

ORDER NO. _____

An Order of the Board of Harbor Commissioners of the City of Los Angeles amending Port of Los Angeles Tariff No. 4.

THE BOARD OF HARBOR COMMISSIONERS OF THE CITY OF LOS ANGELES DOES HEREBY ORDER AS FOLLOWS:

Section 1. Port of Los Angeles Tariff No. 4, adopted July 12, 1989, by Order No. 5837, and Ordinance No. 165,789, adopted April 10, 1990, as amended, is further amended as set forth in Exhibit "A," attached hereto and incorporated herein by reference.

Section 2. The Director of Environmental Management has determined that the proposed action is exempt from the requirements of the California Environmental Quality Act (CEQA) in accordance with Article II, Section 1 and Article II, Section 2(f) of the Los Angeles City CEQA Guidelines.

Section 3. The Board Secretary shall certify to the adoption of this Order by the Board of Harbor Commissioners and shall cause the same to be published once in a daily newspaper printed and published in the City of Los Angeles, as well as posted electronically on the Port of Los Angeles website.

Section 4. The Board Secretary shall transmit to the City Council for approval the Order and Ordinance approving the amendment to Tariff No. 4 pursuant to City Charter Section 653(a).

Section 5. The Board Secretary shall execute the proposed Board Order and Ordinance amending Tariff No. 4, and upon its publication, transmit the Order and Ordinance to the Chief Wharfinger for implementation of the tariff change and posting the amended Tariff No. 4 to the Port's website as regulated by the Federal Maritime Commission.

I HEREBY CERTIFY THAT the foregoing Order was adopted by the Board of Harbor Commissioners of the City of Los Angeles at its meeting held on

_____.

AMBER M. KLESGES
Board Secretary

APPROVED AS TO FORM AND LEGALITY

Jan 7 2021
MICHAEL N. FEUER, City Attorney
JANNA B. SIDLEY, General Counsel
By *Janna*
JUSTIN HOUTERMAN, Deputy City Attorney
JMH
Attachment

**SECTION TWENTY-THREE
INCENTIVES – GENERAL RULES AND REGULATIONS**

Item No.

**CONTAINER TERMINAL TENANT TRUCK TURN TIME INCENTIVE PROGRAM
DEFINITIONS**

“CONTAINER TERMINAL TENANT” An entity that has entered into and is a Tenant in Good Standing under a current permit or lease with the City of Los Angeles for use and occupancy of property and facilities at the Port of Los Angeles that load and unload cargo containers onto or from ocean-going vessels. They are the legal entity approved as tenants under the following Harbor Department Permits: Permit No. 999, Permit No. 787, Permit No 881, Permit No. 692, Permit No. 888, Permit No. 733, and Permit No. 827.

“FINANCIAL INCENTIVE” The amount of money due a Container Terminal Tenant under the terms of this Program.

“INCENTIVE PERIOD” The period of time a Container Terminal Tenant is eligible to receive a Financial Incentive under this Program shall begin February 1, 2021 and shall continue through January 31, 2022, and continue thereafter until terminated at the discretion of the City of Los Angeles Board of Harbor Commissioners by Order of the Board.

“IN GATE AND OUT GATE” The beginning and end mark of a truck’s transit through each Container Terminal Tenant’s facility.

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“PORT OF LOS ANGELES” has the meaning in Item 100(g) of this Tariff.

“PORT OPTIMIZER™” A privately developed digital supply chain data platform that provides channeled access visibility to supply chain stakeholders for the purpose of enhancing cargo movement (see <https://www.portoflosangeles.org/business/supply-chain/port-optimizer%E2%84%A2>).

“TENANT IN GOOD STANDING as defined in Section III of the Port of Los Angeles Leasing Policy, adopted by the Board of Harbor Commissioners on August 8, 2013 and available at <https://www.portoflosangeles.org/business/leasing-property> or upon request.

