## DEPARTMENT OF TRANSPORTATION

Amendments to Chapter 19-44, Hawaii Administrative Rules.

- 1. Section 19-44-63, Hawaii Administrative Rules, is amended by amending subsection (a) to read as follows:
- "(a) Wharfage charges include all applicable fees and surcharges, including any facilities security charges, as set forth in section 19-44-66 and subject to incremental increases as set forth in section 19-44-73. In the computation of wharfage, the term "ton" shall be applied, either by weight or volume as used by the respective carrier for its computation of freight charges (i.e., as freighted) computed to the nearest ton when minimum package rates do not apply. When freight charges are based upon other than weight or volume, such as in the case of contract haul, or if there are no indicated freight charges, tonnage shall be computed by either weight or volume, whichever yields the greater wharfage revenue to the State." [Eff 5/20/82; comp 2/26/96; comp 2/01/10; ] (Auth: HRS §266-2, 266-17) (Imp: HRS \$266-2, 266-17)
- 2. Section 19-44-64, Hawaii Administrative Rules, is amended to read as follows:
- "\$19-44-64 <u>Waiver of wharfage.</u> No wharfage shall be chargeable against the following:
  - (1) Vessel's stores and supplies, not including fuel, intended for a vessel's and its crew's own consumption and use;
  - (2) Dunnage and stevedoring equipment of all kinds when used for the purpose of stowing, loading of discharging vessel cargo[;], except for situations in which such equipment is placed in shipping devices, that otherwise contain no cargo;

- (3) Cargo which has gone astray or cargo which for operational reasons a vessel must discharge and reload in order to load or discharge cargo originating at, or destined for, the wharf at which a vessel is docked; provided that the cargo is restowed on the same voyage of the vessel and the vessel has not left the pier;
- (4) Trailer chassis meeting the criteria of a shipping device, when carrying cargo;
- (5) Fish, fresh or frozen, including shellfish from all U.S. vessels, except that which is being transported between ports as cargo; or
- 3. Section 19-44-65, Hawaii Administrative Rules, is amended by amending subsection (a) to read as follows:
- "(a) Incoming domestic overseas or foreign overseas cargo destined for other overseas ports on a through bill of lading that are discharged on state wharves for transshipment shall be subject to:
  - (1) [Incoming overseas wharfage charges] 50% of the prevailing incoming overseas wharfage charges; and
  - (2) [Outgoing overseas wharfage charges at the following rates:
    - July 1, 2009: 25% of then prevailing outgoing overseas wharfage charges;
    - July 1, 2010: 50% of then prevailing outgoing overseas wharfage charges;
    - July 1, 2011: 75% of then prevailing outgoing overseas wharfage charges; July 1, 2012 and
    - thereafter: 100% of then prevailing

outgoing overseas wharfage charges] 50% of the prevailing outgoing overseas wharfage charges." [Eff 5/20/82; am 11/7/91; am and comp 2/26/96; am 3/10/97; am and comp 2/01/10; am ] (Auth: HRS \$266-2, 266-17)

- 4. Section 19-44-66, Hawaii Administrative Rules, is amended to read as follows:
- "§19-44-66 Wharfage rates. Wharfage rates in dollars per unit shall be assessed as set forth in the exhibit, dated [January 1, 2010,] (Date Pending Approval), entitled ["Wharfage Rates",] "WHARFAGE RATES (Date Pending Approval)", located at the end of this chapter; the exhibit as it may be amended, is incorporated herein, and is hereby made a part of this section. When new wharfage rates are set at a future date by rule amendment, an updated exhibit will be incorporated to supersede the exhibit dated (Date Pending Approval). Incremental increases shall be assessed as set forth in section 19-44-73." [Eff 5/20/82; am 12/5/83; am 12/20/85; am 11/7/91; am and comp 2/26/96; am 3/10/97; am 12/09/02; am 2/11/05; am and comp 2/01/10; am ] (Auth: HRS \$266-2, 266-17) (Imp: HRS \$\$266-2, 266-17)
- 5. Section 19-44-68, Hawaii Administrative Rules, is amended to read as follows:
- "§19-44-68 Cement in bulk and liquids passing through pipelines; rates. The wharfage rates on cement in bulk and liquids passing through pipelines [which are on state property for both state lines and for private lines shall be as follows:] which are located on state property for both state pipelines and for private pipelines, as applicable, shall be as follows as set forth in the exhibit, dated (Date Pending Approval), entitled "WHARFAGE RATES FOR PIPELINES AND FUEL DELIVERY (Date Pending Approval)", located at the end of this chapter;

the exhibit is incorporated herein and is hereby made a part of this section. When new wharfage rates for pipelines are set at a future date by rule amendment, an updated exhibit will be incorporated to supersede the exhibit dated (Date Pending Approval).

