

SECTION TWENTY-THREE  
INCENTIVES – GENERAL RULES AND REGULATIONS

Item No.

CONTAINER TERMINAL OPERATOR TRUCK TURN-TIME INCENTIVE PROGRAM  
DEFINITIONS

“CONTAINER TERMINAL” means one of these seven (7) container terminals that load and unload cargo containers onto or from ocean-going vessels at the Port of Los Angeles: Berths 100-109, Berths 121-126, Berths 136-147, Berths 212-225, Berths 226-236, Berths 302-306, or Berths 401-406.

“CONTAINER TERMINAL OPERATOR” means an entity that operates a Container Terminal by handling the container cargo among other terminal operations. The Container Terminal Operator can be the Container Terminal Tenant or other entity that operates the terminal under contract with a Container Terminal Tenant.

“CONTAINER TERMINAL TENANT” means 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 a Container Terminal.

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

“INCENTIVE PERIOD” means the period of time a Container Terminal Operator is eligible to receive a Financial Incentive under this Program shall begin September 1, 2025 and shall continue through July 31, 2026, 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” means the beginning ingress and end egress points of a truck’s transit through each Container Terminal.

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

“PORT OPTIMIZER™” means the privately developed digital supply chain data platform that provides channeled access visibility to supply chain stakeholders for the purpose of enhancing cargo movement (see [Port Optimizer™ | Supply Chain | Business | Port of Los Angeles](#)).

“TENANT IN GOOD STANDING” means 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” or “DRAYAGE TRUCK” means a truck that transports container cargo in and/or out of a Container Terminal.

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See Item 10 for explanation of abbreviations and symbols.

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<p style="text-align: center;">CONTAINER TERMINAL OPERATOR TRUCK TURN-TIME INCENTIVE PROGRAM DEFINITIONS - Continued</p> <p>“TRUCK TURN-TIME” means the period of time it takes a truck driver to enter, pickup and/or drop off a shipping container and exit a Container Terminal as reported through Port Optimizer™. The In Gate located at the entrance and the Out Gate located at the exit of each Container Terminal will mark the beginning and ending of a truck’s turn time for purposes of this Program.</p> <p>“TRUCK TURN-TIME AVERAGE” means a report produced by Port Optimizer™ showing the average Truck Turn-Time for a calendar month of a Container Terminal Operator.</p> <p>“TRUCK TURN-TIME BASELINE” means a Container Terminal Operator’s average Truck Turn-Time for each quarter respectively (the first quarter beginning January 1, 2024) as provided by the Container Terminal Tenant for calendar year 2024, subject to verification by the Harbor Department. The Truck Turn-Time Baseline for each Container Terminal Operator in subsequent calendar years shall be each Container Terminal Operator’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.</p>	<p>* 2345 (Cont.)</p>
<p>See Item 10 for explanation of abbreviations and symbols.</p>	

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

Item No.

**CONTAINER TERMINAL OPERATOR TRUCK TURN-TIME INCENTIVE PROGRAM AND  
ELIGIBILITY REQUIREMENTS**

The Container Terminal Operator Truck Turn-Time Incentive Program (Program) shall commence on September 1, 2025 and shall remain in effect at least through July 31, 2026, 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 Operators a Financial Incentive for maintaining or decreasing Truck Turn-Time at their respective Container Terminals as set forth herein.

- a) A Container Terminal Operator 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 Operator 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 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 Operator’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 Operator 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 Operator that improves its Truck Turn-Time Average in terms of its percentage improvement from its Container Terminal Operator’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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Item No.

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

Truck Turn-Time Improvement Payout Schedule

<b>Truck Turn Time Percentage Improvement</b>	<b>Incentive Amount per TEU</b>
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 Operator’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 Container Terminal Operator has achieved, if any. Should a Container Terminal Operator make an improvement making it eligible for a Financial Incentive, that Container Terminal Operator shall receive payment which shall be made no sooner than thirty (30) days after end of the month for which a Container Terminal Operator 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:

See Item 10 for explanation of abbreviations and symbols.

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INCENTIVES – GENERAL RULES AND REGULATIONS**

Item No.

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

- 1) The Container Terminal Tenant must be a Tenant in Good Standing for any calendar month the Container Terminal Operator achieves qualifying Truck Turn Times under the Program, to receive a Financial Incentive, whether or not the applicable Container Terminal Operator entity is the same as the Container Terminal Tenant entity, or is operating the terminal for the Tenant under a contract.
  
- 2) A Container Terminal Operator 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, may accept less than, or accept substitute data for the requirements stated in Section (2) above.

See Item 10 for explanation of abbreviations and symbols.

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<p style="text-align: center;">CONTAINER TERMINAL OPERATOR TRUCK TURN-TIME INCENTIVE PROGRAM DEFINITIONS - Continued</p> <p>IV. 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.</p> <p>V. 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.</p>	<p>+ 2346 (Cont.)</p>

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 OPERATOR DUAL TRANSACTION INCENTIVE PROGRAM  
 DEFINITIONS

“CONTAINER TERMINAL” means one of these (7) container terminals that load and unload cargo containers onto or from ocean-going vessels at the Port of Los Angeles: Berths 100-109, Berths 121-126, Berths 136-147, Berths 212-225, Berths 226-236, Berths 302-306, or Berths 401-406.

“CONTAINER TERMINAL OPERATOR” means an entity that operates a Container Terminal by handling the container cargo among other terminal operations. The Container Terminal Operator can be the Container Terminal Tenant or other entity that operates the terminal under contract with a Container Terminal Tenant.

“CONTAINER TERMINAL TENANT” means 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 a Container Terminal.

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

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“DUAL TRANSACTIONS” means when a trucker arrives and delivers a shipping container at a Container Terminal and without leaving the Terminal obtains a different shipping container before departure, for delivery to a destination.

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

“INCENTIVE PERIOD” means the period of time a Container Terminal Operator is eligible to receive a Financial Incentive under this Program shall begin September 1, 2025 and shall continue through July 31, 2026, 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” means the beginning and end mark of a truck’s transit through each Container Terminal.

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

“PORT OPTIMIZER™” means 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 [Port Optimizer™ | Supply Chain | Business | Port of Los Angeles](#)).

“TENANT IN GOOD STANDING” has the meaning 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.

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 OPERATOR DUAL TRANSACTION INCENTIVE PROGRAM AND  
 ELIGIBILITY REQUIREMENTS**

The Container Terminal Operator Dual Transaction Incentive Program (Program) shall commence on September 1, 2025 and shall remain in effect at least through July 31, 2026, 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 Operators a Financial Incentive, when they achieve a set percentage of Dual Transactions as set forth herein.

- a) A Container Terminal Operator 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’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 Operator 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 OPERATOR 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 Operator’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 Operator’s gate transactions be Dual Transactions, that Container Terminal Operator would be eligible for a Financial Incentive according to the actual Dual Transaction Percentage achieved according to the above table. The Container Terminal Operator 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 Operator 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 Operator achieves qualifying percentages of Dual Transactions under the Program to receive a Financial Incentive;

2) A Container Terminal Operator 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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 INCENTIVES – GENERAL RULES AND REGULATIONS

Item No.

CONTAINER TERMINAL OPERATOR 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:
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