request. We then began the arduous task of sorting through new procedures introduced by the Commission to recruit and hire these workers. By year's end we had only hired 268 of the 638 requested workers. We will continue to work through the process until all required workers are hired and we will support all efforts to streamline and modernize the process of hiring, including legislation.



CONTINUED PROGRESS IN 2019

In 2019, NYSA introduced Saturday Hiring to order labor for work performed on Sunday and Monday. Previously all work performed on Saturday, Sunday and Monday had to be ordered on Friday. Making this bargained change will move the time when labor is ordered closer to the time when the activity occurs. The result will be more accurate orders and reducing the need for paying labor when events occur that prevent a vessel from arriving as anticipated.



TRAINING SUMMARY: CONTRACT YEAR 2019	
TYPE OF TRAINING	TRAINEES
Hazardous Materials Training	342
Respect & Dignity Training	944
New Employee Orientation	142
PIT Safety/Equip. Fundamentals/Gang Training	152
PPGU Security Officer Training	26
PPGU Waterfront Commission Annual	273
TOTAL	1,879

USMX PORT ASSOCIATION MEMBERS

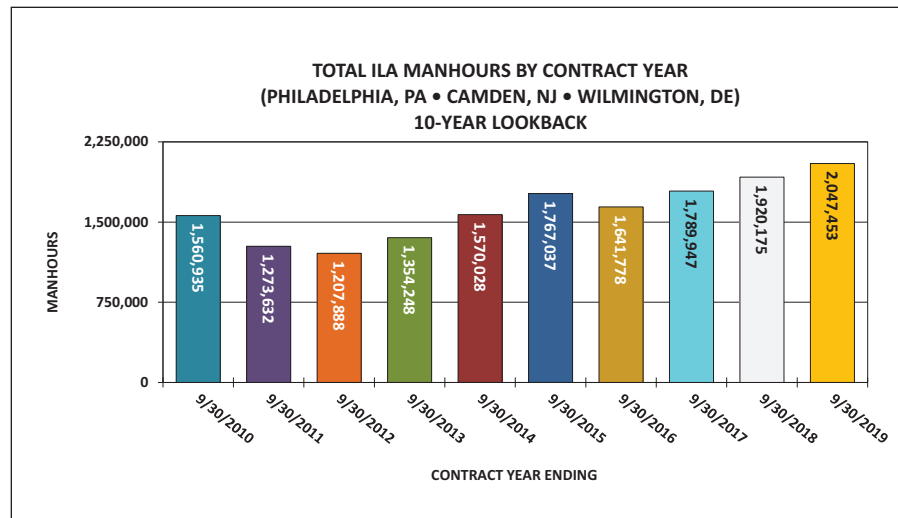


PORTS OF THE DELAWARE RIVER

Ports of the Delaware River Marine Trade Association
Patrick T. Dolan, President
Gina M. Petrille, Vice-President

ABOUT THE PMTA

With over 70 years of service to the Delaware River port community, the Philadelphia Marine Trade Association was incorporated in 1947; its purpose being to promote the interests of the Ports of the Delaware River, Southern New Jersey and Southeastern Pennsylvania. Now, the Ports of the Delaware River Marine Trade Association (PMTA) represents all of the employers of International Longshoremen's Association (ILA) labor operating at Delaware River Facilities (Philadelphia, Southern New Jersey and Wilmington, Delaware).



MANHOURS AND CONTRACT UPDATE

The ILA manhours worked in the Ports of the Delaware River increased from 1,920,175 in 2018 to 2,047,453 for the contract year ending 9/30/2019. Hours worked by our ILA employees have not been this high since the contract year ending 9/30/1990. Working with the ILA, we continue to add employees to the workforce in both Wilmington, DE and the Philadelphia/South Jersey area. A large number of new employees have progressed through the Journeyman process up to our Basic Unit level, which is the highest level for employees. These employees enjoy all of the benefits of the PMTA-ILA Benefit Funds and MILA.

The local labor agreement continues to be one of the most user-friendly contracts up and down the coast. The parties realize the importance of flexibility for our customers, so we maintained the hiring and starting times to make doing business in our ports that much easier. A container vessel calling our facilities can still start on the hour from 0700 to 0100.

A number of our long-term employees have been able to take advantage of the revised Defined Benefit Pension program that was agreed to in the last contract.

TRAINING

Port Technical Training Institute (PTTI) continues to train new employees on Powered Industrial Trucks (PIT) and to recertify the existing workforce as required by PIT Regulations. In addition to the local hands-on training, ILA employees from our area continue to take advantage of the USMX training programs conducted at the MITAGS facility in Maryland. PMTA fully participates in the Lost Time Accident Reporting Program with USMX.



PROJECTS UPDATE

Channel Deepening

The Main Channel Deepening Project continues. The Army Corps of Engineers reported the status of the project as essentially complete. Some additional cleanup is required to clear the entire channel to at least 45-feet mean low water, which will be accomplished using operations and maintenance funding beginning in July 2020 through November 2020. The promise of a deeper channel has fueled substantial infrastructure improvements on the Delaware River, and the realization of this project is certain to bring substantial gains in cargo volumes now and for many years to come.

Packer Avenue Marine Terminal

At the Packer Avenue Marine Terminal, which is operated by PMTA Employer member Greenwich Terminals, five SPPMX (Super Post-Panamax) ZPMC cranes are up and running. The productivity of the ILA crane operators continues to be unparalleled with any other port.

Tioga Marine Terminal

The Tioga Marine Terminal, which is operated by PMTA employer member Delaware River Stevedores, has ongoing construction creating additional covered storage space.

Port of Wilmington, Delaware

In Wilmington, Delaware, PMTA employer member GT USA, Wilmington, Delaware continues to make significant financial investments in infrastructure, and USMX Carrier Members are supporting the growth and improvements in our Delaware River facilities by scheduling larger container vessels at this facility.

COME VISIT

On behalf of the employer members of the PMTA, we thank you for your continued support. If you aren't calling the Delaware River, come take a look. The PMTA would be happy to host you on your visit. From Wilmington, Delaware to the northern parts of the City of Philadelphia and on both sides of the river exciting things continue to happen in the Ports of the Delaware River.



USMX PORT ASSOCIATION MEMBERS

PORT OF BALTIMORE

Steamship Trade Association of Baltimore
Michael P. Angelos, President



ABOUT THE STEAMSHIP TRADE ASSOCIATION AND LABOR AT THE PORT OF BALTIMORE

The Steamship Trade Association of Baltimore is committed to providing quality, timely and professional service to its member companies. Core services include labor management relations, payroll processing, work hours database management, establishment of a concentrated trained workforce, and the promotion of maritime trade in a safe, positive, technologically advanced environment.

Baltimore's longshore workforce is committed to continuing the port's long tradition of excellence. Baltimore's International Longshoremen's Association (ILA) and the Steamship Trade Association (STA) have formed a progressive partnership that enhances Baltimore's competitive position and the skills of our workers.

PORT-WIDE QUALITY INITIATIVE

Management and labor work closely with other members of the port community and play an active role in the Baltimore Port Alliance. In keeping with the furtherance of the cooperative spirit throughout the port, a one-of-a-kind port-wide initiative known as the Quality Handling Action Team (QCHAT) was created as a vehicle to assess performance areas, identify problems, and take corrective action steps to improve the quality handling of the cargo at the Port of Baltimore. Additionally, QCHAT measures quality factors to prevent problems from occurring. Specifically, the QCHAT currently focuses on three categories of cargo: Autos (specifically); Ro/Ro (generally); and Containers. Members participating in this initiative include representation from the following organizations: Steamship Trade Association (STA); International Longshoremen's Association (ILA); Automobile and Ro/Ro Manufacturers; Stevedoring Companies; Steamship Lines; Processors; Terminal Operators; and representatives from the Maryland Port Administration (MPA).

CARGO UPDATE

In Fiscal Year (FY) 2019, the Port of Baltimore's public marine terminals handled a record-setting 11.1 million tons of general cargo, up from 10.9 million tons in FY 2018. This marked the fourth consecutive year of more than 10 million tons. The Port ranked first in the nation in handling automobiles, light trucks, farm and construction machinery, as well as imported sugar and gypsum, and ranked second in the country for exporting coal.

The Port's private and public terminals handled 857,890 autos and light trucks in 2019, passing for the second time the 800,000 mark and the most of any U.S. port for the ninth straight year. The public terminals alone handled 631,378 autos, a decrease of 0.8% compared with 2018.

The Port also handled a record 43.6 million tons of international cargo valued at \$58.4 billion, up in tonnage from 42.9 million in 2018, but down in value from \$59.7 billion. Nationally, Baltimore was ranked 9th for total dollar value and 11th for tonnage of international cargo.



CONTAINER TERMINALS

There are five public and twelve private terminals at the Port of Baltimore. The state-of-the-art Seagirt Marine Terminal, a public-private partnership operated by Ports America Chesapeake, is known for being one of the most efficient container terminals in the country, and has a 275-acre center for automated car handling. As one of only four Eastern U.S. ports with a 50-foot shipping channel and a 50-foot container berth with 11 cranes (including four Neo-Panamax cranes with a reach of 22 containers across) Seagirt can accommodate some of the largest container ships in the world, with 40 container moves per hour. On May 24, 2019, the largest container ship to ever visit Maryland, the Evergreen Triton, arrived at the Port of Baltimore. The super-sized vessel, with a capacity to handle 14,424 TEUs, was able to call the Port of Baltimore because the Port's infrastructure is setup to accommodate the mega-ships traveling through the expanded Panama Canal.

In December of 2019, MDOT MPA and Ports America Chesapeake announced a \$32.7 million project to develop a second 50-foot-deep container berth at Seagirt Marine Terminal. When completed, this second berth will allow the Port of Baltimore to handle two super-sized container ships simultaneously. Construction on the new berth is expected to commence by the end of 2019, and is expected to become operational by early 2021.



CRUISE

Two cruise companies [Carnival Cruise Lines and Royal Caribbean] homeport at the Cruise Maryland Terminal at the Port of Baltimore. *Carnival Pride* and *Grandeur of the Seas* cruise to the Bahamas, Bermuda and the Caribbean during typical Spring cruise season, with *Grandeur of the Seas* providing Fall voyages to New England and Canada.

American Cruise Lines makes trips around the Chesapeake Bay region and along the East Coast. German-based Phoenix Reisen and Aida Cruises make Baltimore a port of call during their trips.