	 [Ra	te]
	[State]	[Private]
[Cement, per 2000-pound ton		
Incoming	[\$ 0.69]	[\$ 0.34]
Outgoing]	[0.41]	[0.21]
[Petroleum, asphalt and other		
chemical products, per 42-gallon		
barrel]		
Incoming	[\$ 0.17]	[\$ 0.08]
Outgoing]	[ 0.08]	[ 0.04]
[Molasses, per 2000-pound ton		
<pre>Incoming (inter-island)</pre>	[\$ 0.33]	[\$ 0.12]
Outgoing (inter-island)	[0.33]	[0.12]
Outgoing (overseas)]	[0.48]	[0.23]
[Water, per 1000 gallon		
When service to ships provided		
by the harbors division	[\$ 2.19]	[\$ 0.94]
Minimum charge\$21.25		
When service to ships provided		
by others]	[\$ 0.65]	
Incremental increases shall b	e assessed	as set

Incremental increases shall be assessed as set forth in section 19-44-73.

6. Section 19-44-69, Hawaii Administrative Rules, is amended to read as follows:

"§19-44-69 Wharfage rates for fuel. Wharfage rates for fuel for the use of the vessel to which the fuel is delivered, per forty-two gallon barrel shall be as follows[:] as set forth in the exhibit, dated (Date Pending Approval), entitled "WHARFAGE RATES

FOR PIPELINES AND FUEL DELIVERY (Date Pending Approval)", located at the end of this chapter; the exhibit is incorporated herein and is hereby made a part of this section. When new wharfage rates for fuel delivery are set at a future date by rule amendment, an updated exhibit will be incorporated to supersede the exhibit dated (Date Pending Approval).

[Rate]

7. Section 19-44-73, Hawaii Administrative Rules, is amended to read as follows:

17)

- "\$19-44-73 Incremental increases to wharfage rates and passenger fees. (a) Wharfage rates set forth in sections 19-44-65(b), (c) and (d), 19-44-66, 19-44-68 and 19-44-69, [with the exception of interisland/intra-island transshipment unit load cargo rates set forth in sections 19-44-65(b), (c) and (d),] shall increase on the following dates by the following percentages:
  - [(1) July 1, 2010...20% increase over the then prevailing rate;
  - (2) July 1, 2011...15% increase over the then prevailing rate;
  - (3) July 1, 2012...10% increase over the then prevailing rate;
  - (4) July 1, 2013... 7% increase over the then prevailing rate;

- (5) July 1, 2014... 5% increase over the then prevailing rate; and
- (6) July 1, 2015 and thereafter: Annual increases shall be 3% over the then prevailing rate, or the annual percentage increase in the Consumer Price Index (CPI), whichever is greater.]
- (1) (Date Pending Approval)...17% increase over the then prevailing rate;
- (2) July 1, 2017...15% increase over the then prevailing rate;
- (3) July 1, 2018...15% increase over the then prevailing rate;
- (4) July 1, 2019 and thereafter: Annual increases shall be 3% over the then prevailing wharfage rate, or at the annual percentage increase in the Consumer Price Index (CPI), whichever is greater.
- (b) [Incoming] All incoming and outgoing overseas and inter-island/intra-island transshipment unit load cargo rates [set forth in sections 19-44-65(b), (c) and (d) shall increase on the following dates to the following rates:] shall increase as set forth in the exhibit, dated (Date Pending Approval), entitled "WHARFAGE RATES (Date Pending Approval)," located at the end of this chapter; the exhibit as it may be amended, is incorporated herein, and is hereby made a part of this section. When new wharfage rates are set at a future date by rule amendment, an updated exhibit will be incorporated to supersede the exhibit dated (Date Pending Approval).

