

## Assessments Bulletin 2009-2010, June Update

**To:** Longshore Payroll Services Users, Vessel Operators, Agents for Vessel Operators, Contracting Stevedores, Terminal Operators, and other Parties who, through contracts or other arrangements, have assumed obligations required by Collective Bargaining Agreements which include participation in Benefit Plans administered by PMA.

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Assessment rates for the 2009/2010 fiscal year have been approved by the Board of Directors and have been posted to the PMA Internet site at [www.pmanet.org](http://www.pmanet.org). Man-hour assessments are effective for the payroll week beginning 8:00 a.m. July 4, 2009. Tonnage assessments are effective for cargo reported on vessels sailing after 12:01 a.m. July 1, 2009.

With fixed pension and welfare obligations of close to \$1 billion and declining volume over which to assess benefit costs, rates would have increased 65-70%. Two-thirds of this increase is due to falling hours and cargo. The rest of the increase primarily stems from rising pension costs of \$150 million – 1/3 of which relates to investment losses and the balance is primarily due to deferred actuarial costs of benefit increases from the 80's and 90's (not driven by plan changes negotiated in the 2008 and 2002 contracts).

However, steps were taken to mitigate these large assessment rate increases in order to maintain West Coast competitiveness for discretionary cargo. The final rates posted ([www.pmanet.org](http://www.pmanet.org)) totaled \$28.78 on the longshore man-hour rate (up 34%) and \$29.58 on the TEU rate (up 32%). If volumes further deteriorate beyond current projections, then these rates could be subject to change.