The Port of Baltimore will welcome back Royal Caribbean Cruise Line's *Enchantment of the Seas* cruise ship for the Spring cruise season in April 2021, after its current Baltimore-based ship, *Grandeur of the Seas*, is reassigned for other cruising opportunities. *Enchantment of the Seas* was previously based at the Port (2010-2013) while *Grandeur of the Seas* (operating in Baltimore until April 2021) underwent a renovation. *Enchantment of the Seas* is a slightly larger vessel, and will offer year-round cruising.

More than 200,000 passengers sail on more than 90 cruises from the Port of Baltimore. Nearly 400 jobs are generated by cruise activity in Maryland, including more than 200 direct jobs at the Port. About \$90 million in economic benefits to Maryland is generated by cruise activities through local spending, hotels, dining and entertainment.

OF NOTE...

In Maryland's economy, business in the Port of Baltimore generates nearly \$3.3 billion in total personal income and supports 15,330 direct jobs and 139,180 jobs connected to Port work. The port also generates more than \$395 million in taxes and \$2.6 billion in business income. It served more than 50 ocean carriers making nearly 1,800 visits annually.

In 2019, the Port received a \$1.8 million *Diesel Emissions Reduction Act Grant* from the Environmental Protection Agency's Clean Diesel Program. The funding will go toward replacement of older diesel dray trucks, cargo-handling equipment, and repowering of marine engines in order to reduce emissions.

In early 2019, it was announced that the state-owned public marine terminals at the Port of Baltimore, for the 10th consecutive year, received a top rating on an annual security assessment from the U.S. Coast Guard for the 2018 year.

Executive Director, Port of Baltimore Announces Resignation

James J. White, who guided the Helen Delich Bentley Port of Baltimore during a period of record revenue, cargo and job growth as Executive Director of the Maryland Department of Transportation Maryland Port Administration (MDOT MPA), announced his resignation effective December 31, 2019. Executive Director White led operations for 18 years as the Port of Baltimore improved its national rankings, upgraded security procedures and completed infrastructure projects that made it one of the few ports in America capable of receiving the largest ships in the world. Mr. White oversaw long-term shipping contracts and infrastructure improvements that made Baltimore's port one of the country's busiest.

Maryland Governor Larry Hogan called Mr. White "one of the finest port directors in America," adding that the state has been fortunate to have him at the helm of the port for so long and extending his congratulations on Mr. White's outstanding career and thanking him for leaving the Port of Baltimore "in fantastic shape" for his successor.



USMX PORT ASSOCIATION MEMBERS



PORT OF VIRGINIA

Hampton Roads Shipping Association
Roger J. Giesinger, President

ABOUT HAMPTON ROADS SHIPPING ASSOCIATION

Founded in 1971 as a non-profit, civic and trade organization, the Hampton Roads Shipping Association (HRSa)'s mission is to promote the interests of the Port of Hampton Roads and to further the common interest of those business organizations within the Port, particularly those who hire waterfront labor. HRSa renders assistance to its membership to find solutions to maritime problems; maintains harmony between management and labor; fosters just and equitable principles and practices; promotes safety; and works for the betterment, expansion and prosperity of the Port.

THE PORT OF VIRGINIA

The Port of Virginia is an important component of the Commonwealth's economy. In a normal week, more than three dozen cargo ships from across the world stop at the Port's terminals in the Norfolk Harbor. Those vessels, laden with exports and imports, connect Virginia with more than 45 countries around the globe. The six terminals that comprise The Port of Virginia operate on a combined 1,864 acres, with 19,885 linear feet of berth going to 50' in some locations, and utilizing 30 miles of on-dock rail to transport cargo to and from markets around the globe.



ECONOMICS

Driven by an increase in imports, the Port completed the 2019 calendar year having handled a record 2.9 million twenty-foot equivalent units (TEUs). Virginia's volume has grown every year since 2010. The Port attributes the growth to the new capacity that came online at VIG and NIT in the final quarter of FY2019; an aggressive marketing strategy focusing on that new capacity; the motor carriers' reservation system; and improving efficiency in all phases of its cargo operation. In addition, The Port of Virginia was instrumental in helping to create more than 2,800 jobs; drive 45 business announcements; generate more than \$2 billion in investments in Virginia; and develop 2.9 million square feet of new space in FY2019.



NORFOLK INTERNATIONAL TERMINALS

The expansion work is nearly complete. Thirty new container stacks, served by 60 new rail-mounted gantry cranes, will be in service by September 2020. When complete, the south end of the terminal will be able to handle 400,000 more containers, or 46 percent more volume within the same amount of space. The project follows completion in 2017 of a modern gate complex on the terminal's north end, with 26 high-tech lanes for checking and directing trucks in the container yard.

VIRGINIA INTERNATIONAL GATEWAY

The \$320 million expansion of VIT was completed in May of 2019, a month ahead of schedule and \$8 million under budget. The project doubled the size of the terminals container stacking area; added 26 new rail-mounted gantry cranes to handle containers; expanded the truck gate; doubled the size of the rail operation to include four new specialized cranes for handling rail cargo; and lengthened the south berth by 800 feet. The project's most visible component was the addition of the four largest ship-to-shore cranes in the Americas, which were designed to handle ultra-large container vessels.



CAPACITY EXPANSION AND MODERNIZATION

The historic investments made at Virginia International Gateway (VIG) and Norfolk International Terminals (NIT)—capacity expansion and modernization—are showing their value. Rail cargo is being processed in an average of 40 hours or less, which is well below the industry standard. Likewise, truck drivers are spending less time on terminal, about 40 minutes, on average—20 minutes below the industry standard. The port now offers berth capacity to accommodate seven ultra large container vessels (ULCVs) simultaneously.

“We’ve made significant progress on the capacity expansion at NIT and we’re on target for completion there in the fall of 2020,” said John Reinhart, Port of Virginia CEO. “The widening and deepening of our commercial shipping channels (to 55 feet) is running ahead of schedule. The continual focus on efficiency is producing real results.”



NORFOLK HARBOR DREDGING PROJECT

In October 2019, the port signed the contract to begin the first phase of dredging on the 55-foot channel project. The \$350 million project includes dredging the shipping channels to 55 feet—with deeper ocean approaches—and widening the channel to more than 1,400 feet in specific areas. When complete in 2024, the commercial channels serving the Norfolk Harbor will be able to simultaneously accommodate the transit of two ULCVs.

“We did a lot of things right this past year and keeping each other and our labor partners safe while maintaining the flow of cargo was among the most important accomplishments,” Reinhart said.



USMX PORT ASSOCIATION MEMBERS



PORT OF CHARLESTON

South Carolina Stevedores Association
William J. Bean III, Executive Director

2019 SCSA MEMBERSHIP

The South Carolina Stevedores Association (SCSA) represents the following member companies:

Operating Direct Employers

- Ceres Marine Terminals
- Ports America
- Cooper/Ports America [C-PA]
- SSA Atlantic
- [Charleston Stevedoring Company will begin operations in Charleston on/or about May 4, 2020]

Associate Members

- Charleston Gate Company
- Charleston Line Handlers



PORT PROJECTS

Harbor Deepening

The Charleston Harbor Deepening Project is on track to achieve a 52-foot depth in 2021 — yielding the deepest harbor on the East Coast — up from the current 45-foot depth. The entrance channel is also being deepened to 54 feet, up from 47 feet. The additional seven feet of depth in Charleston Harbor will enable post-Panamax vessels to call on the Port of Charleston any time of day, regardless of tides, and will ensure South Carolina ports can handle the growing number of large, cargo-laden vessels calling on Charleston.

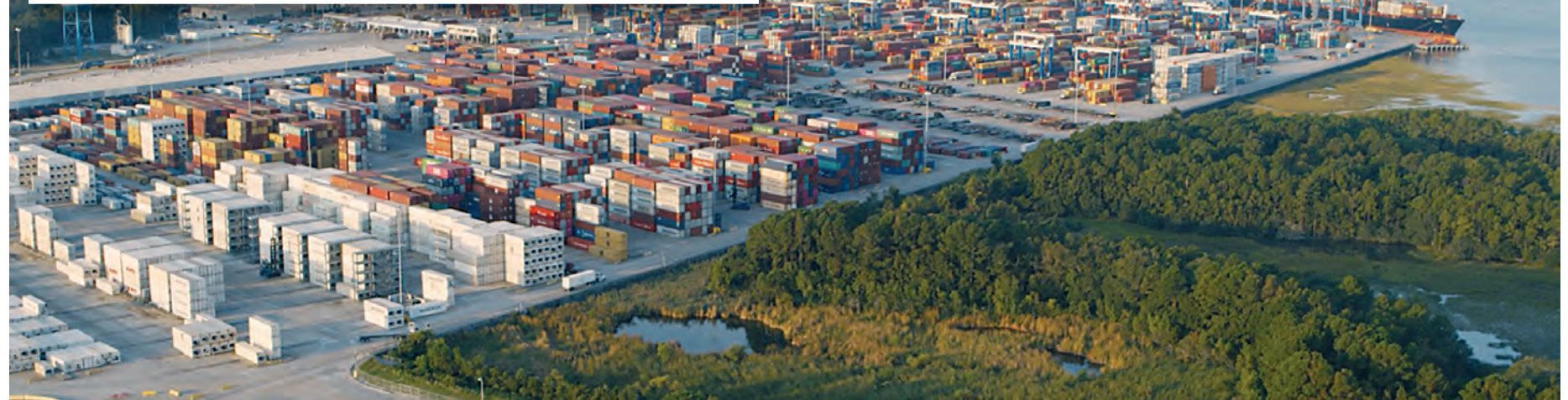
Hugh K. Leatherman Terminal

With site work well underway, the first berth at the Leatherman Terminal is expected to open in March 2021. Phase One will include five cranes with 169 feet of lift height and 228 feet of outreach and will arrive in late summer of 2020. Twenty-five (25) hybrid rubber tire gantry cranes are scheduled to arrive during the winter of 2020. Several buildings are beginning to take shape, including the operations building, vessel building, several booths, canopies and other support facilities. Phase One will yield a 1,400-foot wharf and is about 80% complete.

Existing Terminal Modernization and Infrastructure Projects

The project to add additional height to some of the cranes at the Wando Terminal has been completed and they are back in service. Three new cranes, with a lifting height of 155 feet, have been received and two of the three are in service. Four additional cranes, also with a lifting height of 155 feet, will be delivered in 2020 and be operational by the end of the year. When completed, the Wando Terminal will have 15 cranes and will be capable of handling three 14,000-TEU ships simultaneously.

