

Transmittal No. 6
Revenue Sharing Breakpoint Example

As an example, for illustrative purposes, with respect to compensation obligations under Permit 959, in Calendar Year (CY) 2024, the MAG will be \$4,364,288 with breakpoints at \$2,943,600 and \$5,887,200.

Under this framework, the Harbor Department would receive 100% of wharfage and dockage charges invoiced to Pasha up to \$2,943,600. Then, the Harbor Department would receive 50% of the next \$2,943,600 in wharfage and dockage charges up to \$5,887,200. Beyond \$5,887,200 in gross wharfage and dockage charges, the Harbor Department would receive 25%.

The table below summarizes how this framework would be applied if CY 2024 gross wharfage and dockage charges assessed under Tariff No. 4 are \$5,000,000 or \$7,500,000.

(A) MAG – CY 2024	\$4,364,288	
100% Breakpoint – CY 2024	\$2,943,600	
50% Breakpoint – CY 2024	\$5,887,200	
	CY 2024 – Low	CY 2024 – High
Gross Wharfage & Dockage	\$5,000,000	\$7,500,000
100% Breakpoint Charges to POLA	\$2,943,600	\$2,943,600
50% Breakpoint Charges to POLA	\$1,028,200	\$1,471,800
25% Breakpoint Charges	-	\$403,200
(B) Net Wharfage & Dockage, prior to MAG	\$3,971,800	\$4,818,600
Final Payment to POLA (Greater of A or B)	\$4,364,288	\$4,818,600

As noted above, if CY 2024 gross wharfage and dockage charges are \$5,000,000, then Pasha would remit the MAG of \$4,364,288 to the Harbor Department because the CY 2024 MAG exceeds Net Wharfage and Dockage calculated based upon the breakpoint framework described above. Conversely, if CY 2024 gross wharfage and dockage charges are \$7,500,000, then Pasha would remit Net Wharfage and Dockage calculated based upon the breakpoint framework of \$4,818,600 because those charges exceed the CY 2024 MAG.