



To: All Port Tenants  
Re: Rail Tariff  
Date: December 7, 2018

**Board of Commissioners**

Blair J. Ciklin  
Jean L. Enright  
Peyton W. McArthur  
Wayne M. Richards  
Katherine M. Waldron

**Executive Director**

Manuel Almira, PPM®

The Port of Palm Beach District's Freight Tariff PPBD 8015-J, effective on October 1, 2018, allows for certain rates to be adjusted annually to reflect changes in costs to the industry. Specifically, rate adjustments are provided 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 commencing 2019, 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. There will be a 4% maximum increase for 2019.

The AAR Railroad Cost Index showed that the Rail Cost Adjustment Factor (Unadjusted) was 1.027 as of the 1<sup>st</sup> Quarter of 2018 (December 5, 2017) and 1.058 as of the First Quarter of 2019 (December 5, 2018). This represents an increase of 3.02% from year to year. Therefore, the rates for items 300 and 310 will adjust to \$49.05 per car.

Item 300 Interchange Switching, General

A) Inbound Interchange Switching

Inbound Rail Cars	Rate Effective on January 1, 2019 (% of outbound)
0 - 500	100.0%
501 - 1,000	93.8%
1,001 - 1,500	87.6%
1,501 - 2,000	81.5%
2,001 - 2,500	75.4%
2,501 - 3,000	69.3%
3,001 - 3,500	63.2%
3,501 - 4,000	57.0%
4,001 - 4,500	50.9%
4,501 - 5,000	44.8%

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5,001 – 5,500	38.7%
5,501 – 6,000	32.6%
6,001 – 6,500	26.4%
6,501 – 7,000	20.3%
7,000 – 9,000	12.0%
9,001 – 9,500	10.0%
9,501 – 10,000	7.5%
10,001 or greater	5.0%

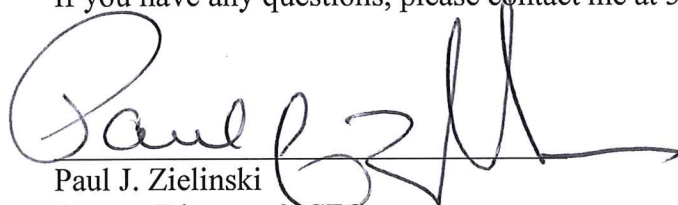
B) Outbound Interchange Switching

Rate Effective January 1, 2019 \$49.05

Item 310 Intra-Plant, Intra-Terminal and Inter-Terminal Switching

Rate Effective January 1, 2019 \$49.05

If you have any questions, please contact me at 561-383-4147.



Paul J. Zielinski  
Deputy Director & CFO

Cc: Manuel Almira  
Jarra Kaczwarra  
Ken Hern  
Daniel Kirchman  
Tacaria Jones  
Alan Fawcett