Tideworks Spinnaker development and implementation is ongoing. Training (which is currently suspended due to the COVID-19 virus) will begin as soon as possible.



LOCAL NEGOTIATIONS

Clerks/Checkers

The membership of ILA Local 1771 has voted to make the position of President a full-time position. Elections/re-elections will continue as in the past, but the move allows the sitting President more time to focus on union-related business.

Longshoremen

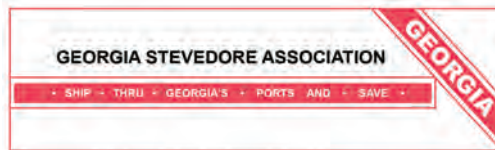
ILA Local 1422 has been in receivership since July 2019, with Virgil Maldonado being appointed as the Trustee. Moving the union hall to a new facility was one of the first issues that Mr. Maldonado had to deal with, and that issue has since been resolved; however, the new union hall will not be operational until late 2020. In the meantime, Local 1422 has entered into a rental agreement with a nearby church that has a large community center that will be used as an additional hiring hall to dispatch 2019 new hires and should alleviate labor shortages.

Contract negotiations have moved along slowly. One of the main sticking points has recently been resolved, so as soon as pandemic-related travel restrictions are lifted, we are hopeful that we can finalize a new agreement.

USMX PORT ASSOCIATION MEMBERS

PORT OF SAVANNAH

Georgia Stevedore Association
Norman L. Massey, President



2019 TONNAGE UPDATE

Ports of Georgia

In total, Savannah Ports outperformed the U.S. total market growth at a rate three times greater in 2019, despite a drop in U.S. vehicle sales. Total tons crossing all Georgia Ports exceeded 38.5 million, up from 36.9 million (4.3%) over 2018.

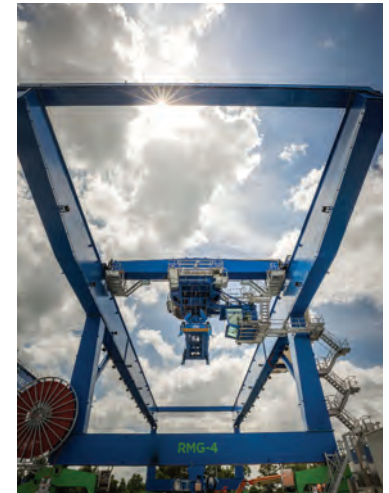
- The Port of Savannah moved 4.6 million twenty-foot equivalent (TEUs) in calendar year 2019, which represents an increase of approximately 250,000 TEUs (5.6%) compared with 2018
- Roll-on/Roll-off cargoes (units of cars, trucks and tractors) in Savannah and Brunswick increased by 12,167, or (2%) over 2018
- The (inland port) Appalachian Regional Port handled approximately 36,000 TEUs in 2019



PORT PROJECTS

Mason Mega Rail Terminal Project

Phase I of the Mason Mega Rail terminal project is 40% complete in 2019, with Phase II projected to be completed by the end of 2020. Upon completion, the Mason Mega Rail terminal will double the annual rail capacity to 2 million TEUs, and Savannah will have the largest on-dock intermodal rail facility of any port in North America, allowing for 10,000-foot-long trains on terminal. Mega Rail is anticipated to slash up to 24 hours from the delivery time from Savannah by enabling direct service to destinations across the Midwest. Savannah is moving containers from ship to outgoing rail in less than 24 hours.

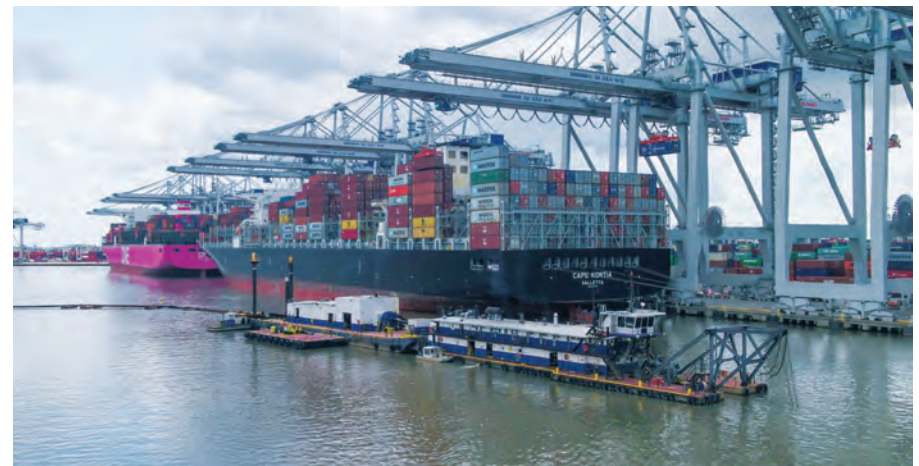


Equipment

Garden City Terminal added 10 rubber-tired gantry cranes in 2019, bringing the RTG fleet to 158.

Ocean Terminal

Plans are currently underway to partially convert Savannah's Ocean Terminal to handle container vessels. A new truck gate, container yards and RTGs will be provided to support container operations at Ocean Terminal. Phase I of this conversion is expected to be completed by the end of 2020.





Infrastructure

Savannah has other aggressive infrastructure projects which include expanding berth capacity to handle up to six 14,000 TEU vessels by 2026. The Georgia Ports Authority (GPA) has acquired an additional 145 contiguous acres to the Port of Savannah, which will allow the port to accommodate more than 1 million TEUs annually. Currently, Savannah can accommodate three 14,000-TEU vessels, and up to eight simultaneously.

Savannah Container Terminal

The GPA has also announced plans for the new Savannah Container Terminal, a nearly 200-acre facility to be built on Hutchinson Island. The new facility will have an annual capacity of 2.5 million TEUs. Phase I of this project is expected to be operational in 2025.

GPA's Youth Learning Equipment and Safety (YES)

The GPA has also announced the creation of the YES program, which enables high school graduates to be hired and trained for equipment operator careers. The GPA hopes to employ 50 graduates per year through this program.



USMX PORT ASSOCIATION MEMBERS

PORT OF JACKSONVILLE

Jacksonville Maritime Association
James R. Gray, Jr., Executive Director



The Jacksonville Maritime Association
JACKSONVILLE, FLORIDA

ABOUT THE JACKSONVILLE MARITIME ASSOCIATION

The Jacksonville Maritime Association (JMA) negotiates and administers both the local and district contracts, and all issues that may arise from them, including equipment and hazmat training; safety; certifications; port issues; drug policies and testing; and local benefits, such as pensions and weekly indemnity.

ABOUT THE PORT OF JACKSONVILLE (JAXPORT)

A full-service, international trade seaport situated at the crossroads of the nation's rail and highway network located in Northeast Florida, in the heart of the South Atlantic. JAXPORT owns, maintains and markets three cargo terminals, two intermodal container transfer facilities and a passenger cruise terminal along the St. Johns River. JAXPORT is consistently recognized by customers throughout the industry for its award-winning customer service. In August of 2019, it was voted the top port in the nation for customer satisfaction and overall performance excellence by readers of



Logistics Management magazine. In December of 2019, the *Journal of Commerce* named JAXPORT the second most improved container port in North America for overall productivity (defined by the JOC as total container moves per hour while a ship is at berth).

JAXPORT STATISTICS LOOKBACK: FISCAL YEARS 2015-2019

VESSEL CALLS	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
TOTAL	1,826	1,782	1,656	1,761	1,716

TONNAGE	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Containerized	5,035,085	5,558,361	5,878,168	7,109,643	7,268,429
Breakbulk	726,242	887,878	902,726	871,131	934,641
Bulk	1,094,986	1,026,230	1,169,087	1,107,796	1,260,254
Automobiles	1,325,366	1,244,335	1,380,284	1,385,712	1,416,340
TOTAL TONNAGE	8,181,679	8,716,804	9,330,265	10,474,282	10,879,664

UNITS	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Containers (TEUs)	915,992	968,279	1,033,038	1,270,480	1,338,429
Automobiles	656,599	636,134	693,248	665,432	696,464
TOTAL UNITS	1,572,591	1,604,413	1,726,286	1,935,912	2,034,893

JAXPORT CRUISE	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
TOTAL CRUISE VESSEL CALLS	78	82	74	78	76
TOTAL PASSENGER EMBARKATIONS	183,192	197,295	177,417	199,899	194,655

2019 CARGO UPDATE

Containers

JAXPORT moved more than 1.338 million twenty-foot equivalent units (TEUs) in 2019, a 5 percent increase over 2018, which was also a record year in container volumes for the port. JAXPORT has set container volume records for four consecutive years.

Vehicles

The port also moved the most vehicles in its history, nearly 696,500 total units in 2019, maintaining its position as one of the nation's busiest vehicle handling ports. Strong auto sales in the Southeast U.S., combined with growing global demand for previously owned vehicles, contributed to the growth.

General

The growth in general cargo volumes fueled yet another 2019 record for Jacksonville, with a total of 10.9 million tons of cargo moving through the port in 2019, up 4 percent over 2018.



CAPE SOUNIO

JAXPORT set a new port record on March 4, 2019, with the arrival of the ZIM vessel Cape Sounio, the largest container ship to ever call the Port of Jacksonville. The 11,923-TEU (container) vessel is operated by ZIM on a service offered by the 2M Alliance, comprising Maersk, Mediterranean Shipping Company, Hamburg Süd and strategic partners HMM and ZIM. The Cape Sounio, which transited the Panama Canal from Northeast Asia before reaching the U.S. East Coast, discharged and loaded cargo at JAXPORT's Blount Island Marine Terminal.

SSA JACKSONVILLE INTERNATIONAL GATEWAY TERMINAL

In March of 2019, the JAXPORT Board of Directors unanimously approved a long-term agreement with experienced terminal operator SSA Marine for the development and operation of a state-of-the-art, \$238.7 million international container terminal at JAXPORT's Blount Island Marine Terminal. The facility, SSA Jacksonville International Gateway Terminal, is an expansion of SSA Marine's current leasehold at Blount Island and will offer deep-water berthing space to accommodate the larger container ships calling JAXPORT from Asia more fully loaded. Ground was broken for this project in November of 2019.

