

SECTION TWENTY-THREE
INCENTIVES – GENERAL RULES AND REGULATIONS

Item No.

DEFINITIONS INTERMODAL CONTAINER DISCOUNT PROGRAM

“Actual IPI Rate Reduction” is the amount of the monetary reduction assessed against affirmatively claimed IPI Containers derived by discounting by ten percent (10%) the monetary rate that results from dividing (a) the total amount, in U.S. dollars, of the compensation obligation owed by a Terminal Tenant to the Port of Los Angeles on account of its loading or unloading of each and every loaded or empty cargo container onto or from ocean-going vessels at premises assigned to them for use and occupancy pursuant to contracts issued by the Port of Los Angeles during the calendar year in which the IPI Program commenced, by (b) the total number of TEUs handled at such Terminal Tenant’s premises during the calendar year in which the IPI Program commenced.

“Effective IPI Rate Reduction” means the amount of the monetary reduction assessed against affirmatively claimed IPI Containers derived by discounting by ten percent (10%) the monetary rate that results from dividing (a) the total amount, in U.S. dollars, of the compensation obligation owed by a Terminal Tenant to the Port of Los Angeles on account of its loading or unloading of each and every loaded or empty cargo container onto or from ocean-going vessels at premises assigned to them for use and occupancy pursuant to contracts issued by the Port of Los Angeles during the calendar year preceding the calendar year in which the IPI Program commenced, by (b) the total number of TEUs handled at such Terminal Tenant’s premises during the calendar year preceding the calendar year in which the IPI Program commenced.

2300

“Gross Actual IPI Rate Reduction” is the monetary sum resulting from the aggregation of each and every Actual IPI Rate Reduction in the calendar year on IPI Containers affirmatively claimed by a Terminal Tenant in writing and approved by the Port of Los Angeles.

“Gross Effective IPI Rate Reduction” is the monetary sum resulting from the aggregation of each and every Effective IPI Rate Reduction in the calendar year on IPI Containers affirmatively claimed by a Terminal Tenant in writing and approved by the Port of Los Angeles.

“IPI Container” means an intact loaded or empty cargo container that is loaded onto or unloaded from an ocean-going vessel and that originates from, by rail carriage, or is destined to, by rail carriage, a location outside of California.

“IPI Program” means the “Intermodal Container Discount Program.”

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.

DEFINITIONS INTERMODAL CONTAINER DISCOUNT PROGRAM -- Continued

“Terminal Tenant” means an entity that has entered into and is in good standing under a current permit or contract with the City of Los Angeles for use and occupancy of property and facilities at the Port of Los Angeles that load or unload loaded or empty cargo containers onto or from ocean-going vessels to and from such premises.

2300
(Cont.)

“TEU” means the unit of measurement that is derived by converting the actual length of a cargo container into twenty-foot equivalent units.

INTERMODAL CONTAINER DISCOUNT PROGRAM

Commencing on January 1, 2009, and ending on December 31, 2009, Tenants may participate in the Intermodal Container Discount Program, which shall allow implementation of the Actual IPI Rate Reduction to IPI Containers the Terminal Tenant affirmatively claims in writing and whose wharfage charges become due pursuant to Item 505 between January 1, 2009, and December 31, 2009.

The Terminal Tenant shall be entitled to implement the Effective IPI Rate Reduction on all IPI Containers the IPI Program Participant has affirmatively claimed in writing and whose wharfage charges become due pursuant to Item 505 between January 1, 2009, and December 31, 2009. Such Effective IPI Rate Reduction shall be applied by the Terminal Tenant against any sums due or owing to City pursuant to compensation obligations set forth in contracts or otherwise that are required to be discharged between January 1, 2009, and December 31, 2009.

2305

On or before March 1st of the year following the year in which an Effective IPI Rate Reduction is applied, the Port of Los Angeles shall determine through reconciliation the actual monetary benefit each Terminal Tenant is entitled to receive by: (a) determining the Gross Actual IPI Rate Reduction; (b) determining the Gross Effective IPI Rate Reduction. Should the Gross Actual IPI Rate Reduction exceed the Gross Effective IPI Rate Reduction, the Port of Los Angeles shall, within thirty (30) days of its completion of the reconciliation, credit the Terminal Tenant the amount of any difference. Should the Gross Effective IPI Rate Reduction exceed the Gross Actual IPI Rate Reduction, the Port of Los Angeles shall, within thirty (30) days of its completion of the reconciliation, so advise the Terminal Tenant. Within thirty (30) days following such written notice, the Terminal Tenant shall pay the Port of Los Angeles the amount of any difference.