["UNIT LOAD" inter-island/
intra-island transshipment
cargo, as described in
sections 19-44-65(b)
and (c) and defined in
section 19-41-2 (excluding
passenger automobiles and
explosives), assembled

 $\begin{array}{ccc} \underline{24 \text{ feet}} & \underline{\text{Over } 24} \\ \text{and under} & \overline{\text{feet}} \end{array}$ 

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home/office modules and
mobile home/office units
    July 1, 2010.....$20.33
                                        $40.67
    July 1, 2011..... 25.06
                                         50.12
    July 1, 2012...... 30.88
                                         61.76
    July 1, 2013..... 38.06
                                         76.11
    July 1, 2014...... 46.90
                                         93.80
    July 1, 2015 and thereafter: Annual increases
    shall be 3% over the then prevailing rate, or the
    annual percentage increase in the Consumer Price
    Index (CPI), whichever is greater.
"UNIT LOAD" inter-island/
                            24 feet
                                         Over 24
intra-island transshipment
                            and under
                                         feet
cargo, as described in
sections 19-44-65(d) and
defined in section 19-41-2
(excluding passenger
automobiles and explosives),
assembled home/office
modules and mobile
home/office units
    July 1, 2010 .....$19.80
                                        $39.60
    July 1, 2011..... 22.77
                                         45.54
    July 1, 2012..... 25.05
                                         50.09
    July 1, 2013...... 26.80
                                         53.60
    56.28
    July 1, 2015 and thereafter: Annual increases
    shall be 3% over the then prevailing rate, or the
    annual percentage increase in the Consumer Price
    Index (CPI), whichever is greater.]
    (c) All passenger fees set forth in section 19-44-70
shall increase on the following dates to the following
rates:
    July 1, 2012.....$5.50 per passenger
    July 1, 2013..... 6.00 per passenger
    July 1, 2014..... 6.50 per passenger
    July 1, 2015..... 7.00 per passenger
    July 1, 2016..... 7.50 per passenger"
    [Eff 2/01/10; am
                               ] (Auth: HRS §266-
    2, 266-17) (Imp: HRS §$266-2, 266-17)
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8. Material, except source notes, to be repealed is bracketed. New material is underscored.

- 9. Additions to update source notes to reflect these amendments and compilation are not underscored.
- 10. The amendments to chapter 19-44, Hawaii Administrative Rules, shall take effect ten days after filing with the Office of the Lieutenant Governor.

I certify that the foregoing are copies of the rules, drafted in the Ramseyer format pursuant to the requirements of section 91-4.1, Hawaii Revised Statutes, which were adopted on \_\_\_\_\_\_, and filed with the Office of the Lieutenant Governor.

Eard N. Euchigani

Ford N. Fuchigami Director

APPROVED AS TO FORM:

Deputy Attorney General

State of Hawaii Department of Transportation - Harbors Division

Tariff Rates for Cargo Wharfage (§19-44-66), Surcharge-Reefer (§19-44-12), and Surcharge-Container Freight Station (§19-44-13)