“TRUCK TURN TIME” The period of time it takes a truck driver to enter, pickup and/or drop off a shipping container and exit a Container Terminal Tenant’s facility as reported through Port Optimizer™. The In Gate located at the entrance and the Out Gate located at the exit of each Terminal Tenant’s facility will mark the beginning and ending of a truck’s turn time for purposes of this Program.

“TRUCK TURN TIME AVERAGE” A report produced by Port Optimizer™ showing the average Truck Turn Time for a calendar month of a Container Terminal Tenant.

“TRUCK TURN TIME BASELINE” A Container Terminal Tenant’s average Truck Turn Time for each quarter respectively (the first quarter beginning January 1, 2020) as provided by the Container Terminal Tenant for calendar year 2020, subject to verification by the Harbor Department. The Truck Turn Baseline for each Container Terminal Tenant in subsequent calendar years shall be each Container Terminal Tenant’s previous year’s quarterly Truck Turn Time averages as reported through Port Optimizer™. The quarter in all years shall begin on January 1st of each year.

See Item 10 for explanation of abbreviations and symbols.

Correction No.	Order No. Ordinance No.	Adopted Adopted	EFFECTIVE:
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**SECTION TWENTY-THREE
INCENTIVES – GENERAL RULES AND REGULATIONS**

Item No.

**CONTAINER TERMINAL TENANT TRUCK TURN TIME INCENTIVE PROGRAM AND
ELIGIBILITY REQUIREMENTS**

The Container Terminal Tenant Truck Turn Time Incentive Program (Program) shall commence on February 1, 2021 and shall remain in effect at least through January 31, 2022, and continue thereafter until terminated at the discretion of the City of Los Angeles Board of Harbor Commissioners (Board) by Order of the Board. During the Incentive Period, the Harbor Department shall provide Port of Los Angeles’ Container Terminal Tenants a Financial Incentive for maintaining or decreasing Truck Turn Time at their respective facilities as set forth herein.

- a) A Container Terminal Tenant is eligible to receive a Financial Incentive for maintaining a Truck Turn Time Average of thirty-five (35) minutes or less during any calendar month within the Incentive Period as set forth hereunder.
- b) A Container Terminal Tenant is eligible to receive a Financial Incentive for improving its Truck Turn Time Average over its corresponding quarterly Truck Turn Time Baseline related to the number of Twenty-foot Equivalent Units (TEU) moved by drayage truck (truck) through its In Gate and/or Out Gate during any calendar month within the Incentive Period as set forth hereunder.
- c) The Financial incentive shall be calculated in connection to the number of TEUs moved by truck through a participating Container Terminal Tenant’s In Gate and/or Out Gate on a calendar month basis.
- d) Financial Incentive under the Program:
 - I. Financial Incentive Amount.
 - a. A Container Terminal Tenant that achieves a Truck Turn Time Average of thirty-five (35) minutes or less shall be eligible to receive a Financial Incentive of \$3.00 per TEU moved by truck through its In Gate and/or Out Gate.
 - b. A Container Terminal Tenant that improves its Truck Turn Time Average in terms of its percentage improvement from its Container Terminal Tenant’s Truck Turn Time Baseline shall be eligible to receive a Financial Incentive in accordance with the below schedule:

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See Item 10 for explanation of abbreviations and symbols.

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**SECTION TWENTY-THREE
INCENTIVES – GENERAL RULES AND REGULATIONS**

Item No.

**CONTAINER TERMINAL TENANT TRUCK TURN TIME INCENTIVE PROGRAM AND
ELIGIBILITY REQUIREMENTS – Continued**

Truck Turn Time Improvement Payout Schedule

Truck Turn Time Percentage Improvement	Incentive Amount per TEU
5%	\$0.50
6%	\$0.65
7%	\$0.80
8%	\$0.95
9%	\$1.10
10%	\$1.25
11%	\$1.40
12%	\$1.55
13%	\$1.70
14%	\$1.85
15%	\$2.00
16%	\$2.15
17%	\$2.30
18%	\$2.45
19%	\$2.60
20%	\$2.75

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(Cont.)