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.

INTERMODAL CONTAINER DISCOUNT PROGRAM -- Continued

A Terminal Tenant’s request for application of the Effective IPI Rate Reduction shall constitute its irrevocable agreement to submit, upon written request of the Executive Director, and within fifteen (15) days of such written request, information, written or otherwise, that may be reasonably required by the Port of Los Angeles to administer the IPI Program, which information includes, but is not limited to, information regarding all IPI Containers (and their serial numbers) to which the Terminal Tenants assert this IPI Program applies.

2305
 (Cont.)

The Executive Director shall resolve any disputes regarding the amount of the Effective IPI Rate Reduction, the Actual IPI Rate Reduction, the Gross Effective IPI Rate Reduction, and the Gross Actual IPI Rate Reduction.

Except for the adjustments to compensation set forth in this Item No. 2300, nothing in this Item No. 2300 shall amend, vary or otherwise alter the terms and conditions of any contracts between the Port of Los Angeles or the City, on one hand, and Terminal Tenants, on the other hand.

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.

DEFINITIONS INTERMODAL CONTAINER INCENTIVE PROGRAM

For purposes of Items 2310 and 2315 the following definitions shall apply:

“Alameda Corridor Transportation Authority” means the joint powers authority formed by the cities and Ports of Los Angeles and Long Beach.

“Baseline Period” means the 12 month period commencing on May 1, 2008 and ending on April 30, 2009 during which time IPI Container Volume was handled through the San Pedro Bay Ports.

“Incentive Period” means the 12 month period commencing on May 1, 2009 and ending on April 30, 2010 during which time IPI Container Volume was handled through the San Pedro Bay Ports.

“Ocean Common Carrier” means a vessel-operating common carrier as defined in the Shipping Act of 1984, whose vessels call at Port of Los Angeles Container Terminal Tenant premises. Any person or entity disagreeing with the Port of Los Angeles’ determination shall have thirty (30) days from notice of the determination to submit documentation that the vessel is in fact operated by a different person or entity. Upon review of this information, the Port of Los Angeles may amend its determination at the exclusive discretion of the Executive Director.

2310

“IPI Container” means an intact loaded or empty cargo container that: (a) is transported by rail from a point outside California directly to the Port of Los Angeles Container Terminal Tenant's premises (or to a rail facility in Los Angeles County for subsequent delivery directly to the Port of Los Angeles Container Terminal Tenant's premises) for loading onto an ocean-going vessel; or (b) is transported by rail to a point outside California directly from the Port of Los Angeles Container Terminal Tenant's premises (or from a rail facility in Los Angeles County after transport directly from the Port of Los Angeles Container Terminal Tenant's premises) after unloading from an ocean-going vessel.

“IPI Incentive Program” means the Intermodal Container Incentive Program.

“San Pedro Bay Ports” means property under the control and jurisdiction of the Port of Los Angeles or the Port of Long Beach.

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.

DEFINITIONS INTERMODAL CONTAINER INCENTIVE PROGRAM -- Continued

“Container Terminal Tenant” means an entity that has entered into and is in good standing under a current permit or contract with the City of Los Angeles for use and occupancy of property and facilities at the Port of Los Angeles that loads or unloads loaded or empty cargo containers onto or from ocean-going vessels to and from such premises.

“TEU” means the unit of measurement that is derived by converting the actual length of a cargo container into twenty-foot equivalent units.

2310
 (Cont.)

INTERMODAL CONTAINER INCENTIVE PROGRAM

The Intermodal Container Incentive program offers Ocean Common Carriers a financial incentive in the amount of twenty dollars (\$20.00) per loaded TEU on the incremental increase of IPI Containers whose wharfage charges become due pursuant to Tariff Item 505 during the Incentive Period. The incremental increase in IPI Container volume shall represent an increase in the San Pedro Bay Ports’ total IPI Container volumes over the Baseline Period.

By July 1, 2010 each participating Ocean Common Carrier shall separately submit electronically data for loaded containers handled by the Ocean Common Carrier for both the Baseline Period and the Incentive Period, including but not limited to the following:

- (a) IPI container serial numbers;
- (b) Container size in length;
- (c) Container quantity in TEUs;
- (d) North American IPI point of cargo origin or final destination;
- (e) Berth; and
- (f) Name and date of vessel arrival/departure.

IPI Incentive Program data shall be reported separately for IPI Containers loaded or discharged at the Port of Los Angeles, and for those at the Port of Long Beach.

2315

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.