CRUISE NEWS

JAXPORT leadership welcomed the Carnival Ecstasy on May 16 to Jacksonville for the vessel's inaugural sailing with a commemorative plaque presentation at the JAXPORT Cruise Terminal in North Jacksonville. Carnival Ecstasy, which carries 2,056 passengers, is now sailing year-round out of JAXPORT's Cruise Terminal.



SCHOLARSHIPS AWARDED TO AREA STUDENTS

Local 1408 of the International Longshoremen's Association (ILA) awarded nearly \$30,000 in scholarships to 33 area high school seniors and college students on August 13, 2019.



USMX PORT ASSOCIATION MEMBERS

PORTS OF SOUTHEAST FLORIDA

Southeast Florida Employers Port Association
Carlos Arocha, President
Nicholas Johnson, Director of Safety & Training
Eddy Montoto, Director

SOUTHEAST FLORIDA EMPLOYERS PORT ASSOCIATION

The mission of SEFEPA is to establish and carry out programs to promote and maintain good relationships between its management and labor in the Southeast Florida Ports of Miami, Port Everglades and Port Canaveral.



ABOUT PORTMIAMI

PortMiami is among America's busiest ports and is recognized as a global gateway that contributes more than \$43 billion annually to the South Florida region, while creating 334,500 direct, indirect and induced jobs.

BEST PERFORMANCE IN ITS HISTORY

In collaboration with its partners, PortMiami set a new record-breaking year. During the 12-month period ending September 30, 2019, the Port experienced a

3.4% gain in cargo with a total of 1,120,000 TEUs, and a 22% increase in cruise passenger totals, surpassing its previous world record with an all-time high total of 6,824,000 passengers. For the fifth consecutive year, PortMiami surpassed the 1 million TEU mark. This growth is attributed to a diverse balance of global trade, supported by more than \$1 billion infrastructure improvements offering shippers a strategic hub equipped to handle larger vessels.

CRUISE HIGHLIGHTS

On the cruise side, the growth is strengthened by the development of new business in 2019. Royal Caribbean International officially opened Cruise Terminal A, the Crown of Miami, and celebrated the arrival of the world's largest ship, the Symphony of the Seas. Norwegian Cruise Line also welcomed the Norwegian Bliss. Carnival Cruise Line added its new Carnival Horizon. Viking Ocean Cruises introduced the Viking Star and Viking Sun. Additionally, MSC Cruises welcomed the MSC Armonia. Some PortMiami cruise statistics of note: 2019 saw 6.8 million Cruise Passengers; there were 1,288 Cruise Ship Calls; with 20 Cruise Lines in operation.

STRATEGIC PARTNERSHIPS

PortMiami consolidated its partnerships by securing a series of long-term deals and new terminal developments with Carnival Corporation, MSC Cruises, Norwegian Cruise Line Bahamas, Terminal Link Miami and Virgin Voyages. The expanded partnerships are anticipated to generate an additional estimated economic impact to South Florida of about \$7.8 billion, with 27,500 new direct, induced and indirect jobs annually.

HURRICANE DORIAN RELIEF

Category 5 Hurricane Dorian, with one-minute sustained winds of 185 mph, made landfall in The Bahamas on September 1, 2019, causing catastrophic damage, with 74 people killed and upwards of 200 people reported as missing, and thousands of homes destroyed. Dorian's prolonged and intense storm conditions (heavy rainfall, high winds and storm surge) made it the costliest disaster in Bahamian history,

estimated to have left behind \$3.4 billion in damage. Miami-Dade County and MSC Group, USMX member and one of the world's leading container shipping and logistics conglomerates and parent company of MSC Cruises, in collaboration with PortMiami and other maritime partners, spearheaded assistance for the people of The Bahamas. The extensive land and sea operation, including shipment of more than 200 gas generators, tarps, cords, water, canopies, gas cans and other items of humanitarian aid for the victims of Hurricane Dorian, helped to alleviate much human suffering in The Bahamas' long road to recovery.

MIAMI GREETES LARGEST CONTAINER SHIP TO CALL A FLORIDA PORT

On December 11, 2019, a new record was set when USMX member CMA CGM's Magellan called PortMiami. The 167-foot wide, 13,344 TEU vessel, is the largest container ship to ever call on a Florida port. Miami-Dade County and PortMiami officials toured the Magellan then addressed the media about the County's commitment to growing the business and the need for continued cargo enhancements at PortMiami, including the U.S. Army Corps of Engineers' feasibility study for the Miami Harbor Safety and Navigational Channel Improvement program.



ABOUT PORT EVERGLADES



Port Everglades, located in Greater Fort Lauderdale/Hollywood, Florida, is Florida's powerhouse global gateway. A respected leader in trade, travel and financial stability, the Port creates economic and social value by working in partnership with world-class clients. We achieve advancements focusing on efficient facilities, trade and cruise expansion, jobs growth, safety, security and environmental stewardship for our customers, stakeholders and community.

ABOUT PORT CANAVERAL

Port Canaveral is one of the world's most dynamic and exciting ports. A world-class gateway for cruises, cargo, recreation and logistics, as well as a gateway to new frontiers in space, Port Canaveral hosts nearly 5 million revenue cruise passengers through its state-of-the-art terminals and 6 million tons of cargo annually, including bulk, break-bulk, project, and containerized. Shippers will find recent harbor improvements, new cruise and cargo terminals, a new auto facility and an inland warehouse and logistics center in Titusville. Canaveral also is home to U.S. Army, Navy, and Air Force facilities, including Surface Deployment and Distribution, and serves as an important export gateway for U.S. government cargo destined to Ascension Island.

FISCAL YEAR 2019 UPDATE

Port Everglades Department

Administration of all seaport functions at the Port is the responsibility of the Port Everglades Department, a self-supporting Enterprise Fund of Broward County, Florida government. With operating revenues of nearly \$170 million in FY2019, there is no reliance on local tax dollars for operations.

Florida Jobs

In FY2019, Port Everglades supported 219,000 jobs: 13K+ Direct Jobs created by port activities; 8K+ Induced Jobs generated in Greater Ft. Lauderdale as a result of local purchases made by those directly employed due to Port Everglades activity; 9K+ Indirect Jobs supported in Greater Ft. Lauderdale, a results of \$750M+ of local purchases; and 200K+ jobs throughout the state are supported by cargo moving through Port Everglades, a vast majority of which are associated with the movement of containerized cargo at the Port.

Cruise Statistics

More than 3.9 million passengers cruised from Port Everglades in FY2019. With 40 cruise ships, 10 cruise lines and one ferry service in operation, Port Everglades set a world record on December 1, 2019 with 55,964

passengers—the largest number of cruise guests traveling through a homeport in a single day.

Economic Impact

\$32 billion is the total value of economic activity related to the cargo and cruise activities in Port Everglades in 2019.

Cargo Statistics

For the 6th year in a row, Port Everglades exceeded 1 million TEUs of containerized cargo in FY2019. Ongoing capital improvements and expansion ensure that Port Everglades will be poised to handle increasing containerized cargo traffic going forward. Overall container tonnage in the Port topped 6.8 million in 2019.

Southport Turning Notch Extension/Crane Improvements

This project to lengthen the existing deep-water turnaround area for cargo ships (from approximately 900 feet to 2,400 feet) will allow for up to five new cargo berths. Berth construction commenced in October of 2018, with a target completion date of December 2022. Crane improvements to add super post-Panamax gantry cranes to serve the existing Southport container berths and extension of crane rails to the full length of the Turning Notch berth to utilize existing cranes commenced in March of 2018. Expected completion date is March of 2022.

FISCAL YEAR 2019 VS. 2018

In Port Canaveral, total revenue for FY2019 was \$110 million, up 6% over FY2018. Operating revenue came in at \$106.6 million, up 5%; cruise revenue was \$81.9 million, up 5%; cargo revenue posted \$9.3 million, down 8%; and cargo tonnage came in at 6.5 million tons, up 1% over FY2018.

CRUISE

There were 4.6 million multi-day passenger movements in 2019. Cruise lines serving the port are Carnival, Disney, Norwegian and Royal Caribbean. The new Cruise Terminal 3 project, which will homeport Carnival's Mardi Gras, North America's first LNG-powered cruise ship, is scheduled for completion in early 2021.

CARGO

Central Florida's growth is driving cargo throughput in Port Canaveral, with 361 ship calls in FY2019, and increases across the board. Comparing FY2019 to FY2018, percentages of increase are as follows: lumber increased 31%; slag increased 16.6%; salt increased 9%; and petroleum increased 1%.

PORT/STRATEGIC PARTNERS PROJECTS

- Sand Bypass Project (\$18M – U.S. Army Corps)
- Harbor Maintenance (\$1.4M – U.S. Army Corps)
- New Fireboat (\$1.5M State Appropriation + \$1M Port Security Grant)
- State & Federal Grants for Port Security (\$900K)
- State Grants for Infrastructure Upgrades (\$15.6M)

USMX PORT ASSOCIATION MEMBERS

MIDGULF
ASSOCIATION OF STEVEDORES



PORT OF NEW ORLEANS

Midgulf Association of Stevedores
Nick Jumonville, President

ABOUT MIDGULF ASSOCIATION OF STEVEDORES

Midgulf Association of Stevedores (MAS) is a non-profit association incorporated under the laws of the state of Louisiana. Its mission is to serve and assist consenting member companies engaged in stevedoring and terminal operations in matters relating to labor contracts, labor controversies, employee training and recruitment. In addition, the Association represents its member employers on pension, welfare, vacation/holiday, royalty funds, local safety matters and both local and master contract negotiations with unions representing longshoremen or other employment ashore. The Association operates and maintains a 361-day common hiring and training facility for use by its members.

THE PORT OF NEW ORLEANS: 2019 HIGHLIGHTS

Containers

Port of New Orleans (NOLA) moved more containers in 2019 than at any time in its history, totaling 648,539 twenty-foot equivalent units (TEUs), up 8.8% compared to one year ago. The record marks the sixth year in a row that the Port of NOLA has surpassed the half-million-TEU mark at its Napoleon Avenue Container Terminal, which is operated by New Orleans (Ceres Gulf) and Ports America.



Import/Export

Expansion of the Panama Canal and growth in containerized exports, namely resin and frozen poultry, have buoyed Port NOLA's containerized cargo to record levels. In addition, loaded imported container volumes continue to increase, and remains a focus of Port NOLA's marketing efforts. There is anticipated further growth, as direct all-water carrier services to Asia, Europe and the Mediterranean attract larger vessels.

