



Board of Commissioners

Joseph D. Anderson
Blair J. Ciklin
Jean L. Enright
Wayne M. Richards

Executive Director
Manuel Almira, PPM®

To: All Port Tenants
Re: Freight/Rail Tariff Annual Adjustment
Date: December 7, 2022

The Port of Palm Beach District's (PPBD) Adopted Freight/Rail Tariff Number 8016A, effective on October 15, 2022, allows for certain rates to be adjusted to reflect changes in costs to the industry, per Association of American Railroad (AAR). Specifically, the tariff provides for annual adjustments in both Item 300, Interchange Switching and Item 310, Intra-Plant, Intra-Terminal and Inter-Terminal Switching as stated below:

ANNUAL ADJUSTMENT – Effective January 1, of each year, the Outbound Interchange/Inter-terminal Switching Rates will be calculated by increasing the previous year's rate by the Rail Cost Adjustment Factor (Unadjusted) for the previous four quarters: Provided that the rate shall never be less than the prior year's rate, regardless of movement in the RCA Factor, with a minimum increase of 1%.

The AAR Cost Index showed that the Rail Cost Adjustment Factor (RCAF-Unadjusted) was 1.154 as of the 1st Quarter of 2022 (dated December 3, 2021) and 1.273 as of the 1st Quarter of 2023 (dated December 5, 2022). This represents a 10.31 percentage increase over the previous year. Therefore, effective January 1, 2023, the rates for items 300 and 310 will increase from \$54.43 to \$60.04.

If you have any questions, please contact me at (561) 383-4147 or Tacaria Anderson Jones at (561) 383-4136.

Michael Williams
Director of Finance

C: Manuel Almira, Executive Director
Ronald Coddington, Port Engineer
Michael Meekins, Director of Business Development & Operations
Daniel Kirchman, Controller
Tacaria A. Jones, Manager of Contract Compliance & AR