INTERMODAL CONTAINER INCENTIVE PROGRAM -- Continued

The Port of Los Angeles shall, within thirty (30) days of receipt of the IPI Container volume data from each participating Ocean Common Carrier, determine the actual monetary payment each participating Ocean Common Carrier is entitled to receive by reconciling the following information:

- (a) The IPI container volumes whose wharfage charges become due pursuant to Tariff Item 505 during the Baseline Period;
- (b) Confirming, by serial numbers, all IPI Containers against which each participating Ocean Common Carrier is claiming an IPI Incentive Program amount shipped during such period;
- (c) Confirming all IPI container volumes with the Container Terminal Tenants; and
- (d) Reconciling the IPI container volumes with IPI container volumes provided to the Port of Long Beach, to determine if such participating Ocean Common Carrier increased IPI volumes through the San Pedro Bay Ports during the Incentive Period.

2315
 (Cont.)

Each participating Ocean Common Carrier IPI container volume data will be further reconciled using data provided to the Harbor Department by the Alameda Corridor Transportation Authority.

In the event that IPI container volume handled by a participating Ocean Common Carrier through the San Pedro Bay Ports increased during the Incentive Period when compared with the Baseline Period, the Port of Los Angeles shall, upon completion of the reconciliation process, pay the Ocean Common Carrier twenty dollars (\$20.00) per loaded TEU on the incremental increase of IPI containers brought to the Port of Los Angeles.

In the event that the IPI container volume handled by a participating Ocean Common Carrier through the San Pedro Bay Ports decreased during the Incentive Period when compared with the Baseline Period, no monetary payment shall be made.

The Port of Los Angeles shall pay any IPI Container Incentive amounts owed to each participating Ocean Common Carrier as a one-time lump sum payment within thirty (30) days of completing the reconciliation process.

See Item 10 for explanation of abbreviations and symbols.

Correction No.	Order No. Ordinance No.	Adopted Adopted	EFFECTIVE:
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PORT OF LOS ANGELES – TARIFF NO. 4

SECTION TWENTY-THREE
INCENTIVES – GENERAL RULES AND REGULATIONS

Item No.

DEFINITIONS OCEAN COMMON CARRIER INCENTIVES

For purposes of Items 2320 and 2325 the following definitions shall apply:

“Ocean Common Carrier” means a vessel-operating common carrier as defined in the Shipping Act of 1984, whose vessels call at Port of Los Angeles.

“TEU” means the unit of measurement that is derived by converting the actual length of a cargo container into twenty-foot equivalent units.

“First Tier Incentive Volume” means the number of TEUs, if any, up to Ninety Nine Thousand, Nine Hundred and Ninety Nine (99,999), that an individual Ocean Common Carrier delivers to the Port of Los Angeles in the calendar year 2014 which exceeds the number of TEUs such individual Ocean Common Carrier delivered to the Port of Los Angeles in calendar year 2013.

“Second Tier Incentive Volume” means the number of TEUs, if any, that an individual Ocean Common Carrier delivers to the Port of Los Angeles in the calendar year 2014 that exceeds the First Tier Incentive Volume.

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See Item 10 for explanation of abbreviations and symbols.

Correction No.	Order No. Ordinance No.	Adopted Adopted	EFFECTIVE:
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PORT OF LOS ANGELES – TARIFF NO. 4

SECTION TWENTY-THREE
INCENTIVES – GENERAL RULES AND REGULATIONS

Item No.

OCEAN COMMON CARRIER INCENTIVE PROGRAM

The Ocean Common Carrier Incentive Program provides two tiers of financial benefits to individual Ocean Common Carriers that increase in calendar year 2014 (in comparison to calendar year 2013) the number of loaded and empty TEUs such individual Ocean Common Carrier delivers to the Port of Los Angeles.

Individual Ocean Common Carriers, if any, that increase in calendar year 2014 (in comparison to calendar year 2013) the number of loaded and empty TEUs they deliver to the Port of Los Angeles in an amount falling within the First Tier Incentive Volume shall be eligible to receive from the Port of Los Angeles the sum of Five Dollars (\$5.00) per TEU on each TEU constituting such First Tier Incentive Volume. Individual Ocean Common Carriers, if any, that increase in calendar year 2014 (in comparison to calendar year 2013) the number of loaded and empty TEUs in an amount falling within the Second Tier Incentive Volume shall be eligible to receive from the Port of Los Angeles the sum of Fifteen Dollars (\$15.00) per TEU on each TEU constituting the First Tier Incentive Volume and the sum of fifteen dollars (\$15.00) per TEU on each TEU constituting such Second Tier Incentive Volume.

