

**EXHIBIT 1**



**Pacific Maritime Association**  
**Headquarters**

July 21, 1997

Mr. Brian McWilliams, President  
International Longshore & Warehouse Union  
1188 Franklin Street, 4<sup>th</sup> Floor  
San Francisco, CA 94109

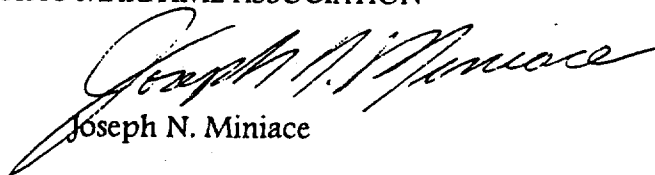
Re: Letter of Understanding/  
Minimum Pension Contribution

Dear Mr. McWilliams:

By this Letter of Understanding, PMA agrees that should the Funding Percentage for the ILWU-PMA Pension Plan (as defined in paragraph 4.042(c)(ii) of the Plan) fall below eighty-five percent (85%) as of the beginning of a particular Plan Year, the Contributions in the following Plan Year shall not be less than the lesser of (a) the total administrative costs and benefits to be paid by the Trustees during said following Plan Year or (b) the amount required to increase the Funding Percentage for said following Plan Year to eighty-five percent (85%).


Very truly yours,

PACIFIC MARITIME ASSOCIATION

  
Joseph N. Miniace

JNM scs

Understanding Confirmed:

  
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Brian McWilliams, ILWU President

Date: 7.21.97