Container-on-Barge Service

The Port is also growing the largest container-on-barge service, in partnership with the Port of Greater Baton Rouge and operator SEACOR AMH. The service repositions containers from Memphis, Tennessee to Baton Rouge, Louisiana, where they are loaded with plastic resins and shipped by barge to Port NOLA to be loaded onto container ships for export to global markets.

Intermodal Service

Another driving force for container traffic is its growing intermodal service to critical markets Port Nola serves.

- Intermodal services by CN Railroad into Memphis, Chicago, Detroit and Toronto and Kansas City Southern's weekly service into the Dallas-Fort Worth market are critical inland markets that will further grow volumes in New Orleans
- The acquisition of the New Orleans Public Belt Railroad in February 2018 remains a key element of success for the Port of NOLA and the entire New Orleans gateway



Cargo Statistics

- In 2019, breakbulk cargo, sensitive to manufacturing trends and economic fluctuations, experienced a sharp decrease as a result of federally imposed tariffs on China
- Though breakbulk imports declined in fiscal year 2019, in large part due to trade policies involving tariffs imposed on steel and aluminum, imported rubber continues to be a bright spot and the Port continues to look for export opportunities, and has seen significant increases in exported logs and frac sand
- Despite current challenges, breakbulk is still vital to the Port's growth and contributes to the diverse business profile, and Port NOLA continues to invest in breakbulk facilities, including a \$50 million investment in its breakbulk wharves, to continue serving as a top U.S. import port for rubber, steel, aluminum and other non-ferrous metals

Cruise Statistics

- As the 6th largest cruise port in the United States, the Port of New Orleans set a new cruise passenger record in 2019, with 1,200,000 cruise passenger movements, up 1.5% percent compared to 2018
- 260 passenger ships called on the Port of New Orleans, compared to 235 in 2018, and momentum and diversification continues to build
- In addition to oceangoing ships, there was a 23% surge in guests taking Mississippi River cruises on the five riverboats homeported in New Orleans, and new and larger ships are set to sail from the port to both the Caribbean and on the River in 2019



Near-Term Capital Investments

These investments in cargo, cruise, and industrial property projects will enhance efficiency, expand port capacity, and address maintenance needs of existing Port facilities, wharves, and bridges

- Achieving this scale of capital investment must include aggressive pursuit of external funding through state and federal grants, public-private partnerships and joint ventures
- Looking ahead, near-term capital investment needs within the next four to five years total approximately \$366 million
 - ▼ \$113 million for other infrastructure (31%)
 - ▼ \$109 million for container (30%)
 - ▼ \$ 85 million for breakbulk (23%)
 - ▼ \$ 37 million for industrial real estate (10%)
 - ▼ \$ 15 million for rail (4%)
 - ▼ \$ 8 million for cruise and tourism (2%)

Total Economic Impact

- 19,050 jobs and \$3.9 billion of output (Jurisdiction)
- 21,700 jobs, \$4.3 billion of output (State)
- 119,510 jobs, nearly \$30 billion of output (National)
- \$74,000, average salary of the Port of New Orleans tenant employees —41% higher than the local average

USMX PORT ASSOCIATION MEMBERS

PORTS OF THE WEST GULF

West Gulf Maritime Association
Shareen Larmond, President



ABOUT THE WEST GULF MARITIME ASSOCIATION

The West Gulf Maritime Association represents nearly 200 members along the Western Gulf of Mexico from Lake Charles, Louisiana to Brownsville, Texas. Members include almost every segment of the maritime industry, namely steamship owners, vessel operators, agents, stevedores and terminal companies.

REGIONAL FACTS: WEST GULF PORTS

- More than \$617 billion are generated in West Gulf ports
- More than 565 million tons of foreign and domestic cargo (approximately 22% of all U.S. port tonnage) is handled in West Gulf ports
- More than 2.7 million containers are handled in West Gulf ports
- In terms of annual cargo tonnage, according to the U.S. Army Corps of Engineers, 7 West Gulf ports rank in the top 50 of all U.S. ports, including Houston (2nd), Beaumont (5th), Corpus Christi (6th), Lake Charles (12th), Texas City (15th), Port Arthur (20th) and Freeport (33rd)

WGMA MEMBER SERVICES

Labor Relations

WGMA labor relations promote peaceful and harmonious relations between employers and employees by establishing wage and working conditions that are fair and just to both. The Association and the International Longshoremen's Association (ILA) concluded local negotiations and are now implementing new labor contracts throughout the West Gulf. This includes the implementation of several WGMA-ILA programs governed jointly such as the Joint Selection Committee, the Joint Automated Dispatch Committee and the Joint Training Committee.

Payroll

The Association processes all ILA payroll on behalf of stevedores in the West Gulf totaling almost \$250 million in the last fiscal year. This enables complete and detailed record keeping for the industry. Thirty employers process payroll through the WGMA, paying ILA workers who work on virtually every type of cargo. Labor is dispatched by over 20 locals. A worker may work for multiple stevedores, rates of pay, or locals in one

week, but receive one paycheck with appropriate taxes and fees deducted. Workers also receive information regarding individual gross pay, hours, Container Royalty, and MILA information through a mobile app.

Training

The Association also coordinates training of the ILA workers. WGMA has implemented an online training program allowing workers access to hazmat training and tests 24 hours a day with immediate feedback. The Association also implemented two new crane simulators as part of its training program. In addition, the Association maintains a real-time tracking system that updates the training status of all ILA workers. The status is posted on the WGMA website to allow locals, workers and stevedores access to the certification status of each worker. Workers are also able to view their certifications via the ILA app.

Dispatch

The Association utilizes an automated dispatch system, allowing the stevedores to place labor orders electronically, simplify the dispatch process for the locals and allow workers to receive job notifications by text, email or phone.



Communication and Advocacy

WGMA provides daily industry updates to its members, monthly or bi-monthly membership meetings in multiple ports, and frequently interacts with governmental and regulatory agencies, including Coast Guard and Customs and Border Protection (CBP) to advance the interests of industry. The Association also coordinates legislative advocacy trips to Austin, Baton Rouge and Washington D.C., advocating on issues important to industry such as Longshore Act reform.

Litigation and Administrative Matters

On behalf of its member stevedores, the Association responds to EEOC and NLRB charges, responds to unemployment claims and represents stevedores in litigation arising out of the employment of workers under the multiemployer collective bargaining agreements.



SHIPPING INDUSTRY MUTUAL ASSURANCE ASSOCIATION LIMITED [SIMAS]

SIMAS HISTORY & 2019 HIGHLIGHTS

Purpose

The Shipping Industry Mutual Assurance Association Limited (SIMAS) was created in 1981 by special act of the Legislature of Bermuda to provide insurance coverage to the maritime industry that was unavailable in the commercial marketplace. This Financial Injury Coverage indemnifies USMX and its Carrier members for the legal costs incurred as a result of the implementation and enforcement of the USMX-ILA Master Contract or any other labor contract negotiated by USMX.

Types of Coverage

Financial Injury Coverage is provided in the following instances:

- Court Actions and Adjudicatory Proceedings before maritime or labor-related agencies
- Third-Party Claims against the Insureds
- Arbitrations
- Strikes
- Work Stoppages

Excess Directors' and Officers' (D&O) Coverage is provided by SIMAS to the Directors and Officers of USMX and CCC Service Corporation.

Excess Fiduciary Liability Coverage is provided by SIMAS to the Management Trustees of the Management-ILA (MILA) Managed Health Care Trust Fund.

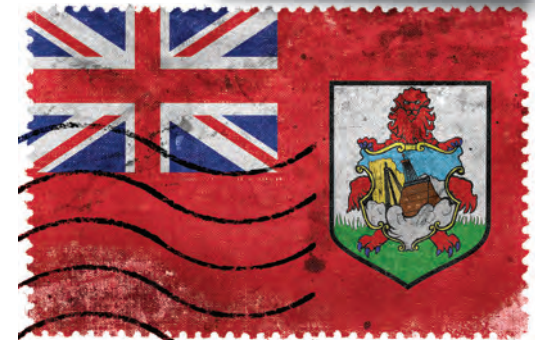
- A 2005 civil RICO action still pending in the U.S. District Court for the Eastern District of New York is the subject of a claim under this coverage



2019 Legal Matters

During 2019, USMX Carrier members were able to avail themselves of coverage through SIMAS for the following legal matters:

- Representation of USMX and its members in an arbitration involving the amount of container royalty benefits paid to longshore workers in the Port of Jacksonville, FL
- ▼ The ILA sought increased benefits for their members over and above what was provided in the USMX-ILA Master Contract
 - The arbitrator found in favor of USMX and its members and held that the benefits were limited to the amount set forth in the Master Contract
- Legislation to limit the number and length of container ships that can transit the Houston, Texas Ship Channel and call in the Port of Houston was proposed
- ▼ On behalf of its Carrier members that call in the Port of Houston, USMX joined its Port Association members and the ILA in the West Gulf to challenge this legislation; despite their best efforts, the legislation took effect on September 1, 2019



Governance

SIMAS is governed by a Board of Directors that meets annually.

- SIMAS Directors are chosen from among the USMX Board of Directors and USMX Staff
- SIMAS is administered locally by Marsh Management Services (Bermuda) Limited
- SIMAS premiums are funded through an assessment paid by USMX's Carrier members and are evaluated annually by its actuary



ABOUT THE FIRM

At The Lambos Firm, LLP the emphasis is on finding creative solutions to problems that plague businesses in these competitive times. Our reputation lies in our ability to bring parties together to resolve disputes without unnecessary legal intervention. This is achieved through a proactive approach to our clients' needs by seeking to protect them from potential exposure by thoughtful

strategic planning. However, when litigation is unavoidable, our clients appreciate The Lambos Firm's reputation for vigorous and tenacious advocacy. The hallmark of the firm is its proven experience in handling clients' legal matters successfully and cost-effectively.



THE LAMBOS FIRM, LLP

The attorneys of The Lambos Firm are pictured front row, left to right: Ann Marie Flynn, Esq. & Carol Notias Lambos, Esq., Back row, left to right: Ian A. Weinberger, Esq., William M. Spelman, Esq., Donato Caruso, Esq., Richard J. Ciampi, Jr., Esq., & James R. Campbell, Esq.

