

**Memorandum of Understanding as it relates to
Labor Conditions in the Port of Houston Breakbulk Operations**

1. This Memorandum of Understanding is made and entered into by and between the West Gulf Maritime Association (“WGMA”) on behalf of the stevedore employers and the International Longshoremen’s Association (“ILA” hereafter known collectively as “Parties”) covering labor breakbulk operations in Houston, Texas.

2. This Memorandum of Understanding shall take effect on October 1, 2025. Any additional terms negotiated outside of this agreement will take effect upon ratification.

3. Wages:

Year 1 (2025): \$3

Year 2 (2026): \$2

Year 3 (2027): \$1

Year 4 (2028): \$0. No wage increase

Year 5 (2029): \$1

Year 6 (2030): \$1

Wage increases apply to existing pay rates for dedicated and overhead. New employees will be paid at scale. The Parties agree to meet prior to implementation to revise the dedicated worker list and maintenance process.

4. The Parties have agreed to terminate the bonus pay system. Additionally, all wages properly disputed and processed through the grievance system will be renumeralated by the direct employer. All bonus pay earned in the previous contract year will be honored and paid by the direct employer.

5. Fringe. There will be no increases in the fringe rate throughout the term of this contract.

6. Holidays. The Parties agree to three (3) “No Work” days and seven (7) Holidays for a total of ten (10). The aforementioned days will be recognized as notated below:

- a. Thanksgiving (“No Work”)
- b. Christmas (“No Work”)
- c. Labor Day (“No Work”)
- d. New Years Day
- e. Martin Luther King
- f. Memorial Day
- g. Independence Day
- h. Veterans Day
- i. Good Friday
- j. Emancipation Day

7. Management will review and improve direct discharge practices.

8. When flexing, the direct employer must knock gangs off 6.5 hours after the meal break.

Clerks/CIC/CWS day’s work is not necessarily governed by the time loading or discharging gangs released while a vessel is working. These workers shall be paid for all time they are required to work after gangs are knocked off. This provision applies to the Assistant Clerk only when applicable. Overhead guarantees are paid at the prevailing rate.

9. Management will order two (2) winchmen. However, if labor conditions exist to where only one winchman is operating, that winchman is paid double the prevailing wage rate (\$46) but is paid only one single fringe rate.