



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

Board of Harbor Commissioners

DATE: AUGUST 31, 2017

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 1, 2017 the Board approved a Permanent and Temporary Order that was effective July 1, 2017. City Council approved the Permanent Order on August 16, 2017 that will become effective October 1, 2017. The first Temporary Order is effective through September 2017; therefore, a second Temporary Order is required to allow additional time for the Permanent Order to become effective during the intervening period September 28, 2017 through September 30, 2017.

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 III, Class 1(31) 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 1, 2017, 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 proposed amendment affects the Pilotage calculation such that the Overall Length (LOA) fee and all other fee schedules related to Pilotage would be increased approximately 14 percent, effective July 1, 2017. The Gross Registered Ton (GRT) rate would remain at \$0.0063 and the Surcharge per Move would remain at \$105.

Resolution 17-8114 and first Temporary Order 17-7221 giving the Port authority to charge the new pilotage rates is effective through September 28, 2017. In order to keep the rates in place after September 28, 2017, a second Temporary Order is required to allow additional time for the Permanent Order to complete 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 III, Class 1(31), of the Los Angeles City CEQA Guidelines as determined by the Director of Environmental Management.

FINANCIAL IMPACT:

This proposed second temporary order will ensure that during the intervening period between the expiration of the first temporary order (through 9/27/17) and 10/1/17 which is the date the permanent order is in effect, the Harbor Department will be able to levy pilot tariff fees as previously approved by the Board and Council. Without the approval of the proposed second temporary order the Harbor Department would forego approximately \$39,000 in pilot fee revenues over three days. Annual pilot revenues inclusive of approved pilot fee increases is estimated to generate an additional \$4 million per year, depending on both the size of future vessels and the number of pilot assisted moves. The proposed adjustment supports the ongoing phased cost recovery efforts which enable the Port’s pilot operations to operate within a balanced budget.

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

CITY ATTORNEY:

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

TRANSMITTALS:

1. Port Tariff No. 4
2. Temporary Order

FIS Approval :  (initials)
CA Approval  (initials)



JOHN L. DWYER
Chief Port Pilot



THOMAS E. GAZSI
Chief of Public Safety
And Emergency Management



EUGENE D. SEROKA
Executive Director

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