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2325

The Port of Los Angeles will provide each Ocean Common Carrier receiving payments under this program, if any, with a reconciliation of such payment, after January 31, 2015.

Payment will be processed upon receipt of written request from Ocean Common Carriers directed to the Executive Director no later than April 30, 2015. Payments made under this program, if any, shall be paid in one-time lump sum payments.

See Item 10 for explanation of abbreviations and symbols.

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

ORDER NO.

A permanent Order of the Board of Harbor Commissioners of the City of Los Angeles amending the 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. The 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 proposed action is an amendment of Tariff No. 4 to rename Section 23 from "Intermodal Containers – General Rules and Regulations" to "Incentives – General Rules and Regulations" and to add to that Section 23 Items 2320 and 2325. As an administrative activity and an activity involving the provision of an incentive to use existing municipal facilities involving negligible or no expansion of use, the Director of Environmental Management has determined that the proposed action is exempt from the California Environmental Quality Act (CEQA) in accordance with Article II, Section 2(f) and Article III Class 1(31) 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.

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Section 4. Pursuant to Charter Section 653(a), this amendment to the Tariff shall become effective when this Order is approved by the City Council by Ordinance; provided, however, pursuant to Charter Section 653(b), this Order shall be effective prior to approval by Ordinance for a period not to exceed 90 days from the date of its adoption by the Board of Harbor Commissioners.

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 _____.

JULIE W. HUERTA
Acting Commission Secretary

APPROVED AS TO FORM

_____, 2013
MICHAEL N. FEUER, City Attorney

By _____
STEVEN Y. OTERA, Deputy

ORDINANCE NO. _____

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

**THE PEOPLE OF THE CITY OF LOS ANGELES
DO ORDAIN AS FOLLOWS:**

Section 1. That Order No. _____, passed and adopted by the Board of Harbor Commissioners of the City of Los Angeles on the ___ day of _____, 2013, amending Port of Los Angeles Tariff No. 4, be and the same is hereby ratified, confirmed and approved, which Order is in words and figures as follows, to wit:

ORDER NO.

A permanent Order of the Board of Harbor Commissioners of the City of Los Angeles amending the 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. The 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 proposed action is an amendment of Tariff No. 4 to rename Section 23 from "Intermodal Containers – General Rules and Regulations" to "Incentives – General Rules and Regulations" and to add to that Section 23 Items 2320 and 2325. As an administrative activity and an activity involving the provision of an incentive to use existing municipal facilities involving negligible or no expansion of use, the Director of Environmental Management has determined that the proposed action is exempt from the California Environmental Quality Act (CEQA) in accordance with Article II, Section 2(f) and Article III Class 1(31) 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.

Section 4. Pursuant to Charter Section 653(a), this amendment to the Tariff shall become effective when this Order is approved by the City Council by Ordinance; provided, however, pursuant to Charter Section 653(b), this Order shall be effective prior to approval by Ordinance for a period not to exceed 90 days from the date of its adoption by the Board of Harbor Commissioners.

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 _____.

JULIE W. HUERTA
Acting Commission Secretary

Sec. 2. Any person, firm or corporation who violates or knowingly aids or abets a violation of any of the provisions of said Order respecting rules, regulations, rates or charges shall be deemed guilty of a misdemeanor, and, upon conviction thereof, shall be punishable by a fine in a sum not exceeding One Thousand Dollars (1,000.00), or by imprisonment in the County jail for not more than six (6) months, or by both such fine and imprisonment.

Sec. 3 That, pursuant to the provisions of Section 653 of the City Charter, the Board of Harbor Commissioners shall have the power to suspend, modify, or amend temporarily any of the rules or regulations, or any of the rates, tolls, or charges prescribed by the aforesaid Order of the Board of Harbor Commissioners for periods not exceeding ninety (90) days, and shall have power to place in effect for a like period of time any temporary rule or regulation, or rate, toll or charge for the Harbor District.

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Sec. 4. The City Clerk shall certify to the passage of this Ordinance and have it published in accordance with Council policy, either in a daily newspaper circulated in the City of Los Angeles or by posting for ten days in three public places in the City of Los Angeles: one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall; one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall East; and one copy on the bulletin board located at the Temple Street entrance to the Los Angeles County Hall of Records.

I hereby certify that this ordinance was passed by the Council of the City of Los Angeles, at its meeting of _____.

HOLLY L. WILCOTT, Interim City Clerk

By _____ Deputy

Approved _____

Mayor

Approved as to Form and Legality

MICHAEL N. FEUER, City Attorney

By _____
STEVEN Y. OTERA
Deputy City Attorney

Date _____

File No. _____