The Firm is a full-service law firm concentrating in the areas of labor and employment, ERISA, administrative, business, and insurance law. Our clients span a broad spectrum of industries and include maritime entities; multiemployer associations; transportation companies; banking and financial services corporations; manufacturing concerns; real estate developers and construction contractors; health care organizations; and social service agencies.

The Firm has an active trial practice, jury and non-jury, in federal and state jurisdictions, and an extensive appellate practice, including successful U.S. Supreme Court advocacy. In addition, our attorneys are also actively engaged in non-judicial dispute resolution forums, including arbitrations, mediations, and administrative proceedings.

The Firm has close ties to the maritime community that are manifested through active participation in long-standing maritime associations and support of charitable causes important to the industry. The attorneys of the Firm are dedicated and fully committed to serving the interests of the maritime community as well as recognizing the excellence the community brings out in its own.

2019 REPORT OF COUNSEL

MASTER CONTRACT-RELATED ISSUES

Illegal Secondary-Boycott Activities

In 2012, ICTSI Oregon, Inc. sued the International Longshore & Warehouse Union (ILWU) and its Local 8 for damages resulting from work stoppages and slowdowns related to two ILWU jobs that involved the plugging, unplugging, and monitoring of refrigerated containers and which caused ICTSI to leave the Port of Portland and the Portland marine terminal to close. After seven years of legal proceedings, a two-week jury trial in October 2019 resulted in a \$93.6 million verdict against the ILWU for damages caused by its unfair labor practices. The ILWU's motion seeking a determination that the damage award was excessive was pending at year-end.

2019 FEDERAL JUDICIAL, LEGISLATIVE, AND REGULATORY ACTIVITY

Secondary-Boycott Prohibitions Are Not Unconstitutional

In October 2019, the Court of Appeals for the Ninth Circuit (States of AZ, AK, CA, HI, ID) affirmed an order by the National Labor Relations Board confirming that prohibitions on secondary boycotts under the *National Labor Relations Act* (NLRA) do not violate the First Amendment to the United States Constitution. The union struck an employer over allegedly substandard wages and picketed for several months. During the strike, the union attempted to get the employees of a second employer to stop working. That employer filed an unfair labor practice charge, alleging that the union induced a secondary boycott by encouraging neutral employees to support the strike. The Court of Appeals rejected the union's claim that the NLRA's prohibition on secondary boycotts unlawfully abridges free speech.

FEDERAL LEGISLATION

Multiemployer Pension Recapitalization and Reform Plan

In November 2019, two United States Senators issued the *Multiemployer Pension Recapitalization and Reform Plan*, a proposal to amend the laws that apply to multiemployer defined benefit pension plans, many of which are in severe financial distress and in danger of running out of money. The proposal would reduce the long-term funding investment return assumption to 6.0%, down from a higher long-term funding assumption of 7.0%, a concern to multiemployer pension plans that are well-run, well-managed, and well-funded. The proposal would also replace the calculation of withdrawal liability under current law and require plans to provide withdrawal-liability estimates to all contributing employers free of charge every three years. These changes are intended to encourage current employers to stay in plans and new employers to join plans. The proposal had not yet been introduced as a legislative bill at year-end.



EQUAL EMPLOYMENT OPPORTUNITY COMMISSION (EEOC)

In December 2019, the EEOC rescinded its 1997 policy that employment agreements requiring mandatory arbitration of discrimination claims as a condition of employment were contrary to federal employment discrimination statutes. This policy change is consistent with numerous decisions since 1997 by the Supreme Court of the United States, ruling that agreements to arbitrate employment disputes are enforceable under the *Federal Arbitration Act*.



FEDERAL MARITIME COMMISSION (FMC)

Demurrage, Detention, and Per Diem Charges

In 2016, the Coalition for Fair Port Practices petitioned the FMC to initiate a rulemaking proceeding to clarify what constitutes "just and reasonable rules and practices" with respect to the assessment of demurrage, detention, and per diem charges by ocean common carriers and marine-terminal operators. The FMC accepted comments to the record in 2017, held public hearings in early 2018, and in December 2018 issued its report, *Fact-Finding Investigation No. 28: Final Report, Conditions and Practices Relating to Detention, Demurrage, and Free Time in International Oceanborne Commerce*.

The FMC's investigation found that demurrage and detention charges can incentivize cargo to move expeditiously and that standardizing practices for when these fees are levied would improve the speed at which cargo is handled at ports. Another important finding was that focusing demurrage practices on notice of when cargo is actually available would likely eliminate many of the circumstances that lead to the imposition of demurrage fees.

In September 2019, the FMC published a Notice of Proposed Rulemaking (NPRM) in the *Federal Register* that amends the *Shipping Act of 1984* and requires the FMC to consider the extent to which demurrage and detention are serving their intended purposes as financial incentives to promote freight fluidity in assessing the reasonableness of demurrage and detention practices and regulations. The rule will become final in 2020.

Exemption from Certain Provisions of the Shipping Act of 1984

In September 2019, the FMC voted to approve an order exempting ocean carriers from publishing the essential terms of their service contracts, such as the origin and destination port ranges, the commodities involved, the minimum volume, and the service contract duration, in order to ease the filing requirements of ocean carriers. The FMC also approved the issuance of an NPRM in the *Federal Register* to adopt this regulatory relief.



NATIONAL LABOR RELATIONS BOARD (NLRB)

NLRB's "Joint-Employer" Standard Is Restored

In August 2015, the NLRB significantly expanded the definition of a "joint employer" to include employers that have minimal or only indirect control through an intermediary over the working conditions of employees or that merely reserve the right to exercise such control. *Browning-Ferris Indus. of Cal., Inc.*, 362 N.L.R.B. No. 186 (2015). Under this revised standard two or more entities could be found to be joint employers of a single work force, if they share or co-determine those matters governing the essential terms and conditions of the employees' employment, such as hiring, firing, discipline, supervision, direction of work or hours, or wages.

In September 2018, the NLRB published and later adopted a Final Rule that reverses its 2015 decision. Now, in order to be designated as a joint employer, a business must possess and exercise substantial, direct, and immediate control over at least one essential term or condition of employment of another employer's employees. The Final Rule restores the NLRB's joint-employer standard that had been applied for several decades prior to the 2015 *Browning-Ferris* decision.

Pro-Employer NLRB Decisions

In 2019, the NLRB issued several pro-employer decisions, some of which overturned pro-employee rulings that had been handed down during the prior administration, and which pro-employer decisions held as follows:

- Employers can discontinue deducting union dues after the collective bargaining agreement that contains the checkoff provision expires;
- Employers can once again require confidentiality from employees for the duration of a workplace investigation;
- Employers can restrict employees from conducting union business over company e-mail systems on a non-discriminatory basis, unless there are no other reasonable means for employees to communicate with each other; and
- The NLRB restored its longstanding post-arbitration standard of review in which it will defer to an arbitrator's decision if (1) the arbitration appears to have been fair and regular, (2) all parties have agreed to be bound, (3) the arbitrator considered the unfair labor practice issue alleged to be in violation of the *National Labor Relations Act* (NLRA), and (4) the arbitrator's decision is clearly not repugnant to the NLRA.

The latter decision also restores policies for pre-arbitration deferral by the NLRB, which were established in 1984, and for deferral by the NLRB to pre-arbitration settlement agreements, which was established in a 1985 NLRB decision.

Workplace Changes During the Term of a Collective Bargaining Agreement

In September 2019, the NLRB adopted a new "unilateral change" rule that permits employers to make unilateral changes in their workplaces during the term of their collective bargaining agreements (CBA), without first bargaining with the unions that represent their employees, when the change falls within the scope of contract language that grants the employer the right to act unilaterally. This new standard is less restrictive than the NLRB's prior rule and makes it easier for employers to amend the terms and conditions of employment during the term of a CBA.



OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION (OSHA)

Powered Industrial Trucks (PIT): Request for Information

In March 2019, OSHA published a Request for Information on issues related to the requirements in the OSHA standards on PITs for general, maritime, and construction industries. Maritime industry stakeholders submitted comments, challenging OSHA's inclusion of the longshore and marine-terminal industries in its review of general, industry standards for PITs. The comments pointed out that the July 14, 2000 Settlement Agreement entered into by OSHA and the National Maritime Safety Association sets the standards for the use of, and training and recertification for, PITs in the longshore and marine-terminal industries. It is anticipated that a Notice of Proposed Rulemaking (NPRM) will be published in 2020.

2019 REPORT OF COUNSEL



In February 2019, the PBGC published an NPRM in the *Federal Register* that would implement statutory changes under the *Multiemployer Pension Reform Act of 2014*, simplifying the determination of a withdrawing employer's liability under a multiemployer plan and the annual withdrawal liability payment amount, when the plan has had benefit reductions, benefit suspensions, surcharges, or contribution increases that must be disregarded. The proposed amendments would also provide simplified withdrawal-liability-calculation methods. The proposed rule was pending before the PBGC at year-end.



Transportation
Security
Administration

TRANSPORTATION WORKER IDENTIFICATION CREDENTIAL [TWIC]

Enrollment

At year-end there were 5.521 million TWIC enrollments since inception in 2007, with 2.295 million active TWIC cards in use. The OneVisit Enrollment Program, which was implemented in June 2014 to streamline the TWIC-enrollment process and to eliminate the need for a second visit to an enrollment center to pick up an issued TWIC, has been a success. At year-end there were 1.930 million OneVisit enrollments, which constituted 84% of all enrollments.

Seafarers' Access to Maritime Facilities

In April 2019, the U.S. Coast Guard published a Final Rule that requires each owner or operator of a facility regulated by the Coast Guard to implement a system that provides seafarers and other individuals with access between vessels moored at the facility and the facility gate, in a timely manner, and at no cost to seafarers or other individuals. The Rule also requires owners and operators to document their access procedures in their Facility Security Plans and to receive approval from the local Captain of the Port.

TWIC Developments

In October 2019, the Transportation Security Administration issued a TWIC Technical Advisory, which announced the second-and-final-round comment period for the *Next Generation [NEXGEN] TWIC Reader Hardware and Card Application Specification*. This proposed NEXGEN Specification provides new functionality and security features for use of the TWIC but maintains compatibility with the current specification that was published in May 2012. The second-round comment period will close in December 2020.