II. Calculating Truck Turn Time Improvement. The Harbor Department at the end of each calendar month of the Incentive Period shall compare each Container Terminal Tenant’s monthly Truck Turn Time Average against its relevant quarterly Truck Turn Time Baseline to determine the percentage improvement (i.e., reduction of Truck Turn Time Average) each Terminal Tenant has achieved, if any. Should a Container Terminal Tenant make an improvement making it eligible for a Financial Incentive, that Container Terminal Tenant shall receive payment which shall be made no sooner than thirty (30) days after end of the month for which a Container Terminal Tenant has achieved the qualifying improvement subject to the conditions below:

- a. The Financial Incentive under this Program is contingent upon and subject to the following:
 - 1) A Container Terminal Tenant must be a Tenant in Good Standing for any calendar month the Container Terminal Tenant achieves qualifying Truck Turn Times under the Program, to receive a Financial Incentive.

See Item 10 for explanation of abbreviations and symbols.

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SECTION TWENTY-THREE
 INCENTIVES – GENERAL RULES AND REGULATIONS

Item No.

CONTAINER TERMINAL TENANT TRUCK TURN TIME INCENTIVE PROGRAM AND
 ELIGIBILITY REQUIREMENTS – Continued

- 2) A Container Terminal Tenant shall be required to transmit electronically to the Harbor Department the following information within thirty (30) minutes of its occurrence:
 - a. Truck appointment information:
 - i. Time and date of appointment;
 - ii. Confirmation or cancellation verification, and
 - iii. All known container identification numbers connected to the appointment.
 - b. In Gate and Out Gate information:
 - i. Date and time every truck enters In Gate and exits Out Gate;
 - ii. Truck radio frequency identification number, and
 - iii. Container information:
 - 1. Container present at In Gate;
 - 2. Container present at Out Gate;
 - 3. Container identification number of container, when present, at In Gate and Out Gate, and
 - 4. Load status (empty or loaded) of container, when present, at In Gate and Out Gate.

- 3) Reasonable delays in providing this electronic information may be excused upon written request and a showing of good cause, in a manner and for a period of time determined in the sole and absolute discretion of the Executive Director. No payment shall be made until the data in conformance with Tariff Item 2346 for any month a Financial Incentive is claimed has been received by the Harbor Department. This electronic transmission shall be through preapproved contractual electronic data interchange procedures or through other procedures and formats approved by the Executive Director.

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III. Executive Director, in his or her sole and absolute discretion, shall resolve any and all disputes and/or issues regarding the Program including but not limited to: eligibility, Financial Incentive qualification, and amount of Financial Incentive due.

IV. Other than implementing an incentive program via inclusion in the Tariff, which Tariff is incorporated by reference in such contracts, nothing in this Item No. 2346 shall amend, vary or otherwise alter the terms and conditions of any contract, lease, permit, or any other legal agreement between the Port of Los Angeles or the City of Los Angeles, on one hand, and Container Terminal Tenants, on the other hand. For the avoidance of doubt, any payments provided under this Item No. 2346 shall be independent of payment duties and obligations under the Container Terminal Tenants' permits and shall not operate as either offsets or credits thereunder.

See Item 10 for explanation of abbreviations and symbols.

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SECTION TWENTY-THREE
INCENTIVES – GENERAL RULES AND REGULATIONS

Item No.

CONTAINER TERMINAL TENANT DUAL TRANSACTION INCENTIVE PROGRAM
DEFINITIONS

“CONTAINER TERMINAL TENANT” An entity that has entered into and is a Tenant in Good Standing under a current permit or lease with the City of Los Angeles for use and occupancy of property and facilities at the Port of Los Angeles that load and unload cargo containers onto or from ocean-going vessels. They are the legal entity holding the following Harbor Department Permits: Permit No. 999, Permit No. 787, Permit No 881, Permit No. 692, Permit No. 888, Eagle Permit No. 733, and Permit No. 827.

“DUAL TRANSACTION REPORT” A report showing the percentage of Dual Transactions a Container Terminal Tenant processed at its facility during any given calendar month as reported through Port Optimizer™ for the purposes of this Program.

