

DATE: OCTOBER 27, 2025

FROM: CARGO MARKETING

**SUBJECT: RESOLUTION NO. _____ - APPROVE PERMANENT ORDER TO
AMEND PORT OF LOS ANGELES TARIFF NO. 4, "GENERAL RATE
INCREASE"**

SUMMARY:

Staff requests approval of a Permanent Order to amend Port of Los Angeles Tariff No. 4 (Tariff) to increase rated tariff items based on the West Region Consumer Price Index for All Urban Consumers (CPI-U). The California Association of Port Authorities (CAPA), of which the Port of Los Angeles (Port) is a member, adopted an annual general rate increase (GRI) methodology for tariffs based on the CPI-U. The Bureau of Labor Statistics has identified a 2.5 percent increase in the CPI-U for the 12-month period ending in December 2024.

The proposed CAPA GRI of 2.5 percent, effective December 1, 2025, is applicable to almost all Port Tariff rated items, excluding rated tariff items that have a scheduled rate increase as of the effective date. A separate action recommends a Temporary Order to make changes to Tariff No. 4 within the Board of Harbor Commissioners' (Board's) authority to adopt rates for up to 90 days, with any rates to be effective beyond the 90 days requiring this Permanent Order and Ordinance to be approved by the City Council.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners (Board):

1. Find that the Director of Environmental Management has determined that the proposed action is categorically exempt from the requirements of the California Environmental Quality Act (CEQA) under Article III Class 1(31) of the Los Angeles City CEQA Guidelines;
2. Approve the amendment to Port of Los Angeles Tariff No. 4 increasing rates to Section Four "Dockage", Items 450 & 480; Section Five "Wharfage", Items 550-001 through 550- 801; Section Seven "Free Time, Wharf Demurrage, and Wharf Storage", Items 780 and 790; Section Nine "Container Cranes" Item 900; Section Eleven "Charges for Occupancy of Office Space, etc. In Transit Sheds and on Wharves and Wharf Premises", Item 1100; Section Twelve "Water and Electricity", Item 1200; Section Fifteen "Public Landings", Items 1525 & 1530; Section Eighteen "General Rules and

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Regulations – Miscellaneous”, Item 1802; Section Nineteen “Commercial Fishing Vessel”, Items 1910 & 1930; and Section Twenty-Four “Recreational Courtesy Docks”, Items 2425 & 2430, subject to the California Association of Port Authorities’ review and approval, and authorize the Executive Director to work with the California Association of Port Authorities to secure this approval or proceed to take independent action in accordance with the California Association of Port Authorities’ procedure;

3. Adopt Permanent Order No. _____ with an effective date of December 1, 2025, to amend Port of Los Angeles Tariff No. 4, increasing rates to Section Four “Dockage”, Items 450 & 480; Section Five “Wharfage”, Items 550-001 through 550-801; Section Seven “Free Time, Wharf Demurrage, and Wharf Storage”, Items 780 and 790; Section Nine “Container Cranes” Item 900; Section Eleven “Charges for Occupancy of Office Space, etc. In Transit Sheds and on Wharves and Wharf Premises”, Item 1100; Section Twelve “Water and Electricity”, Item 1200; Section Fifteen “Public Landings”, Items 1525 & 1530; Section Eighteen “General Rules and Regulations – Miscellaneous”, Item 1802; Section Nineteen “Commercial Fishing Vessel”, Items 1910 & 1930; and Section Twenty-Four “Recreational Courtesy Docks”, Items 2425 & 2430;
4. Direct the Board Secretary to transmit to the City Council for approval the Permanent Order and the Ordinance approving and authorizing the Amendments to Port of Los Angeles Tariff No. 4 pursuant to City Charter 653(a);
5. Direct the Board Secretary to transmit to the City Clerk a Notice of Public Hearing for publication in accordance with the provisions of California Government Code sections 66018 and 6062a;
6. After the effective date of the Ordinance, transmit the Permanent Order and Ordinance to the Executive Director or his nominee for implementation and posting to the Port of Los Angeles website; and
7. Adopt Resolution No. _____.