		Rates effective TBD		Rates effective 7/1/2017			Rates effective 7/1/2018 <sup>2</sup>			
Overseas includes Foreign & Domestic Cargo		Overseas	Interisland	Interisland	Overseas	Interisland	Interisland	Overseas	Interisland	Interisland
		IN/OUT	IN/OUT	TRANS	IN/OUT	IN/OUT	TRANS	IN/OUT	IN/OUT	TRANS
Cargo	UNIT	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Autos & trucks under 6500# in Shipping	Each									
Device		40.60	24.35	24.35	46.69	28.00	28.00	53.69	32.20	32.20
Autos & trucks under 6500#, Other	Each	40.60	24.35	24.35	46.69	28.00	28.00	53.69	32.20	32.20
Unit Load, as defined in §19-41-2 (excluding	Each,									
passenger automobiles and explosives),	24' and									
assembled home/office modules and mobile	under									
home/office units		104.34	57.97	57.97	119.99	66.67	66.67	137.99	76.67	76.67
Unit Load, as defined in §19-41-2 (excluding	Each,									
passenger automobiles and explosives),	24' to									
assembled home/office modules and mobile	45'									
home/office units		208.69	115.93	115.93	239.99	133.32	133.32	275.99	153.32	153.32
Unit Load, as defined in §19-41-2 (excluding	Each,									
passenger automobiles and explosives),	Over 45'									
assembled home/office modules and mobile										
home/office units		313.04	173.90	173.90	360.00	199.99	199.99	414.00	229.99	229.99
Unit Load Inter-Island Transshipment as	Each,									
described in §19-44-65(b) & (c) and as defined	24' and									
in §19-41-2 (excluding passenger automobiles	under									
and explosives), assembled home/office										
modules and mobile home/office units		N/A	N/A	57.97	N/A	N/A	66.67	N/A	N/A	76.67
Unit Load Inter-Island Transshipment as	Each,									
described in §19-44-65(b) & (c) and as defined	24' to									
in §19-41-2 (excluding passenger automobiles	45'									
and explosives), assembled home/office										
modules and mobile home/office units		N/A	N/A	115.93	N/A	N/A	133.32	N/A	N/A	153.32
Unit Load Inter-Island Transshipment as	Each,									
described in §19-44-65(b) & (c) and as defined	Over 45'									
in §19-41-2 (excluding passenger automobiles										
and explosives), assembled home/office										
modules and mobile home/office units		N/A	N/A	173.90	N/A	N/A	199.99	N/A	N/A	229.99
Unit Load Inter-Island/Intra-Island	Each,						_			
Transshipment Cargo as described in §19-44-		N/A	N/A	34.78	N/A	N/A	40.00	N/A	N/A	46.00

		Rates effective TBD		Rates	effective 7/1	/2017	Rates effective 7/1/2018 <sup>2</sup>			
Overseas includes Foreign & Domestic Cargo		Overseas	Interisland	Interisland	Overseas	Interisland	Interisland	Overseas	Interisland	Interisland
	1100=	IN/OUT	IN/OUT	TRANS	IN/OUT	IN/OUT	TRANS	IN/OUT	IN/OUT	TRANS
Cargo	UNIT	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
65(d) and as defined in §19-41-2 (excluding	24' and									
passenger automobiles and explosives), assembled home/office modules and mobile	under									
home/office units										
Unit Load Inter-Island/Intra-Island	Each,									
Transshipment Cargo as described in §19-44-	24' to									
65(d) and as defined in §19-41-2 (excluding	45'									
passenger automobiles and explosives),	45									
assembled home/office modules and mobile										
home/office units		N/A	N/A	69.56	N/A	N/A	79.99	N/A	N/A	91.99
Unit Load Inter-Island/Intra-Island	Each,		,		,	,				
Transshipment Cargo as described in §19-44-	Over 45'									
65(d) and as defined in §19-41-2 (excluding										
passenger automobiles and explosives),										
assembled home/office modules and mobile										
home/office units		N/A	N/A	104.35	N/A	N/A	120.00	N/A	N/A	138.00
Additional charge on Unit Load, as defined in	Each,									
§19-41-2 (excluding passenger automobiles	24' and									
and explosives), assembled home/office	under									
modules and mobile home/office units		F 00			6.07			6.00		
(FOREIGN ONLY)	F I-	5.28	N/A	N/A	6.07	N/A	N/A	6.98	N/A	N/A
Additional charge on Unit Load, as defined in §19-41-2 (excluding passenger automobiles	Each, 24' to									
and explosives), assembled home/office	45'									
modules and mobile home/office units	45									
(FOREIGN ONLY)		9.49	N/A	N/A	10.91	N/A	N/A	12.55	N/A	N/A
Additional charge on Unit Load, as defined in	Each,		,	,		,	,		,	,
§19-41-2 (excluding passenger automobiles	Over 45'									
and explosives), assembled home/office										
modules and mobile home/office units										
(FOREIGN ONLY)		14.24	N/A	N/A	16.38	N/A	N/A	18.84	N/A	N/A
Facilities Security Charge on Unit Load, as	Each									
defined in §19-41-2 (excluding passenger										
automobiles and explosives), assembled										
home/office modules and mobile home/office		,	. =-	. =-				40.0		
units		15.00	3.75	3.75	17.25	4.31	4.31	19.84	4.96	4.96
Unit Load, as defined in §19-41-2, empty	Each	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