TWIC-Reader Rule

The TWIC-Reader Rule that was published in August 2016 required higher-risk *Maritime Transportation Security Act of 2002*-regulated vessels and facilities (Risk Group A) to conduct electronic TWIC inspections for access to secure areas or to board vessels. Risk Group A includes 525 vessels or facilities that carry or handle "Certain Dangerous Cargo (CDC)" in bulk or facilities that receive vessels carrying more than 1,000 passengers. Container terminals are in Group B, which is exempt from the Rule.

The Final TWIC-Reader Rule that has been published delays until 2023 the implementation of TWIC readers at facilities that handle CDC, while allowing reader requirements for large passenger facilities and one large passenger vessel to move forward. This will delay the implementation of the TWIC-Reader Rule for 370 of the 525 affected Risk Group A facilities by three (3) years, while the remaining 155 facilities (which are all facilities that receive large passenger vessels), as well as one vessel, must implement the Final TWIC-Reader Rule requirements.



"At year-end [2019] there were
5.521 million TWIC enrollments
since inception in 2007, with
2.295 million active TWIC cards
in use."



NY/NJ FOREIGN FREIGHT FORWARDERS & BROKERS ASSOCIATION GALA

February 7, 2019
New York, New York



Harold Daggett Named Person of the Year

The New York/New Jersey Foreign Freight Forwarders and Brokers Association named Harold J. Daggett its “2019 Person of the Year.” Mr. Daggett was honored at the Association’s annual gala on Thursday, February 7th at the New York Marriott Marquis.

Mr. Daggett is International President of the International Longshoremen’s Association, AFL-CIO, and serves as its chief negotiator. His most recent accomplishment as the ILA’s chief negotiator is a six-year Master Contract agreement between the ILA and United States Maritime Alliance (USMX). This landmark agreement brings labor peace to the industry through September 2024.



TRANSPACIFIC MARITIME CONFERENCE

March 3-6, 2019
Long Beach, California



Conference Objective

The objective of the 2019 TPM conference is to create value for beneficial cargo owners — BCOs — including retailers, manufacturers, consumer product companies, traders, energy, agribusiness, and other major shipper organizations through high-quality networking alongside an intensive three-day program addressing key challenges shippers face when relying on container shipping services to support their supply chains. 2019 Conference tracks included: market outlook & trends; technology & automation; exporting from the US; longshore labor; trucking & landside disruption; port productivity & efficiency; sector-specific analysis; drayage; and Ted-style talks.

USMX Chairman & CEO Dave Adam (left) and ILA Executive Vice President Dennis Daggett (right) met with Jonathan Gold, the National Retail Federation (NRF)’s Vice President of Supply Chain and Customs Policy, during the 2019 TPM conference in Long Beach, California. USMX and the ILA continue to work closely with the NRF, and with Mr. Gold.



INDUSTRY HAPPENINGS

INTERNATIONAL MARITIME HALL OF FAME AWARDS

May 8, 2019
New York, New York



The Maritime Association of the Port of New York/New Jersey held its 26th Annual International Maritime Hall of Fame awards dinner on May 8, 2019 at the Grand Hyatt Hotel in New York City. The International Maritime Hall of Fame awards started in 1993, when the Maritime

Association of the Port of New York/New Jersey created them to honor, every year, a group of maritime visionaries who best exemplified the qualities of futuristic thinking guiding maritime transportation into the years ahead. Since then, a broad cohort of leading lights of the industry have been inducted into the Hall of Fame. They include figures from the worlds of container shipping, tanker and dry bulk shipping, terminal operations, ocean transportation intermediaries, stevedores, tug and barge operators, major railroads, in addition to those who represent both employers and labor in the maritime sphere. Funds raised for the awards promote educational services within the industry.

The event attracted the largest number of attendees—approximately 450—in recent years. Its Master of Ceremonies was Joe Hughes, Chairman and CEO of the American P&I Club, and a current Director (and former President) of the Maritime Association of the Port of New York/New Jersey.



HOLE IN THE WALL GANG CAMP FUND CHARITY GOLF OUTING

May 20, 2019
Monroe Township, New Jersey

The officers and the members of both the ILA and USMX joined forces on May 20th, to raise more than a quarter-million dollars for the 26th Annual Hole in the Wall Gang Camp Tournament at Forsgate Country Club in Monroe Township, New Jersey. A record 280 golfers filled the fairways of the Banks and Palmer courses with fun and fellowship.

David F. Adam, USMX Chairman and CEO (left), and Harold J. Daggett, ILA President (right), presented a check to guest speaker and Hole in the Wall Gang Camper Micaela, and her father Richard, for \$125,000. Then, that amount was more than doubled when additional contribution pledges were made on the spot from the more than 500 guests in attendance at the event Awards Dinner, bringing the final total raised at the 2019 event to \$260,000. The continuous generosity of USMX's members, management partners, and the ILA, who come through for the Hole In the Wall Gang Camp campers and their families year after year is unparalleled.



Each year, the maritime community shares the single mission of helping raise funds for the Hole in the Wall Gang Camp, founded by the late actor Paul Newman, that allows children suffering from cancer and other life-threatening illnesses to attend and enjoy a summer camping experience.

Since 1992, the ILA, through its ILA Children's Fund, has adopted the Hole In the Wall Gang Camp as its official charity and, together with its management partners at USMX and other maritime employers, has raised nearly \$5 million for the camp.

ILA'S 55TH QUADRENNIAL CONVENTION

July 22-25, 2019
Hollywood, Florida

The International Longshoremen's Association, AFL-CIO (ILA) held its 55th Quadrennial Convention in Hollywood, Florida. The ILA's International President Harold J. Daggett served as Convention Chairman. Hundreds of delegates representing locals at ILA ports from Maine to Texas; Eastern Canada; the Great Lakes Region and Puerto Rico attended the four-day event. A management contingent, comprising the USMX Board of Directors, Bargaining Committee, Port Association & Direct Employer members and Executive Staff, also attended.

USMX CEO David F. Adam, USMX Executive Vice President of Labor Relations F. Paul De Maria, and USMX Director and NY Shipping Association President John F. Nardi, as representatives of the employers of ILA labor on the U.S. East & Gulf Coasts, had the opportunity to address the ILA officers and delegates as guest speakers.

The convention delegates unanimously reelected President Daggett to a third term, and the entire slate of Executive Officers were reelected to new four-year terms on the final day of the ILA's Convention. Stephen Knott will return as ILA Secretary-Treasurer; Dennis A. Daggett as ILA Secretary-Treasurer; Wilbert Rowell as General Vice President; John D. Baker as General Organizer; Alan Robb and James Paylor as Assistant General Organizers and Benny Holland, Jr., as International Executive Vice President Emeritus.

Twenty-one of the 23 International Vice Presidents elected on the final day of the convention were incumbents, with Bill Williams of Houston, Texas and William Hennessey of United Marine Division joining the Executive Council.



SEAMEN'S CHURCH INSTITUTE (SCI) OF NEW YORK & NEW JERSEY'S PORT PACKING DAY

November 1, 2019
Port Newark, New Jersey

SCI's Annual Port Packing Day was held on November 1, 2019, at the International Seafarer's Center. Six teams from various companies packed 1,672 ditty bags (for mariners at sea during the Christmas holidays) with knits, toiletries, personalized Christmas cards and non-perishable treats.



The following teams participated in this year's event: US Maritime Alliance Staff; WDIT – Council on Port Performance Workforce Development Implementation Team; Heidmar; Maher Terminals, LLC; Port Authority of New York & New Jersey; East Coast Warehouse. SCI's International Seafarers' Center, located in the heart of Port Newark, NJ, serves the largest port complex on the East Coast of the United States. SCI welcomes all seafarers and port workers, including truckers, stevedores, and warehouse workers, to this friendly and safe environment for relaxation, recreation, and spiritual refreshment. The SCI promotes safety, dignity and an improved working environment for the men and women serving in North American and international maritime workplaces. Founded in 1834, the Institute is a voluntary, ecumenical agency affiliated with the Episcopal Church.

SALVATION ARMY ANGEL TREE PROGRAM

November 2019
Lyndhurst, New Jersey

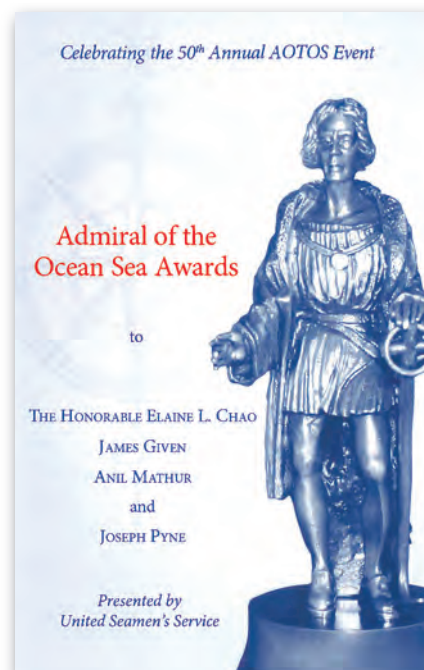


Since 2016, as a way to give back and help those less fortunate, the staff of the United States Maritime Alliance, CCC Service Corp. and CRCCF have participated in the Salvation Army Angel Tree Program to assist those families in need during the holiday season. Spearheaded by Anissa Frucci, USMX Executive Vice President of Administration and Finance, staff members anonymously adopt an "Angel" child or children for Christmas. Working from each child's wish list, new toys and clothes are provided by our staff, so that each child gets to have presents to open on Christmas day. This worthwhile cause has become a Christmas tradition that makes the season brighter for both the gift givers and the receivers.

INDUSTRY HAPPENINGS

THE UNITED SEAMEN'S SERVICE AOTOS AWARDS

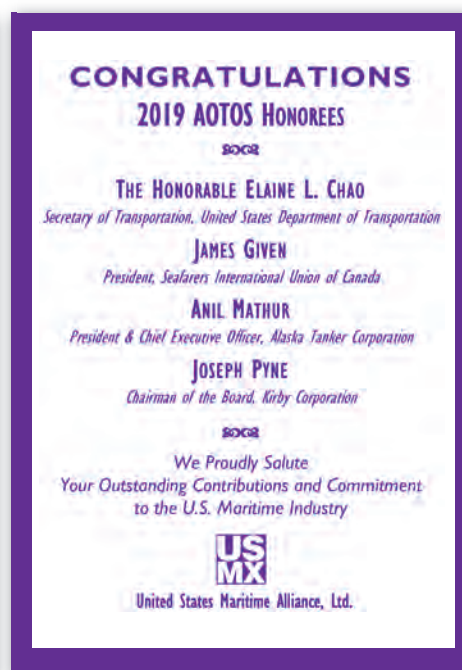
November 1, 2019
New York, New York



On November 1, 2019, the 50th Annual Admiral of the Ocean Sea (AOTOS) event was held at the Sheraton New York Times Square Hotel and is considered by many to be the most prestigious award given in the transportation and maritime industry. Presented annually by United Seamen's Service (USS), this unprecedented industry event recognizes those within the shipping industry who have made significant contributions to American shipping and to American and international seafarers.