“DUAL TRANSACTIONS” When a trucker arrives and delivers a shipping container at a Container Terminal Tenant’s facility and without leaving the facility obtains a different shipping container before departure for delivery to a destination.

“FINANCIAL INCENTIVE” The amount of money due a Container Terminal Tenant under the terms of this Program.

“INCENTIVE PERIOD” The period of time a Container Terminal Tenant is eligible to receive a Financial Incentive under this Program shall begin February 1, 2021 and shall continue through January 31, 2022, and continue thereafter until terminated at the discretion of the City of Los Angeles Board of Harbor Commissioners by Order of the Board.

“IN GATE AND OUT GATE” The beginning and end mark of a truck’s transit through each Container Terminal Tenant’s facility.

“PORT OF LOS ANGELES” has the meaning in Item 100(g) of this Tariff.

“PORT OPTIMIZER™” A privately developed digital supply chain data platform that provides channeled access visibility to supply chain stakeholders for the purpose of enhancing cargo movement (see <https://www.portoflosangeles.org/business/supply-chain/port-optimizer%E2%84%A2>).

“TENANT IN GOOD STANDING as defined in Section III of the Port of Los Angeles Leasing Policy, adopted by the Board of Harbor Commissioners on August 8, 2013 and available at <https://www.portoflosangeles.org/business/leasing-property> or upon request.

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See Item 10 for explanation of abbreviations and symbols.

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**SECTION TWENTY-THREE
INCENTIVES – GENERAL RULES AND REGULATIONS**

Item No.

**CONTAINER TERMINAL TENANT DUAL TRANSACTION INCENTIVE PROGRAM AND
ELIGIBILITY REQUIREMENTS**

The Container Terminal Tenant Dual Transaction Incentive Program (Program) shall commence on February 1, 2021 and shall remain in effect at least through January 31, 2022, and continue thereafter until terminated at the discretion of the Board by Order of the Board. During the Incentive Period, the Harbor Department shall provide Port of Los Angeles' Container Terminal Tenants a Financial Incentive, when they achieve a set percentage of Dual Transactions as set forth herein.

- a) A Container Terminal Tenant is eligible to receive a Financial Incentive when a minimum of fifty percent (50%) of its gate transactions are Dual Transactions within a calendar month.
- b) The Twenty-foot Equivalent Unit (TEU) incentive shall be applied to all loaded TEUs moved by truck through a Container Terminal Tenant's In Gate and Out Gate at the Port of Los Angeles in accordance with the respective Container Terminal Tenants' Permit with the Harbor Department.
- c) Financial Incentive under the Program:

The Financial Incentive shall be based on the percentage of Dual Transactions a Container Terminal Tenant achieved at its facility during any given calendar month, per the schedule below:

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<u>Dual Transaction Percentage</u>	<u>TEU Incentive per dual transaction</u>	<u>Dual Transaction Percentage</u>	<u>TEU Incentive per dual transaction</u>	<u>Dual Transaction Percentage</u>	<u>TEU Incentive per dual transaction</u>
50	\$ 0.40	67	\$ 0.74	84	\$ 1.08
51	\$ 0.42	68	\$ 0.76	85	\$ 1.10
52	\$ 0.44	69	\$ 0.78	86	\$ 1.12
53	\$ 0.46	70	\$ 0.80	87	\$ 1.14
54	\$ 0.48	71	\$ 0.82	88	\$ 1.16
55	\$ 0.50	72	\$ 0.84	89	\$ 1.18
56	\$ 0.52	73	\$ 0.86	90	\$ 1.20
57	\$ 0.54	74	\$ 0.88	91	\$ 1.22
58	\$ 0.56	75	\$ 0.90	92	\$ 1.24
59	\$ 0.58	76	\$ 0.92	93	\$ 1.26
60	\$ 0.60	77	\$ 0.94	94	\$ 1.28
61	\$ 0.62	78	\$ 0.96	95	\$ 1.30
62	\$ 0.64	79	\$ 0.98	96	\$ 1.32
63	\$ 0.66	80	\$ 1.00	97	\$ 1.34
64	\$ 0.68	81	\$ 1.02	98	\$ 1.36
65	\$ 0.70	82	\$ 1.04	99	\$ 1.38
66	\$ 0.72	83	\$ 1.06	100	\$ 1.40

See Item 10 for explanation of abbreviations and symbols.