27/11/21/ 11/11/102 10/11/23 (21/00/		Rates effective TBD		Rates effective 7/1/2017			Rates effective 7/1/2018 <sup>2</sup>			
Overseas includes Foreign & Domestic Cargo	Overseas includes Foreign & Domestic Cargo		Interisland	Interisland	Overseas	Interisland	Interisland	Overseas	Interisland	Interisland
		IN/OUT	IN/OUT	TRANS	IN/OUT	IN/OUT	TRANS	IN/OUT	IN/OUT	TRANS
Cargo	UNIT	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Unit Load, Island Agricultural Products	Each,									
	24' and									
	under	30.59 <sup>1</sup>	30.59	30.59	35.18 <sup>1</sup>	35.18	35.18	40.46 <sup>1</sup>	40.46	40.46
Unit Load, Island Agricultural Products	Each,									
	24' to				_					
	45'	61.24 <sup>1</sup>	61.24	61.24	70.43 <sup>1</sup>	70.43	70.43	80.99 <sup>1</sup>	80.99	80.99
Unit Load, Island Agricultural Products	Each,				_					
	Over 45'	91.85 <sup>1</sup>	91.85	91.85	105.63 <sup>1</sup>	105.63	105.63	121.47 <sup>1</sup>	121.47	121.47
Dry Bulk Cargo, NOS, Not Otherwise Specified	Ton	2.59	1.76	1.76	2.98	2.02	2.02	3.43	2.32	2.32
Dry Bulk Cargo, utilizing approved conveyors	Ton									
including bins and hoppers where cargo does										
not touch the surface of the wharf		2.02	1.18	1.18	2.32	1.36	1.36	2.67	1.56	1.56
Dry Bulk Cargo, utilizing approved high speed	Ton									
conveyors greater than 600 tons per hour										
where cargo does not touch the surface of the										
wharf	_	1.76	0.97	0.97	2.02	1.12	1.12	2.32	1.29	1.29
Aggregate/sand materials	Ton	2.59	1.76	1.76	2.98	2.02	2.02	3.43	2.32	2.32
Scrap metal	Ton	3.31 <sup>1</sup>	2.33	2.33	3.81 <sup>1</sup>	2.68	2.68	4.38 <sup>1</sup>	3.08	3.08
Explosives (in shipping devices or otherwise)	Ton	36.80	24.47	24.47	42.32	28.14	28.14	48.67	32.36	32.36
General Merchandise NOS	Ton	4.92	3.18	3.18	5.66	3.66	3.66	6.51	4.21	4.21
Livestock NOS	Head	3.31	2.33	2.33	3.81	2.68	2.68	4.38	3.08	3.08
Recreational Animals	Head	6.67	4.63	4.63	7.67	5.32	5.32	8.82	6.12	6.12
Hogs, sheep, goats	Head	1.55	0.88	0.88	1.78	1.01	1.01	2.05	1.16	1.16
Lumber, (for surfaced lumber, use net board	MBF									
feet)		7.69	5.04	5.04	8.84	5.80	5.80	10.17	6.67	6.67
Lumber	Ton	4.92	3.18	3.18	5.66	3.66	3.66	6.51	4.21	4.21
Island Ag products-Produce	Ton	1.55 <sup>1</sup>	1.02	1.02	1.78 <sup>1</sup>	1.17	1.17	2.05 <sup>1</sup>	1.35	1.35
Island Ag products-N.O.S.	Ton	1.55 <sup>1</sup>	1.02	1.02	1.78 <sup>1</sup>	1.17	1.17	2.05 <sup>1</sup>	1.35	1.35
Pineapple, fresh in bins, destined for storage,	Ton									
manipulation, or manufacturing for ultimate										
export		N/A	0.50	0.50	N/A	0.58	0.58	N/A	0.67	0.67
Sugar, in bulk	Ton	1.06 <sup>1</sup>	N/A	N/A	1.22 <sup>1</sup>	N/A	N/A	1.40 <sup>1</sup>	N/A	N/A
Produce, palleted (island grown vegetables	Pallet									
and fruit only) when freight charge is per	Load									
pallet load of approximately 1/2 ton		N/A	0.62	0.62	N/A	0.71	0.71	N/A	0.82	0.82