DISCUSSION:

Background and Context – In calendar years 2004 and 2005, CAPA member ports imposed a five percent GRI. CAPA member ports opined that over the years, previously implemented GRIs have not kept pace with inflation. At the June 28-29, 2012 CAPA Advisory Committee meeting, direction was given to the CAPA Tariffs and Practices Committee to implement an annual CPI-U based GRI system. The GRI system was to consider the following items:

- Applicable to existing and new tariffs
- Based on the CPI-U
- Effective Date: July 1, 2013

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- No adjustments below zero
- Applicable to all CAPA member ports
- Member ports would be able to exercise selective hold-downs and independent action

Subsequently, the Board adopted Temporary Orders for a 1.7 percent GRI for a temporary 9-month period July 2013 - March 2014, which expired when it was not approved by City Council under Permanent Order. On November 4, 2021, the Board and City Council approved Temporary and Permanent Orders amending Tariff No. 4, increasing petroleum products rates by 9.4 and 11.8 percent effective January 1, 2022, and deleting tariff items no longer relevant. Since that time, the Board has consistently approved GRIs on an annual basis. The table below illustrates the more recent Board-approved GRIs.

GRI Percentage	GRI Effective Date	Board Approval Date	City Council Ordinance No.
7.1 percent	August 1, 2022	April 28, 2022	187649
6.2 percent	September 1, 2023	July 20, 2023	188194
3.6 percent	July 1, 2024	June 6, 2024	188366

GRIs were applicable to Tariff No. 4 rated items, excluding rated tariff items that already had a scheduled rate increase.

Proposed 2025 GRI – The Bureau of Labor Statistics has identified a 2.5 percent increase in the CPI-U for the 12-month period ending December 2024. The implementation of the proposed GRI allows the Port to keep its rated tariff items up with the level of inflation. Although Tariff No. 4 covers more than 100 items, Item 550-001 is arguably the most important as this is wharfage on Merchandise Not Otherwise Specified (NOS). The NOS rate applies to commodities that are not specifically listed in Tariff No. 4, but more importantly, any percent increase of Item 550-001 in Tariff No. 4, NOS rate, effective December 1, 2025, would apply to, but not necessarily immediately impact, wharfage rates at five of the seven container terminal permits at the Port. Container terminal permits whose compensation schedule is tied to the NOS rate are:

- APM Terminals Pacific, LTD
- China Shipping Holding Company, LTD
- LATiL Terminal, LLC
- Everport Terminal Services, Inc.
- Yusen Terminals, Inc.

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Container terminal permits, similar to other permits, include a scheduled compensation review process. The scheduled compensation adjustment can be a fixed value, or a percentage increase based on a CPI.

Tariff items and/or permits not subject to the proposed GRI effective December 1, 2025:

- Fenix Marine Services' permit is subject to a GRI only when all other container terminal permits see increases in rates resulting from a GRI.
- The TraPac Inc. permit includes scheduled rate increases as well as storage and demurrage fees which are not subject to a GRI.

Other non-container business wharfage rates for break bulk, liquid bulk, and auto terminals would be impacted by the GRI as well. Staff recommends the Board approve the application of a 2.5 percent GRI based on the CPI-U to all rated items in Tariff No. 4 (Transmittals 1 and 2), except for the tariff items below.

