



Request to Approve Temporary Order to Amend Port of Los Angeles Tariff No. 4, Section Twenty-Five, Container Excess Dwell Fee

Gene Seroka, Executive Director

October 29, 2021



SUMMARY REQUEST OF THE BOARD

It is recommended that the Board:

*Approve the amendment to Port of Los Angeles Tariff No. 4 adding Section Twenty-Five, “Container Excess Dwell Fee”; 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.**

****Reviewed and approved by the California Association of Port Authorities on October 28, 2021.***

BACKGROUND

- Unprecedented congestion being experienced at Port of Los Angeles, major port gateways.
- Working with stakeholders to develop solutions to this issue:
 - *Incentives; expanded information sharing to improve visibility; truck gate management and D&D pilot; Accelerate Cargo LA (24/7 operations).*
- Overall supply chain is strained resulting in cargo sitting on marine terminals for extended periods of time.

PORT OPTIMIZER™: AGING CONTAINERS

Current Days After Discharge by Terminals

Percentages shown are based on the total number of containers discharged from the vessel and currently on the terminal. These numbers will update through out the day.

APMT



ETS



FMS



TRPC



WBCT



YTI



FEE COMMENCEMENT & STRUCTURE

- Program begins November 1, 2021.
 - *Fee collection no sooner than November 15, 2021*
 - *9 days and older for loaded import local container cargo*
 - *6 days and older for loaded intermodal rail cargo*
- \$100/day; rising in increments of \$100 for each subsequent day.
- Billed monthly and without proration to the Ocean Common Carrier on the bill of lading for the discharged container.

FEE: LOCAL IMPORT LOADED



Days on Terminal	Daily Charge (\$)	Cumulative Charge (\$)
9	\$100	\$100
10	\$200	\$300
11	\$300	\$600
12	\$400	\$1,000
13	\$500	\$1,500
More than 13	Incremental \$100 increase per day with no limit	

FEE: INTERMODAL IMPORT LOADED

Days on Terminal	Daily Charge (\$)	Cumulative Charge (\$)
6	\$100	\$100
7	\$200	\$300
8	\$300	\$600
9	\$400	\$1,000
10	\$500	\$1,500
More than 10	Incremental \$100 increase per day with no limit	

AMENDMENT IS NEEDED

- We anticipate this program will help improve fluidity within the terminals.
- Reducing the on-terminal dwell time for import containers will provide more space on our terminals to accept empties, handle exports, and improve fluidity for the wide range of cargo owners that utilize our ports.
- This action is needed to improve terminal velocity.

AMENDMENT IS NEEDED *(Continued)*

- By no means is the intent of this amendment to generate revenue for the Port of Los Angeles. The purpose is to drive the removal of cargo from our terminals based on the charging of a dwell fee.
- We hope the program is resoundingly unsuccessful in producing revenue. What we want here is a change in behavior amongst our partners, not to make money.
- The less money this Tariff item makes and the more cargo that is moved off terminal premises, the better for all.

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