		Rates effective TBD		Rates effective 7/1/2017			Rates effective 7/1/2018 <sup>2</sup>			
Overseas includes Foreign & Domestic Cargo		Overseas IN/OUT	Interisland IN/OUT	Interisland TRANS	Overseas IN/OUT	Interisland IN/OUT	Interisland TRANS	Overseas IN/OUT	Interisland IN/OUT	Interisland TRANS
Cargo	UNIT	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Returnable empty bins, pallets and drums;	Each									
NOS, per unit of 300 cu. ft. or fraction thereof		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Returnable empty pineapple crates	Each									
up to 1/2 ton		N/A	0.00	0.00	N/A	0.00	0.00	N/A	0.00	0.00
Vehicles, empty, NOS including trucks and	Ton									
trailer trucks over 6,500 pounds, all tracked										
vehicles, all agricultural, construction, road-										
making and materials-handling equipment.										
Also include trailers and semi- trailers when										
manifested as cargo		4.63	3.90	3.90	5.32	4.49	4.49	6.12	5.16	5.16
Surcharge-Reefer	Each	3.85	3.85	3.85	3.85	3.85	3.85	3.85	3.85	3.85
Surcharge-CFS	Ton	1.76	N/A	N/A	1.76	N/A	N/A	1.76	N/A	N/A

<sup>&</sup>lt;sup>1</sup>Rate applies only to outgoing overseas cargo

<sup>&</sup>lt;sup>2</sup> The rates effective 7/1/2019 and thereafter, annual increases shall be 3% of the then prevailing rate or at the annual percentage increase of the Consumer Price Index (CPI), whichever is greater.

## **EXHIBIT – WHARFAGE RATES FOR PIPELINES AND FUEL DELIVERY (Effective Date Pending Approval)**

State of Hawaii Department of Transportation - Harbors Division
Rates for Cement in Bulk and Liquids Passing through Pipelines (§19-44-68) and Wharfage Rates for Fuel (§19-44-69)

		ffective BD	Rates Effective 7/1/2017			ffective 2018 <sup>1</sup>
Cement in bulk and liquids passing through pipelines	State	Private	State	Private	State	Private
Cement, per 2000-pound ton						
Incoming	\$ 1.45	\$ 0.73	\$ 1.67	\$ 0.84	\$ 1.92	\$ 0.97
Outgoing	0.85	0.44	0.98	0.51	1.13	0.59
Petroleum, asphalt and other chemical products, per 42-gallon barrel						
Incoming	\$ 0.35	\$ 0.18	\$ 0.40	\$ 0.21	\$ 0.46	0.24
Outgoing	0.18	0.11	0.21	0.13	0.24	0.15
Molasses, per 2000-pound ton						
Incoming (inter-island)	\$ 0.71	\$ 0.25	\$ 0.82	\$ 0.29	\$ 0.94	\$ 0.33
Outgoing (inter-island)	0.71	0.25	0.82	0.29	0.94	0.33
Outgoing (overseas)	1.02	0.48	1.17	0.55	1.35	0.63
Water, per 1000 gallon						
When service to ships provided by the harbors division - State	\$ 4.62	\$ 1.98	\$ 5.31	\$ 2.28	\$ 6.11	\$ 2.62
Minimum charge	44.80	44.80	51.52	51.52	59.25	59.25
When service to ships provided by others	0.78	0.78	0.90	0.90	1.04	1.04

Wharfage rates for fuel	Rates Effective TBD	Rates Effective 7/1/2017	Rates Effective 7/1/2018 <sup>1</sup>
From barge to vessel	\$ 0.13	\$ 0.15	\$ 0.17
From truck to vessel	0.13	0.15	0.17
From vessel to vessel	0.13	0.15	0.17
Direct to vessel through privately-owned pipelines	0.13	0.15	0.17
Direct to vessel through state-owned pipelines	0.23	0.26	0.30

<sup>&</sup>lt;sup>1</sup> The rates effective 7/1/2019 and thereafter, annual increases shall be 3% of the then prevailing rate or at the annual percentage increase of the Consumer Price Index (CPI), whichever is greater.