- Item No. 330 – Pilotage: Pilotage rates are currently on a 5-year rate increase schedule (approved by the Board in April 2021).
- Item No. 600 – Passenger Fees: Passenger fees are currently on a 5-year increase schedule (approved by the Board in August 2023).
- Item No. 605 – Alternative Maritime Power (AMP) System Cost Passenger Fees: Currently evaluating whether the Cruise Passenger AMP Fee needs to be updated ensuring the fee charged covers the cost of power after billings.
- Item No. 810 – Space Assignments: This Section (Section 8) shall be exempt from any GRI. This does not prohibit the adjustment of Space Assignment rates through amendments to this Section. Rates have previously been reset and increased based on a CPI level going forward (approved by the Board in October 2020).
- Item No. 1300 – Parking Charges: This Section (Section 13) shall be exempt from any GRI. This does not prohibit the adjustment of Parking Charges through amendments to this Section. (On a separate rate increase schedule approved by the Board in July 2024.).
- Item No. 2040 – Clean Air Action Plan: Permit fees are not part of the GRI.
- Item Nos. 2300 – 2340 – Various Incentives: Not part of a GRI.
- Item No. 2505 – Additional Tariff Requirements: Item No. 2505 is a new Tariff Item within a new Section, Section 25 – Emissions Control Strategy Charges (a Temporary and Permanent Order was approved by the Board in February 2025). Charges in Item No. 2505 shall be exempt from any GRI. This does not prohibit the adjustment of Additional Tariff Requirements through amendments to this Section. Changes in this new Tariff item will be increased based on a percentage or CPI level going forward.

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Rate increases would take effect on December 1, 2025.

Need for Amendment – CAPA, of which the Port is a member, adopted an annual GRI methodology for tariffs based on the West Region CPI-U. The Bureau of Labor Statistics has identified a 2.5 percent increase in the CPI-U for the 12-month period ending December 2024. The implementation of a GRI allows the Port to keep its rated tariff item up with the level of inflation.

Need for Approval – Los Angeles City Charter Section 653 requires the Board to approve any amendment by Order and approval of the City Council by Ordinance. A separate action recommends Board adoption of a Temporary Order within its Los Angeles City Charter authority to approve changes to Tariff No. 4, to be effective for a period not to exceed 90 days. The Temporary Order, if approved, will be effective December 1, 2025, and expire 90 days after the effective date or upon execution of the Permanent Order (Transmittal 3) and Ordinance (Transmittal 4) by the City Council, whichever occurs first.

This action for Board and City Council adoption of a Permanent Order and Ordinance are required under the Charter to make changes to Tariff No. 4 beyond the Temporary Order’s 90-day effective period.

ENVIRONMENTAL ASSESSMENT:

The proposed action is the approval of a Permanent Order to amend the Port of Los Angeles Tariff No. 4, which is an activity that modifies any rate, fee, or charge for the use of existing municipal facilities and services involving negligible or no expansion of use. Therefore, the Director of Environmental Management has determined that the proposed action is categorically exempt from the requirements of CEQA in accordance with Article III Class 1(31) of the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT:

Approval of the proposed Permanent Order would implement a GRI on all revenue-generating items, with certain exceptions, under Tariff No. 4. The NOS rate described within item 550-001 would increase from 736 currently to 754 as proposed. If the proposed Permanent Order is approved, staff estimates that container wharfage revenues through December 31, 2025, would increase by approximately \$0.1 million, or 0.03 percent, while annual container wharfage revenues the following year through December 31, 2026, would increase by approximately \$2.8 million, or 0.67 percent.

The aggregate increase to the NOS rate will not generate a full 2.5 percent increase in container wharfage revenues as certain key permits already include language which increase rates based upon the greater of the annual change in CPI or the annual change in the NOS rate. In addition, certain permits include either exclusions or scheduled rate increases that are not subject to changes in the NOS rate.

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CITY ATTORNEY:

The Office of the City Attorney has reviewed and approved the proposed Permanent Order and Ordinance as to form and legality.

TRANSMITTALS:

1. POLA Tariff No. 4 Excerpt – Exhibit A
2. Proposed CPI GRI Items
3. Permanent Order
4. Ordinance

FIS Approval: *JS* (initials)
CA Approval: *DA* (initials)



ERIC CARIS
Director of Cargo Marketing

Dina Aryan Zaklan for
MICHAEL DIBERNARDO
Deputy Executive Director

APPROVED:

Erica M. Calhoun for

EUGENE D. SEROKA
Executive Director

ES:MD:EC:JY:AA
Author: Eric Caris