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SECTION TWENTY-THREE
INCENTIVES – GENERAL RULES AND REGULATIONS

Item No.

CONTAINER TERMINAL TENANT DUAL TRANSACTION INCENTIVE PROGRAM AND
ELIGIBILITY REQUIREMENTS -- Continued

I. Calculating Dual Transaction Percentage. The Harbor Department at the end of each calendar month of the Incentive Period shall determine each Container Terminal Tenant’s monthly Dual Transaction percentage using the Dual Transaction Report produced by Port Optimizer™. Should a minimum of fifty percent (50%) of a Container Terminal Tenant’s gate transactions be Dual Transactions, that Container Terminal Tenant would be eligible for a Financial Incentive according to the actual Dual Transaction Percentage achieved according to the above table. The Container Terminal Tenant shall receive a Financial Incentive which shall be made no sooner than thirty (30) days after end of the month for which a Container Terminal Tenant has achieved the qualifying improvement subject to the conditions below:

a. Payment under this Program is contingent upon and subject to the following:

- 1) A Container Terminal Tenant must be a Tenant in Good Standing for any calendar month the Container Terminal Tenant achieves qualifying percentages of Dual Transactions under the Program to receive a Financial Incentive;
- 2) A Container Terminal Tenant shall be required to transmit electronically to the Harbor Department the following information within thirty (30) minutes of its occurrence:

a. Truck appointment information:

- i. Time and date of appointment;
- ii. Confirmation or cancellation verification of the appointment, and
- iii. All known container identification numbers connected to appointment.

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(Cont.)

See Item 10 for explanation of abbreviations and symbols.

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SECTION TWENTY-THREE
INCENTIVES – GENERAL RULES AND REGULATIONS

Item No.

CONTAINER TERMINAL TENANT DUAL TRANSACTION INCENTIVE PROGRAM AND
ELIGIBILITY REQUIREMENTS -- Continued

b. In Gate and Out Gate information:

- i. Date and time every truck enters In Gate and exits Out Gate;
- ii. Truck radio frequency identification number, and
- iii. Container information:
 - 1. Container present at In Gate;
 - 2. Container present at Out Gate;
 - 3. Container identification number of container, when present, at In Gate and Out Gate, and
 - 4. Load status (empty or loaded) of container, when present, at In Gate and Out Gate.

3) Reasonable delays in providing this electronic information may be excused upon written request and a showing of good cause, in a manner and for a period of time determined in the sole and absolute discretion of the Executive Director. No payment shall be made until the data in conformance with Tariff Item 2351 for any month a Financial Incentive is claimed has been received by the Harbor Department. This electronic transmission shall be through preapproved contractual electronic data interchange procedures or through other procedures and formats approved by the Executive Director.

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II. Executive Director, in his or her absolute discretion, shall resolve any and all disputes and/or issues regarding the Program including but not limited to: eligibility, Financial Incentive qualification, and amount of Financial Incentive due.

III. Other than implementing an incentive program via inclusion in the Tariff, which Tariff is incorporated by reference in such contracts, nothing in this Item No. 2351 shall amend, vary or otherwise alter the terms and conditions of any contract, lease, permit, or any other legal agreement between the Port of Los Angeles or the City of Los Angeles, on one hand, and Container Terminal Tenants, on the other hand. For the avoidance of doubt, any payments provided under this Item No. 2351 shall be independent of payment duties and obligations under the Container Terminal Tenants' permits and shall not operate as either offsets or credits thereunder.

See Item 10 for explanation of abbreviations and symbols.

Correction No.	Order No.	Adopted	EFFECTIVE:
	Ordinance No.	Adopted	