USS promotes the welfare of American seafarers and their dependents, seafarers of all nations, US government military and civilian personnel, and other persons engaged in the maritime industry.

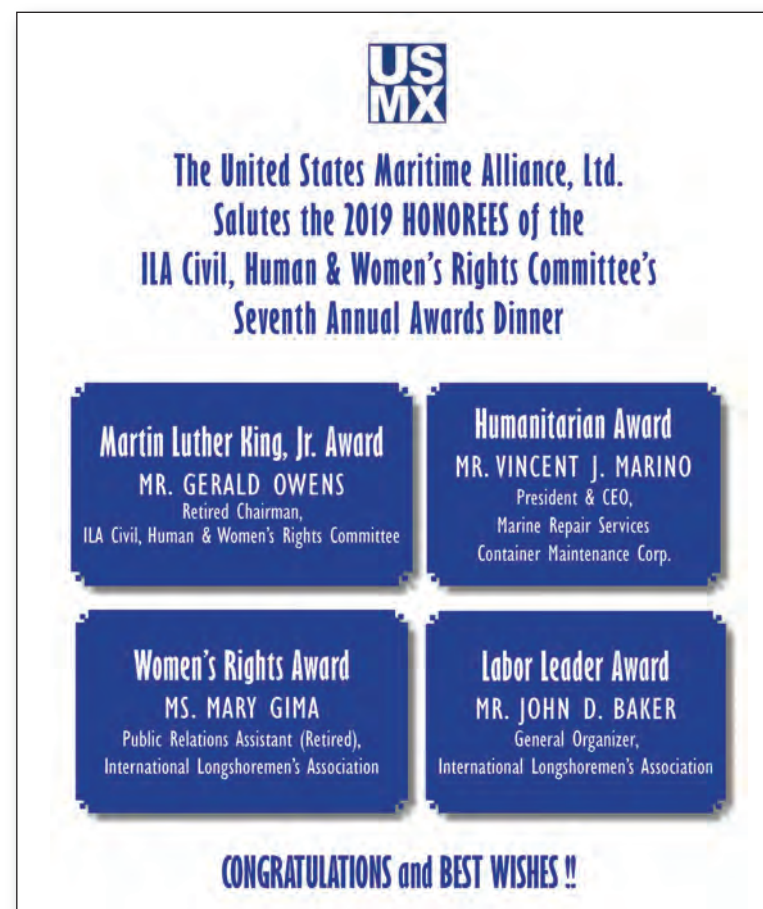
American Merchant Marine Library Association is affiliated with USS and operates as a non-profit, non-sectarian organization that works to supply "seagoing libraries" to the American Merchant Marine, the U.S. Navy and Coast Guard, and seafarers of allied nations.



INTERNATIONAL LONGSHOREMEN'S ASSOCIATION'S CIVIL, HUMAN & WOMEN'S RIGHTS COMMITTEE AWARDS 2019

November 2, 2019
Elizabeth, New Jersey

The 7th Annual ILA Civil Rights Committee awards dinner was held on November 2, 2019, at the Renaissance Newark Airport Hotel. Honorees included ILA Civil Rights Committee Chair Gerald Owens; ILA General Organizer John D. Baker; ILA Public Relations Assistant Mary Gima; and Vincent J. Marino, Jr., President & CEO of Marine Repair Services Container Maintenance Corp. Ms. Clayola Brown, President of the A. Philip Randolph Institute, was the evening's guest speaker.



MARITIME INDUSTRY "GOOD SCOUT" AWARDS

November 7, 2019
Staten Island, New York



The 37th Annual "Good Scout" Award Luncheon was held on November 7th at the Hilton Garden Inn in Staten Island, New York. Honored as Good Scouts for their contributions to the maritime industry were Ms. Susan Winfree, Vice President, Workforce Development & Corporate Diversity for New York Shipping Association and Mr. Michael Izzo, President of International Longshoremen's Association (ILA) Local 920. Also recognized was Mr. Ronald Capri. Mr. Capri was a senior member of the ILA Executive Council, Vice President of ILA Local 1804-1, and Secretary-Treasurer of the ILA's New York-New Jersey District Council. He was honored posthumously for his years of service and dedication to the maritime industry. Proceeds from the awards luncheon benefit the Greater New York Councils and the Patriots' Path Council, Boy Scouts of America. These organizations are based in New York and New Jersey and are dedicated to preparing youngsters to develop healthy habits and to make ethical choices, while instilling in them a framework needed to build strong values and commendable character traits.



CONNIE AWARDS 2019

December 9, 2019
Newark, New Jersey



Mr. Bruce A. Fenimore, Chief Executive Officer of Columbia Group, received the 2019 Connie Award presented by the Containerization & Intermodal Institute (CII) on December 9, 2019. In addition, Ms. Sara Mayes, President and CEO of Gemini Shippers Group and an industry veteran with 50+ year in the business, was presented with the Lifetime Achievement Award. The industry-wide event was held at the Renaissance Newark Airport Hotel.

CII began in 1960, just four years after truck vans—eventually known as shipping containers, an innovation developed by Malcom P. McLean—were carried on deck of a converted tanker, launching the age of containerization. Industry leaders recognized the need to educate each other on the whys and hows of this transport mode. It was, in fact, the most revolutionary change in shipping since sail turned to steam and hence the Bulk Packaging & Container Institute, later to be the Containerization & Intermodal Institute (CII), became a reality thanks to the vision of the container leasing companies.

The Connie Award, founded by CII in 1972, has become a prestigious honor in the global containerization and intermodal industry, and is awarded annually to people, companies, associations and other entities that have made significant contributions to the transportation modes. The Connies—named for the container—are presented at the Connie dinner in Long Beach, California, every September and at the New York-area Connie luncheon each December. The award recipients are selected from a roster of nominees and honored at gala events whose proceeds benefit academic scholarships awarded to those who are perceived as the next generation of industry leaders.



CCC SERVICE CORPORATION

2019 UPDATE

CCC Service Corp. (CCCSC) is a division of USMX and is responsible for providing essential services, such as member assessments reporting, service agreements, managed services and information technology services, for USMX and its various Master Contract trust funds.

Member Assessments Reporting

CCCSC is responsible for the administration of the reporting and payment of Master Contract assessments by USMX's members. CCCSC, in conjunction with the Container Royalty Central Collection Fund (CRCCF), has successfully transitioned all major carriers over to CRCCF's central collection reporting system. Currently, the receivables rate achieved by the centralized collection process stands at a respectable 34 days, four less than the 38-day target rate.

Service Agreements

CCCSC has established Service Agreements with the following organizations, trust funds and programs:

- Management-ILA Managed Healthcare (MILA) Trust Fund
- Carrier-ILA Container Freight Station (CFS) Trust Fund
- Carrier-ILA Container Royalty (CR4) Trust Fund
- Carrier-ILA Container Royalty 5 (CR5) Trust Fund
- Container Royalty Central Collection Fund (CRCCF)
- Shipping Industry Mutual Assurance Association Limited (SIMAS)
- New York Shipping Association Port of Discovery (NYSAPD) Program
- USMX-ILA Money Purchase Fund & Plan (MPP)

Managed Services Provider

CCCSC provides payroll, general accounting and financial reporting services for itself, USMX, CRCCF, CFS, CR5, CRF and MPP along with IT administration for itself, USMX and CRCCF.

In 2019, the IT group developed, tested and deployed three major release updates for the CRCCF application, and also developed numerous internal reports to assist in analyzing and monitoring the day-to-day operations.

Personnel

In April of 2019, Maria Ouzounis was hired as Manager of Assessment Reporting & Collections.

Notable Accomplishments

CCCSC has maintained long-term success with regard to headcount productivity and financial management:

- Headcount productivity continues to increase; there has been staff reduction of two over the last nine years, with tonnage increasing 48% over the same time period
- USMX/CCCSC financial results continue to meet or exceed budget guidelines by nearly 10%, while maintaining the USMX operational assessment at \$.04 per ton since 1/1/16
- A Fraud Protection Program has been instituted with all our bank accounts (USMX, CCCSC, CRCCF and all the Container Royalty Funds)
- Desktop management services previously handled in-house were outsourced at a lesser cost
- Expansion of the USMX in-house conference room was supervised by CCCSC



Anthony Dalonges
President



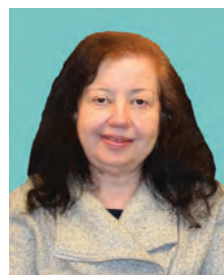
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Executive Vice President,
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CCCSC President



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South Atlantic District



Candace Love
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South Atlantic District

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- The Executive Staff of USMX
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 - ▼ PORT AUTHORITY OF NY/NJ
 - Rick Cotton, Executive Director
 - ▼ PHILAPORT
 - Jeff Theobald, Executive Director/CEO
 - ▼ MARYLAND PORT ADMINISTRATION
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 - ▼ PORT OF VIRGINIA
 - John F. Reinhart, CEO/Executive Director
 - ▼ SOUTH CAROLINA PORTS AUTHORITY
 - James I. Newsome III, President/CEO
 - ▼ GEORGIA PORTS AUTHORITY
 - Griff Lynch, Executive Director
 - ▼ JAXPORT
 - Eric Green, CEO
 - ▼ SOUTHEAST FLORIDA
 - PORTMIAMI
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 - PORT EVERGLADES
 - Jonathan Daniels, Port Director/CEO
 - PORT CANAVERAL
 - Capt. John W. Murray, Port Director/CEO
 - ▼ NEW ORLEANS PORT AUTHORITY
 - Brandy D. Christian, President/CEO
 - ▼ PORT OF HOUSTON AUTHORITY
 - Roger Guenther, Executive Director

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(and previous reports) can be viewed by
going to the USMX.com homepage, clicking
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Reports/Newsletters, with no log-in required

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