



**THE PORT
OF LOS ANGELES**
Executive Director's
Report to the

Board of Harbor Commissioners

DATE: AUGUST 23, 2016

FROM: PORT PILOTS

SUBJECT: RESOLUTION NO. _____ - APPROVING SECOND TEMPORARY ORDER AMENDING PORT OF LOS ANGELES TARIFF NO. 4, SECTION THREE, ITEM NO. 330 – “CHARGES FOR PILOTAGE”

SUMMARY:

Staff requests that the Board of Harbor Commissioners (Board) approve a second Temporary Order amending the Port of Los Angeles (Port) Tariff No. 4 (Tariff No. 4) Section Three – “Charges for Pilotage”.

On June 16, 2016 the Board approved a Permanent and Temporary Order that was effective July 1, 2016, expiring September 27, 2016. City Council has not yet approved the Permanent Order; therefore, a second Temporary Order is required to allow additional time for the Permanent Order to pass through the City Council approval process. This Temporary Order, if approved, will expire 90 days after the day it is published or upon execution of the Permanent Order by City Council, whichever comes first.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners:

1. Find that the proposed action is exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II, Section 2(f), of the Los Angeles City CEQA Guidelines as determined by the Director of Environmental Management;
2. Approve Temporary Order No. _____ to amend the Port of Los Angeles Tariff No. 4, Section Three – “Charges for Pilotage”, Item No. 330;
3. Authorize the Board Secretary to certify the adoption of the second Temporary Order by the Board and cause the same to be published once in a newspaper printed and published in the City of Los Angeles, to take effect prior to adoption by Ordinance for a period not-to-exceed 90 days pursuant to Charter Section 653(b), and transmit the Temporary Order to the Chief Wharfinger for implementation, and posting to the Port of Los Angeles website as regulated by the Federal Maritime Commission; and
4. Adopt Resolution No. _____.

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SUBJECT: SECOND TEMPORARY ORDER TARIFF NO. 4 – “CHARGES FOR PILOTAGE”

DISCUSSION:

Background/Context - On June 16, 2016, the Board approved a Permanent and Temporary Order amending the Port of Los Angeles (Port) Tariff No. 4 (Tariff No. 4) Section Three (b), (d), (e), (f), and (g) – “Charges for Pilotage”. The amendment increases the charge for Gross Registered Ton, from \$0.0034 to \$0.0060, the Move Surcharge from \$52 to \$100, and the Length Overall (LOA) fee in meters would be increased approximately 10%. All other fees related to Pilotage would also be increased 10%, i.e. pilot cancellation fee, pilot stand-by fee, assistance charge for a second pilot and the minimum charge pilotage fee, and expanding the LOA in meters charge to include any vessels calling that are 394 meters and over, effective July 1, 2016.

Resolution 16-7960 and first Temporary Order 16-7201 giving the Port authority to charge the new pilotage rates is effective through September 26, 2016. In order to keep the rates in place after September 26, 2016, a second Temporary Order is required to allow additional time for the Permanent Order to pass through the City Council approval process. The second Temporary Order, if approved, will expire 90 days after the day it is published or upon execution of the Permanent Order by City Council, whichever comes first.

ENVIRONMENTAL ASSESSMENT:

Find that the proposed action is exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II, Section 2(f), of the Los Angeles City CEQA Guidelines as determined by the Director of Environmental Management.

FINANCIAL IMPACT:

For the upcoming Fiscal Year 16/17 the proposed amendments to Tariff No. 4, Item 330, charges for Pilotage will increase the Port’s pilotage revenues by \$1.5 million annually with the implementation of the July 1, 2016 increases, depending on both the size of future vessels and the number of pilot assisted moves. This proposed increase is one phase of a multiphase cost recovery effort which will enable the Port’s pilot operations to operate within a balanced budget.

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CITY ATTORNEY:

The Office of the City Attorney has reviewed and approved the proposed Orders and Ordinance as to form and legality.

TRANSMITTALS:

1. Port Tariff No. 4
2. Temporary Order

FIS Approval:  (initials)
CA Approval:  (initials)



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Chief Port Pilot



THOMAS E. GAZSI
Chief of Public Safety
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EUGENE D. SEROKA
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